Reuben Yeroushalmi (SBN 193981) reuben@yeroushalmi.com YEROUSHALMI & YEROUSHALMI An Association of Independent Law Corporations 9100 Wilshire Boulevard, Suite 240W Beverly Hills, California 90212 3 Telephone: 310.623.1926 Facsimile: 310.623.1930 Attorneys for Plaintiff, 5 CONSUMER ADVOCACY GROUP, INC. 6 SUPERIOR COURT OF THE STATE OF CALIFORNIA 7 COUNTY OF ALAMEDA 8 CONSUMER ADVOCACY GROUP, INC., CASE NO. 23CV054350 in the public interest, CONSENT JUDGMENT [PROPOSED] Plaintiff, Health & Safety Code § 25249.5 et seq. 10 ASIA SUPERMARKET INC., a California 11 Corporation; HONG SAR LLC DBA SHWE HINTHAR, 12 an Indiana Limited Liability Company; and DOES 1-10, 13 Defendants. 14 15 1. INTRODUCTION This Consent Judgment is entered into by and between plaintiff, CONSUMER 1.1 16 ADVOCACY GROUP, INC. (referred to as "CAG") acting on behalf of itself and in the interest 17 of the public, and defendant, HONG SAR LLC DBA SHWE HINTHAR (hereinafter referred to 18 as "Defendant"), with each a Party to the action collectively referred to as "Parties." 1.2 Defendant and Products 19 CAG alleges that Defendant is a Corporation which employs ten or more 20 persons. CAG further alleges that Defendant distribute and sell the following to consumers in 21

CONSENT JUDGMENT [PROPOSED]

California: Shrimp Paste, including, but not limited to: "Sein Hintar Brand"; "Shrimp Paste"; "Net Wt. 16 oz (454 g)"; "Manufactured by: Shwe Hinthar Yeik Mon Co., Ltd."; "Distributed by: Time Mon Co., Ltd."; "Imported by: Hong Sar LLC – Hinthar Inc."; "MFD 9 Jun 21"; "Exp 8 Jun 23"; "Product of Myanmar"; "UPC 8 834000 127748".

- 1.2.2 Shrimp Paste is collectively referred to as the "Covered Products". Covered Products are limited to the Shrimp Paste sold or distributed for sale by Defendant, and its Downstream Releasees as referenced in Section 5.1 herein. The scope of the release for Downstream Releasees, as defined below, is only for Covered Products sold or distributed to them by Defendant only (whether directly or indirectly).
- 1.2.3 For purposes of this Consent Judgment, the Parties agree that Defendant is deemed a person in the course of doing business in California and is subject to the provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§ 25249.6 et seq. ("Proposition 65").

# 1.3 Chemicals of Concern

- 1.3.1 Lead and Lead Compounds (hereinafter "Lead") are known to the State of California to cause cancer and birth defects or other reproductive harm.
- 1.3.2 Cadmium and Cadmium Compounds (hereinafter "Cadmium" or "cadmium") are known to the State of California to cause birth defects or other reproductive harm.

### 1.4 Notice of Violation

1.4.1 On or about January 18, 2023, CAG served a "60-Day Notice of Intent to Sue for Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986" (AG# 2023-00176) ("Notice") that provided Defendant with notice of alleged violations of Health & Safety Code § 25249.6 for failing to warn individuals in California of exposures to Lead and Cadmium contained in shrimp paste sold and/or distributed by Defendant. No other public enforcer has commenced or diligently prosecuted the allegations set forth in the Notice.

# 1.5 Complaint

1.5.1 On November 29, 2023, CAG filed a complaint for civil penalties and injunctive relief (hereinafter "Complaint 1") in Alameda County Superior Court, Case No. 23CV054350 against Defendant Hong Sar LLC DBA Shwei Hinthar and retailer Asia Supermarket.

1.5.3 The Complaint alleges, among other things, that Defendant violated Proposition 65 by failing to give clear and reasonable warnings of exposure to Lead and Cadmium from Covered Products.

#### 1.6 Consent to Jurisdiction

1.6.1 For purposes of this Consent Judgment, the Parties stipulate that this Court has jurisdiction over the allegations of violations contained in the Complaint and personal jurisdiction over Defendant as to the acts alleged in the Complaint, that venue is proper in the County of Alameda and that this Court has jurisdiction to enter this Consent Judgment as a full settlement and resolution of the allegations contained in the Complaint and of all claims which were or could have been raised by any person or entity based in whole or in part, directly or indirectly, on the facts alleged therein or arising therefrom or related thereto.

# 1.7 No Admission

1.7.1 This Consent Judgment resolves claims that are denied and disputed. The Parties enter into this Consent Judgment pursuant to a full and final settlement of any and all claims between the Parties for the purpose of avoiding prolonged litigation. Nothing in this Consent Judgment shall be construed as an admission by the Parties of any material allegation of the Complaint (each and every allegation of which Defendant denies), any fact, conclusion of law, issue of law or violation of law, including without limitation, any admission concerning any violation of Proposition 65 or any other statutory, regulatory, common law, or equitable doctrine, or the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in Health and Safety Code section 25249.6. Nothing in this Consent Judgment, nor compliance with its terms, shall constitute or be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law, or of fault, wrongdoing, or liability

by any Defendant, their officers, directors, members, employees, or parent, subsidiary or affiliated corporations, or be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum. Furthermore, nothing in this Consent Judgment shall prejudice, waive or impair any right, remedy, argument, or defense the Parties may have in any other or future legal proceeding, except as expressly provided in this Consent Judgment.

#### 2. **DEFINITIONS**

- 2.1 "Covered Products" means products as defined in Paragraph 1.2.1 that are imported, sold, offered for sale, marketed, distributed, and/or supplied by Defendant.
- 2.2 "Effective Date" means the date that this Consent Judgment is approved by the Court.
  - 2.3 "Lead" means Lead and Lead Compounds.
  - 2.4 "Cadmium" means Cadmium and Cadmium Compounds.
  - 2.5 "Listed Chemicals" means: Lead, and Cadmium.
  - 2.6 "Notice" means Notice of Violation as defined in Paragraph 1.4.

# 3. INJUNCTIVE RELIEF / REFORMULATION / CLEAR AND REASONABLE WARNINGS.

- 3.1 After the Effective Date, Defendant shall not sell in California, offer for sale in California, any Covered Products unless the level of Lead, and Cadmium do not exceed the levels ("reformulation level(s)") specified below unless Proposition 65 compliant warnings are displayed as set forth in the following paragraphs.
  - 3.1.1 Lead: an exposure of no more than 0.5 micrograms of Lead based on a single serving per day. For purposes of assessing compliance with this reformulation level, the exposure shall be calculated by multiplying the recommended serving size of the Covered Products by the concentration of Lead in the Covered Products.
  - 3.1.2 Cadmium: an exposure of no more than 4.1 micrograms of Cadmium based on a single serving per day. For purposes of assessing compliance with this reformulation level,

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the exposure shall be calculated by multiplying the recommended serving size of the Covered Products by the concentration of Cadmium in the Covered Products.

3.2 For any Covered Products that exceed their respective reformulation levels of Listed Chemicals that are manufactured for distribution and/or sale into California after the Effective Date, Defendant must provide a Proposition 65 compliant warning for cancer and reproductive toxicity for the Covered Products as permitted by Proposition 65 and its implementing regulations. For determination of the reformulation level, the detections shall not be averaged. The language of the warnings and method for providing any warnings for the Covered Products shall be compliant with Title 27, California Code of Regulations, § 25600, et seg and Title 27, California Code of Regulations,  $\S 25607.2$ . Any warning provided pursuant to this section shall be affixed to the packaging of, or directly on, the Covered Products, and be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. The warning must be set off from other surrounding information, enclosed in a box. Where the packaging of the Covered Product or a sign referring to the Covered Product includes consumer information as defined by California Code of Regulations title 27 §25600.1(c) in a language other than English, the warning must also be provided in that language in addition to English. Should Defendant sell any Covered Product through the internet, the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR sections 25601 and 25602, as they may be subsequently amended, for sales to consumers in California. amended. The Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to the alleged Lead and Cadmium in the Covered Products placed into the steam of commerce by Defendant after the Effective Date:

For Covered Products that contain Lead:

**WARNING:** Consuming this product can expose you to Lead, a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to <a href="www.P65Warnings.ca.gov/food">www.P65Warnings.ca.gov/food</a>.

For Covered Products that contain Cadmium:

**WARNING:** Consuming this product can expose you to Cadmium, a chemical known to the State of California to cause birth defects or other reproductive harm. For more information go to <a href="https://www.P65Warnings.ca.gov/food">www.P65Warnings.ca.gov/food</a>.

- 3.3 For any Covered Products still existing in the Defendant's physical custody as of the Effective Date, Defendant shall place a Proposition 65 compliant warning on them, unless the Covered Products do not exceed the reformulation level(s) specified above. Any warning provided pursuant to this section shall comply with the warning requirements under Section 3.2 above.
- 3.4 Changes in the law and regulations applicable to Proposition 65, including changes resulting from federal and/or state court rulings, occurring after this date may be incorporated into the terms of this Consent Judgment, pursuant to the modification provisions set forth in Section 7.

### 4. SETTLEMENT PAYMENT

- 4.1 **Payment and Due Date**: After the Effective Date, Defendant shall pay a total of one hundred and ten thousand dollars (\$110,000) in full and complete settlement of all monetary claims by CAG related to the Notice, as follows:
- 4.1.1 **Civil Penalty**: Defendant shall issue separate checks totaling twelve thousand six hundred dollars (\$12,600.00) as penalties pursuant to Health & Safety Code § 25249.12:
- (a) Defendant will issue a check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of nine thousand four hundred and fifty dollars (\$9,450) representing 75% of the total penalty and Defendant will issue a separate check to CAG in the amount of three thousand one hundred and fifty dollars (\$3,150.00) representing 25% of the total penalty; and
- (b) Separate 1099s shall be issued for each of the above payments: Defendant will issue a 1099 to OEHHA, P.O. Box 4010, Sacramento, CA 95812-4010 (EIN: 68-0284486). Defendant will also issue a 1099 to CAG c/o Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212.

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Additional Settlement Payments: Defendant shall make a separate payment, in the amount of nine thousand four hundred dollars (\$9,400.00) as an additional settlement payment to "Consumer Advocacy Group, Inc." pursuant to Health & Safety Code § 25249.7(b) and California Code of Regulations, Title 11 § 3203(d). Defendant will issue a separate check to CAG for the Additional Settlement Payment. CAG will use this payment as follows, eighty percent (80%) for fees of investigation, purchasing and testing for Proposition 65 listed chemicals in various products, and for expert fees for evaluating exposures through various mediums, including but not limited to consumer product, occupational, and environmental exposures to Proposition 65 listed chemicals, and the cost of hiring consulting and retaining experts who assist with the extensive scientific analysis necessary for those files in litigation and to offset the costs of future litigation enforcing Proposition 65 but excluding attorney fees; twenty percent (20%) for administrative costs incurred during investigation and litigation to reduce the public's exposure to Proposition 65 listed chemicals by notifying those persons and/or entities believed to be responsible for such exposures and attempting to persuade those persons and/or entities to reformulate their products or the source of exposure to completely eliminate or lower the level of Proposition 65 listed chemicals including but not limited to costs of documentation and tracking of products investigated, storage of products, website enhancement and maintenance, computer and software maintenance, investigative equipment, CAG's member's time for work done on investigations, office supplies, mailing supplies and postage. Within 30 days of a request from the Attorney General, CAG shall provide to the Attorney General copies of documentation demonstrating how the above funds have been spent. CAG shall be solely responsible for ensuring the proper expenditure of such additional settlement payment.

4.1.3 Reimbursement of Attorney's Fees and Costs: Defendant shall pay eighty-eight thousand dollars (\$88,000.00) to "Yeroushalmi & Yeroushalmi" as reimbursement for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result

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of investigating, bringing this matter to Defendant's attention, litigating, and negotiating a settlement in the public interest.

4.2 Other than the payment to OEHHA described above, all payments referenced in paragraphs 4.1.1, 4.1.2, and 4.1.3 above, shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Blvd., Suite 240W, Beverly Hills, CA 90212. The payment to OEHHA shall be delivered to Office of Environmental Health Hazard Assessment, Attn: Mike Gyurics, 1001 I Street, Mail Stop 12-B, Sacramento, California 95812. Concurrently with payment to OEHHA, Defendant shall provide CAG with written confirmation that the payment to OEHHA was delivered.

#### 5. MATTERS COVERED BY THIS CONSENT JUDGMENT

5.1 This Consent Judgment is a full, final, and binding resolution between CAG on behalf of itself and in the public interest and Defendant for alleged failure to provide Proposition 65 warning of exposure to Listed Chemicals from the Covered Products as set forth in the Notice, and Complaint, and fully resolves all claims that have been or could have been asserted against Defendant in this action up through the Effective Date for failure to provide Proposition 65 warnings for the Covered Products regarding Listed Chemicals. CAG, on behalf of itself and in the public interest, hereby discharges Defendant, and their respective past, present, and future owners, officers, directors, members, managers, directors, insurers, beneficiaries, employees, shareholders, customers, distributors, wholesalers, licensees, divisions, subdivisions, subsidiaries, agents, attorneys, representatives, and their predecessors, successors and assigns ("Defendant Releasees") and all distributors, customers, and downstream entities, in the distribution chain of the Covered Products to whom Defendant directly or indirectly provided, distributed, listed, sold, or offered to sell, Covered Products, and their respective owners, parents, direct and indirect parent, subsidiaries, affiliates, sister and related companies, as well as their past, present, and future owners, employees, agents, representatives, shareholders, members, managers, officers, directors, insurers, beneficiaries, attorneys, predecessors, successors, assigns, distributors, wholesalers,

customers, retailers, franchisees, cooperative members, and licensees, only as to Covered Products sold, distributed, or marketed by the Defendant, including without limitation Asia Supermarket Inc. and Hinthar Inc. (collectively, "Downstream Releasees"), for all Covered Products placed into the stream of commerce up through the Effective Date for alleged violations of Proposition 65 based on exposure to Listed Chemicals from the Covered Products. Defendant Releasees and Downstream Releasees are sometimes collectively referred to herein as the "Released Parties." Defendant's compliance with the terms of this Consent Judgment shall be deemed to constitute compliance with Proposition 65 regarding alleged exposures to Listed Chemicals from the Covered Products. Nothing in this Section affects CAG's right to commence or prosecute an action under Proposition 65 against any person other than Defendant Releasees or Downstream Releasees after the Effective Date.

5.2 CAG on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against Defendant Releasees and/or Downstream Releasees arising from any violation of Proposition 65 or any other statutory or common law regarding the alleged exposure of persons to the Listed Chemicals contained in the Covered Products or any failure to warn about exposure to Listed Chemicals from the Covered Products. In furtherance of the foregoing, as to alleged exposures to Listed Chemicals from the Covered Products, CAG on behalf of itself only, hereby waives any and all rights and benefits which it now has, or in the future may have, conferred upon it with respect to Claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure and any alleged

exposure of persons to Listed Chemicals from the Covered Products by virtue of the provisions of section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

CAG understands and acknowledges that the significance and consequence of this waiver of California Civil Code section 1542 is that even if CAG suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to Listed Chemicals from the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to Listed Chemicals from the Covered Products, CAG will not be able to make any claim for those damages against Released Parties. Furthermore, CAG acknowledges that it intends these consequences for any such claims arising from any violation of Proposition 65 or any other statutory or common law regarding the failure to warn about exposure to Listed Chemicals from Covered Products as may exist as of the date of this release but which CAG does not suspect to exist, and which, if known, would materially affect its decision to enter into this Consent Judgment, regardless of whether its lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

#### 6. ENTRY OF CONSENT JUDGMENT

- 6.1 CAG shall file a motion seeking approval of this Consent Judgment pursuant to California Health & Safety Code § 25249.7(f). Upon entry of the Consent Judgment, CAG and Defendant waive their respective rights to a hearing or trial on the allegations of the Complaint.
- 6.2 The Parties shall make all reasonable efforts possible to have the Consent Judgment approved by the Court.

- 6.3. In exchange for payment, as described in Section 4, CAG shall dismiss the Case Number 23CV054350 against all defendants without prejudice within five (5) business days after all the payments identified in Section 4 have cleared.
- 6.4 If this Consent Judgment is not approved in full by the Court, (a) this Consent Judgment and any and all prior agreements between the Parties merged herein shall terminate and become null and void, and the actions shall revert to the status that existed prior to the execution date of this Consent Judgment; (b) no term of this Consent Judgment or any draft thereof, or of the negotiation, documentation, or other part or aspect of the Parties' settlement discussions, shall have any effect, nor shall any such matter be admissible in evidence for any purpose in this Action, or in any other proceeding; and (c) the Parties agree to meet and confer to determine whether to modify the terms of the Consent Judgment and to resubmit it for approval.

#### 7. MODIFICATION OF JUDGMENT

- 7.1 This Consent Judgment may be modified only upon written agreement of the Parties and upon entry of a modified Consent Judgment by the Court thereon, or upon motion of any party as provided by law and upon entry of a modified Consent Judgment by the Court.
- 7.2 Any Party seeking to modify this Consent Judgment shall attempt in good faith to meet and confer with the other Party prior to filing a motion to modify the Consent Judgment.

#### 8. RETENTION OF JURISDICTION

- 8.1 This Court shall retain jurisdiction of this matter to implement and enforce the terms of this Consent Judgment under Code of Civil Procedure § 664.6. The parties also agree that Downstream Releases are intended third-party beneficiaries of this Consent Judgment and may enforce its terms.
- 8.2 In any proceeding brought by either Party to enforce this Consent Judgment, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

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# 10. SERVICE ON THE ATTORNEY GENERAL

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10.1 CAG shall serve a copy of this Consent Judgment, signed by the Parties, on the California Attorney General so that the Attorney General may review this Consent Judgment prior to its approval by the Court. No sooner than forty-five (45) days after the Attorney General has received the aforementioned copy of this Consent Judgment, and in the absence of any written objection by the Attorney General to the terms of this Consent Judgment, may the Court approve this Consent Judgment.

#### 11. ATTORNEY FEES

11.1 Except as specifically provided in Section 4.1.3 and 8.2, each Party shall bear its own costs and attorney fees in connection with this action.

# 12. GOVERNING LAW

12.1 The validity, construction and performance of this Consent Judgment shall be governed by the laws of the State of California, without reference to any conflicts of law provisions of California law.

12.2 The terms of this Consent Judgment shall be governed by the laws of the State of California. In the event that Proposition 65 is amended, repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Consent Judgment are rendered inapplicable or are no longer required as a result of any such amendment, repeal or preemption, or rendered inapplicable by reason of law generally as to the Covered Products, then Parties may modify the Consent Judgment in accordance with modification requirements of Section 7 with respect to, and to the extent that, the Covered Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve a Defendant from any obligation to comply with any pertinent state or federal law or regulation.

#### 13. EXECUTION AND COUNTERPARTS

13.1 This Consent Judgment may be executed in counterparts and by means of facsimile or portable document format (pdf), which taken together shall be deemed to constitute one document and have the same force and effect as original signatures.

#### 14. NOTICES

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15.1 Any notice under this Consent Judgment shall be by First-Class Mail or E-mail.

# If to CAG:

Reuben Yeroushalmi YEROUSHALMI & YEROUSHALMI 9100 Wilshire Boulevard, Suite 240W Beverly Hills, CA 90212 (310) 623-1926 Email: lawfirm@yeroushalmi.com

If to Defendant: George Salmas george.salmas@thefoodlawyers.com Michael R. Hambly michael.hambly@thefoodlawyers.com THE FOOD LAWYERS 1880 Century Park East, Suite 611 Los Angeles, CA 90067

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1	16. AUTHORITY TO STIPULATE	
2	16.1 Each signatory to this Consent Judgment certifies that he or she is fully authorize	
3	by the party he or she represents to enter into this Consent Judgment and to execute it on behalf	
3	the party represented and legally to bind that party.	
4	- CDEED TO	A COPPED TO
5	AGREED TO:	AGREED TO:
6	Date: <u>July 2474</u> , 2025	Date:July
7	Will Bay	9
8	Name: Willard Bayer	
0	Name: Willard Bayer Title: President	Name:Kaung Lawee "David" San
9	CONSUMER ADVOCACY GROUP, INC.	Title: _Managing Agent
10	CONSCINENTIAL VOCACT GROOT, INC.	HONG SAR LLC, DBA SHWEI HINTHAR
11	IT IS SO ORDERED.	
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13	Date:	DGE OF THE SUPERIOR COURT
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CONSENT JUDGMENT [PROPOSED]