

SETTLEMENT AGREEMENT  
BETWEEN  
CONSUMER ADVOCACY GROUP, INC.  
AND  
KHARID LE ONLINE AND  
CATERDRIVE LLC

Consumer Advocacy Group, Inc. (“CAG”) and Kharid Le Online LLC (“Kharid”) and CaterDrive LLC (“CaterDrive”) (hereto referred to as “Defendants”), (CAG and Defendants collectively referred to as, the “Parties”) enter into this agreement (“Settlement Agreement”) for the purpose of avoiding prolonged and costly litigation to settle CAG’s allegations that Defendants violated Proposition 65. The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the “Effective Date”).

**1.0 Introduction**

1.1 CAG is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 Kharid previously sold, at various times, Organic Seaweed (“Seaweed”), including but not limited to “Shirakiku Brand”; “Cut Wakame Dried Seaweed”; “Net Weight: 2.5oz (70.8g)”; “Product of China”; “X001XLCJ87. The Seaweed is limited to those sold by Kharid only.

1.4 Kharid previously sold, at various times, Dried Seaweed (“Seaweed II”), including but not limited to “Supreme Gold Dried Seaweed;” “Yaki-Sushi-Nori;” “100 Half Sheets;” “Kaneyama;” “Net Wt 5.6 oz 160 g;” “BBD MAR.04.2022;” “Distributed by Kaneyama USA;” “Product of Korea;” “X002MQG2GH;” “UPC 8 55908 00699 5”. The Dried Seaweed are limited to those sold by Kharid only.

1.3 Kharid previously sold, at various times, Dried Sea Tangle (“Seaweed III”), including but not limited to “Ottogi Sea Tangle;” “Net Wt. 100g;” “Exp. 06-2022;” “X002IOQ1QJ;” “UPC 8 801045 353104”. The Seaweed III are limited to those sold by Kharid only. Seaweed, Seaweed II, and Seaweed III are collectively referred to as Seaweed.

1.4 CaterDrive previously sold, at various times, Ground Shrimp (“Ground Shrimp”), including but not limited to “Bolner’s Fiesta Brand;” “Extra Fancy;” “Ground Shrimp;” “Net wt 3.4 oz (21g);” “UPC 0 71758 10143 1”. The Ground Shrimp is limited to those sold by CaterDrive only.

1.5 “Covered Products” means Organic Seaweed, Dried Seaweed, Dried Sea Tangle as to Kharid and Ground Shrimp as to CaterDrive.

1.6 CAG alleges that Covered Products contain Lead and Lead Compounds (“Lead”), Cadmium and Cadmium Compounds (“Cadmium”), Inorganic Arsenic Oxides or Inorganic Arsenic Compounds (“Arsenic”), and that Defendants did not provide a required warning in compliance with the California Safe Drinking

Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* (“Proposition 65”)).

1.7 On February 27, 1987, the Governor of California added lead to the list of chemicals known to the State to cause reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Lead is known to the State to cause developmental, female, and male reproductive toxicity. On October 1, 1992, the Governor of California added lead and lead compounds to the list of chemicals known to the State to cause cancer (*Cal. Code Regs.* tit. 27, § 27001(b)). Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of lead and lead compounds to the list of chemicals known to the State to cause cancer and reproductive toxicity, lead and lead compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.8 On February 27, 1987, the Governor of California added Inorganic Arsenic Compounds to the list of chemicals known to the State to cause cancer (*Cal. Code Regs.* tit. 27, § 27001(c)). Inorganic Arsenic Compounds are known to the State to cause cancer. On May 1, 1997, the Governor of California added Inorganic Arsenic Oxides to the list of chemicals known to the State to cause developmental toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Inorganic Arsenic Oxides are known to the State to cause developmental toxicity. Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Inorganic Arsenic Compounds to the list of chemicals known to the State to cause cancer, and twenty (20) months after addition of Inorganic Arsenic Oxides to the list of chemicals known to the State to cause developmental

toxicity, Inorganic Arsenic Compounds and Inorganic Arsenic Oxides became fully subject to Proposition 65 warning requirements and discharge prohibitions. Inorganic Arsenic Compounds and Inorganic Arsenic Oxides are referred to collectively as “Arsenic”)

1.9 On October 1, 1987, the Governor of California added Cadmium and Cadmium Compounds to the list of chemicals known to the State to cause cancer and on May 1, 1997 the Governor of California added Cadmium to the list of chemicals known to the State to cause developmental and reproductive toxicity (*Cal. Code Regs. tit. 27, § 27001(c)*). Cadmium and Cadmium Compounds is known to the State to cause cancer and developmental, male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium and Cadmium Compounds to the list of chemicals known to the State to cause cancer and reproductive toxicity, Cadmium and Cadmium Compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.10 “Listed Chemicals” means Lead, Cadmium and Arsenic as to Seaweed; and Arsenic as to Ground Shrimp.

1.11 On or about April 23, 2021 (Attorney General Notice #2021-00950), CAG served, Wismettac Asian Foods, Inc., Shirakiku, Walmart, Inc., and certain relevant public enforcement agencies with documents entitled “Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986” regarding Seaweed containing Lead and Cadmium.

1.12 On or about June 25, 2021 (Attorney General Notice #2021-01593) CAG served Bolner's Fiesta Products, Inc., Bolner's Fiesta Brand, Walmart, Inc., Walmart Marketplace, and certain relevant public enforcement agencies with documents entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" regarding Ground Shrimp containing Arsenic.

1.13 On or about February 16, 2022 (Attorney General Notice #2022-00332), CAG served Kaneyama Trading LLC, Walmart Inc., Walmart.com, and certain relevant public enforcement agencies with documents entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" regarding Seaweed II containing Lead and Cadmium.

1.14 On or about February 16, 2022 (Attorney General Notice #2022-02127), CAG served Ottogi Co., Ltd., Ottogi Corporation, Ottogi America Inc., Ottogi USA LLC, Walmart, Inc., Wal-Mart.com USA, LLC, and certain relevant public enforcement agencies with documents entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" regarding Dried Seaweed III containing Lead and Arsenic.

1.15 On or about January 18, 2023 (Attorney General Notice #2023-00177), CAG served Kharid, and certain relevant public enforcement agencies with documents entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" regarding Dried Seaweed III containing Lead and Arsenic.

1.16 The Sixty-Day Notices (referred to as “Notices”) alleged that Defendants and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes persons to the Listed Chemical.

1.17 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning the Parties’ and the Covered Products’ compliance with Proposition 65 (the “Dispute”).

1.18 By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Parties of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by Defendants, its officers, directors, employees, or parents, subsidiaries or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that CAG or Defendants may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

## **2.0 Release**

This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) Defendants, and their owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively “Releasees”) and (b) customers, distributors, franchisees, cooperative members, licensees, retailers, marketplace hosts, internet / e-commerce marketplaces, and downstream entities in the distribution chain of the Covered Products to whom Defendants distributed, sold, or offered for sale Covered Products, including but not limited to Walmart, Inc., Wal-Mart.com, Inc., Walmart Supercenter, Wal-Mart Stores East, L.P., Wal-Mart Stores East, Inc., Wal-Mart Stores Inc., Wal-Mart.com USA, LLC, their parents, subsidiaries, and affiliated entities, and the predecessors, successors and assigns of any of them, licensees, and all of their respective officers, directors, shareholders, members, managers, employees, representatives, attorneys, and agents (collectively, “Downstream Releasees”), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemicals arising only in connection with the Covered Products manufactured, shipped, sold, and/or otherwise distributed prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date. The Covered Products are limited to those sold by Defendants. Any entity who sold or supplied the product to Defendants

and any other upstream entity, including but not limited to the manufacturer, licensor, and/ or importer shall not be released through this settlement.

CAG, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives and releases with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products sold up to the Effective Date, only to the extent that such Claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemicals contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

CAG acknowledges that it is familiar with Section 1542 of Civil Code, which provides as follows:

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



CAG, its past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

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 the Listed Chemicals from the Covered Products, including but not limited to any exposure to, or failure to warn with respect to exposure to the Listed Chemicals from the Covered Products, CAG will not be able to make any claim for those damages against Releasees and/or Downstream Releasees. 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 the 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 their decision to enter into this Settlement Agreement, regardless of whether their lack of knowledge is the result of ignorance, oversight, error, negligence, or any other cause.

1.1.1 In addition, CAG shall dismiss without prejudice (1) the Second Cause of Action in Alameda Superior Court Case No. 23CV034270 against Walmart Inc. and Wal-Mart.com USA, LLC related to Seaweed II; (2) the Third Cause of Action against Walmart Inc. and Wal-Mart.com, Inc. in Los Angeles Superior Court Case No. 21STCV38940 related to Seaweed; (3) the Fifth Cause of Action against Walmart Inc. and Wal-Mart.com, Inc. in Los Angeles Superior Court Case No. 21STCV38940 related to Ground Shrimp; and (4) the entire Complaint against only as to Walmart Inc. and Wal-Mart.com USA, LLC in Los Angeles Superior Court Case No. 22STCV38184 related to Seaweed III. CAG shall file the request for dismissals within five (5) business days after the payments identified in Section 4.0 below have cleared.

The release in this section shall have no force or effect until the full amount of payments set forth in Section 4.0 below are paid in full.

### **3.0 Defendants' Duties**

3.1 After the Effective Date, unless the Settling Defendants provide a Proposition 65 compliant warning for the Covered Products as set forth below, they shall not sell in California, offer for sale in California, or ship for sale in California, any of the Covered Products manufactured after the Effective Date unless the level of the Listed Chemicals does not exceed the levels specified below. "Parts per billion" is hereinafter referred to as "ppb".

3.1.1 Seaweed (as defined herein): Lead of 75 parts per billion (ppb),  
Cadmium of 85 ppb, Arsenic of 15ppb.

3.1.2 Ground Shrimp (as defined herein): Arsenic: 20ppb.

3.2 For any of the Covered Products that exceed their respective levels of the Listed Chemicals as set forth above that are manufactured for sale in California after the Effective Date, the Defendants must provide a Proposition 65 compliant warning for the Covered Products as set forth below. The warnings shall be provided in such a conspicuously and prominent manner that will assure the message is made available and likely to be read, seen, or heard by the consumer prior to or at the time of the sale or purchase. Any warnings shall be consistent with 27 CCR section 25600 et seq and such warnings shall be for cancer and reproductive toxicity. Where a label is used for the Covered Product exceeds the respective levels of Listed Chemicals and 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 Defendants sell or distribute any Covered Products that exceeds respective levels of Listed Chemicals through the internet, the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR section 25602(b), as may be subsequently amended. The Parties agree that the warning language described above shall constitute compliance with Proposition 65 with respect to the Listed Chemicals in the

Covered Products manufactured for sale in California by the Defendants after the Effective Date.

3.3 For any Covered Products still existing in the Defendant's inventory as of the Effective Date, Defendants shall place a Proposition 65 compliant warning on them, unless the Covered Products do not exceed their respective levels of Listed Chemicals listed in Section 3.1 above.

#### **4.0 Payments**

4.1 By April 2, 2024, Defendants agrees, to pay a total of one hundred and thirty thousand dollars (\$130,000.00) by separate checks apportioned as follows:

4.1.1 Penalty: Defendants shall issue two separate checks for a total amount of twenty thousand dollars (\$20,000.00) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of fifteen thousand dollars, (\$15,000.00), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of five thousand dollars (\$5,000.00), representing 25% of the total penalty. OEHHA's check shall be delivered to Office of Environmental Health Hazard Assessment P.O. Box 4010 Sacramento, CA 95812-4010, Attn: Mike Gyurics. CAG's check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. Additionally, two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010

Sacramento, CA 95812-4010, Attn: Mike Gyurics (EIN: 68-0284486) in the amount of \$15,000.00. The second 1099 shall be issued in the amount of \$5,000.00 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Costs: One hundred and ten thousand dollars (\$110,000.00) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's attorneys, for reasonable investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to Defendants' attention. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Yeroushalmi shall provide Defendants with its Employer Identification Number.

**5.0 Authority to Enter Into Settlement Agreement**

5.1 CAG represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind CAG to this Settlement Agreement.

5.2 Defendants represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Defendants to this Settlement Agreement.

**6.0 Report of the Settlement Agreement to the Office of the Attorney General Of California**

6.1 CAG shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

**7.0 Execution in Counterparts and Facsimile**

7.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original.

**8.0 Modification of Settlement Agreement**

8.1 Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

**9.0 Application of Settlement Agreement**

9.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, CAG and the Releasees and Downstream Releasees identified in Section 2 above.

**10.0 Enforcement of Settlement Agreement**

10.1 CAG may bring an action to enforce any breach of the monetary settlement terms in Section 4.0, above, upon five (5) days written notice by CAG to Defendants of the alleged breach in accordance with the notification requirements set forth in Section 12.0, below. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

**11.0 Notification Requirements**

11.1 Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For CAG:

Reuben Yeroushalmi, Esq.  
YEROUSHALMI & YEROUSHALMI  
9100 Wilshire Boulevard, Suite 240W  
Beverly Hills, CA 90212

For Defendants:

merchant.kharidleonline@gmail.com

Any party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

### **13.0 SEVERABILITY**

13.1 If, subsequent to the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

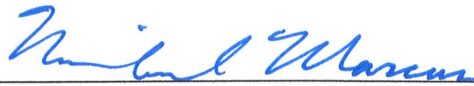
### **14.0 GOVERNING LAW**

14.1 The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Products, then Defendants shall provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this

Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

CONSUMER ADVOCACY GROUP, INC.

Dated: 4/8/2024


By: 

Printed Name: Michael Marcus

Title: Director

KHARID LE ONLINE LLC

Dated: 04/06/2024

By: 

Printed Name: Aamir Ali

Title: Business owner

CATERDRIVE LLC

Dated: 04/06/2024

By: 

Printed Name: sarosh bhojani

Title: Owner