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SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

LE MIEL GROUP

AND

HR CORPORATION

Consumer Advocacy Group, Inc. ("CAG"), Le Miel Group ("Le Miel") and HR Corporation ("HR"), (CAG, Le Miel and HR 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 Le Miel and HR 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 Le Miel previously sold, at various times, Backpacks, including but not limited to "Le Miel"; "ITEM NO:LHU455"; "COLOR:PP"; "8372209015"; "D1521 C5783"; "HANDBAG"; "SKU 400260335339" and HR previously sold, at various times, Handbags, including but not limited to "Calin Collection"; "2 IN 1"; "Item No: HG-0097"; "Color: MT"; "UPC 2552011032"; "D5503 C6517";

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

"400248363668." "Covered Products" is defined as backpacks sold by Le Miel and handbags sold by HR. The Covered Products are limited to backpacks sold or distributed for sale by Le Miel and handbags sold or distributed for sale by HR only.

1.3 CAG alleges that Covered Products contain Di (2-ethylhexyl) phthalate ("DEHP"), also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) phthalate, Diisononyl Phthalate ("DINP"), and that Le Miel and HR 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")).

1.4 On January 1, 1988, the Governor of California added Diethyl Hexyl Phthalate and Bis (2-ehtylhexyl) phthalate ("DEHP") to the list of chemicals known to the State to cause cancer, (*Cal. Code Regs.* tit. 27, § 27001(b)) and on October 24, 2003, the Governor added DEHP to the list of chemicals known to the State to cause developmental male reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of DEHP to the list of chemicals known to the State to cause reproductive toxicity, DEHP became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.5 On December 20, 2013, the Governor of California added Diisononyl Phthalate ("DINP") 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

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

sections 25249.9 and 25249.10, twenty (20) months after addition of DINP to the list of chemicals known to the State to cause cancer, DINP became fully subject to Proposition 65 warning requirements and discharge prohibitions.

1.6 DEHP and DINP are referred to hereafter as the "Listed Chemicals". Listed Chemicals is defined as follows:

DEHP in Handbags; and
DINP in Backpacks.

1.7 On or about October 26, 2023 (AG2023-03347), CAG served, Le Miel Group, Ross Stores, Inc., Ross Dress for Less, 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 Covered Products containing the Listed Chemicals.

1.8 On or about May 5, 2023 (AG2023-01252), CAG served, HR Corporation, Ross Stores, Inc., DD's Discounts, 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 Covered Products containing the Listed Chemicals.

1.9 The Sixty-Day Notices (referred to as "Notices") alleged that Le Miel, HR 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 Chemicals.

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

1.10 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").

1.11 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 Le Miel, HR, 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, Le Miel or HR 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

2.1.1. This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) Le Miel and HR, and its owners, parents, subsidiaries, affiliates, sister and

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees") and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("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 Chemicals and the failure to warn about exposure to the Listed Chemicals arising only in connection with the Covered Products manufactured, shipped, 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 or distributed for sale by Le Miel and HR.

2.1.2. 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

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

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 Chemicals contained in the Covered Products.

2.1.3. CAG acknowledges that it is familiar with Section 1542 of 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.

2.1.4. 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. 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 Le Miel and HR's Duties

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

3.1 Le Miel and HR agrees, promises, and represents that after the Effective Date Le Miel and HR shall reformulate any Covered Products manufactured after the Effective Date and offered for sale in California to a point where the level of DEHP and DINP in the Covered Products does not exceed 0.1% by weight.

3.2 Le Miel and HR agrees, promises, and represents that, as of the Effective Date, to the extent it ships or sells any Covered Products in existing inventory that have not been reformulated, it will provide warnings on such Covered Products that comply with Proposition 65. The warning shall be consistent with Title 27 California Code of Regulations, §§ 25600 *et seq*. The warnings shall be provided in such a conspicuous 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. The Parties agree that product labeling stating that:

FOR DEHP:

⚠**WARNING:** This product can expose you to chemicals including Diethyl Hexyl Phthalate and Bis (2-ehtylhexyl) phthalate, which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

FOR DINP:

⚠**WARNING:** This product can expose you to chemicals including Diisononyl Phthalate, which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

shall constitute compliance with Proposition 65 with respect to the Listed Chemicals in the Covered Products for any Covered Products in existing inventory that had not been reformulated and were distributed and/or sold by Releasees or Downstream Releasees after the Effective Date. Where a label used

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

for the Covered product in existing inventory, that exceeds 0.1% of DEHP or DINP 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 Le Miel or HR sell or distribute any Covered Products in existing inventory, that exceeds 0.1% of DEHP or DINP, 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.

4.0 Payments

4.1 Le Miel and HR agrees, to pay a total of one hundred and five thousand dollars ($105,000) by separate checks apportioned as follows:

4.1.1 Penalty: Le Miel and HR shall issue two separate checks for a total amount of twenty thousand dollars ($20,000) 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), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of five thousand dollars ($5,000), 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.

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

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. The second 1099 shall be issued in the amount of $5,000 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Costs: eighty-five thousand dollars ($85,000) 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 Le Miel and HR's 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 Le Miel and HR 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 Le Miel and HR represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Le Miel and HR to this Settlement Agreement.

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

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 Any party may file suit before the Superior Court of the County of Los Angeles, to enforce the terms and conditions contained in this Settlement Agreement after 5-day notice in writing to Defendants of violation of the Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

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.
reuben@yeroushalmi.com
YEROUSHALMI & YEROUSHALMI
9100 Wilshire Boulevard, Suite 240W
Beverly Hills, CA 90212

For Le Miel and HR:

Fang Chen
The Law Offices of Fang Chen
Fang@FangChenLaw.com
20657 Golden Springs Drive #209
Diamond Bar, CA 91789

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

Docusign Envelope ID: 9EA8639C-6C83-8BAA-824C-4C66C51F9814

Proposition 65 is repealed, preempted or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemicals and/or the Covered Products, then Le Miel and HR shall provide written notice to CAG of any asserted change in the law, and Parties shall modify this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

CONSUMER ADVOCACY GROUP, INC.

Dated: 10-27-2026

By: Willard Bayer

Printed Name: Willard Bayer

Title: President

LE MIEL GROUP AND HR CORPORATION

Dated: 10/20/2026

By: DocuSigned by: KEVIN KOO 1B244297283B4CC...

Printed Name: Kevin Koo

Title: President