

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

JD E-COMMERCE AMERICA LIMITED

Consumer Advocacy Group, Inc. (“CAG”) and JD E-Commerce America Limited dba Joybuy Marketplace Express (hereto referred to as “JD E-Commerce”), (CAG and JD E-Commerce 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 JD E-Commerce 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. 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. The following products were previously sold via JD E-Commerce at various times, (i) Backpacks with PVC Components, including but not limited to: “XGeek”; “Clear Transparent Backpack”; “3 PCS Set”; “UPC 09192052783541;” (ii) Bottle Bags with PVC Components, including but not limited to: “Sanwood”; “PVC Transparent Leak-proof Refrigerated Champagne Red Wine Bottle Ice Tote Bag”; “21048439”; “40\*12\*30cm”; “2326700”; “Made in China;” and (iii) PVC

Travel/Makeup/Cosmetic Bags, including but not limited to: “@5215254@”; “1”; “JJ10229-01”; “/1296706”. (referred to throughout as the “Covered Products”).

The Covered Products are limited to those sold via JD E-Commerce whether directly or on Walmart.com.

1.2. CAG alleges that Covered Products contain Di (2-ethylhexyl) phthalate (“DEHP”), also known as Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) phthalate, and that JD E Commerce 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”).

1.3. On January 1, 1988, the Governor of California added Diethyl Hexyl Phthalate and Bis (2-ethylhexyl) 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.

1.4. DEHP is referred to hereafter as the “Listed Chemical”.

1.5. On or about August 18, 2023 (Attorney General Notice # 2023-02571), CAG served Shenzhen Bluelans Network Technology Co., Ltd.; JD E-Commerce America Limited dba Joybuy Marketplace Express; 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 backpacks and bottle bags containing the Listed Chemical.

1.6. On or about December 12, 2023 (Attorney General Notice #2023-03941), CAG served Beijing Jingdong 360 Du E-Commerce Ltd.; JD E-Commerce America Limited dba Joybuy Marketplace Express; 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 PVC Travel/Makeup/Cosmetic Bags containing the Listed Chemical.

1.7. The Sixty-Day Notices (referred to as “Notices”) alleged that JD E-Commerce 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.

1.8. 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”).

1.9. 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 JD E-Commerce, 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 JD E-Commerce may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

## **2. Release**

This Settlement Agreement is a full, final, and binding resolution between CAG, on the one hand, and (a) JD E Commerce, and its owners, parents, subsidiaries, affiliates, sister and 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, transfer, distribute, offer for sale, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers, online marketplaces/e-commerce platforms, franchisees, cooperative members, and licensees, including but not limited to Walmart Inc., Wal-Mart Stores East, Inc., Wal-Mart Stores East, L.P., Walmart Apollo, LLC, Wal-Mart.com USA, LLC,

and each of their parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, holding companies, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns (“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 Chemical arising only in connection with the Covered Products imported, manufactured, packaged, distributed, marketed, sold, or offered for sale 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 via JD E Commerce whether directly or on Walmart.com.

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 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 Downstream Releasees' alleged exposure of persons to the Listed Chemical 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.

2.1.1. 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.


2.1.2. 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 acknowledges that it has been advised by counsel as to the specific effect of this release.

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

### 3. **Injunctive Relief:**

3.1 After the Effective Date, JD E Commerce agrees, promises, and represents that Covered Products sold or offered for sale via JD E Commerce in California will be reformulated to a point where the level of DEHP in the Covered Products does not exceed 0.1% by weight.

3.2 JD E Commerce agrees, promises, and represents that, as of the Effective Date, to the extent Covered Products in its existing inventory, if any, are sold or offered for sale in California 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. 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 ordinary individual under customary conditions before purchase or use. The Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to the alleged Listed Chemical in the Covered Products in existing inventory:

** WARNING:** This product can expose you to chemicals including Di (2-Ethylhexyl) Phthalate (DEHP), 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](http://www.P65Warnings.ca.gov).

Where the packaging used for 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.

If non-reformulated Covered Products in existing inventory are sold or offered for sale via JD E Commerce via the internet to consumers in California, 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.

3.3. For Covered Products not in its existing inventory, if any, JD E Commerce may comply with this Settlement Agreement by ceasing sales of non-reformulated Covered Products in California via its e-commerce marketplaces, including on Walmart.com.

#### **4. Payments**

4.1. JD E Commerce agrees, to pay a total of one hundred and forty thousand dollars (\$140,000.00) in full and complete settlement of all monetary claims by CAG related to the Covered Products by March 27, 2026:

4.1.1 Penalty: JD E Commerce shall pay an amount of twenty thousand dollars (\$20,000.00) as follows: (a) first 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) second to Consumer Advocacy Group, Inc. in the amount

of five thousand dollars (\$5,000.00), representing 25% of the total penalty. 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 twenty thousand dollars (\$120,000) 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 JD E Commerce's attention. By the Effective Date, Yeroushalmi & Yeroushalmi shall provide JD E Commerce with its Employer Identification Number.

**5. 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. JD E Commerce represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind JD E Commerce to this Settlement Agreement.

**6. 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. 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, including via DocuSign, shall be as valid as the original.

**8. Modification of Settlement Agreement**

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

**9. 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. Enforcement of Settlement Agreement**

10.1. Any party to this Agreement 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.

**11. 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 JD E Commerce:

Ana Tagvoryan  
Erica Graves  
BLANKROME  
2029 Century Park East , 6th Floor  
Los Angeles, CA 90067  
[ana.tagvoryan@blankrome.com](mailto:ana.tagvoryan@blankrome.com)  
[erica.graves@blankrome.com](mailto:erica.graves@blankrome.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 JD E Commerce 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: 3-16-2026 By: Willard Bayer  
Printed Name: Willard Bayer  
Title: President

JD E COMMERCE AMERICA LTD.

Dated: \_\_\_\_\_ By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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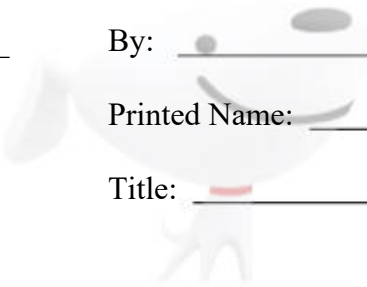
CONSUMER ADVOCACY GROUP, INC.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



JINGDONG  
JD E COMMERCE AMERICA LTD.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Sealed By: 王娜妮

Sealed Time: 2026.03.23 02:29:15 -07:00

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_