

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

GE SING KUNG PRODUCTS (USA) CORP

Consumer Advocacy Group, Inc. (“CAG”) and GE Sing Kung Products (USA) Corp (hereto referred to as “GE Sing Kung”), (CAG and GE Sing Kung 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 GE Sing Kung 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 GE Sing Kung previously sold, at various times, Chinese Special Spices, including but not limited to “Chinese Special Spices”; “SK”; “SING KUNG CORP.”; “NET WT. 2 OZ. (56.7 Grams)”; “PACKED BY: SING KUNG CORP.”; “SK-16”; “UPC 641518881288” (referred to throughout as the “Covered Products”). The Covered Products are limited to those sold by GE Sing Kung only.

1.3 CAG alleges that Covered Products contain Lead and Lead Compounds (“Lead”), and Inorganic Arsenic Oxides (“Arsenic”), and that GE Sing Kung 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 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.

1.5 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 Oxides to the list of chemicals known to the State to cause developmental toxicity, Inorganic Arsenic Oxides became fully subject to Proposition 65

warning requirements and discharge prohibitions. Inorganic Arsenic Oxides is referred to hereafter as “Arsenic”.

1.6 Lead and Arsenic is referred to hereafter as the “Listed Chemicals”.

1.7 On or about December 12, 2023 (Attorney General Notice # 2023-03943), CAG served, GE Sing Kung, Sing Kung Corp., SK Sing Kung Corp., The Quang Pty., Ltd., Paris Store SA, C-mart, 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 Chemical.

1.8 The Sixty-Day Notice (referred to as “Notice”) alleged that GE Sing Kung 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.

1.9 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”).

1.10 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 GE Sing Kung, 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 GE Sing Kung 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) GE Sing Kung, 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, 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 Chemical and

the failure to warn about exposure to the Listed Chemical 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 GE Sing Kung.

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 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 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.

2.1.3. 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 GE Sing Kung's Duties**

3.1 GE Sing Kung agrees, promises, and represents that after the Effective Date GE Sing Kung shall either not sell in California, offer for sale in California, or ship for sale in California any Chinese Special Spices unless the level of the Lead does not exceed 720 parts per billion ("ppb") and the level of Arsenic does not exceed 20 ppb, or provide a Proposition 65 compliant warning for such products sold in California if they exceed these levels as set forth in the following paragraphs.

3.2 For any Covered Products that exceed the levels of the Listed Chemicals set forth above that are manufactured for distribution and/or sale into California after the Effective Date, GE Sing Kung must provide a Proposition 65 compliant warning for the Covered Products as set forth in Proposition 65 and its implementing regulations and/or as set forth below. The warning shall be consistent with Title 27 California Code of Regulations, § 25607.2. The warning shall be provided for cancer and birth defects, or other reproductive harm for Lead, and for birth defects or other reproductive harm for Arsenic. 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 reasonably 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 and enclosed in a box. Where the packaging of 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 GE Sing Kung sell or distribute any Covered Products 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.

The Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to alleged Listed Chemicals in the Covered Products manufactured and placed into the stream of commerce by GE Sing Kung after the Effective Date:

For Lead:

[California Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including Lead, which are 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/food](http://www.P65Warnings.ca.gov/food).

For Arsenic:

[California Prop. 65] **WARNING:** Consuming this product can expose you to chemicals including Inorganic Arsenic Oxides which are known to the State of California to cause birth defects or other reproductive harm. For more information go to [www.P65Warnings.ca.gov/food](http://www.P65Warnings.ca.gov/food).

#### **4.0 Payments**

4.1 GE Sing Kung agrees, to pay a total of fifty-eight thousand dollars (\$58,000) within ten (10) days of the Effective Date by separate checks apportioned as follows:

4.1.1 Penalty: GE Sing Kung shall issue two separate checks for a total amount of twelve thousand dollars (\$12,000) as follows: (a) one check



made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of nine thousand dollars, (\$9,000), representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of three thousand dollars (\$3,000), 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. 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 \$9,000. The second 1099 shall be issued in the amount of \$3,000 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Costs: Forty-six thousand dollars (\$46,000) 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 GE Sing Kung'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 GE Sing Kung 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 GE Sing Kung represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind GE Sing Kung 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 Entire Agreement**

8.1 This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments, and understandings. No other agreements, oral or otherwise, exist to bind any of the Parties.

**9.0 Modification of Settlement Agreement**

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

**10.0 Application of Settlement Agreement**

10.1 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.

**11.0 Enforcement of Settlement Agreement**

11.1 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.

**12.0 Notification Requirements**

12.1 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 GE Sing Kung:

Barbara Adams  
barbara.adams@hoganlovells.com  
HOGAN LOVELLS  
4 Embarcadero Center, Suite 3500  
San Francisco, CA 94111

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 GE Sing Kung 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: 2/10/25

By: *Willard Bayer*

Printed Name: Willard Bayer

Title: President

GE SING KUNG PRODUCTS (USA) CORP

Dated: 02/05/2025

By: *Bryant Vo*

Printed Name: Bryant Vo

Title: President