

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
CENTRAL BOEKI U.S.A., LTD.

Consumer Advocacy Group, Inc. (“CAG”) and Central Boeki U.S.A., LTD. (“Central Boeki”), for the purpose of avoiding prolonged and costly litigation enter into this agreement (the “Settlement Agreement”) to resolve CAG’s allegations that Central Boeki violated Proposition 65. CAG and Central Boeki are sometimes referred to individually herein as a “Party” and collectively as the “Parties.” 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 potential exposures to Proposition 65 listed chemicals and improve human health by reducing or eliminating Proposition 65 listed chemicals contained in consumer and industrial products.

1.2 Central Boeki previously sold at various times, Dried Sardines, including but not limited to “DRIED SARDINE”; “OGURA NIBOSHI TABERU KOZAKANA”; “DISTRIBUTED BY CENTRAL BOEKI U.S.A., LTD.”; “NETW T.: 45GR/1.59oz”; “UPC 4 901248401207” (referred to throughout as the “Covered Products”). The Covered Products are limited to those

manufactured, imported, distributed, or sold by Central Boeki and the Central Boeki Releases (as defined in Section 2.1.1 below).

1.3 CAG alleges that the Covered Products contain Lead and Lead Compounds (“Lead”), and that Central Boeki 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 Lead is referred to hereafter as the “Listed Chemical.”

1.6 On or about May 31, 2024 (AG# 2024-02225) and July 10, 2024 (AG# 2024-02875), CAG served, Central Boeki, Umamicart, 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 allegedly containing the Listed Chemical (the “Notices”).

1.7 The Notices alleged that Central Boeki and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products can allegedly expose California consumers 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 Central Boeki and the Covered Products' compliance with Proposition 65 (the "Dispute").

1.9 The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notices concerning Central Boeki's compliance with Proposition 65. Specifically, Central Boeki denies all material factual and legal allegations contained in CAG's Notices, maintains that it is not subject to personal jurisdiction in California, and maintains that it is not a person in the course of business subject to Proposition 65. Central Boeki expressly maintains that all products it sells, including the Covered Products, comply with all laws, including but not limited to Proposition 65, and are completely safe for their intended use. Central Boeki further maintains that the Covered Products are manufactured in conformance with good manufacturing practices, that the Listed Chemical is not added to Covered Products, and that to the extent the Listed Chemical is present in Covered Products it is "naturally occurring" as that term is used in 27 Cal. Code of reg. §25501. CAG disputes and disagrees with Central Boeki's assertions. 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 Central Boeki, 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 Central Boeki may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein. CAG agrees, however, that compliance with the terms of this Settlement Agreement is compliance with Proposition 65 as to the Listed Chemical in Covered Products and Lead in Dried Sardines.

2.0 Release

2.1 This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and: (a) Central Boeki, 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

(including but not limited to Umamicart, Inc.), internet marketplace retailers, franchisees, cooperative members, licensors, licensees and marketplace resellers (“Downstream Releasees”), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any other 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 actual or alleged exposures to the Listed Chemical from Covered Products and the failure to warn about actual or alleged exposures to the Listed Chemical arising in connection with Covered Products manufactured, imported, 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 manufactured, imported, distributed, sold or offered for sale by Central Boeki and the Releasees.

2.2 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 manufactured, imported, distributed, or sold up through the

Effective Date or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

2.3 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.

2.4 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.

2.5 **Public Benefit.** It is the Parties' understanding that the commitments Central Boeki has agreed to herein, and actions to be taken by Central Boeki under this Settlement Agreement, confer a significant benefit to the general public as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties' that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition

65 with respect to Central Boeki's alleged failure to provide a warning concerning actual or alleged exposure to the Listed Chemical prior to use of the Covered Products it has manufactured, imported, distributed, sold, or offered for sale in California, or will manufacture, import, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Settlement Agreement, provided that Central Boeki is in material compliance with the terms of this Settlement Agreement.

3.0 Central Boeki's Duties

3.1 Central Boeki agrees, promises, and represents that after the Effective Date Central Boeki shall either not sell in California, offer for sale in California, or ship for sale in California any Covered Products unless the level of the Lead does not exceed 34 parts per billion ("ppb"), or provide a Proposition 65 compliant warning for such products sold in California if they exceed this level as set forth in the following paragraphs.

3.2 For any Covered Products that exceed the level of the Listed Chemical set forth above that are manufactured or imported for distribution and/or sale into California after the Effective Date, Central Boeki must provide a Proposition 65 compliant warning for the Covered Products as set forth in Proposition 65 and its implementing regulations in Title 27 California Code of Regulations, Article 6, §§ 25600 *et seq.* and/or as set forth below. The warning shall be consistent with Title 27 California Code of Regulations, §§ 25607.1 and 25607.2 and other applicable

requirements in Title 27 California Code of Regulations, Article 6, §§ 25600 *et seq.*, as they may be amended from time to time. The warning shall be provided for cancer and birth defects, or other reproductive harm. 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 Central Boeki 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.

Without limiting the foregoing, the Parties agree that the following warning language shall constitute compliance with Proposition 65 with respect to the alleged Listed Chemicals in the Covered Products manufactured and placed into the stream of commerce by Central Boeki after the Effective Date:

[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.

Language in brackets is optional.

4.0 Payments

4.1 In complete resolution of all claims for any kind of damages, penalties, restitution, attorney's fees, investigative expenses, testing, expenses, or any other monetary relief of any kind related to claims that were raised or that could have been raised in the Notices, and negotiating this Settlement Agreement, Central Boeki agrees, to pay a total of sixty thousand dollars (\$60,000) within ten (10) days of the Effective Date by separate checks apportioned as follows:

4.1.1 Penalty: Central Boeki shall issue two separate checks for a total amount of fifteen thousand dollars (\$15,000) as follows: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of eleven thousand two hundred and fifty dollars, (\$11,250), representing 75% of the total civil penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of three thousand seven hundred and fifty dollars (\$3,750), representing 25% of the total civil 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 \$11,250. The second 1099 shall be issued in the amount of \$3,750 to CAG and delivered to Yeroushalmi & Yeroushalmi, 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

4.1.2 Attorneys' Fees and Expenses: Forty-five thousand dollars (\$45,000) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's attorneys, as complete reimbursement for all reasonable investigation fees and costs, attorneys' fees, and any other costs or expenses of any kind incurred as a result of the Notices, investigating and bringing this matter to Central Boeki's attention, and negotiating this Settlement Agreement. 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 Central Boeki 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 Central Boeki represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Central Boeki 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 Before any Party may take action to enforce the terms of this Settlement Agreement for alleged breach, that Party must give the other Party written notice and a good faith opportunity to respond and cure the alleged violation. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. Plaintiff shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if Central Boeki demonstrates that it has complied with the requirements of Section 2 and/or produces a test result from an accredited laboratory showing the Covered Product does not contain the Listed Chemical in a concentration exceeding 34 ppb. In the event that meet-and-confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Settlement Agreement no earlier than 30 days after issuing the written notice specified herein. In the event that a Party initiates such a judicial proceeding, the prevailing Party shall be entitled to recover its reasonable attorney's fees and costs in accordance with applicable law.

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 Central Boeki:

Mr. Shinji Sakamoto or Current President
Central Boeki NY, Ltd
39-34 43rd Street
Long Island, NY 11104

With Copy to:

J. Robert Maxwell
jmaxwell@rjo.com
ROGERS JOSEPH O'DONNELL
311 California Street, 10th fl
San Francisco, CA 94104

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 Central Boeki 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: 2/11/25 By: Willard Bayer
Printed Name: Willard Bayer
Title: President

CENTRAL BOEKI U.S.A., LTD.

Dated: _____ By: _____
Printed Name: _____
Title: _____

14.0 GOVERNING LAW

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CONSUMER ADVOCACY GROUP, INC.

Dated: _____

By: _____

Printed Name: _____

Title: _____

CENTRAL BOEKI U.S.A., LTD.

Dated: 2/12/2025

By: 阪本 進二

Printed Name: Shinji Sakamoto

Title: President