

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
GMI TRADING LLC

Consumer Advocacy Group, Inc. ("CAG") and GMI TRADING LLC (hereto referred to as "GMI"), (CAG and GMI 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 GMI 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"). The "Compliance Date" shall be thirty (30) days after 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 GMI previously sold, at various times, Cod Liver, including but not limited to:

- (i) "Family Tree"; "COD LIVER"; "BB 31.12.2027"; "www.gmi-trading.com"; "Manufactured for GMI Trading LLC, Staten Island, NY 10303"; "UPC 8 25512 04154 5;" and



- (ii) "RETRO"; "Cod Liver Natural in own oil with Bay Lead & Peppercorn"; "Net Weight. 6.7oz (190 g)"; "UPC 021143334449"; "Made in Iceland"; "BB 14.01.2027"

(referred to throughout as the "Covered Products"). The Covered Products are limited to those manufactured, imported, distributed, or sold by GMI in the State of California (as defined in Section 2.1 below).

1.3 CAG alleges that Covered Products contain Cadmium and Cadmium Compounds (collectively "Cadmium"), and that GMI 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 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 developmental and 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 are subject to Proposition 65 warning requirements and discharge prohibitions.

1.5 Cadmium is referred to hereafter as the "Listed Chemical".

1.6 On or about November 4, 2024 (AG#2024-04673) and November 12, 2024 (AG#2024-04763), CAG served Royal Seafood Baza, Inc., GMI Holding, LLC, GMI Trading, LLC, Valley Produce Market, Inc., Sam Fernando Valley Produce & Deli, Inc. DBA Valley 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 Covered Products containing the Listed Chemical.

On or about January 14, 2025 (AG#2025-00156) and January 21, 2025 (AG#2025-00242) CAG served Akragborg, Lysi, Lysi USA, Lysi Life, 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.

On or about January 30, 2025 (AG#2025-00335) and February 6, 2025 (AG#2025-00402), CAG served GMI, 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.

1.7 The Sixty-Day Notices (referred to as “Notices”) alleged that GMI 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 GMI, 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 GMI 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 This Settlement Agreement is a full, final, and binding resolution between CAG, acting in its individual capacity, on the one hand, and (a) GMI, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees,

shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees"), (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, online marketplaces, retailers, franchisees, cooperative members, and licensees ("Downstream Releasees"), and (c) Akraborg ehf., Lysi hf, Lysi USA, and Lysi Life (collectively "Upstream Releasees") for its sales of Covered Products involving the Listed Chemical to GMI only (any past sales and future violations not involving GMI are not covered by this agreement), 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, Upstream 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 Compliance Date, even if sold by Releasees, Downstream Releasees, and/or Upstream Releasees after the Compliance Date. The Covered Products are limited to those manufactured, imported, sold or distributed for sale by GMI.

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

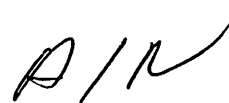
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equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) (collectively "Claims"), against Releasees and/or Downstream and Upstream 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 Compliance Date, only to the extent that such Claims relate to Releasees' and/or Downstream and Upstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and Downstream and Upstream 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


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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 GMI's Duties

3.1 GMI agrees, promises, and represents that after the Compliance Date, GMI shall either not sell in California, offer for sale in California, or ship for sale in California any Covered Products unless the "Daily Cadmium Exposure Level" does not exceed 4.1 micrograms of Cadmium , 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. The "Daily Cadmium Exposure Level" shall be calculated by multiplying the serving size stated on the Covered Product packaging by the concentration of Cadmium in Covered Products.

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 Compliance Date, GMI 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. 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

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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 GMI 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 et seq., as they may be subsequently amended, for sales to consumers in California.

The Parties agree that warnings shall be compliant with Health & Saf. Code, § 25249.6 et seq, and 27 CCR 25600 and 25602 et seq., with respect to alleged Listed Chemicals in the Covered Products that are manufactured for distribution and/or sale into California by GMI after the Compliance Date.

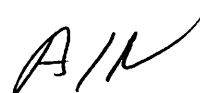
4.0 Payments

4.1 GMI agrees, to pay a total of ninety-one thousand dollars (\$91,000.00) by April 9, 2025 by separate checks apportioned as follows:

4.1.1 Penalty: GMI 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: seventy-one thousand dollars (\$71,000.00) of such payment shall be paid to Yeroushalmi & Yeroushalmi, as CAG's attorneys, for investigation fees and costs, attorneys' fees, and any other costs incurred as a result of investigating and bringing this matter to GMI'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 GMI with its Employer Identification Number.

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

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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, Upstream Releases, 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

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For GMI:

Sherry Jackman, Esq.
sjackman@greenbergglusker.com
Sedina Banks, Esq.
sbanks@greenbergglusker.com
Greenberg Glusker LLP
2049 Century Park East, Suite 2600
Los Angeles, CA 90067

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, modified, or is otherwise rendered inapplicable by reason of law generally, or as to the Listed Chemical and/or the Covered Products, then GMI 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.

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CONSUMER ADVOCACY GROUP, INC.

Dated: April 9, 2025

By: 

Printed Name: Willard Bayer

Title: President

GMI TRADING, LLC

Dated: 4/9/2025 By: Albert Niyazov

Printed Name: Albert Niyazov

Title: COO

