

SETTLEMENT AGREEMENT

BETWEEN

CONSUMER ADVOCACY GROUP, INC.

AND

KITTRICH CORPORATION

Consumer Advocacy Group, Inc., on behalf of itself and in the public interest pursuant to Health and Safety Code section 25249.7, subdivision (d) ("CAG") and Kittrich Corporation ("KITTRICH") (collectively, the "Parties") enter into this agreement ("Settlement Agreement") to settle this case of alleged Proposition 65 violations for the purpose of avoiding prolonged and costly litigation:

1.0 Introduction

1.1 CAG is a California-based non-profit 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 KITTRICH is the manufacturer or distributor of certain consumer products. The consumer products in question are mouse and rat pellets, including, but not limited to Echols® Mouse & Rat Pellets, Item #E-5, designed for use in exterminating rodents (referred to throughout as the "Covered Product").

1.3 CAG alleges that the Covered Product contains Warfarin and KITTRICH did not conform to the standards set forth in the California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code* § 25249.5, *et seq.* ("Proposition 65")). On July 1, 1987, the Governor of California added Warfarin to the list of chemicals known to the State to cause cancer, as well as reproductive toxicity, developmental, female, male *Cal. Code Regs. tit. 27, § 27001(c)*). Twenty (20) months after its inclusion in these lists, Warfarin became subject fully to the discharge prohibitions and warning requirements of Proposition 65.

1.4 On August 11, 2008, CAG served KITTRICH and public enforcement agencies with a document entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" ("Notice"). The Notice alleged that KITTRICH violated Proposition 65 by failing to warn consumers in California that use of the Covered Product exposes persons to Warfarin. On July 2, 2009, CAG served KITTRICH and public enforcement agencies with a second Notice. The second Notice alleged that KITTRICH

violated Proposition 65 by failing to warn consumers in California that use of the Covered Product exposes persons to Warfarin.

1.5 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below, including but not limited the existence and sufficiency of any purportedly Proposition 65-compliant warnings on the Covered Product (“Dispute”).

1.6 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 KITTRICH, its officers, directors, employees, or parent, subsidiary or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the cause of action and allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that CAG and KITTRICH may have against one another in any other pending legal proceeding as to allegations unrelated to those alleged in the Dispute.

2.0 Release

2.1 Upon the execution of this Settlement Agreement, CAG fully releases and forever discharges KITTRICH, its predecessors, successors, and assigns and all officers, directors, and employees of any of the released entities (collectively, “Released Parties”) from all known and unknown rights, claims, causes of action, damages, suits, penalties, liabilities, injunctive relief, declaratory relief, and attorney fees, costs, and expenses related to or arising out of the facts and claims alleged in the Dispute. Without limiting the foregoing, the Parties intend the scope of this release to cover all Claims Covered (as defined in Section 3 below) as to the Released Parties put in controversy by the Dispute. This release shall extend to all of KITTRICH’s customers regardless of whether they are an end user or otherwise fabricate, combine and/or assemble the part(s) into other products.

2.2 CAG has full knowledge of the contents of Section 1542 of the Civil Code. CAG acknowledges that the claims released in section 2.1 above may include unknown claims and waives Section 1542 as to any such unknown claims. Section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

CAG acknowledges and understands the significance and consequences of this specific waiver of Civil Code Section 1542.

3.0 Claims Covered

3.1 This Settlement Agreement is a final and binding resolution between CAG and the Released Parties of the following claims and cause of action:

All Proposition 65 claims and any and all other claims that were or could have been asserted in the Dispute arising from or related to allegations that the Released Parties exposed, knowingly and intentionally, users of the Covered Product and others in proximity to such use to Warfarin, a chemical designated by the State of California to cause developmental toxicity, without first giving clear and reasonable warning of such to persons exposed up to the effective date of this Settlement Agreement.

4.0 Defendant's Duties

4.1 KITTRICH agrees, promises, and represents that upon execution of this Settlement Agreement, it will not sell or distribute the Covered Product in California in the future unless it provides warnings that comply with Proposition. The warnings shall be provided in such a conspicuously 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 warning label shall read as follows, or should follow substantially similar language:

WARNING: This product contains a chemical known to the State of California to cause birth defects or other reproductive harm.

5.0 Payments

5.1 KITTRICH shall pay Yeroushalmi & Associates a total of \$26,000.00 (the "Settlement Amount") for attorneys' fees and costs. KITTRICH shall pay

Yeroushalmi & Associates the FULL AMOUNT of \$26,000.00 within FIFTEEN (15) days of execution of the Settlement Agreement.

6.0 Authority to Enter Into Settlement Agreement

6.1 CAG represents that its signatory to this Settlement Agreement has full authority to enter into this Settlement Agreement on behalf of CAG and to bind legally CAG. KITTRICH represents that its signatory to this Settlement Agreement has full authority to enter into this Settlement Agreement on behalf of KITTRICH and to bind legally KITTRICH.

7.0 Attorney General Review

7.1 Consistent with section 3003, subdivision (a) of Title 11 of the California Code of Regulations, CAG shall submit this Settlement Agreement to the Attorney General's Office for review within five (5) days of the Parties' execution of this Settlement Agreement.

8.0 Execution in Counterparts and Facsimile

8.1 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.

9.0 Entire Agreement

9.1 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.

10.0 Modification of Settlement Agreement

10.1 Any modification to this Settlement Agreement shall be in writing by the Parties.

11.0 Application of Settlement Agreement

11.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, CAG, its predecessors, successors, any affiliated company or individual, assigns and all officers, directors, and employees of any of the releasing entities, and the Released Parties identified in Section 2.1 above.

12.0 Notification Requirements

12.1 Any notice required or permitted hereunder shall be effective only if in writing and delivered in person or sent by telecopy, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For CAG:

Reuben Yeroushalmi
YERUSHALMI & ASSOCIATES
9100 Wilshire Boulevard, Suite 610 E
Beverly Hills, CA 90212
Fax: (310) 623-1930

For KITTRICH:

Robert Friedland
KITTRICH CORPORATION
14555 Alondra Boulevard
La Mirada, CA 90638

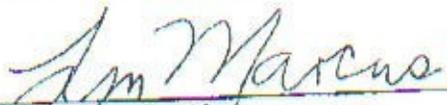
With a cc to:

Todd Winter
Winter LLP
1901 Newport Blvd., Suite 350
Costa Mesa, CA 92627

Any party may change its designee(s) for purposes of notification by providing notice of such change pursuant to this section.

CONSUMER ADVOCACY GROUP, INC.

Dated: 7-2-10

By: 
Lyn Marcus, President

KITTRICH CORPORATION

Dated: _____

By: 
Robert Friedland, President

As to form only:

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YEROUSHALMI & ASSOCIATES
9100 Wilshire Boulevard, Suite 610 E.
Beverly Hills, CA 90212
Fax: (310) 623-1930

For KITTRICH:

Robert Friedland
KITTRICH CORPORATION
14555 Alondra Boulevard
La Mirada, CA 90638

With a cc to:

Todd Winter
Winter LLP
1901 Newport Blvd., Suite 350
Costa Mesa, CA 92627

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CONSUMER ADVOCACY GROUP, INC.

Dated: _____

By: _____
Lyn Marcus, President

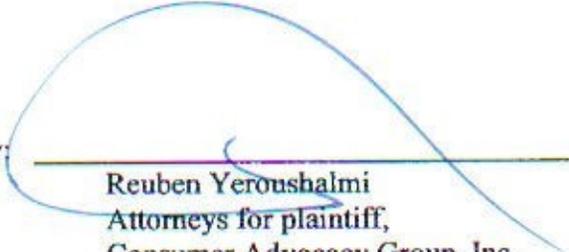
KITTRICH CORPORATION

Dated: _____

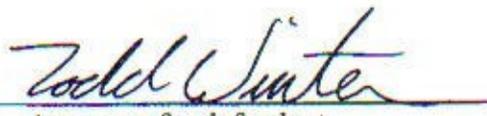
By:  _____
Robert Friedland, President

As to form only:

Dated: 7/5 2/10

By: 
Reuben Yeroushalmi
Attorneys for plaintiff,
Consumer Advocacy Group, Inc.

Dated: June 22, 2010

By: 
Attorneys for defendant,
Kittrich Corporation