

**SETTLEMENT AGREEMENT BETWEEN
CONSUMER ADVOCACY GROUP, INC. AND FOX RUN USA, LLC**

Consumer Advocacy Group, Inc. (“CAG”) and Fox Run USA, LLC (“Fox Run”) (CAG and Fox Run are collectively referred to as the “Parties” and individually as a “Party”) enter into this agreement (“Settlement Agreement”) to settle claims by CAG as follows:

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.

1.2 On or about July 14, 2011, CAG issued a Proposition 65 60-day notice to Fox Run and Do It Best Corporation (“Notice”), claiming that they 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”), concerning alleged exposures to Bis (2-ethylhexyl) phthalate (“DEHP”) in kitchen tools manufactured, distributed, or sold by Fox Run.

1.3 The products that are covered by this Settlement Agreement (“Covered Products”) are all products covered in the scope of the Notice that are manufactured, sold, or distributed by Fox Run, exemplars of which are the Fox Run Jar Lifter #5465 and the Fox Run Jar Wrench #5646. The Covered Products are only limited to those sold by Fox Run.

1.4 On January 1, 1988, the Governor of California added DEHP to the list of chemicals known to the State to cause cancer, and on October 24, 2003, the Governor added DEHP to the list of chemicals known to the State to cause developmental male reproductive toxicity. All additions took place more than twenty (20) months before CAG served its Notice.

1.5 Fox Run denies the allegations of the Notice and maintains that the Products have been in compliance with Proposition 65 at all times relevant to CAG's claims.

1.6 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties concerning the allegations of the Notice for the purpose of avoiding prolonged and costly litigation.

1.7 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 constitute or be construed as an admission by the Parties, or by any Releasee, of any fact, conclusion of law, issue of law, violation of law, fault, wrongdoing, or liability, including without limitation, any admission concerning any alleged violation of Proposition 65, nor shall this Settlement Agreement, nor compliance with its terms, be offered or admitted as evidence in any administrative or judicial proceeding or litigation in any court, agency, or forum, except with respect to an action seeking to enforce the terms of this Agreement. 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 Fox Run may have against one another in any other legal proceeding as to allegations unrelated to the Notice or claims released herein.

1.8 The "Effective Date" of this Agreement is the date by which it is fully executed by both Parties.

2. RELEASE

2.1 CAG, on behalf of itself and its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action against and releases and discharges (a)

Fox Run, Do It Best Corp., and each of their respective parent companies, subsidiaries, affiliates, sister and related companies, and divisions; (b) all entities to whom the entities listed in (a), above, directly or indirectly provide, distribute or sell the Covered Products, including but not limited to distributors, wholesalers, cooperative members, retailers, users, packagers, licensors, licensees, franchisors, franchisees, distributors, and customers; (c) each of the respective owners, officers, directors, shareholders, employees, and agents of the persons and entities described in (a) through (b), above (the persons and entities identified in (a), (b), (c), above, including the predecessors, successors and assigns of any of them, are collectively referred to as the "Releasees") regarding any and all claims, actions, causes of action, suits, demands, liabilities, damages, losses, costs, penalties, fees (including but not limited to investigation fees, attorney's fees and expert fees), costs and expenses (collectively, "Claims"), which arise under Proposition 65, or any other statutory or common law, concerning alleged exposures to, or failure to warn of, DEHP in the Covered Products manufactured, distributed, and/or sold by Fox Run and which are manufactured prior to the Reformulation Date. This Settlement Agreement is a full, final, and binding resolution as to the Claims released in Section 2.

CAG, on behalf of itself and its past and current agents, representatives, attorneys, successors, and/or assignees, additionally provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all Claims of any nature, character or kind, known or unknown, suspected or unsuspected, against any Releasee arising under Proposition 65, or any other statutory or common law, only to the extent that such claims relate to any Releasee's alleged exposure of persons to DEHP in the Covered Products, or a Releasee's failure to warn of exposures to DEHP in the Covered Products manufactured, distributed, and/or sold by Fox Run and which are manufactured prior to the Reformulation Date. CAG acknowledges that it is familiar with Section 1542 of Civil Code, which provides as follows:

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

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.

2.2 Fox Run's compliance with this Settlement Agreement shall constitute compliance with Proposition 65 with respect to DEHP in the Covered Products for any Releasee.

3. FOX RUN'S DUTIES

3.1 Fox Run agrees, promises, and represents that any Covered Products manufactured on or after ninety (90) days following the Effective Date (the "Reformulation Date") that Fox Run thereafter sells in California or ships or distributes for sale in California will contain no more than 0.1% (1000 parts per million) DEHP. Covered Products manufactured before the Reformulation Date are therefore not subject to the obligations of Section 3.1 irrespective of when they are distributed or sold, but such Covered Products are subject to the release of claims in Section 2.

4. PAYMENTS

4.1 Within 5 (five) days of the Effective Date, Fox Run agrees, to pay a total settlement payment of Thirty Two Thousand dollars (\$32,000), to be apportioned and paid in separate checks as follows:

4.1.1 Payment to CAG: Three thousand dollars (\$3,000) shall be paid to Consumer Advocacy Group, Inc. The check shall be delivered to: Reuben Yeroushalmi,

Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 610E, Beverly Hills, California 90212. By the Effective Date, CAG shall provide Fox Run with CAG's Employer Identification Number.

4.1.2 Attorneys' Fees and Costs: Twenty-eight thousand dollars (\$28,000) of such payment shall be paid to Yeroushalmi & Associates, 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 Fox Run's attention. The check shall be delivered to: Reuben Yeroushalmi, Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 610E, Beverly Hills, California 90212. By the Effective Date, Yeroushalmi & Associates shall provide Fox Run with its Employer Identification Number.

4.1.3 Penalty: Fox Run shall issue two separate checks for a total amount of one thousand dollars (\$1,000) as penalties pursuant to Health & Safety Code § 25249.12: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of \$750, representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of \$250, representing 25% of the total penalty. Two separate 1099s shall be issued for the above payments: The first 1099 shall be issued to OEHHA, P.O. Box 4010, Sacramento, CA 95184 (EIN: 68-0284486) in the amount of \$750. The second 1099 shall be issued in the amount of \$250 to CAG and delivered to: Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 610E, Beverly Hills, California 90212.

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 Fox Run represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Fox Run 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 Effective Date.

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 shall be as valid as the original.

8. **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. **MODIFICATION OF SETTLEMENT AGREEMENT**

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

10. **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 identified in Section 2 above.

11. **ENFORCEMENT OF SETTLEMENT AGREEMENT**

11.1 No action to enforce this Settlement Agreement may be commenced or maintained, and no notice of violation related to the Covered Products may be served or filed against Fox Run by CAG, unless the party seeking enforcement or alleging violation notifies the other Party of the specific future acts alleged to breach this Settlement Agreement at least 90 days before serving or filing any action or Notice of Violation and the Parties fail to resolve the noticed dispute amicably after complying with the

requirements set forth in Section 11.2 below. Any notice to Fox Run must contain (a) the name of the product, (b) specific dates when the product was sold, (c) the store or other place at which the product was available for sale to consumers, and (d) any other evidence or other support for the allegations in the notice.

11.2 Within 30 days of receiving the notice described in Section 11.1, the Parties shall meet and confer either in person or by telephone and attempt to resolve the dispute amicably. CAG shall also provide any other identifying information on the product or its packaging reasonably requested by Fox Run to permit Fox Run to identify the product and/or its date of manufacture. Fox Run may also, at its sole option, resolve the dispute by sending the store or other place at which the product was available for sale to the public a letter directing that the offending product be immediately removed from inventory and returned to Fox Run for full credit, including shipping costs. Should the Parties be unable to resolve the dispute, any Party may seek judicial relief.

12. 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
YEROUSHALMI & ASSOCIATES
9100 Wilshire Boulevard, Suite 610E
Beverly Hills, CA 90212
Fax: 310.623.1930

For Fox Run USA, LLC:

Fox Run USA, LLC
Sean Leonard
1907 Stout Drive
Ivyland, PA 18974

With a copy to:

Trenton Norris
Sarah Esmaili
Arnold & Porter LLP
Three Embarcadero Center, 7th Floor
San Francisco, CA 94111
Fax: 415.471.3400

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

13. 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. 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 DEHP and/or the Covered Products, then Fox Run shall provide written notice to CAG of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

DATED: <u>12/20/2012</u>	CONSUMER ADVOCACY GROUP, INC.
	BY: <u>Michael Marcus</u>
	PRINTED NAME: <u>Michael Marcus</u>
	TITLE: <u>Director</u>
	FOX RUN USA, LLC
DATED: <u>12/21/2012</u>	BY: <u>[Signature]</u>
	PRINTED NAME: <u>SEAN LEONARD</u>
	TITLE: <u>CEO</u>