

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between John Moore (“Moore”) and Prym Consumer USA Inc. (“Prym”) with Moore and Prym each a “Party” and collectively, the “Parties.” Moore is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Prym employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Moore alleges that Prym manufactures, ships, sells, or distributes for sale in California handle adapters with grips containing di(2-ethylhexyl) phthalate (“DEHP”) without first providing the clear and reasonable exposure warning required by Health & Safety Code § 25249.6. DEHP is listed pursuant to Proposition 65 as a chemical known to the state of California to cause birth defects and other reproductive harm.

1.3 Product Description

The products covered by this Settlement Agreement are defined as grips containing DEHP that sold or distributed for sale in California by Prym including, but not limited to, the *Dritz Ergonomic Handle Adapter, #5107 (#0 72879 26732 7)* and the *Dritz Ergonomic Handle Adapter (2 pack), #5108 (#0 72879 26744 0)* (“Products”).

1.4 Notice of Violation

On or about October 28, 2011, Moore served Prym and various public enforcement agencies with a “60-Day Notice of Violation” (“Notice”), a document that informed the recipients

that Prym was alleged to be in violation of California Health & Safety Code § 25249.6 for failing to warn its customers and consumers in California that the Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

Prym denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products it has sold in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Prym of any fact, finding, conclusion of law, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Prym of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by Prym. This section shall not, however, diminish or otherwise affect Prym's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean February 3, 2012.

2. INJUNCTIVE RELIEF: REFORMULATION

Commencing on the Effective Date and continuing thereafter, Prym shall only manufacture, ship, sell, or distribute for sale in California, Products that comply with the "Reformulation Standard" established by this section. For purposes of this Settlement Agreement, the "Reformulation Standard" requires that Products contain a maximum of 1,000 ppm (0.1%) each of the phthalate chemicals DEHP, butyl benzyl phthalate ("BBP"), and/or di-n-butyl phthalate ("DBP") content when analyzed pursuant to Environmental Protection Agency testing methodologies 3580A and 8270C, or equivalent methodologies used by state or federal agencies to determine DEHP content in a solid substance.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE §25249.7(b)

Pursuant to California Health & Safety Code § 25249.7(b) and in settlement of all claims alleged in the Notice and referred to in this Settlement Agreement, Prym shall pay \$2,000 in civil penalties. This amount reflects a credit of \$4,000 agreed to by Moore in response to Prym's commitment to comply with Proposition 65 and the Reformulation Standard established by Section 2 above.

Penalty payments shall be allocated according to California Health & Safety Code § 25249.12(c)(1) & (d) with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining twenty-five percent of the penalty remitted to Moore. Prym shall issue two checks made payable as follows: (a) one check to "The Chanler Group in Trust for OEHHA" in the amount of \$1,500; and (b) a second check to "The Chanler Group in Trust for John Moore" in the amount of \$500.

Two 1099 forms shall also be provided for Prym's payments to: (a) Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-0284486); and (b) John Moore, whose tax identification number shall be provided upon request before payment is due. Payment shall be delivered to Moore's counsel within 10 days of the Effective Date at the following address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to Moore and his counsel under general contract principles and private attorney general doctrine codified at California Code of

Civil Procedure (“CCP”) § 1021.5. Under these legal principles, Prym shall reimburse Moore’s counsel for fees and costs incurred as a result of investigating, bringing this matter to Prym’s attention, and negotiating a settlement in the public interest. Prym shall pay \$18,000.00 for all attorneys’ fees, expert and investigation fees, and related costs. Prym’s payment shall delivered to Moore’s counsel within 10 days of the Effective Date at the following address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

Prym shall issue a third 1099 form for attorney’s fees and costs paid to The Chanler Group (EIN: 94-3171522).

5. CLAIMS COVERED AND RELEASED

5.1 Moore’s Release of Prym

This Settlement Agreement is a full, final and binding resolution between Moore and Prym of any violation of Proposition 65 that was or could have been asserted by Moore on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against Prym, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Prym directly or indirectly distributes or sells Products, including, but not limited, to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (“Releasees”), based on their alleged failure to warn about exposures to DEHP contained in the Products manufactured, distributed, sold and/or offered for sale by Prym in California before the Effective Date.

In further consideration of the promises and agreements herein contained, Moore on behalf of himself, his 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 and releases all claims that he may have, 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 (but exclusive of fees and costs on appeal, if any) arising under Proposition 65 (collectively, "Claims") against Prym and Releasees related to unwarned exposures to DEHP contained in the Products manufactured, distributed, sold and/or offered for sale by Prym before the Effective Date.

Moore, in his individual capacity only and *not* in a representative capacity, also waives any and all Claims he may have against Prym and Releasees related to unwarned exposures to DBP and/or BBP in the Products.

5.2 Prym's Release of Moore

Prym on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all Claims against Moore and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Moore and his attorneys and other representatives, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

6. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision is held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

7. GOVERNING LAW

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 or is otherwise rendered inapplicable by reason of law generally or as to the Products, then Prym may provide written notice to Moore 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 Products are so affected.

8. NOTICES

Unless specified herein, all correspondence and notice required to be provided pursuant to this settlement agreement shall be in writing and: (i) personally delivered; (ii) sent by first-class, registered or certified mail, return receipt requested; or (iii) sent by a recognized overnight courier to the following addresses:

To Prym:

Johan Starrenburg, President
Prym Consumer USA Inc.
P.O. Box 5028
Spartanburg, SC 29304

and

Mark de Langis, Esq.
Lucas Valley Law
2110 Elderberry Lane
San Rafael, CA 94903

To Moore:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

Any party may, from time to time, specify in writing to the other party a change of address to which all notices and other communications shall be sent.

9. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. A facsimile or optically scanned image of a party's signature shall be valid, as if original.

10. POST-EXECUTION ACTIVITIES

Moore agrees to comply with the reporting form requirements referenced in Health & Safety Code § 25249.7(f). The Parties further acknowledge that they intend and agree that this Settlement Agreement shall be given full effect for purposes of precluding claims regarding the Products against Prym or the Releasees under Proposition 65.

Within twelve months of the execution of this Settlement Agreement Prym may ask Moore, in writing, to file a complaint, incorporate the terms of this Settlement Agreement into a proposed consent judgment, and to seek the court's approval of the consent judgment pursuant to California Health and Safety Code § 25249.7, or as may be otherwise allowed by law. If so requested, Moore agrees to reasonably cooperate with Prym and to use his best efforts, and that of their counsel, to support the entry of a consent judgment by a superior court in California. Pursuant to CCP §§ 1021 & 1021.5, Prym will reimburse Moore and his counsel for the reasonable fees and costs incurred filing the complaint and seeking judicial approval of this Settlement Agreement in an amount not to exceed \$10,000.00 exclusive of fees and cost that may be incurred on appeal. Prym will remit payment to The Chanler Group, at the address set forth in section 4. Such additional fees shall be paid by Prym within ten days after its receipt of monthly invoices from Moore for work performed under this paragraph.

11. **MODIFICATION**

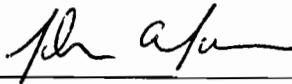
This Settlement Agreement may be modified only by written agreement of the parties.

12. **AUTHORIZATION**

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective party and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

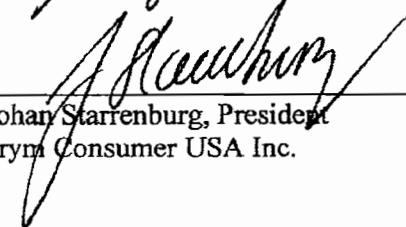
AGREED TO:

Date: FEBRUARY 15, 2012

By: 
John Moore

AGREED TO:

Date: FEBRUARY 13th 2012

By: 
Johan Starrenburg, President
Prym Consumer USA Inc.