

SETTLEMENT AGREEMENT
BETWEEN
CONSUMER ADVOCACY GROUP, INC.
AND
MAMBO GRAPHICS PTY LTD

Consumer Advocacy Group, Inc. ("CAG"), on behalf of itself and acting in the public interest pursuant to California Health and Safety Code section 25249.7, subdivision (d) and Mambo Graphics Pty. Ltd. ("Mambo") enter into this agreement ("Settlement Agreement") to resolve all claims related to the Sixty-Day Notice of Intent to Sue for [Alleged] Violation of the Safe Drinking Water and Toxic Enforcement Act of 1986 prepared by CAG and addressed to Mambo Australia, et al., dated November 23, 2011 (the "Notice"), as follows:

1.0 Introduction

1.1 CAG and Mambo ("Parties") enter into this Settlement Agreement to settle disputed claims between the Parties as set forth hereafter.

1.2 The Notice alleges violations of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code sections 25249.5-25249.13 ("Proposition 65"). Mambo denies the material allegations of the Notice, and denies liability for any claim that was or could have been raised in the Notice.

1.3 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, including, but not limited to, any admission concerning the meaning of the terms "knowingly and intentionally expose" or "clear and reasonable warning" as used in California Health and Safety Code section 25249.6. 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 Mambo, 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,

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Settlement Agreement between Consumer Advocacy Group and Mambo Pty. Ltd.

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argument, or defense that CAG and Mambo may have against one another in any other pending legal proceeding.

2.0 Release

2.1 Upon the complete execution of this Settlement Agreement and the payment of the amount described in section 5.0 below, CAG fully releases and forever discharges Mambo and its parents, subsidiaries, and affiliates; their customers, predecessors, successors, licensors, licensees, 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 Notice. 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 that were or could have been put in controversy by the Notice.

2.2 CAG has full knowledge of the contents of the California Civil Code section 1542 ("Section 1542"). 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 California Civil Code section 1542.

3.0 Claims Covered

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

All Proposition 65 claims that were or could have been asserted in the Notice arising from allegations that the Released Parties exposed, knowingly and intentionally, their employees and users of Mambo branded sandals ("Covered Products") to di-n-butyl phthalate ("DBP"). The Covered Products are limited to those distributed, sold, or licensed by Mambo only.

4.0 Defendant's Duties

Mambo agrees, promises, and represents that by the tenth day after the complete execution of this Settlement Agreement, it will not distribute or manufacture for sale in the State of California Covered Products unless those Covered Products distributed or manufactured for sale in California have been reformulated to a point where the level of DBP does not exceed 0.1% (1000 ppm).

5.0 Payments

Mambo agrees that within fourteen (14) days of complete execution of this Settlement Agreement, Mambo shall pay \$32,000 for full settlement of this matter by sending separate checks apportioned as follows:

5.1 Payment to CAG: \$3,000 dollars shall be paid to Consumer Advocacy Group, Inc. Yeroushalmi & Associates shall provide its address and CAG's Employer Identification Number to Mambo prior to such payment.

5.2 Attorneys' Fees and Costs: \$28,000 dollars 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 Mambo's attention. Yeroushalmi & Associates shall provide its address and federal tax identification number to Mambo prior to such payment. Except as provided in this agreement, each party shall bear its own attorney fees.

5.3 Penalty: Mambo shall issue two separate checks for a total amount of \$1,000 dollars as penalties pursuant to Health & Safety Code section 25249.12: (a) one check made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of \$750.00 dollars, representing 75% of the total penalty; and (b) one check to Consumer Advocacy Group, Inc. in the amount of \$250.00 dollars, 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 \$750.00. The second 1099 shall be issued in the amount of \$250.00 to CAG and delivered to: Yeroushalmi & Associates, 9100 Wilshire Boulevard, Suite 610E, Beverly Hills, California 90212.

6.0 Authority to Enter Into Settlement Agreement

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 Mambo represents that its signatory to this Settlement Agreement has full authority to enter into this Settlement Agreement on behalf of Mambo.

7.0 Attorney General Review

Consistent with section 3003(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 days of the Parties' execution of this Settlement Agreement.

8.0 Execution in Counterparts and Facsimile

This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile signature shall be as valid as the original.

9.0 Entire Agreement

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

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

11.0 Application of Settlement Agreement

This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, the CAG and the Released Parties identified in Section 2.1 above.

12.0 Notification Requirements

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 trackable overnight delivery service, to the following designees:

For CAG:

Reuben Yeroshalmi
Yeroshalmi & Associates
3700 Wilshire Blvd., Suite 480
Los Angeles, CA 90010
Fax: 213.382.3430

For Mambo:

Mr. James Maxwell
Maxwell IP Lawyers
Level 6
60 Pitt Street
SYDNEY NSW 2000
AUSTRALIA
Ph: 61 2 9247 9453
Fax: 61 2 9247 9550
jmaxwell@maxwell-ip.com

With a copy to:

James Mattesich
Greenberg Traurig LLP
1201 K Street, Suite 1100
Sacramento, CA 95814
Doigt@GTI.law.com

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

Dated: 8-8-13

By: 
MICHEL SASSON
CONSUMER ADVOCACY GROUP, INC.

Dated: 5TH AUGUST 2013

By: 
BRAD MERRIMAN - Director
MAMBO GRAPHICS PTY LTD

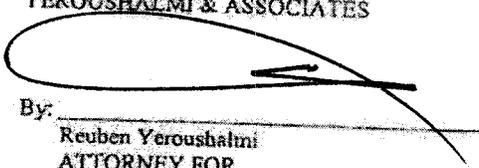
Dated: 5TH AUGUST, 2013

By: 
ANGUS KINGSMILL - Director
MAMBO GRAPHICS PTY LTD

As to form only:

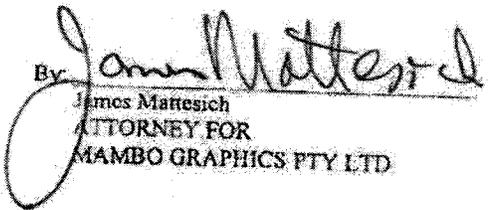
Dated: 8-8-13

YERUSHALMI & ASSOCIATES


By: _____
Reuben Yeroushalmi
ATTORNEY FOR
CONSUMER ADVOCACY GROUP, INC.

Dated: 8/7/13

GREENBERG TRAURIG, LLP


By: _____
James Mattesich
ATTORNEY FOR
MAMBO GRAPHICS PTY LTD.