

RELEASE AND SETTLEMENT AGREEMENT

THIS RELEASE AND SETTLEMENT AGREEMENT (this "Agreement") is entered as of this 4th day of September 2013 (the "Effective Date") by and between THE PUBLIC INTEREST ALLIANCE LLC, a California limited liability company ("PIA"), and JAFRA COSMETICS INTERNATIONAL, INC. ("JAFRA").

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings, and intentions:

A. The Public Interest Alliance LLC is a California limited liability company whose mission is to improve human health, preserve the natural environment, and promote compliance with environmental and consumer disclosure laws.

B. On or around June 22, 2013, PIA served a 60-Day Notice of Violation of Proposition 65 re: Titanium Dioxide (airborne, unbound particles of respirable size) on JAFRA (the "NOV"). Among other things, PIA alleged in the NOV that JAFRA had exposed California consumers to Titanium Dioxide (airborne, unbound particles of respirable size) through the sale and use of JAFRA Mineral Makeup SPF 15 (the "Noticed Product").

C. Prior to expiration of the 60-day notice period, and before PIA filed an action, JAFRA expressed to PIA, through their respective counsel that it was interested in settling the claims alleged in the NOV outside the context of a lawsuit, with the understanding that such settlement would only resolve PIA's claims against JAFRA with respect to the Noticed Product, and that this Agreement would not preclude another person from suing JAFRA in the public interest for any or all claims alleged in the NOV pertaining to the Noticed Product.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises of the parties, the parties hereto agree as follows:

1. Settlement Payment. For and in consideration of the payment of Seven Thousand Five Hundred and No/100 Dollars (\$7,500.00) (the "Settlement Payment"), the parties hereby agree that all claims asserted by PIA against JAFRA in the NOV will be fully settled and resolved. Payment shall be made by check or wire transfer to the Client Trust Account maintained by Judd

Law Group LLP.

2. JAFRA's Covenants in Lieu of Injunction. JAFRA hereby covenants and agrees that within sixty (60) days after the Effective Agreement it will cease and desist from distributing, selling, or offering to sell to California consumers the Noticed Product identified on Exhibit A, attached hereto and by this reference incorporated herein.

3. Releases.

a. *PIA's Release of JAFRA*. PIA acting on its own behalf releases JAFRA and each of its shareholders, members, heirs, successors, predecessors, assigns, conservators, directors, officers, employees, representatives, subsidiaries, parent companies, affiliates, agents, partners, joint venturers, insurers, attorneys, and sureties, if any, and each entity to whom JAFRA directly or indirectly distributed or sold Noticed Product, including, but not limited to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), from any and all claims, for violations of Proposition 65 through the Effective Date based on unwarned exposures to Titanium Dioxide (airborne, unbound particles of respirable size) (hereafter, "TiO₂") from the Noticed Product, as set forth in the NOV. Compliance with the terms of this Agreement constitutes compliance with Proposition 65 with respect to exposures to TiO₂ from the Noticed Product, as set forth in the NOV. PIA's release shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of PIA of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of alleged or actual exposures to TiO₂ in the Noticed Product manufactured, imported, distributed, or sold by JAFRA prior to the Effective Date. JAFRA further understands and agrees that this Paragraph 3.a release shall not extend upstream to any entities. Nothing in this Paragraph 3.a shall affect PIA's rights to commence or prosecute an action under Proposition 65 against a Releasee that does not involve a Noticed Product. The foregoing releases are expressly conditioned on the following:

i. Confirmation of receipt of funds in the amount of the Settlement Payment

in the Judd Law Group LLP Client Trust Account; and

ii. Performance of the covenants described in Paragraph 2, above.

iii. Certification by a duly authorized officer of JAFRA, in the form attached hereto as Exhibit B, to the following facts: (a) In 2013, JAFRA sold approximately 3,000 units of the Noticed Product nationwide, for which it received total revenues of approximately \$18,000; and (b) As of the Effective Date, JAFRA has no Noticed Product in its inventory in California.

b. *JAFRA's Release of PIA.* JAFRA, on behalf of itself, its past and current shareholders, members, heirs, successors, predecessors, assigns, conservators, directors, officers, employees, representatives, subsidiaries, parent companies, affiliates, agents, partners, joint venturers, insurers, attorneys, and sureties, if any, hereby waives, releases and forever discharges any and all claims against PIA and its attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by PIA and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter with respect to the Noticed Product.

4. Waiver. This is a full and final Release applying to all unknown and unanticipated injuries or damages relating to or arising out of the claims alleged in the NOV, as well as those now known, whether or not disclosed, pertaining to or arising from the Noticed Product, and PIA and JAFRA do hereby relinquish and waive all rights or benefits conferred upon them by the provisions of Section 1542 of the California Civil Code, which reads 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.

5. No Admission of Liability. PIA understands the liability alleged in the NOV is disputed by JAFRA herein released; that this Agreement is a compromise and shall not be construed as an admission of liability, and JAFRA expressly denies the material factual and legal allegations contained in the NOV or related thereto, and maintains that all products it has manufactured,

imported, distributed, and/or sold in California, including the Noticed Product, have been and are in compliance with all laws.

6. Confidentiality. The terms and conditions of this Agreement are strictly confidential between the parties and shall not be disclosed, in any manner or form, directly or indirectly, to any person or entity under any circumstances; provided, however, the foregoing to the contrary notwithstanding, JAFRA acknowledges and agrees that PIA must report the settlement information required by the California Attorney General; provided, further, that in the event PIA is served with a subpoena or other legal process purporting to require disclosure of the terms and conditions of this Agreement, PIA shall notify JAFRA of same and cooperate with JAFRA's efforts to seek to quash or obtain a protective order, if any, at JAFRA's sole cost and expense.

7. Warranties.

PIA. PIA warrants and represents that PIA is competent to give this complete Release, and has fully authorized the signatory below to give this complete release and discharge on PIA's behalf. JAFRA.

i. Due Authority. JAFRA warrants and represents that JAFRA is competent to give this complete Release, and has fully authorized the signatory below to give this complete release and discharge on JAFRA's behalf.

ii. Accuracy of Information Provided to PIA. JAFRA warrants and represents that the information provided to PIA regarding the sales revenue of the Noticed Product in 2013 is, to JAFRA's best knowledge, complete and accurate.

8. Attorneys' Fees. PIA and JAFRA each acknowledge and agree that each will bear its own costs, expenses and attorneys' fees arising out of and/or connected with the NOV, and the negotiation, drafting and execution of this Agreement.

9. Notices. Unless otherwise specified in this Agreement, all correspondence and notices required to be provided under this Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class registered or certified mail, return receipt requested; or (c) overnight courier to any party by the other party at to the following addresses:

To PIA: Jeffrey M. Judd
Judd Law Group LLP
222 Sutter Street, Suite 600
San Francisco, CA 94108

To JAFRA Mark A. Funaki
JAFRA COSMETICS INTERNATIONAL, INC.
2451 Townsgate Road
Westlake Village, CA 91361

With a copy to: Ms. Maureen Gorsen
ALSTON & BIRD LLP
1115 11th Street
Sacramento, CA 95814

From time to time, any Party may specify in writing to the other a change of address to which all notices and other communications shall be sent.

10. **Construction of Agreement.** This Agreement is the product of negotiation and preparation by and between PIA and JAFRA and their respective attorneys; and that, therefore, PIA and JAFRA each expressly acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one party or the other, or by either party's respective attorneys, and will be construed accordingly.
11. **Governing Law.** This Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of California.
12. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of PIA and JAFRA and each party's respective spouses, heirs, members, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, assigns, partners, partnerships, parents, subsidiaries, attorneys, affiliated and related entities, officers, directors, principals, shareholders, agents, employees, servants, representatives, and all persons, firms, associations, and/or corporations connected with them, including without limitation, their insurers and sureties.
13. **Severability.** If any provision of this Agreement is for any reason held invalid, unenforceable or contrary to any public policy, law, statute and/or ordinance, then the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
14. **Modification.** This Agreement may be amended or modified only by a written agreement duly executed by PIA and JAFRA at the time of such amendment or modification.

15. Headings. The paragraph headings are solely for the convenience of the parties and shall not be utilized in the construction of any of the terms of this Agreement.

16. Miscellaneous.

a. *Entire Agreement*. This Agreement contains the entire agreement between PIA and JAFRA. PIA and JAFRA each warrants and represents that no promise or inducement has been offered or received, except as herein recited for the releases of PIA and JAFRA recited to be released herein, and PIA and JAFRA further warrant that this Release and Settlement Agreement is executed without reliance on any statement or representation by PIA or JAFRA, persons or entities recited to be released herein, or any of their representatives, attorneys, investigators, agents, experts, consultants, adjusters or insurers, concerning the nature and extent of the damages which may have been sustained, if at all, or concerning the rights of PIA and JAFRA, or of the legal liability therefore, or the rights, duties or obligations of any party, person or entity recited to be released herein.

b. *Consultation With Attorneys*. PIA and JAFRA each acknowledge and warrant that each has consulted at length in this matter with his, her, or its attorney, and each warrants that he, she, or it executes this Agreement pursuant to said agreement, and with the advice of his, her, or its attorney that he, she, or it do so.

c. *No Fraud, Duress, or Undue Influence*. PIA and JAFRA each further warrant that he, she, or it executes this Release and Settlement Agreement freely, voluntarily and without fraud, duress or undue influence.

d. *Signatories*. Signatories on the behalf of the parties represent that they are authorized to bind the parties to this Agreement.

e. *Counterparts*. This Release and Settlement Agreement may be signed in counterparts and a facsimile signature shall have the same force and effect as an original signature.


17. Covenant Not to Sue. PIA and JAFRA agree that he, she, or it will not file, or permit to be filed, in his, her, or its name or on his, her, or its behalf any lawsuit based on any of the

matters released herein. This Release and Settlement Agreement may be pled as a full and complete defense of any action, proceeding or claim, or as a basis for abatement of or injunction against such action.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.


THE PUBLIC INTEREST ALLIANCE LLC

Dated: September 4, 2013


By: ANDREW PARIST
Title: Managing Member

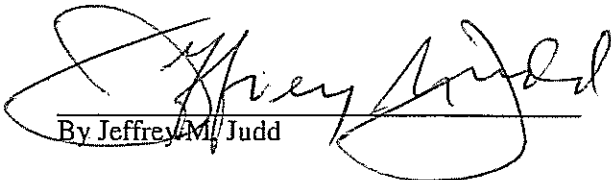
JAFRA COSMETICS INTERNATIONAL, INC.

Dated: September 4, 2013


By: MARK FUNAKI
Title: VP + GENERAL COUNSEL

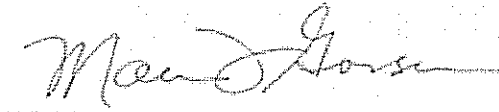
Approved as to form:

JUDD LAW GROUP LLP


By Jeffrey M. Judd

Dated: September 4, 2013

ALSTON & BIRD LLP


Maureen F. Gorsen

Dated: September 4, 2013

**EXHIBIT A
NOTICED PRODUCTS**

JAFRA Mineral Makeup SPF 15, in all of its shades, including:

True Ivory
True Cameo
True Natural
True Beige
True Golden
True Tan
Sparkling Diamonds
True Caramel
True Coffee
True Teakwood
Natural Glow
Terracotta

EXHIBIT B
FORM OF CERTIFICATION

The undersigned, having been duly authorized to make this Certification on behalf of JAFRA COSMETICS INTERNATIONAL, INC., and after reasonable inquiry and diligent search, certifies that to JAFRA's best knowledge, the following facts true, correct, and complete: (a) In 2013, JAFRA sold approximately 3,000 units of JAFRA Mineral Makeup SPF 15 (in various shades in which it is offered) (the "Noticed Product") nationwide, for which it received total revenues of approximately \$18,000; and (b) As of September __, 2013, JAFRA has no Noticed Product in its inventory in California.

Signed this 4th day of September 2013, in Westlake Village, California, under penalty of perjury under the laws of the State of California.

JAFRA COSMETICS INTERNATIONAL, INC.

By:  _____

Its: [Title] MARK FUJIWARA, VP GENERAL COUNSEL