

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is entered into between ProtectConsumers, LLC, and John Paul Mitchell Systems, a California corporation (hereinafter "JPMS").

RECITALS

A. On August 5, 2013, a Notice of Violation pursuant to California Health and Safety Code § 25249.7(d) was served on JPMS by ProtectConsumers, LLC a limited liability corporation of the State of California, acting in the interest of the general public.

B. The Notice of Violation was in accordance with the "warning provision" of Proposition 65, California Health and Safety Code §§ 25249.6 et seq.

C. The Notice of Violation alleges that since at least June 22, 2013, JPMS sold products containing benzophenone, and coconut oil diethanolamine condensate (cocamide diethanolamine) (hereinafter DEA) (collectively referred to as "the listed chemicals"). The Proposition 65 listed chemicals included in these products are listed as carcinogens. Consumer exposure to the listed chemicals may be through reasonably foreseeable use of the products applied to hair, scalp or skin.

D. In response to the Notice of Violation, JPMS has recalled its products containing the listed chemicals. The products have been reformulated so that they no longer contain the listed chemicals.

K. The parties to this Settlement Agreement and Release desire to resolve all rights, claims, disputes, differences and obligations to the full extent allowable by the law.

NOW THEREFORE, in consideration of the valuable consideration and the promises contained herein, the parties agree as follows:

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AGREEMENT

1. The JPMS products involved in this settlement are:

John Paul Mitchell Systems products containing benzophenone

Awapuhi Wild Ginger Finishing Spray
Color Shots
Extra Body Finishing Spray
Extra Body Firm Finishing Spray
Flash Finish
Flash Back
Hot Off the Press
Hold Me Tight
Really Clean Spray
Super Clean Light
Super Clean Extra
The Cream
Worked Up
Stay Strong

John Paul Mitchell Systems products containing DEA

PM Shines
Springloaded Frizz-Fighting Shampoo
Tea Tree Hand Soap
Tea Tree Lavender Mint Shampoo
Tea Tree Lemon Sage Shampoo
Tea Tree Special Shampoo
The Wash

2. JPMS has recalled all products listed in this agreement from California markets. JPMS further agrees not to market in the State of California any listed product containing benzophenone and/or DEA. JPMS has voluntarily reformulated the listed products so that they no longer contain benzophenone or DEA. JPMS agrees to injunctive relief to the extent necessary to enforce this provision of the settlement agreement.

3. JPMS agrees to pay a civil penalty of \$2,500 to the State of California.

4. JPMS agrees to pay reasonable attorneys fees and costs in the amount of \$22,500, to the attorneys for ProtectConsumers, LLC, per the attached itemized statement.

5. In consideration of the payments and matters listed above, ProtectConsumers, LLC, suing in the public interest pursuant to Health and Safety Code Section 25249.7(d), hereby releases and discharges to the full extent allowable by the law John Paul Mitchell Systems, a California corporation, from all claims, demands, damages, liability, actions and causes of action of every kind and nature, whether now known or unknown, suspected or unsuspected, arising out of the aforementioned Notice of Violation.

6. It is expressly understood that the release contained in paragraph five of this agreement does not:

- (1) Bind or pertain to the People of the State of California.
- (2) Release or resolve any claim by individuals with personal injuries, who are free to pursue such claims as they may have.
- (3) Release or resolve any claim concerning listed chemicals that are not present in the product at the time of entry of judgment, or any claim concerning chemicals that are not on the list of chemicals known to the state to cause cancer or reproductive toxicity, but may become listed in the future.
- (4) Release or resolve any claim concerning chemicals or exposures not set forth in the sixty day notice of violation.
- (5) Immunize any defendant from any duty that is removed by a change in law.

7. It is understood that this is a compromise settlement of a disputed claim, and is not to be construed, under any circumstances, as an admission of liability on the part of any of the parties herein, for any type of claim whatsoever, arising out of, connected to, or related to the subject matter of this release.

8. It is warranted and represented that any individual signing on behalf of any partnership, corporation, LLC, LLP or other legal entity has the authority to do so on behalf of that entity.

9. This Settlement Agreement and Release shall be construed and interpreted in accordance with the laws of the State of California.

10. All parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement and Release.

11. Each party to this Settlement Agreement and Release is represented by its own counsel licensed to practice law in the State of California. The signing parties represent and declare that, in executing this Settlement Agreement and Release, they relied solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently selected counsel concerning the nature, and extent and duration of the rights and claims, and are not signing under any duress or coercion.

12. This Settlement Agreement and Release is to be considered mutually drafted by each of the parties, and any disputed provision shall not be construed against any party solely on the basis that the provision was drafted by that party.

13. This Settlement Agreement and Release may be executed in counterparts. The parties to this agreement may use fax signatures, which shall be as valid as the original signatures for purposes of this document.

14. This Settlement Agreement and Release constitutes a single, integrated, written contract and expresses the entire agreement of the parties. The terms of this Settlement Agreement and Release are contractual and not a mere recital. No supplement, modification or amendment of this Settlement Agreement and Release shall be binding

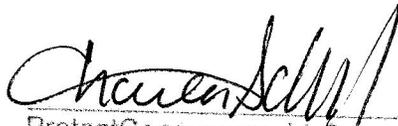
unless executed in writing by all of the parties hereto.

15. The signatories to this Settlement Agreement and Release hereby certify that they have read all of the Release, and Code Sections, and fully understand all the same.

16. This document is a written settlement agreement between the parties, enforceable pursuant to California Code of Civil Procedure 664.6.

IT IS SO AGREED.

DATED: 11-19-2013


ProtectConsumers, LLC

DATED: 11-15-13


John Paul Mitchell Systems,
a California corporation

Charles Schoemaker, Jr.

Attorney at Law
78-365 Highway 111, #441
La Quinta, CA 92253

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chaslawla@earthlink.net

November 5, 2013

INVOICE FOR LEGAL SERVICES RENDERED

Re: Proposition 65 Notice of Violation
John Paul Mitchell Systems

July 25, 2013	Legal research, Proposition 65	2.6
July 26, 2013	Legal research, Prop 65	4.1
July 29, 2013	Meeting with attorneys and consultants, background material and product information	8.3
July 30, 2013	Legal research, codes, regulations, forms; field research, JPMS products	7.3
July 31, 2013	Additional product research, interview additional experts, Prepare initial draft of Notice of Violation	8.1
Aug. 1, 2013	Conversations, emails and data review with experts	1.6
Aug. 2, 2013	Further conversations and data review with experts, Revisions to Notice of Violation	2.9
Aug. 5, 2013	Conversations with expert, review expert report, finalize Notice of Violation, prepare service of Notice	8.4
Aug. 6, 2013	Continuing research and consultations with consulting experts, Additional regulations legal research	4.6
Sept. 17, 2013	Telephone conference with attorney for John Paul Mitchell Systems, Notice received, claim being investigated	0.3
Oct., 2, 2013	Telephone conference with JPMS attorney, involved product recalled and reformulated	0.2
Nov. 2, 2013	Settlement negotiations, prepare settlement agreement	1.7

Total hours this invoice: 50.1
Attorney fees are at the rate of \$450.00 per hour.

TOTAL THIS INVOICE: \$22,545.00

Please make checks payable to "CHARLES SCHOEMAKER, JR., attorney at law"
IRS number: 20-0571953