

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.

NOWHEREFORE, 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.

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, in its individual capacity, hereby releases and discharges to the full extent allowable by the law John Paul Mitchell Systems, a California corporation, and any of its authorized distributors and their retail outlets, 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, or other private enforcer.
- (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 this settlement, 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 or scanned signatures, which shall be as valid as the original signatures for purposes of this document.

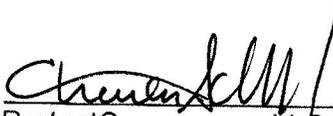
14. This Settlement Agreement and Release constitutes a single, integrated, written contract and expresses the entire agreement of the parties. The terms of this Settlement Agreement and Release are contractual and not a mere recital. No supplement, modification or amendment of this Settlement Agreement 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: 6-18-2014


ProtectConsumers, LLC

DATED: 6-17-14


John Paul Mitchell Systems,
a California corporation