

SETTLEMENT AGREEMENT

BETWEEN

SHEFA LMV, LLC,

AND

ROTTAPHARM SPA

Shefa LMV, LLC ("Shefa"), Shefa and Rottapharm SpA (hereto referred to as "Rottapharm", and with Shefa, the "Parties") enter into this agreement ("Settlement Agreement") for the purpose of avoiding prolonged and costly litigation to settle Plaintiff's allegations that Rottapharm violated Proposition 65. The effective date of this Settlement Agreement shall be the date upon which it is executed fully or in counterparts as per Sect. 7.0 below by all Parties hereto (the "Effective Date").

1.0 Introduction

1.1 Shefa represents that it is California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

1.2 Rottapharm is a foreign manufacturer of consumer products, including but not limited to Biothymus Shampoo UPC #: 8019561170116 (with other Biothymus branded products sold by Rottapharm, the "Covered Products"). The Covered Products are limited to those sold by Rottapharm only. Rottapharm represents that it did not and does not sell, directly or indirectly, the Covered Products into the United States, or with any intention that the Covered Products would enter the United States. As a matter of fact, as indicated by Rottapharm in discussions with Plaintiff's counsel, the Covered Products had not been meant to be imported or sold in the State of California and they have reached the market of this State though no involvement of

Rottapharm. However, Shefa represent that the Covered Products were at some point made available by some undetermined parties for retail sale of individual units through Amazon.com, and thereby made available for sale into the State of California.

1.3 Shefa alleges that certain of the Covered Products which were sold into California by unknown persons through Amazon.com contain Cocamide Diethanolamine (“Cocamide DEA”) and did not contain a required warning in compliance with the California Safe Drinking Water and Toxic Enforcement Act (*Cal. Health & Safety Code § 25249.5, et seq.* (“Proposition 65”)).

1.4 On June 22, 2012, the Governor of California added Cocamide DEA to the list of chemicals known to the State to cause cancer. These additions took place more than twelve (12) months before Shefa served its "Sixty-Day Notice of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" which is further described below.

1.5 Cocamide DEA is referred to hereafter as the "Listed Chemical".

1.6 On or about January 14, 2014, Shefa served Rottapharm, along with Amazon.com; and various other parties (not including the “sold by” entity or entities listed on the Amazon.com site for listings of the Covered Products), as well as certain relevant public enforcement agencies with documents entitled "Sixty-Day Notice Of Intent To Sue For Violations Of The Safe Drinking Water And Toxic Enforcement Act of 1986" regarding Covered Products containing the Listed Chemical.

1.7 The Sixty-Day Notice (referred to as "Notice") alleged that Rottapharm and the other noticed parties violated Proposition 65 by failing to warn consumers in California that use of Covered Products exposes persons to the Listed Chemical. Rottapharm has denied that it had any duty under California law or otherwise to provide a warning on the Covered Products, as

Rottapharm did not, did not intend to, and did not take actions reasonably in furtherance of sale of the Covered Products in California.

1.8 The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth below concerning the Parties' and the Covered Products' compliance with Proposition 65 (the "Dispute").

1.9 By execution of this Settlement Agreement, 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 any Party, or the parties collectively, of any fact, conclusion of law, issue of law, or violation of law.

1.10 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 Rottapharm, its officers, directors, employees, or parents, subsidiaries or affiliated corporations, in any administrative or judicial proceeding or litigation in any court, agency, or forum.

1.11 Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that Shefa or Rottapharm may have against one another in any other pending legal proceeding as to allegations unrelated to the Dispute or claims released herein.

2.0 Release

2.1 This Settlement Agreement is a full, final, and binding resolution between Shefa and their owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors,

and assigns, acting in its individual capacity, and not its representative capacity, on the one hand, and (a) Rottapharm, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, officers, directors, insurers, attorneys, predecessors, successors, and assigns (collectively "Releasees") and (b) all entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Products, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members and licensees ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been or may in the future be asserted against the Releasees and Downstream Releasees regarding exposing persons to the Listed Chemical and the failure to warn about exposure to the Listed Chemical arising only in connection with the Covered Products manufactured, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date.

2.2 The Covered Products are limited to those manufactured and/or sold by Rottapharm. Shefa, their past and current agents, representatives, attorneys, successors, and/or assignees, hereby waive and release with respect to the Covered Products all rights to institute or participate in, directly or indirectly, any form of legal action, 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) (collectively "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Products sold up to the Effective Date, including without limitation to the extent

that such claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Products or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Products.

2.3 Shefa acknowledges that it is familiar with Section 1542 of Civil Code, which provides 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.

Shefa, its past and current agents, representatives, attorneys, successors, and/or assignees, in its individual and not representative capacity, expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of Civil Code § 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters.

3.0 Rottapharm's Duties

3.1 Rottapharm agrees, promises, and represents that it will:

- a. continue to sell the Covered Products only outside of the United States, and without any intention of having the Covered Products re-sold into the State of California, and will not facilitate sales of the Covered Products in California; or,

b. in the event that Rottapharm undertakes to produce a version of the Covered Products for the U.S. market, or facilitates anyone else in re-sales into California, as long as Cocamide DEA is still into the list of chemicals known to the State to cause cancer, Rottapharm will either reformulate such Covered Products to exclude Cocamide DEA, or provide warnings on such Covered Products that comply with Proposition 65. Any such warnings shall be provided in such a conspicuously and prominent manner that will assure the message is made available and likely to be read, seen, or heard by the consumer prior to or at the time of the sale or purchase, including a statement on the label of **"WARNING: This product contains chemicals known to the State of California to cause cancer"** (or similar wording having substantially having the same meaning). Such warning requirements shall also apply to any Covered Product in existing inventory if Rottapharm sells such into the U.S. market, or intends to do so, or facilitates anyone else in doing so.

It is hereby agreed that abidance of Rottapharm by the above shall constitute compliance with Proposition 65 with respect to the Listed Chemical in the Covered Products for any Covered Products.

4.0 Payments

4.1 Rottapharm agrees, to pay a total of five thousand dollars (\$5,000.00) within ten (10) days of the Effective Date by separate bank transfers apportioned as follows:

4.1.1 Attorneys' Fees and Costs: Four thousand two hundred and fifty dollars (\$4,250.00) of such payment shall be paid to Law Office of Daniel N. Greenbaum, as Shefa'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 Rottapharm's

attention. The bank transfer shall be made to: Daniel N. Greenbaum, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406 on the bank account indicated by him. By the Effective Date, Law Office of Daniel N. Greenbaum shall provide Rottapharm with its EIN.

4.1.2 Penalty: Rottapharm shall issue two (2) separate bank transfers for a total amount of Seven hundred and fifty dollars (\$750.00) as penalties pursuant to Health & Safety Code § 25249.12: (a) one bank transfer made payable to the State of California's Office of Environmental Health Hazard Assessment (OEHHA) in the amount of Five hundred and sixty two dollars and fifty cents (\$562.50), representing 75% of the total penalty; and (b) one bank transfer to Shefa LMV, LLC in the amount of One hundred and eighty seven dollars and fifty cents (\$187.50), representing 25% of the total penalty.

4.1.3 The OEHHA payment shall be delivered to: Office of Environmental Health Hazard Assessment, Attn.: Mike Gyrics, Fiscal Operations Branch Chief, Office of Environmental Health Hazard Assessment, P.O. Box 4010, Sacramento, CA 95812-4010. The payment to Shefa shall be made to the bank account indicated by: Daniel N. Greenbaum, 7120 Hayvenhurst Avenue, Suite 320, Van Nuys, CA 91406.

5.0 Authority to Enter Into Settlement Agreement

5.1 Shefa represents that its signatories to this Settlement Agreement have full authority to enter into and legally bind Shefa to this Settlement Agreement.

5.2 Rottapharm represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Rottapharm to this Settlement Agreement.

6.0 Report of the Settlement Agreement to the Office of the Attorney General Of California

6.1 Shefa shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

7.0 Execution in Counterparts and Facsimile

7.1 This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document.

7.2 A facsimile or portable document format (PDF) signature shall be as valid as the original.

8.0 Entire Agreement

8.1 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.

8.2 No other agreements, oral or otherwise, exist to bind any of the Parties.

9.0 Modification of Settlement Agreement

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

10.0 Application of Settlement Agreement

10.1 This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, Shefa and the Releasees and Downstream Releasees identified in Section 2 above.

11.0 Enforcement of Settlement Agreement

11.1 Any party may file suit before the Superior Court of the County of Alameda, consistent with the terms and conditions set forth in paragraphs 11.2 and 11.3

of this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement. The prevailing party shall be entitled to its reasonable attorneys' fees and costs associated with such enforcement.

11.2 No action to enforce this Settlement Agreement may be commenced or maintained, and no notice of violation related to the Covered Products may be served or filed against Rottapharm by Shefa, unless the party seeking enforcement or alleging violation notifies the other party of the specific acts alleged to breach this Settlement Agreement at least 90 days before serving or filing any action or Notice of Violation and the entity receiving the notice fails to comply with the requirements set forth in Section 11.3 below. Any notice to Rottapharm must contain (a) the name of the Covered Product, (b) specific dates when the Covered Product was sold after the Effective Date in California without reformulation or warning, (c) the store or other place at which the Covered Product was available for sale to consumers, and (d) any other evidence or other support for the allegations in the notice.

11.3 Within 30 days of receiving the notice described in Section 11.2, Rottapharm shall either (1) send the store or other place at which the product was available for sale to the public a letter directing that the offending product be immediately removed from inventory and returned to Rottapharm, or (2) refute the information provided under Section 11.2. Should the parties be unable to resolve the dispute, any party may seek relief under Section

12.0 Notification Requirements

12.1 Any notice required or permitted hereunder shall be effective only if given in writing and delivered in person, certified or registered mail return receipt requested, or traceable overnight delivery service, to the following designees:

For Shefa:

Daniel N. Greenbaum, Esq.
Law Office of Daniel N. Greenbaum
7120 Hayvenhurst Avenue
Suite 320
Van Nuys, CA 91406

For Rottapharm:

LORENZO MICHETTI
Legal Counsel
Head of Legal and Intellectual Property Department
Rottapharm Spa
Via Valosa di Sopra, 9
20900 Monza - ITALY

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

13.0 SEVERABILITY

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

14.0 Governing Law

14.1 The Terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

14.2 In the event that Proposition 65 is repealed, preempted or otherwise rendered inapplicable by reason of law generally, or as to the Covered Products, then Rottapharm shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, any Covered Products that are so affected.

14.3 This Settlement Agreement shall apply to and be binding upon Shefa and Rottapharm and their respective, divisions, subdivisions, and subsidiaries, successors and

assigns.

14.4 The Parties, including their counsel, have participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties.

14.5 This Settlement Agreement was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel.

14.6 Each Party to this Settlement Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

15.0 AUTHORIZATION

15.1 Each signatory to this Settlement Agreement certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Settlement Agreement and to enter into and execute the Settlement Agreement on behalf of the Party represented and legally bind that Party.

15.2 The undersigned have read, understand and agree to all of the terms and conditions of this Settlement Agreement.

15.3 Except as explicitly provided herein, each Party is to bear its own fees and costs.

16.0 CONSENT JUDGMENT


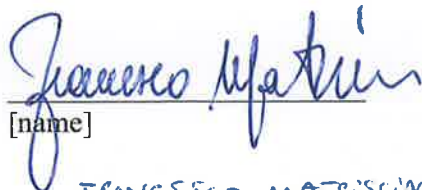
16.1 In the event that anyone appears and attempts to make a claim against Rottapharm, any Downstream Releasee or any of their subsidiaries or affiliates, alleging that such entity violated Proposition 65 in the manufacture, distribution or sale of any Covered Product, Rottapharm may send Shefa a written request for Shefa to draft and file a complaint, to

incorporate the terms of this Settlement Agreement into a proposed consent judgment that provides a release in the public interest for the released Products, and to seek court approval of the consent judgment pursuant to Health & Safety Code § 25249.7, or as may be otherwise allowed by law.

16.2 If so requested, the parties agree to reasonably cooperate, and to use their best efforts and that of their counsel to support the entry of the terms of this Settlement Agreement as a consent judgment by a superior court in California in a timely manner and Rottapharm agrees to pay the additional duly documented attorney fees that will be required, not to exceed in any case \$10,000 USD. In case the third party attempting to make a claim as set forth in Art. 16.1 above is Center for the Environmental Health, the above provisions shall apply except for Rottapharm undertaking to pay any additional attorney fees since Shefa shall procure that the relevant activity shall be performed by the attorney free of any charge to Rottapharm.

16.3 This section 16 only shall stay in effect for four (4) years as of the signing of this agreement.

AGREED TO:

<p>SHEFA LMV, LLC</p>  <p>By: _____ Alisa Fried - Managing Member Date: 01/15/2015</p>	<p>ROTTAPHARM SPA</p>  <p>By: _____ [name] Date: _____ FRANCESCO MATRISCONO MANAGING DIRECTOR</p>
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