

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Paul Wozniak (“Wozniak”) and Dentek Oral Care, Inc. (“Dentek”), with Wozniak and Dentek each individually referred to as a “Party” and collectively as the “Parties.” Wozniak is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating hazardous substances used in consumer products. Dentek employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Wozniak alleges that Dentek manufactures, sells, and/or distributes for sale in California, vinyl/PVC toiletry bags containing the phthalate chemical di(2-ethylhexyl)phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Wozniak alleges that Dentek failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from the vinyl/PVC toiletry bags sold in California.

1.3 Product Description

The products that are covered by this Settlement Agreement are vinyl/PVC toiletry bags containing DEHP including, but not limited to, the *Dentek On-The-Go [Brush+Floss]*, #0313-250629A (UPC No. 0 47701 00328 2), manufactured, sold and/or distributed for sale in California by Dentek (collectively, “Products”).

1.4 Notice of Violation

On March 26, 2014, Wozniak served Dentek and certain requisite public enforcement agencies with a “60-Day Notice of Violation” (“Notice”) alleging that

Dentek violated Proposition 65 when it failed to warn its customers and consumers in California that the Products expose users to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

Dentek denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Dentek of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Dentek of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Dentek. This Section shall not, however, diminish or otherwise affect Dentek's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean September 30, 2014.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

Commencing on the Effective Date and continuing thereafter, Dentek shall only purchase or manufacture for sale in California, "Reformulated Products." For purposes of this Settlement Agreement, "Reformulated Products" are Products that contain no more than 1,000 ppm (0.1%) DEHP content in any component analyzed pursuant to EPA testing methodologies 3580A and 8270C, or equivalent methodologies used by state or federal agencies for purposes of determining DEHP content in a solid substance.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payments

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all

claims alleged in the Notice or referred to in this settlement Dentek agrees to pay \$33,000 in civil penalties. Each penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount paid to Wozniak.

3.1.1 Initial Civil Penalty. Within five days of the Effective Date, Dentek shall pay an initial civil penalty of \$5,000. Dentek will provide its payment in two checks for the following amounts made payable to: (a) “OEHHA” in the amount of \$3,750; and (b) “Paul Wozniak, Client Trust Account” in the amount of \$1,250.

3.1.2 Final Civil Penalty. On October 30, 2014, Dentek shall pay a final civil penalty of \$28,000. The final civil penalty shall be waived in its entirety if, no later than October 15, 2014, an officer of Dentek provides Wozniak’s counsel with written certification that, as of the date of its certification, all of the Products it ships or distributes for sale in California are Reformulated Products as defined by Section 2, and that it will continue to only offer Reformulated Products in the future. The option to provide a written certification of reformulation in lieu of making the final civil penalty payment otherwise required by this Agreement is a material term, and time is of the essence.

3.2 Reimbursement of Wozniak’s Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Wozniak and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter. Under these legal principles, within five days of the Effective Date, Dentek agrees to pay \$31,000 to Wozniak and his counsel for all fees and costs incurred investigating, bringing this matter to the attention of Dentek’s management, and negotiating a settlement in the public interest.

3.3 Payment Procedures

3.3.1 Payment Addresses. Payments shall be delivered as follows:

(a) All payments and tax documentation required for Wozniak and his counsel under this Settlement Agreement shall be delivered to:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

(b) All payments and tax forms required for OEHHA under this Settlement Agreement shall be delivered directly to OEHHA (Memo line “Prop 65 Penalties”) at one of the following addresses as appropriate:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Courier or Other Non-U.S. Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

3.3.2 Proof of Payment to OEHHA. Dentek agrees to provide Wozniak with a copy of each penalty check sent to OEHHA, enclosed with Dentek’s penalty payment(s) to Wozniak, and delivered to the address provided in Section 3.3.1(a).

5. CLAIMS COVERED AND RELEASED

5.1 Wozniak’s Release of Dentek

This Settlement Agreement is a full, final and binding resolution between Wozniak and Dentek, of any violation of Proposition 65 that was or could have been asserted by Wozniak on behalf of himself, his past and current agents, representatives,

attorneys, successors, and/or assignees, against Dentek, its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, attorneys, and each entity to whom Dentek directly or indirectly distributes or sells Products, including but not limited to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees (“Releasees”), based on their failure to warn about alleged exposures to DEHP in Products that Dentek sold or distributed for sale by Dentek prior to the Effective Date.

In further consideration of the promises and agreements herein contained, Wozniak on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys’ fees, but exclusive of fees and costs on appeal, if any, arising under Proposition 65 with respect to the failure to warn about exposures to DEHP from Products sold or distributed for sale by Dentek before the Effective Date. The releases provided by Wozniak under this Settlement Agreement are provided solely on Wozniak’s behalf and are not releases on behalf of the public.

5.2 Dentek’s Release of Wozniak

Dentek on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Wozniak and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Wozniak and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

6. SEVERABILITY

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

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Dentek shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected, and may provide written notice to Wozniak of any asserted change in the law.

8. NOTICE

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Dentek:

David Fox, President
Dentek Oral Care
307 Excellence Way
Maryville, TN 37801

with a copy to:

Desmonne Bennett
Bryan Cave
1700 Lincoln St., Suite 4100
Denver, CO 80203

For Wozniak:

The Chanler Group
Attn: Prop 65 Coordinator
2560 Ninth St.
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

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

10. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or

portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

11. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Wozniak and his attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 25249.7(f).

12. MODIFICATION

This Settlement Agreement may be modified only by written agreement of the Parties.

13. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood, and agree to all of the terms and conditions of this Settlement Agreement.

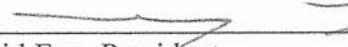
AGREED TO:

Date: 9/23/2014

By: 
PAUL WOZNIAK

AGREED TO:

Date: 9/16/14

By: 
David Fox, President
DENTEK ORAL CARE, INC.