

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between John Moore (“Moore”) and Standard Sales, Inc. d/b/a Stansport Inc. (“Stansport”), with Moore and Stansport each individually referred to as a “Party” and collectively as the “Parties.” Moore 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. Stansport 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

Moore alleges that Stansport manufactures, sells, and/or distributes for sale in California, tools with vinyl/PVC grips containing di(2-ethylhexyl)phthalate (“DEHP”), including, but not limited to, the *6-in-1 Survival Tool #327, UPC# 0 11319 38300 5*. DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Moore alleges that Stansport failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP in the grips of its tools sold in California.

1.3 Product Description

The products that are covered by this Settlement Agreement are tools with vinyl/PVC grips containing DEHP that are manufactured, sold and/or distributed for sale in California by Stansport including, but not limited to, the *6-in-1 Survival Tool #327, UPC# 0 11319 38300 5* (collectively, “Covered Products”).

1.4 Notice of Violation

On September 30, 2014, Moore served Stansport and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”) alleging that Stansport violated Proposition 65 when it failed to warn its customers and consumers in California that the Covered

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

Stansport 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 Covered Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Stansport 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 Stansport of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Stansport. This Section shall not, however, diminish or otherwise affect Stansport'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 February 28, 2015.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS

2.1 Reformulated Products

Commencing on the Effective Date and continuing thereafter, Stansport shall only purchase for sale or manufacture for sale in California, Reformulated Products or Products that are sold with a clear and reasonable warning pursuant to Section 2.2. For purposes of this Settlement Agreement, "Reformulated Products" are Covered Products that contain no more than 1,000 parts per million (0.1%) DEHP content when 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. .

2.2 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, for all Products that do not meet the definition of Reformulated Products set forth above, Stansport agrees to provide a clear

and reasonable health hazard warning in accordance with this Section. Stansport further agrees that any warning utilized will be prominently placed with such conspicuousness when compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. For purposes of this Settlement Agreement, a clear and reasonable warning shall consist of a warning affixed to the packaging, label, tag or exterior of a Product sold in California containing one of the following statements or a substantially similar statement:

WARNING: This product contains phthalate chemicals, including DEHP, that are known to the state of California to cause birth defects or other reproductive harm.

or

WARNING: This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.
Wash hands after handling¹.

2.3 Grace Period for Existing Inventory and Health Hazard Warnings

Liability for Covered Products that were manufactured and distributed for retail sale prior to the Effective Date shall be subject to the releases provided by Section 4 of this Settlement Agreement. In addition, Stansport represents that it currently has a health hazard warning in place for its inventory of Products. Moore agrees that, until Stansport exhausts its current inventory of Products, it may continue to sell and offer for sale in California those Products labeled with its existing health hazard warning.

¹ While Moore has only alleged Stansport failed to warn about exposures to DEHP requiring a warning due to the risk of reproductive harm, this warning statement may be used for Products that cause an exposure to a Proposition 65-listed carcinogen.

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 Agreement, Stansport agrees to pay eight thousand dollars (\$8,000) 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 remitted to Moore. Moore’s counsel shall be responsible for delivering OEHHA’s portion of any penalty payment(s) made under this agreement to OEHHA.

3.1.1 Initial Civil Penalty. On or before the Effective Date, Stansport shall pay an initial civil penalty of two thousand dollars (\$2,000). Stansport agrees to provide its payment in a single check in the amount of two thousand dollars (\$2,000) made payable to “John Moore, Client Trust Account.”

3.1.2 Final Civil Penalty. On November 1, 2015, Stansport shall pay a final civil penalty of eight thousand dollars (\$6,000). The final civil penalty shall be waived in its entirety if, no later than October 15, 2015, an officer of Stansport provides Moore’s counsel with written certification that, as of the date of the certification, all of the Covered Products Stansport ships or distributes for sale in California are Reformulated Products, and that it will continue to only offer Reformulated Products in the future in California. The option to provide a written certification of reformulation in lieu of making the final civil penalty payment otherwise required by this Settlement Agreement is a material term, and time is of the essence.

3.2 Reimbursement of Moore’s Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Moore 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, on or before the Effective Date, Stansport agrees to pay eighteen thousand dollars (\$18,000) to

Moore and his counsel for all fees and costs incurred investigating, bringing this matter to the attention of Stansport's management, and negotiating a settlement in the public interest.

3.3 Payment Address

All payments required of Stansport to be paid to Moore 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

4. CLAIMS COVERED AND RELEASED

4.1 Moore's Release of Stansport

This Settlement Agreement is a full, final and binding resolution between Moore and Stansport, of any violation of Proposition 65 that was or could have been asserted by Moore on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against Stansport, its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, attorneys, and each entity to whom Stansport directly or indirectly distributes or sells Covered Products, including but not limited to its downstream distributors, wholesalers, customers, retailers, including but not limited to May Day Industries and Dale Hardware, Inc. franchisees, cooperative members, licensors, and licensees ("Releasees"), based on their failure to warn about alleged exposures to DEHP in Covered Products that Stansport manufactured and distributed for sale by Stansport prior to the Effective Date, even if sold after the Effective Date by a wholesaler or retailer.

In further consideration of the promises and agreements herein contained, Moore 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 Covered Products manufactured and distributed for sale by Stansport before the Effective Date, even if sold after the Effective Date by a wholesaler or retailer. The releases provided by Moore under this Settlement Agreement are provided solely on Moore's behalf and are not releases on behalf of the public.

Compliance with the terms of this Consent Judgment by Stansport and its Releasees shall constitute compliance with Proposition 65 by Stansport and its Releasees with respect to any alleged failure to warn about DEHP in Covered Products manufactured, distributed, or sold by Stansport and its Releasees after the Effective Date.

4.2 Stansport's Release of Moore

Stansport on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Moore 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 Moore 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 Covered Products.

5. 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.

6. 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 Covered Products, then Stansport may provide written notice to Moore of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the

extent that, the Covered Products are so affected.

7. 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 Stansport:

Victor Preisler, President
Stansport Inc.
2801 East 12th Street
Los Angeles, CA 90023

with a copy to:

Renee D. Wasserman, Esq.
Rogers Joseph O'Donnell
311 California Street, 10th Floor
San Francisco, CA 94104

For Moore:

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

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

8. 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.

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

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

10. MODIFICATION

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

11. **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.

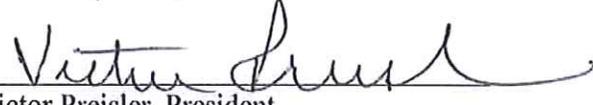
AGREED TO:

Date: 02/24/2015

By: 
JOHN MOORE

AGREED TO:

Date: 2/18/15

By: 
Victor Preisler, President
STANSPORT INC.