

**SETTLEMENT AGREEMENT BETWEEN ISABEL RUGGERI AND  
INTERLINE BRANDS, INC.**

**1. RECITALS**

**1.1 The Parties**

1.1.1 This Settlement Agreement (“Agreement”) is entered into by and between Isabel Ruggeri (“Ruggeri”) and Interline Brands, Inc. (“Interline”). Ruggeri and Interline may hereinafter individually be referred to as a “Party” and collectively be referred to as the “Parties.”

1.1.2 Ruggeri is a citizen of the State of California with a claimed interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

1.1.3 Interline employs ten (10) or more employees and is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

**1.2 Allegations**

1.2.1 Ruggeri alleges that Interline sold brass garden plumbing valves, including the brass valve MFG#262215, 0-76335-61108-2 (hereinafter collectively the “Products”) in the State of California causing users in California to be exposed to hazardous levels of lead and lead compounds without providing “clear and reasonable warnings”, in violation of Proposition 65. Lead and lead compounds are potentially subject to Proposition 65 warning requirements because they are listed as known to cause cancer and birth defects or other reproductive harm.

1.2.2 On December 1, 2015, a Sixty-Day Notice of Violation (“60-Day Notice”), along with a Certificate of Merit, was provided by Ruggeri to Interline and

various public enforcement agencies regarding the alleged violation of Proposition 65 with respect to the Products.

### **1.3 No Admissions**

Interline denies all allegations in Ruggeri's 60-Day Notice and maintains that the Products have been, and are, in compliance with all laws, and that Interline has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by Interline, but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Agreement.

### **1.4 Compromise**

The Parties enter into this Agreement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered on behalf of the public interest and to avoid prolonged and costly litigation between them.

### **1.5 Effective Date**

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party's counsel.

## **2. INJUNCTIVE RELIEF**

### **2.1 Reformulation Standard**

As of the Effective Date, Interline shall not distribute, supply, sell or offer for sale in California the Products if they contain more than 100 parts per million (0.01%) of lead when analyzed pursuant to Environmental Protection Agency testing methodologies 3050B or equivalent, without providing "clear and reasonable warnings" as described in section 2.2 below.

### **2.2 Proposition 65 Warnings**

If the Products do not meet the Reformulation Standard, then Interline shall not distribute, supply, sell or offer for sale in California the Products unless clear and reasonable Proposition 65 warnings are provided with each unit with the following

warning with the capitalized and emboldened wording:

**"WARNING:** This product may contain chemicals known to the State of California to cause cancer and birth defects and other reproductive harm. [Do not use in connection with drinking water.]"

The bracketed words are optional. This warning statement shall be prominently displayed on the Product or on the packaging of the Product with such conspicuousness, as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary individual prior to sale.

A Product that is sold by Interline on the internet shall also provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product.

In the event that Proposition 65 is repealed, preempted, amended or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Interline may provide written notice to Ruggeri 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 Products are so affected. Nothing in this Settlement Agreement shall be interpreted to relieve Interline from any obligation to comply with any pertinent state or federal toxics control laws.

### **3. PAYMENTS**

#### **3.1 Civil Penalty Pursuant To Proposition 65**

In settlement of all claims referred to in this Agreement, Interline shall pay a total civil penalty of three thousand dollars (\$3,000.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$2,250.00) paid to State of California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining 25% (\$750.00) paid to Ruggeri.

Interline shall issue two (2) checks for the civil penalty: (1) a check or money

order made payable to "OEHHA" in the amount of \$2,250.00; and (2) a check or money order made payable to "Law Offices of Lucas T. Novak, Inc." in the amount of \$750.00. Interline shall remit the payments within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq.  
LAW OFFICES OF LUCAS T. NOVAK  
8335 W Sunset Blvd., Suite 217  
Los Angeles, CA 90069

### **3.2 Reimbursement Of Ruggeri's Fees And Costs**

Interline shall reimburse Ruggeri's reasonable experts' and attorney's fees and costs incurred in prosecuting the instant action, for all work performed through execution of this Agreement. Accordingly, Interline shall issue a check or money order made payable to "Law Offices of Lucas T. Novak, Inc." in the amount of seventeen thousand dollars (\$17,000.00). Interline shall remit the payment within ten (10) business days of the Effective Date, to:

Lucas T. Novak, Esq.  
LAW OFFICES OF LUCAS T. NOVAK  
8335 W Sunset Blvd., Suite 217  
Los Angeles, CA 90069

## **4. RELEASES**

### **4.1 Ruggeri's Release Of Interline**

Ruggeri, acting in her individual capacity only, her past and current agents, representatives, attorneys, successors and assignees, in consideration of the promises and monetary payments contained herein, hereby releases Interline, its parents, subsidiaries, shareholders, directors, members, officers, employees, attorneys, successors and assignees, as well as its downstream distributors, retailers, franchisees and customers (collectively "Released Parties") from any alleged Proposition 65 violation claims asserted in Ruggeri's 60-Day Notice regarding the Products sold and/or offered for sale by Interline before and up to the Effective Date.

### **4.2 Interline's Release Of Ruggeri**

Interline, its parents, subsidiaries, shareholders, directors, members, officers, employees, attorneys, successors and assignees, and on behalf of the Released Parties, by this Agreement, waive all rights to institute any form of legal action against Ruggeri, her past and current agents, representatives, attorneys, experts, successors and assignees, for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Interline in this matter.

#### **4.3 Waiver Of Unknown Claims**

Each of the Parties acknowledges that it is familiar with Section 1542 of California 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.”

Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

#### **5. SEVERABILITY**

Should any part or provision of this Agreement for any reason be declared by a Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

#### **6. GOVERNING LAW**

The terms of this Agreement shall be governed by the laws of the State of California.

7. **NOTICES**

All correspondence and notices required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

<p>TO INTERLINE: Shelley Hurwitz, Esq. Holland &amp; Knight 400 South Hope Street 8<sup>th</sup> Floor Los Angeles, CA 90071</p>	<p>TO RUGGERI: Lucas Novak, Esq. Law Offices of Lucas T. Novak 8335 W Sunset Blvd., Suite 217 Los Angeles, CA 90069</p>
------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

8. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

9. **AUTHORIZATION**

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation which will or might prevent or interfere with the execution or performance of this Agreement by said Party.

//

//

//

//

//

//

//

**[SIGNATURES TO FOLLOW]**

**AGREED TO:**

Date: 4/7/16

By: Isabel Ruggeri  
Isabel Ruggeri

**AGREED TO:**

Date: April 5, 2016

Printed Name: Michael A. Liata

By: [Signature]  
Authorized Officer of  
Interline Brands, Inc.