

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties

This Settlement Agreement is entered into by and between Anthony E. Held, Ph.D., P.E. (“Held”) and Coast Cutlery, Co. (“Coast Cutlery”), with Held and Coast Cutlery each individually referred to as a “Party” and collectively referred to as the “Parties.” Held is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Coast Cutlery 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

Held alleges that Coast Cutlery has sold in the State of California tool grips containing di(2-ethylhexyl)phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65, as a chemical known to the State of California to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined tool grips including, but not limited to, the *Coast Pro-Line LED Micro-Pliers, C2899CP, UPC #0 15286 28991 9*. All such tool grips shall be referred to herein as the “Products”, and any one of such items shall be referred to as a “Product.”

1.4 Notice of Violation

On December 13, 2017, Held served Coast Cutlery and various public enforcement agencies with a document entitled “60-Day Notice of Violation” (“Notice”) that provided Coast Cutlery and such public enforcers with notice that alleged that Coast Cutlery was in violation of Proposition 65 for failing to warn consumers and customers that the Products exposed users in California to DEHP. To the best of the Parties’ knowledge, no public enforcer has diligently prosecuted the allegations set forth in the Notice.

///

///

1.5 No Admission

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

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean May 15, 2018.

2. INJUNCTIVE RELIEF: REFORMULATION

2.1 Reformulation Standard

As of the Effective Date, all Products manufactured, imported, or purchased for sale by Coast Cutlery and shipped, sold, or offered for sale in California shall qualify as Reformulated Products. For purposes of this Settlement Agreement, "Reformulated Products" are Products containing DEHP, butyl benzyl phthalate ("BBP"), di-n-butyl ("DBP"), di-isodecyl phthalate ("DIDP"), diisononyl phthalate ("DINP"), and di-n-hexyl phthalate ("DnHP") each in concentrations of less than 0.1 percent (1,000 parts per million) in each accessible component when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization. For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission ("CPSC") methodology CPSC-CH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency ("EPA") methodology 8270C, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

3. MONETARY PAYMENTS

3.1 Payments Pursuant to Health & Safety Code §25249.7(b)

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice, Coast Cutlery agrees to pay a total of \$4,500 in civil penalties. The penalty payment will be

allocated in accordance with Health and Safety Code § 25249.12(c)(1) & (d), with 75% of the penalty amount remitted to OEHHA and the remaining 25% of the penalty amount retained by Held. Within 5 days of the Effective Date, Coast Cutlery shall provide its payment as follows: (i) a check in the amount of \$3,375 payable to “OEHHA” and (ii) a check in the amount of \$1,125 payable to “Anthony Held Client Trust Account.” Held’s counsel shall be responsible for delivering OEHHA’s portion of the penalty payments made under this Settlement Agreement.

3.2 Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Held and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure § 1021.5 for all work performed in this matter. Under these legal principles, within 5 days of the Effective Date, Coast Cutlery agrees to pay \$21,500 to Held and his counsel for all fees and costs incurred investigating, bringing this matter to the attention of Coast Cutlery’s management, and negotiating a settlement in the public interest. Coast Cutlery’s payment shall be in the form of a check payable to “The Chanler Group.”

3.3 Payment Address

All payments required by 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. RELEASE OF ALL CLAIMS

4.1 Held’s Release of Coast Cutlery

This Settlement Agreement is a full, final, and binding resolution between Held, as an individual and not on behalf of the public, and Coast Cutlery, of any violation of Proposition 65 that was or could have been asserted by Held on behalf of himself, his past and current agents, principals, employees, insurers, accountants, entities under his ownership or direction, representatives, attorneys, predecessors, successors, and/or assignees and heirs, against Coast Cutlery, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, agents, principals, employees,

insurers, accountants, predecessors, successors, and assigns, and each entity to whom Coast Cutlery directly or indirectly distributes, ships, or sells the Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees, and their owners, directors, officers, agents, principals, employees, attorneys, insurers, accountants, representatives, predecessors, successors, and assigns (collectively, “Releasees”), for any and all claims based on the alleged or actual failure to warn about alleged exposures to DEHP from the Products that were manufactured, imported, purchased for resale, distributed, sold, and/or offered for sale by Coast Cutlery in California before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein, Held as an individual, and not on behalf of the public, on behalf of himself, his past and current agents, principals, employees, insurers, accountants, entities under his ownership or direction, 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 including, without limitation, all actions and causes of action in law and in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys’ fees arising under Proposition 65 with respect to exposures to DEHP, BBP, DBP, DIDP, DINP, and DnHP from Products that were manufactured, imported, purchased for sale, distributed, sold, and/or offered for sale by Coast Cutlery in California before the Effective Date (collectively “Claims”), against Coast Cutlery and Releasees.

The releases provided by Held under this Settlement Agreement are provided solely on Held’s own behalf and not on behalf of the public in California.

4.2 Coast Cutlery’s Release of Held

Coast Cutlery, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Held and his attorneys and other representatives, for any and all actions taken or statements made by Held and his attorneys and other representatives, whether in the course of investigating claims articulated in the Notice or otherwise seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

4.3 Mutual Release of Known and Unknown Claims

Held, on behalf of himself and his agents, attorneys, representatives, successors, and assigns, in his respective individual capacity only and not in his representative capacity, and Coast Cutlery, each provide a general release of the other including the Releasees herein which shall be effective as a full and final accord and satisfaction, as a bar to all Claims of any nature, character or kind, known or unknown, suspected or unsuspected, arising out of alleged violations of Proposition 65 with respect to the Products as set forth in the Notice. Held and Coast Cutlery each acknowledge that they are each familiar with Section 1542 of the 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.

5. SEVERABILITY

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.

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, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to DEHP, BBP, DBP, DIDP, DINP, DnHP or the Products specifically, then Coast Cutlery shall provide written notice to Held 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 Coast Cutlery from any obligation to comply with any pertinent state or federal toxics control laws.

7. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and personally delivered or sent by: (i) first-class, registered or certified mail, return receipt requested; or (ii) overnight courier on any party by the other party at the

following addresses:

For Coast Cutlery:

Merton A. Howard, Esq.
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105

and

David Brands, President
Coast Cutlery Co.
8033 NE Holman Street
Portland, OR 97218

For Held:

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

Any party, from time to time, may specify in writing to the other party 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), 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)

Held and his attorneys agree to comply with the reporting requirements referenced in California Health & Safety Code §25249.7(f).

10. MODIFICATION

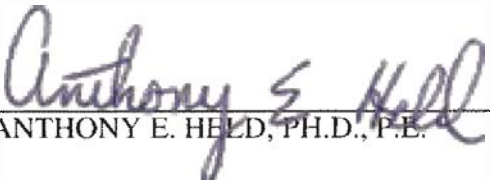
This Settlement Agreement may be modified only by written agreement of the parties.

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 hereof.

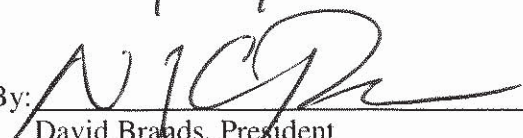
AGREED TO:

Date: 4/26/2018

By: 
ANTHONY E. HELD, PH.D., P.E.

AGREED TO:

Date: 4/24/18

By: 
David Brands, President
COAST CUTLERY CO.