

SETTLEMENT AGREEMENT AND RELEASE

CA Citizen Protection Group, LLC (“CCPG”) and Mizco International Inc. (“MIZCO”) enter into this Settlement Agreement (this “Agreement”). This Agreement is effective on the date on which it is fully executed (“Effective Date”). CCPG and MIZCO are referred to individually as a “Party” and collectively as the “Parties.” The Parties agree as follows:

1. The “Matter” arises out of the Notices of Violation of California Health & Safety Code §25249.5, *et seq.* (also known as “Proposition 65”) that CCPG served on MIZCO on March 01, 2018 (referred to as the “Notice”). The Notices variously claim that Proposition 65 warnings are required for alleged diisononyl phthalate (“DINP”) exposures to the certain products, as applicable, that have been tested by CCPG. The following products manufactured, distributed and/or sold by MIZCO are “Covered Product(s)” under this Agreement:

- i. **Travelocity Universal Micro Car Charger (Cable Sheath);**
- ii. **Travelocity 10-ft. Charge & Sync Cable (Cable Sheath);**
- iii. **Travelocity Wall Charger (Cable Sheath); and**
- iv. **Travelocity Platinum Series 4-Port USB Hub Charger (Cable Sheath).**

2. The Parties enter into this Agreement in order to fully resolve all claims, demands, and allegations regarding the Matter and for the purpose of avoiding prolonged litigation. Nothing in this Agreement shall be construed as an admission of the Parties of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by the Parties of any fact, issue of law, or violation of law including but not limited to Proposition 65. Nothing in this Agreement or any document referred to shall be construed as giving rise to any presumption or inference of admission or concession by the Parties as to any fault, wrongdoing or liability. This Section 2 shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

3. DINP Standards; Warnings.


3.1 On and after the date that is one hundred twenty (120) days after the Effective Date, MIZCO shall not distribute into California or directly sell in the State of California any Covered Product which does not qualify as a Reformulated Covered Product under Section 3.3, unless such Covered Product complies with the warning requirements of Section 3.2. As used in this Agreement, the term “distribute into California” shall mean MIZCO directly ships the Covered Product into California for sale in California or sells the Covered Product to a distributor or retailer that will sell, or informs MIZCO that it intends to sell, the Covered Product in California.

3.2 On and after one hundred twenty (120) days after the Effective Date, MIZCO shall provide on the Covered Products (to the extent it does not constitute a Reformulated Covered Product(s)) distributed into California, sold in California, or for which MIZCO has been informed will be sold into California, a warning that complies with the requirements of Sections 3.2.1, 3.2.2, 3.2.3, or 3.2.4. The warning shall be displayed on the packaging of such Covered Product(s) with such conspicuousness, as compared with other words, statements, or designs so as to render it


likely to be read and understood by an ordinary individual purchasing or using the Covered Product(s). The requirements of this Agreement respecting internet sales shall be governed by the Proposition 65 law. Respecting the warnings defined in Sections 3.2.1, 3.2.2, and 3.3.3, the warning must be in a type size no smaller than the largest type size used for other consumer information on the product.

In no case shall the warning appear in a type size smaller than 6-point type.

3.2.1 Option 1

 **WARNING: This product can expose you to chemicals, including diisononyl phthalate (DINP), which is known to the State of California to cause cancer.**


3.2.2 Option 2

 **WARNING: Consuming this product can expose you to chemicals, including diisononyl phthalate (DINP), which is known to the State of California to cause cancer. For more information, go to www.P65Warnings.ca.gov/food.**

Alternatively, at MIZCO's option, the warning may be modified to include a warning that complies with 27 Cal. Code Regs. § 25607.2. If the warning is printed on the label, the warning shall be set off from other surrounding information in the label and enclosed in a box.

3.2.3 Option 3

For the Covered Product, the warning may state:

 **WARNING: Cancer – www.P65Warnings.ca.gov.**

The pictogram specified in Section 3.2.3 shall be in yellow with a black exclamation mark; *provided however*, the pictogram may be in white instead of yellow if the Covered Product label does not contain the color yellow.

3.2.4 Option 4

Any warning authorized by any Proposition 65 law or regulation effective on or after the Effective Date.

3.3 Calculation of DINP Levels; Reformulated Covered Product. A Reformulated Covered Product is one for which the average daily exposure level does not exceed 146 micrograms of DINP per day or such lesser amount determined by the OEHHA as being acceptable, as determined by the formula, testing and quality control methodology described in Section 3.4. As used in this Agreement, "no more than 146 micrograms of DINP per day" means that the samples of the testing under Section 3.4 yield an average daily exposure of no more than 146 micrograms of DINP (with average daily exposure calculated pursuant to Section 3.4 of this Agreement). For the Covered Product that causes exposures in excess of 146 micrograms of DINP per day, MIZCO shall provide the warnings set forth in Section 3.2. For purposes of determining which warning, if any, is required pursuant to Section 3.2, the average concentration utilizing the geometric mean of DINP detection results of five (5) samples of the relevant product, randomly selected by MIZCO, will be controlling.

3.4. Formula, Testing and Quality Control Methodology.

3.4.1 For purposes of this Agreement, average daily exposure levels shall be measured in micrograms per day measured by generally accepted scientific standards. The testing requirements do not apply to any of the Covered Products for which MIZCO has provided a warning as specified in Section 3.2.

3.4.2 MIZCO shall not be required to engage in testing pursuant to this Agreement unless MIZCO distributes into the State of California the Covered Product without a warning. All testing pursuant to this Agreement shall be performed using a laboratory method that complies with any U.S. Environmental Protection Agency ("USEPA") approved testing method.

3.5 MIZCO and the Releasees (as defined in Section 5.1 below) shall have no obligation or liability with respect to the Covered Product that is sold and/or distributed in California after the date of the Notice, except as otherwise set forth in this Agreement.

4. MIZCO shall pay the total settlement amount of \$43,750 (the "**Settlement Amount**"). The Settlement Amount shall be paid as follows (referred to as the "**Payment Schedule**"):

- (i) within ten (10) days of the Effective Date, MIZCO shall issue two checks: one in the amount of \$5,625 made payable to "OEHHA Enforcement Fund", and the second in the amount of \$16,250 made payable to "Khansari Law Corporation – Client Trust Account" on behalf of CCPG; and
- (ii) within forty (40) days of the Effective Date, MIZCO shall issue a final check in the amount of \$21,875 made payable to "Khansari Law Corporation – Client Trust Account" on behalf of CCPG.
- (iii) All checks listed in points (i) and (ii) above shall be sent to:

CA Citizen Protection Group LLC
c/o Khansari Law Corp., APC
11845 W. Olympic Blvd., Suite 1000
Los Angeles, CA 90064

CCPG shall be solely responsible for allocating the payment pursuant to Sections 4.1 and 4.2. Upon request, CCPG shall supply MIZCO with a completed W9 form. The Settlement Amount shall be allocated as follows (and paid per the Payment Schedule above):

4.1. \$7,500 shall be considered a "civil penalty", of which CCPG shall remit seventy-five percent (75%) to the "Safe Drinking Water and Toxic Enforcement Fund" managed by the State of California's Office of Environmental Health Hazard Assessment.

4.2. \$36,250 shall be considered reimbursement of CCPG's attorneys' fees and costs related to the Matter.

4.3. Except as expressly set forth in Section 4, the Parties shall bear their own costs, expenses, and attorneys' fees related to this Matter.

5. Binding Effect; Claims Covered and Released.

5.1. CCPG, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, successors, assigns, and legal representatives (collectively referred to as "**CCPG Releasors**") fully releases and waives any right to participate (directly or indirectly) in any litigation against (i) MIZCO, and its respective equity owners, parents, subsidiaries, affiliates, sister and related companies, (b) its upstream suppliers and all downstream entities in the stream of commerce including but not limited to distributors, wholesalers, customers, retailers (including but not limited to Big Lots Stores, Inc. and Big Lots, Inc.), franchisees, cooperative members, and licensees (the entities identified in this subsection (b) are collectively referred to as "**Downstream Releasees**"), and (c) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors, and assigns of any of the entities identified in subsections (a) and (b), above (the entities identified in subsections (a), (b) and (c), above, are collectively referred to as "**Releasees**") from all claims, actions, suits, demands, liabilities, damages, penalties, fees (including but not limited to attorneys' fees, investigator fees, and expert fees), costs, and expenses (collectively referred to as "**Claims**") that were asserted, or that could have been asserted, for any alleged violations of Proposition 65, or any other alleged violations statutory or common law, arising from alleged exposures to DINP in the Covered Product(s) and any other products listed in the Notice.

5.2. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Product will develop or be discovered. CCPG on behalf of itself and the CCPG Releasors, acknowledges that this Agreement is expressly intended to cover and include all such claims, including all rights of action therefore, and further acknowledges that the Claims released this Section 5 may include unknown claims, and nevertheless waives California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads 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.

CCPG acknowledges and understands the significance and consequences of this specific waiver of California Civil Code Section 1542.

5.3. The Parties agree that compliance with the terms of this Agreement shall constitute compliance by any Releasee with Proposition 65 regarding alleged exposures to DINP in the Covered Product.

5.4 It is MIZCO's position that the commitments it has agreed to herein, and actions to be taken by MIZCO under this Agreement, confer a significant benefit to the general public, as set forth in California Civil Procedure Code section 1021.5 and Cal. Admin. Code tit. 11, section 3201. As such, to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to MIZCO or any Releasee's failure to provide a warning concerning exposures to DINP with respect to the Covered Products they have respectively manufactured distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Covered Products addressed in this Agreement, provided that MIZCO is in

compliance with this Agreement. This Section does not constitute a release by CCPG under this Agreement.

6. Resolution of Disputes.

6.1 If CCPG alleges that MIZCO has failed to comply with this Agreement, prior to filing an action or motion relating to enforcement, CCPG shall first provide MIZCO thirty (30) days' advance written notice of the alleged violation(s). CCPG shall provide testing results, lot numbers, photographs of the Covered Product packaging, and purchase receipts for the Covered Product at issue in the alleged violation, as applicable. The Parties shall meet and confer during such thirty (30) day period in an effort to reach an agreement on an appropriate cure for the alleged violation without the need for litigation.

6.2 Notwithstanding the provisions of Section 3, CCPG may not issue any notice under Section 6.1 if the packaging of the Covered Product is marked or labeled with the statement "Not for Sale in California" or substantially similar language as long as such statement is prominently placed upon such Covered Product's label or other labeling as compared with other words or statements on the label or labeling as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use.

7. This Agreement contains the entire agreement between the Parties with regard to settlement of this Matter, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the matters set forth in this Agreement. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed by the Parties. Notwithstanding the foregoing, MIZCO shall be entitled, at its option, to modify any warning that it provides under Section 3.2 to conform with any change in the Proposition 65 warning regulations set forth in Title 27 of the California Code of Regulations that may be adopted after the Effective Date.

8. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective owners, principals, shareholders, members, managers, officers, directors, employees, agents, successors, and assigns.

9. No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.

10. This Agreement shall be deemed to have been entered into in the State of California and governed and interpreted by the laws of the State of California, regardless of the physical locations of the individuals executing this Agreement at the time of execution.

11. The Parties acknowledge that they have a right to consult an attorney and they have consulted their attorneys with respect to the terms and conditions of this Agreement or by signing this Agreement hereby acknowledge they have made the decision not to consult with an attorney in this Matter. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

12. Any legal action to enforce this Agreement or related to this Matter shall be brought in the County of Alameda of the State of California.

13. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail (.pdf), copy of this Agreement, or any other counterpart, shall be deemed to be an original.

14. All notices required to be given to either Party under this Agreement shall be in writing and sent to the following recipients by (a) first-class mail or (b) overnight delivery.

For CCPG:

CA Citizen Protection Group, LLC
c/o Khansari Law Corp., APC
11845 W. Olympic Blvd., Suite 1000
Los Angeles, California 90064
Fax: (424) 248-6689
Email: andre@khansarilaw.com

For MIZCO:

Albert Mizrahi
Mizco International, Inc.
80 Essex Avenue, Easy
Avenel, NJ 07001
AlbertM@Mizco.com

With a copy to

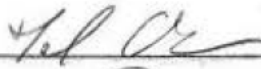
Evan Mizrahi, Esq.
Miller, Leiby & Associates, P.C.
32 Broadway, 13th Floor
New York, NY 10004
emizrahi@millerleiby.com

15. Each of the individuals who executes this Agreement represents and warrants he/she has the authority to execute this document and bind the respective Parties to the terms and conditions of this Agreement, and has read, understood, and agreed to all the terms and conditions in this Agreement.

[Signatures Appear on Following Page]

DATED: May 24, 2018

CA CITIZEN PROTECTION GROUP, LLC

By: 

Name: Ted Quinn

Title: Manager

DATED: May 24, 2018

MIZCO INTERNATIONAL INC.

By: 

Name: Robert A. Smith

Title: President