

# SETTLEMENT AGREEMENT

## 1. INTRODUCTION

### 1.1 Parties

This Settlement Agreement is entered into by and between Laurence Vinocur (“Vinocur”), and Multipet International, Inc. (“Multipet”), with Vinocur and Multipet each individually referred to as a “Party” and collectively as the “Parties.” Vinocur 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 contained in consumer products. Multipet employs ten or more individuals 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 and Safety Code section 25249.5 *et seq.* (“Proposition 65”).

### 1.2 General Allegations

Vinocur alleges that Multipet manufactured, imported, distributed, and/or sold in the State of California, pet carriers with vinyl/PVC components that contain di(2-ethylhexyl) phthalate (“DEHP”). DEHP is listed under Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm. Vinocur alleges that Multipet failed to provide consumers and other individuals exposed to DEHP from the pet carriers with vinyl/PVC components it sold in California with a clear and reasonable health hazard warning regarding the reproductive toxicity of DEHP, as required by Proposition 65.

### 1.3 Product Description

For purposes of this Settlement Agreement “Products” are defined as pet carriers with vinyl/PVC components that Plaintiff alleges contain DEHP that are manufactured, sold, or distributed for sale in California by Multipet including, but not limited to, *The Original Pet Voyage Montana Backpack, Item# 66510, UPC# 7 84369 66510 9.*

#### **1.4 Notice of Violation**

On March 21, 2018, Vinocur served Multipet, the California Attorney General, and all other requisite public enforcers with a document titled, “60-Day Notice of Violation” (“Notice”), alleging that Multipet violated Proposition 65 by failing to provide DEHP exposure warnings for the Products to its customers and consumers in California. No public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

#### **1.5 No Admission**

Multipet denies the material, factual, and legal allegations in the Notice, and maintains that all of the products that it has manufactured, imported, stored, distributed, shipped, sold and/or offered for sale 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 Multipet of any allegation, 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 Multipet of any allegation, fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Multipet. This Section shall not, however, diminish or otherwise affect Multipet’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 the date on which the parties execute this Settlement Agreement.

## **2. INJUNCTIVE RELIEF: REFORMULATION**

### **2.1 Commitment to Reformulate**

Commencing on the Effective Date and continuing thereafter, Multipet shall only manufacture for sale, purchase for sale, or import for sale, distribute, sell or offer for sale in California, Products that constitute Reformulated Products. For the purposes of this Settlement Agreement, “Reformulated Products” are defined as Products that contain

DEHP in concentrations less than 0.1 percent (1,000 parts per million) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or other methodology utilized by federal or state government agencies for the purpose 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 Agreement, Multipet agrees to pay a total of \$1,500 in civil penalties. The penalty payments will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount retained by Vinocur. Multipet will deliver its payment on or before January 18, 2019, in two checks for the following amounts made payable to: (a) “OEHHA” in the amount of \$1,125; and (b) “Laurence Vinocur, Client Trust Account” in the amount of \$375. Vinocur’s counsel shall be responsible for delivering OEHHA’s portion of the penalties paid under this Settlement Agreement.

#### **3.2 Attorneys’ Fees and Costs**

The Parties reached an accord on the compensation due to Vinocur 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 business days of the Effective Date, Multipet agrees to pay \$20,000 to Vinocur’s counsel for all fees and costs incurred investigating, bringing this matter to the attention of Multipet’s management, and negotiating a settlement that provides a significant public benefit. Multipet agrees to make four equal installment payments of \$5,000, with the first installment due on or before January 18, 2019, and each subsequent installment due on the 1<sup>st</sup> day of every third month thereafter

as follows: April 1, 2019, July 1, 2019, and October 1, 2019. Multipet shall be liable for payment of interest, at a rate of 10% simple interest, for all amounts due and owing under this Section that are not received within two business days of the due date. Multipet's payments shall be delivered 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. CLAIMS COVERED AND RELEASED**

### **4.1 Vinocur's Release of Multipet**

This Settlement Agreement is a full, final, and binding resolution between Vinocur and Multipet, of any violation of Proposition 65 that was or could have been asserted by Vinocur, on his own behalf and as a citizen enforcer, or on behalf of his past and current agents, principals, employees, representatives, attorneys, predecessors, successors, assignees and heirs, against Multipet, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, agents, principals, insurers, accountants, representatives, attorneys, predecessors, successors, assignees, and each entity to whom Multipet directly or indirectly distributes, ships or sells Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees and their owners, directors, officers, employees, representatives, attorneys, predecessors, successors, and assignees (collectively, "Releasees"), for any and all claims based on the alleged or actual failure to warn about exposures to DEHP in Products manufactured, sold, or distributed for sale before the Effective Date in California by Multipet, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, Vinocur, on his own behalf and as a citizen enforcer, and on behalf of his past and current

agents, principals, employees, insurers, accountants, entities under his ownership or direction, representatives, attorneys, predecessors, successors, assignees and heirs hereby waives any and all rights that he may have to institute or participate in, directly or indirectly, any form of legal action, and releases all claims against Multipet and Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses, investigation fees, expert fees, and attorneys' fees for any and all claims of a violation of Proposition 65 that was or could have been asserted based on the alleged or actual failure to warn about exposures to DEHP in Products manufactured, sold, or distributed for sale before the Effective Date by Multipet. The releases provided by Vinocur under this Settlement Agreement are provided solely on Vinocur's behalf and are not releases on behalf of the public in California.

#### **4.2 Multipet's Release of Vinocur**

Multipet, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Vinocur, Vinocur's attorneys, and other representatives, for any and all actions taken or statements made, whether in the course of investigating claims, seeking to enforce Proposition 65 against Multipet in this matter, or with respect to the Products.

#### **5. SEVERABILITY**

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions 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. Compliance with the terms of this Agreement shall be deemed to constitute compliance with Proposition 65 with respect to exposures to DEHP from the Products. In the event that Proposition 65 is repealed or

otherwise rendered inapplicable by reason of law generally, or as applied to the Products, then Multipet may provide written notice to Vinocur of the asserted change in the law, and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to the Products, to the extent that the Products are so affected.

**7. NOTICE**

Unless specified herein, all correspondence and notice required by 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 Multipet:

Aaron M. Wais, Esq.  
Mitchell Silberberg & Knupp LLP  
11377 W. Olympic Blvd.  
Los Angeles, CA 90064

For Vinocur:

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

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)**

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

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**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, understand, and agree to all of the terms and conditions of this Settlement Agreement.

**AGREED TO:**

**AGREED TO:**

Date: 1/2/2019

Date: \_\_\_\_\_

By:   
Laurence Vinocur

By: \_\_\_\_\_  
Mark Hirschberg, President  
Multipet International, Inc.

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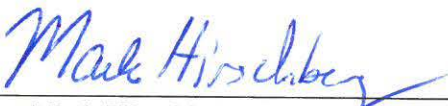
**AGREED TO:**

**AGREED TO:**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Laurence Vinocur

By:   
Mark Hirschberg, President  
Multipet International, Inc.