

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Anthony Ferreiro (“Ferreiro”) and Sol-Light, LLC dba WITHit and With It Licensing, LLC (collectively, “Sol-Light”). Together, Ferreiro and Sol-Light are collectively referred to as the “Parties.” Ferreiro is an individual who resides in the State of California, and seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Ferreiro alleges that Sol-Light is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. (“Proposition 65”).

1.2 General Allegations. Ferreiro alleges that Sol-Light has exposed individuals to the chemical Bisphenol A (BPA) from its sales of WITHit watch protectors/bumpers without first providing users and consumers of the product with a clear and reasonable health hazard exposure warning as required pursuant to Proposition 65. BPA is listed under Proposition 65 as a chemical known to the State of California to cause reproductive toxicity.

1.3 Product Description. The products covered by this Settlement Agreement are WITHit watch protectors/bumpers (the “Products”) that have been imported, distributed, offered for sale and/or sold in California by Sol-Light.

1.4 Notice of Violation. On December 14, 2020, Ferreiro served Sol-Light, Best Buy Co., Inc., Bestbuy.com, LLC, and various public enforcement agencies with a document entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.” (the “Notice”). The Notice provided Sol-Light and such others, including public enforcers, with notice that alleged that Sol-Light was in violation of California Health & Safety Code § 25249.6, for failing to warn California consumers and customers that use of the Products will expose them to BPA. No public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission. Sol-Light denies the material factual and legal allegations contained in the Notice and maintains that, to the best of its knowledge, all products that are or have been sold and

distributed 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 Sol-Light of any fact, finding, issue of law, or violation of law; nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Sol-Light of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Sol-Light. However, this § 1.5 shall not diminish or otherwise affect the obligations, responsibilities and duties under this Settlement Agreement. Notwithstanding the allegations in the Notice, Sol-Light maintains that it has not knowingly manufactured, or caused to be manufactured, the Products for sale in California in violation of Proposition 65.



1.6 Effective Date. For purposes of this Settlement Agreement, the term “Effective Date” shall mean the date this Agreement is last executed by the Parties.

2. INJUNCTIVE RELIEF: REFORMULATION AND/OR WARNINGS

2.1 Reformulation of Products and Warnings. As of no later than 90 days after the Effective Date, and continuing thereafter, Products that Sol-Light directly manufactures, imports, distributes, sells, or offers for sale in California shall either: (a) be Reformulated Products pursuant to § 2.2, below; or (b) be labeled with a clear and reasonable exposure warning pursuant to §§ 2.3 and 2.4, below. For purposes of this Settlement Agreement, “Reformulated Products” are Products that are in compliance with the standard set forth in § 2.2, below. The warning requirement set forth in §§ 2.3 and 2.4 shall not apply to any Reformulated Products. The reformulation and the warning requirement shall not apply to Products that are already in the stream of commerce as of the Effective Date or that Sol-Light places into the stream of commerce within 90 days of the Effective Date.

2.2 Reformulation Standard. “Reformulated Products” shall mean Products for which the daily average exposure to BPA would not exceed the chemical’s current safe harbor levels, specifically any Maximum Allowable Dose Level (MADL), as published by OEHHA and as may be amended from time to time.

2.3 Clear and Reasonable Warning. As set forth in §2.1, Sol-Light agrees to manufacture, import, or purchase for sale in California only (a) reformulated Products pursuant to § 2.2, or (b) Products that are accompanied by either of the following warnings:

- (a)  **WARNING:** This product can expose you to chemicals including Bisphenol A (BPA), which are known to the State of California to cause [cancer and] birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.
- (b)  **WARNING:** Reproductive Harm - www.P65Warnings.ca.gov.

If Sol-Light has reason to believe that the Products may cause exposures to one or more chemicals listed as carcinogens on the Proposition 65 list, it may implement the appropriate combination warnings set forth in Title 27, California Code of Regulations, Section 25603. If Sol-Light has reason to believe that the Products may cause exposures to one or more chemicals listed as both carcinogens and reproductive toxicants on the Proposition 65 list, it may use the combination warning set forth in Section 25603(a)(2)(D) and identify such chemical(s) instead of BPA, or the combination warning set forth in Section 25603(b)(2)(C). Should the Proposition 65 safe harbor warning regulations be amended after the execution of this Settlement Agreement, Sol-Light may in its sole discretion implement such warnings for the Products. Sol-Light and its downstream retailers shall have no obligation to reformulate or label Products that entered the stream of commerce prior to 90 days after the Effective Date. For purposes of this Settlement Agreement, “Reformulated Products” are Products that meet the standard set forth in Section 2.2, above.

2.4 Compliance with Warning Regulations. As set forth in §2.1, the warning provided pursuant to § 2.3 above shall be affixed to or printed on the Products’ packaging or labeling. The warning shall be prominently affixed to or printed on the packaging or labeling and displayed 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 under customary conditions of purchase or use. A warning may be contained in the same section of the packaging, labeling, or instruction booklet that states other safety warnings, if any, concerning the use of the Products and shall be at least the same size as those other safety warnings.

3. PENALTIES PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

In settlement of all the claims referred to in this Settlement Agreement, Sol-Light shall pay \$500.00 as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Penalty remitted to OEHHA and the remaining 25% of the Penalty remitted to Ferreiro. The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below. For all amounts due and owing that are not received within the payment times set forth below, Sol-Light shall pay a late civil penalty payment fee equal to \$100/day to be allocated in accordance with California Health & Safety Code § 25249.12(c)(1) and (d).

3.1 Civil Penalty. Within ten (10) days of the Effective Date, Sol-Light shall issue two separate checks for the Civil Penalty payment to (a) “OEHHA” in the amount of \$375.00; and to (b) “Brodsky & Smith, LLC in Trust for Ferreiro” in the amount of \$125.00. The Civil Penalty payment(s) shall be delivered to the addresses identified in § 3.2, below.

3.2 Payment Procedures.

(a) Issuance of Payments. Payments shall be delivered as follows:

(i) All payments owed to Ferreiro, pursuant to § 3.1 shall be delivered to the following payment address:

Evan J. Smith, Esquire
Brodsky & Smith, LLC
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

(ii) All payments owed to OEHHA (EIN: 68-0284486), pursuant to § 3.1 shall be delivered directly to OEHHA (Memo Line “Prop 65 Penalties”) at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

(b) **Copy of Payments to OEHHA.** Sol-Light agrees to provide Ferreiro's counsel with a copy of the checks payable to OEHHA, simultaneous with its penalty payments to Ferreiro, to be delivered to the address provided in § 3.2(a)(i), as proof of payment to OEHHA.

(c) **Tax Documentation.** Sol-Light agrees to provide a completed IRS 1099 for its payments to, and Ferreiro agrees to provide IRS W-9 forms for, each of the following payees under this Settlement Agreement:

(i) "Anthony Ferreiro" whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;

(ii) "Brodsky & Smith, LLC" (EIN: 23-2971061) at the address provided in Section 3.2(a)(i); and

(iii) "Office of Environmental Health Hazard Assessment" 1001 I Street, Sacramento, CA 95814.

4. **REIMBURSEMENT OF FEES AND COSTS**

The Parties acknowledge that Ferreiro and his counsel offered to reach preliminary agreement on the material terms of this dispute before reaching terms on the amount of fees and costs to be reimbursed to them. The Parties thereafter reached an accord on the compensation due to Ferreiro and his counsel under general contract principles and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this agreement. Under these legal principles, Sol-Light shall reimburse Ferreiro's counsel for fees and costs incurred as a result of investigating and bringing this matter to Sol-Light's attention, and negotiating a settlement in the public interest. Within ten (10) days of the Effective Date, Sol-

Light shall issue a check payable to “Brodsky & Smith, LLC” in the amount of \$4,500.00 for delivery to the address identified in § 3.2(a)(i), above.

5. RELEASE OF ALL CLAIMS

5.1 Release of Sol-Light and Downstream Customers and Entities. This Settlement Agreement is a full, final and binding resolution between Ferreiro, acting on his own behalf, and Sol-Light and its parents, subsidiaries, affiliated entities, shareholders, members, managers, marketplaces, directors, officers, agents, employees, attorneys, successors and assignees, and each entity to whom Sol-Light directly or indirectly distributes or sells the Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, including but not limited to Best Buy Co., Inc., and its respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees and Bestbuy.com, LLC and its respective subsidiaries, affiliates and parents, franchisees, cooperative members and licensees, (collectively, the “Releasees”), of any violation of Proposition 65 that was or could have been asserted by Ferreiro or on behalf of his past and current agents, representatives, attorneys, successors, and/or assigns (“Releasers”) for failure to provide warnings for alleged exposures to BPA contained in the Products, and Releasers hereby release and waive any such claims against Releasees from all claims for violations of Proposition 65 through 90 days after the Effective Date for the Products.

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to §§ 3 and 4 above, Ferreiro, on behalf of himself, his past and current agents, representatives, attorneys, successors and/or assignees, hereby covenants not to sue and waives any right to institute, 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 obligations, expenses (including without limitation all attorneys’ fees, expert fees, and investigation fees, and costs), damages, losses, liabilities and demands against any of the Releasees of any nature, character, or kind, whether known or unknown, suspected or unsuspected, limited to and arising out of the alleged or actual exposure to the chemical BPA in the Products.

5.2 Sol-Light's Release of Ferreiro. Sol-Light, on behalf of itself, its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against Ferreiro, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Ferreiro and/or his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it in this matter.

5.3 California Civil Code § 1542. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Products will develop or be discovered. Ferreiro on behalf of himself only, on one hand, and Sol-Light, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date and as provided herein, including all rights of action therefor. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Ferreiro and Sol-Light each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

5.4 Deemed Compliance with Proposition 65. The Parties agree that compliance by Sol-Light with this Settlement Agreement constitutes compliance with Proposition 65 with respect to exposure to BPA from use of the Products.

5.5. Public Benefit. It is the Parties' understanding that the commitments it has agreed to herein, and actions to be taken by Sol-Light under this Settlement Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties that to the extent any other private

party initiates an action alleging a violation of Proposition 65 with respect to Sol-Light's failure to provide a warning concerning exposure to BPA prior to use of the Products it has 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 Products addressed in this Settlement Agreement, provided that Sol-Light is in material compliance with this Settlement Agreement.

5.5 Enforcement. After the Effective Date, prior to bringing any motion, order to show cause, or other proceeding regarding the Product and/or this Agreement, Ferreiro shall provide Sol-Light with a Notice of Violation ("NOV") for each Product alleged to be in violation. The NOV shall include the date of the alleged violation(s), city and state of sale, name of vendor(s), proof of purchase(s), photograph(s) of the Product(s) (so Sol-Light may verify authenticity), and any test data obtained by Ferreiro regarding each Product. Ferreiro shall take no further action regarding any alleged violation nor seek any monetary recovery for itself, its past and current representatives, agents, attorneys, successors and/or assigns if, within thirty (30) business days of receiving the NOV, Sol-Light demonstrates to Ferreiro or its authorized representative: (a) the Product(s) were sold by Sol-Light before the Effective Date; (b) Sol-Light directed the affected store to take corrective action by either removing the Product(s) from sales to California residents or by placing the required warning label on the remaining Product(s) sold or offered for sale in California within thirty (30) calendar days from the date of service of the NOV; (c) the Products is free of BPA as judged against the current safe harbor levels, including No Significant Risk Levels (NSRLs) for cancer-causing chemicals and Maximum Allowable Dose Levels (MADLs), for chemicals listed as causing birth defects or other reproductive harm as published by OEHHA; or (d) that it provides a warning prior to the sale of the Products in accordance with Section 2.3 of this Agreement.

6. 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 but only to the extent the deletion of the provision

deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties in entering into this Settlement Agreement.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the law 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 or limited by reason of law generally, or as to the Products, Sol-Light shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, a Product is so affected.

8. 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 or two-day courier on any party by the other party to the following addresses:

For Sol-Light:

Neal Cohen
Neal Cohen Law LLC
6930 Carroll Avenue, Suite 423
Takoma Park, MD 20912

For Ferreiro:

Evan J. Smith
Brodsky & Smith, LLC
Two Bala Plaza, Suite 805
Bala Cynwyd, PA 19004

Either 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.

9. COUNTERPARTS: SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or .pdf signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

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

Ferreiro agrees to comply with the reporting requirements referenced in Health & Safety Code § 25249.7(f).

11. MODIFICATION

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

12. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

13. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement and have read, understood and agree to all of the terms and conditions contained of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: 3/8/2021

Date: 3/11/21

By: Anthony Ferreiro
Anthony Ferreiro

By: David C. Light, Manager
Sol-Light, LLC dba WITHit

Date: 3/11/21

By: David C. Light, Manager
With It Licensing, LLC