

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties. This Settlement Agreement is entered into by and between Anthony Ferreiro (“Plaintiff” or “Ferreiro”) and Williams-Sonoma, Inc. (“Williams-Sonoma”). Together, Ferreiro and Williams-Sonoma are collectively referred to as the “Parties.” Ferreiro is an individual who allegedly resides in the State of California and seeks to improve human health by reducing or eliminating hazardous substances contained in consumer products. Ferreiro alleges that Williams-Sonoma 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 Williams-Sonoma manufactured, distributed, and/or sold in California certain *Foundations*® furniture cover products containing the chemical diisononyl phthalate (“DINP”) without first providing California consumers with a Proposition 65 warning. DINP is listed under Proposition 65 as a chemical known to the State of California to cause cancer.

1.3 Product Description. The products covered by this Settlement Agreement are *Foundations*® furniture covers, including but not limited to RN # 71395/ CA # 38634 (the “Covered Products”) that Williams-Sonoma has either manufactured, imported, distributed, offered for sale and/or directly or indirectly sold in California.

1.4 Notice of Violation. On April 20, 2021, Ferreiro served Williams-Sonoma and various public enforcement agencies with documents entitled “Notice of Violation of California Health & Safety Code § 25249.6, et seq.” (the “Notice”). The Notice provided Williams-Sonoma and such others, including public enforcers, with notice that alleged that Williams-Sonoma failed to warn California consumers and customers that use of the Covered Products may expose them to DINP. To the best of the Parties’ knowledge, no public enforcer has diligently prosecuted the allegations set forth in the Notice.

1.5 No Admission. Williams-Sonoma enters into this Settlement Agreement as a full and final settlement of all claims that were raised or that could have been raised in the Notice, and to avoid

prolonged and costly litigation. Williams-Sonoma denies the material, factual, and legal allegations contained in the Notice, maintains that it is not a person in the course of doing business that is subject to Proposition 65, that it is not subject to personal jurisdiction in California, and that all products that it has sold and distributed in California, including the Covered Products, have been and are in compliance with all laws, and are completely safe for their intended use. Nothing in this Settlement Agreement shall be construed as an admission by Williams-Sonoma of any fact, finding, issue of law, or violation of law; including, but not limited to any fact or conclusions of law suggesting or demonstrating that Williams-Sonoma has sold any products in California, or that it has violated Proposition 65, or that it is subject to personal jurisdiction in California, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Williams-Sonoma of any or the above, such being specifically denied by Williams-Sonoma. Nothing in this Settlement Agreement shall prejudice, waive or impair any right, remedy, argument or defense Williams-Sonoma may have in this or any other future legal proceedings, including Williams-Sonoma's position that it is not subject to personal jurisdiction in California. This Settlement Agreement is the product of negotiation and compromise and is accepted by Williams-Sonoma solely for purposes of settling, compromising, and resolving issues disputed in the Notice. However, this Section 1.5 shall not diminish or otherwise affect the Parties' 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 that this Agreement is fully executed.


2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Reformulation of Covered Products. As of the Effective Date, and continuing thereafter, Covered Products that Williams-Sonoma manufactures, imports, distributes, sells, or offers for sale in California shall either be: (1) Reformulated Products pursuant to § 2.2, below; or (2) labeled with a clear and reasonable warning pursuant to §§ 2.3 and 2.4, below. For purposes of this Consent Judgment, a "Reformulated Product" is a Covered Product that is in compliance with the reformulation standard set forth in § 2.2 below. The warning requirements set forth in §§ 2.3 and 2.4 shall not apply to any Reformulated Product.

2.2 Reformulation Standard. “Reformulated Products” shall mean Covered Products that contain concentrations less than or equal to 0.1% (1,000 parts per million (“ppm”)) each of DEHP, dibutyl phthalate (“DBP”), diisononyl phthalate (“DINP”), diisodecyl phthalate (“DIDP”), di-n-hexyl phthalate (“DnHP”), and butyl benzyl phthalate (“BBP”), in any accessible components when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C, or other methodologies utilized by federal or state government agencies for the purpose of determining the phthalate content in a solid substance.

2.3 Clear and Reasonable Warning Requirements. As of the Effective Date, and continuing thereafter, a clear and reasonable exposure warning as set forth in this §§ 2.1 and 2.2 must be provided for all Covered Products that Williams-Sonoma manufacturers or imports for sale in California that contain DINP. The warning shall consist of either the **Warning** or **Alternative Warning** described in §§ 2.1(a) or (b), respectively:

(a) **Warning.** The “Warning” shall consist of the statement:


 [California Prop 65] **WARNING:** 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.

(b) **Alternative Warning:** Williams-Sonoma may, but is not required to, use the alternative short-form warning as set forth in this § 2.1(b) (“**Alternative Warning**”) as follows:

 [California Prop 65] **WARNING:** Cancer - www.P65Warnings.ca.gov.

Language in brackets is optional.

Or, if Williams-Sonoma has reason to believe that the Covered Products cause an exposure to more than one listed chemical it may use one of the following warnings:

 [California Prop. 65] **WARNING:** This product can expose you to chemicals including diisononyl phthalate (DINP), which is known to the State of California to cause cancer [and (name of one or more chemicals) which are known to the State of California to cause (birth defects) (or other reproductive harm)]. For more information go to www.P65Warnings.ca.gov.

For this warning, the brackets must be filled in based on the chemical exposure(s) caused by the Covered Product and must be consistent with 27 CCR 25603.

△ [California Prop. 65] **WARNING:** [Cancer] [and] [birth defects or other reproductive harm]. www.P65Warnings.ca.gov.

For all warnings listed above the “[California Prop 65]” language is optional. In lieu of the preceding warning content and methods set forth above, Williams-Sonoma may use any specific safe-harbor warning content and method applicable to the Covered Products and the exposures at issue as set forth in Title 27, California Code of Regulations, section 25600 *et seq.*, as amended August 30, 2018, and subsequently thereafter.

2.4 The **Warning** or **Alternative Warning** provided pursuant to § 2.1 must print the word “**WARNING:**” in all capital letters and in bold font, followed by a colon. The warning symbol to the left of the word “**WARNING:**” must be a black exclamation point in a yellow equilateral triangle with a black outline, except that if the sign or label for the Covered Products does not use the color yellow, the symbol may be in black and white. The symbol must be in a size no smaller than the height of the word “**WARNING:**”. The **Warning** or **Alternative Warning** shall be prominently displayed and affixed to or printed on the Product itself, or on the Product’s packaging, container, labeling, or on a placard, shelf tag, sign or electronic device or automatic process, provided that the **Warning** or **Alternative Warning** is displayed with such conspicuousness, as compared with other words, statements, or designs as to render it reasonably likely to be read and understood by an ordinary individual under customary conditions of purchase or use. The **Warning** or **Alternative 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 Covered Products and shall be at least the same size as those other safety warnings.

If Williams-Sonoma sells Covered Products via an internet website to customers located in California the requirements of this Section shall be satisfied if the **Warning** or **Alternative Warning**, or a clearly marked hyperlink using the word(s) [California Prop 65] “**WARNING**” (language in brackets optional) appears either: (a) on the same web page on which a Product is displayed and/or described; (b) on the same page as the price for the Covered Products; or (c) on one or more web pages displayed to a purchaser prior to purchase during the checkout process. Alternatively, a symbol

consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Product, if the **Warning** or **Alternative Warning** appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies. Third-party internet sellers of the Covered Product that have been provided with written notice in accordance with Title 27, California Code of Regulations, § 25600.2 are not released in Section 5 of this Agreement if they fail to meet the warning requirements herein if such notice was provided in accordance with the third party internet sellers' protocols and requirements

2.5 Compliance with Warning Regulations. The Parties agree that Williams-Sonoma shall be deemed to be in compliance with Proposition 65 and this Settlement Agreement by either adhering to § 2 of this Settlement Agreement or by complying with warning requirements adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") applicable to the Covered Product and the exposure at issue that are in effect after the Effective Date.

2.6 Changes in Warning Regulations or Statutes. In the event that the Office of Environmental Health Hazard Assessment promulgates one or more regulations requiring or permitting Proposition 65 warning text and/or methods of transmission applicable to the Covered Products and the chemical at issue, which are different than those set forth above, Williams-Sonoma shall be entitled to use, at its discretion, such other warning text and/or method of transmission without being deemed in breach of this Agreement. If regulations or legislation are enacted providing that Proposition 65 warnings as to DINP in this product are no longer required, a lack of warning by Williams-Sonoma will not thereafter be a breach of this Agreement..

2.7 Public Benefit. It is Williams-Sonoma's understanding that the commitments it has agreed to herein, and actions to be taken by Williams-Sonoma under this Settlement Agreement 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 Williams-Sonoma that to the extent any private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to Williams-Sonoma's alleged failure to provide a warning concerning actual or alleged exposure to

DINP or other listed phthalates prior to use of the Covered 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 Covered Products addressed in this Settlement Agreement, provided that Williams-Sonoma is in material compliance with this Settlement Agreement.

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

In settlement of all claims for monetary relief of any kind related to the Notice or referred to in this Settlement Agreement (except for Plaintiff's attorney's fees and expenses set forth in § 4 below), Williams-Sonoma 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.

3.1 Civil Penalty. Within ten (10) business days of the Effective Date, Williams-Sonoma shall issue two (2) separate checks for the Civil Penalty payment: (a) one to "OEHHA" in the amount of \$375.00; and one to (b) "Anthony 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
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.** Williams-Sonoma agrees to provide Ferreiro's counsel with a copy of the check payable to OEHHA, simultaneously with its penalty payment to Ferreiro, to be delivered to the address provided in § 3.2(a)(i), as proof of payment to OEHHA.

(c) **Tax Documentation.** Williams-Sonoma 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) calendar days of the Effective Date;
- (ii) "Brodsky Smith" (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 attorney's fees and expenses to be reimbursed to him. 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 contract. Under these legal principles, Williams-Sonoma shall reimburse Ferreiro's counsel the total amount of \$9,500.00 for any and all of Ferreiro's attorneys' fees and expenses, including but not limited to all investigative, expert, and testing expenses, incurred as a result of investigating and bringing this matter to the attention of Williams-Sonoma, and negotiating this settlement in the public interest. Within ten (10) days of the Effective Date, Williams-Sonoma shall issue a check payable to "Brodsky Smith, LLC" in the amount of \$9,500.00 for delivery to the address identified in § 3.2(a)(i), above

5. RELEASE OF ALL CLAIMS

5.1 Release of Williams-Sonoma and Upstream and Downstream Customers and Entities. This Settlement Agreement is a full, final and binding resolution between Ferreiro, acting on his own behalf, and Williams-Sonoma, 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 actual or alleged failure to provide warnings for alleged exposures to DINP contained in the Covered Products manufactured through the Effective Date, and Releasers hereby release any such claims against Williams-Sonoma and its suppliers, parents, subsidiaries, affiliated entities, shareholders, marketplaces, directors, officers, agents, employees, attorneys, and their respective predecessors, successors and assignees, and each entity from whom Williams-Sonoma obtained any Covered Products and each entity to whom Williams-Sonoma directly or indirectly distributed or sold the Covered Products, including but not limited to, downstream distributors, wholesalers, customers, retailers, and their respective subsidiaries, affiliates and parents, franchisees, cooperative members, licensors, and licensees (collectively, the "Releasees"), from all claims for actual or alleged violations of Proposition 65 regarding actual or alleged DINP exposure for Covered Covered Products manufactured through the Effective Date.

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 from actual or alleged exposure to DINP in the Covered Products manufactured through the Effective Date.

5.2 Williams-Sonoma's Release of Ferreiro. Williams-Sonoma, 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 or with respect to the Covered Products.

5.3 No Other Known Claims or Violations. Ferreiro and Ferreiro's Counsel affirm that as of the Effective date they are not presently aware of any actual or alleged violations of Proposition 65 by Williams-Sonoma for which Williams-Sonoma bears legal responsibility other than those that are fully resolved by this Settlement Agreement.

5.4 California Civil Code § 1542. It is possible that other claims not known to the Parties including those arising out of the facts alleged in the Notice and relating to products manufactured by or for Williams-Sonoma through the Effective Date will develop or be discovered. Ferreiro, on behalf of himself, his past and current agents, representatives, attorneys, successors, and or assignees only, on the one hand, and Williams-Sonoma, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims against the Releasees for products manufactured by or for Williams-Sonoma up through the Effective Date, 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 Williams-Sonoma expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent they may lawfully waive such rights or benefits pertaining to the released matters.

5.5 Deemed Compliance with Proposition 65. The Parties agree that compliance by Williams-Sonoma with this Settlement Agreement constitutes compliance with Proposition 65 with respect to actual or alleged exposure to DINP or other listed phthalates from use of the Covered Products.

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 laws 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 Covered Products, or if DINP is delisted, Williams-Sonoma shall provide written notice to Ferreiro 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, a Product is so affected. This Settlement Agreement is enforceable solely by the Parties hereto.

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) a recognized overnight or two-day courier on any Party by the other Party to the following addresses:

For Williams-Sonoma:

General Counsel
Williams Sonoma, Inc.
3250 Van Ness Avenue
San Francisco, CA 94109

With copy to:

J. Robert Maxwell, Esq.
Rogers Joseph O'Donnell
Robert Dollar Building 311 California St., 10th Floor
San Francisco, CA, 94104

For Ferreiro:

Evan J. Smith
Brodsky Smith
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: DIGITAL SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or .protable 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.

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. ENFORCEMENT

Before any Party may take action to enforce the terms of this Settlement Agreement for alleged breach, that Party must give the other Party written notice and a good faith opportunity to respond and cure the alleged violation without further enforcement. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. If the alleged violation cannot be resolved, the Party alleging a violation may thereafter move to enforce the terms of this Settlement Agreement. No action or motion may be filed in the absence of such a good faith attempt to resolve the dispute beforehand.

13. JOINT PREPARATION

The Parties have jointly participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties. Accordingly, any uncertainty or ambiguity existing in this Settlement Agreement shall not be interpreted against any Party as a result of the manner of the preparation of this Settlement Agreement. Each Party to this Settlement Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

14. 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.

15. 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: 10/16/23

Date: 10/13/23

By: Anthony Ferreiro
Anthony Ferreiro

By: [Signature]
Williams-Sonoma, Inc.