

SETTLEMENT AGREEMENT

AG Notice No. 2022-01127
(Legend Services Inc.)

1. INTRODUCTION

1.1 Wozniak and Legend Services Inc.

This settlement agreement (Settlement Agreement) is entered into by and between Paul Wozniak and Legend Services Inc. (Settling Entity) with Wozniak and the Settling Entity referred to as the “Parties.” Wozniak is an individual residing in 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. Pursuant to California Health & Safety Code §§25249.5, *et seq.* (Proposition 65), the Settling Entity is a responsible party selling the products at issue set forth in subsection 1.3 below to (a) California consumers and/or (b) downstream entities in the course of doing business which the Settling Entity has reason to believe sell into the California marketplace (customers).

1.2 General Allegations

Wozniak alleges that the Settling Entity imports, distributes, retails and/or otherwise facilitates for sale in California the products defined below, and that it does so without providing the health hazard warning required by Proposition 65 for consumer exposures to Di(2-ethylhexyl)phthalate (DEHP) and Diisononyl phthalate (DINP). DEHP and DINP are listed pursuant to Proposition 65 as a chemical known to the State of California to cause reproductive toxicity, and cancer, respectively. The Settling Entity is making commitments in furtherance of the public interest as set forth below.

1.3 Product Description

The products covered by this Settlement Agreement are wheelchair upholstered components including, but not limited to, upholstered components such as seats, backs, leg rests, armrests and calf pads, hereinafter the “Product” or “Products.”

//

1.4 Notices of Violation

On or about June 1, 2022, Wozniak served the Settling Entity and Amazon.com, Inc., (Amazon) and certain requisite public enforcement agencies with a 60-Day Notice of Violation (Notice), alleging that the Settling Entity violated Proposition 65 when it failed to warn customers or consumers in California that the Products expose users to DEHP and DINP. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

The Settling Entity denies the material, factual and legal allegations contained in the notice and maintains that all Products that were sold and distributed in California have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by the Settling Entity 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 the Settling Entity of any fact, finding, conclusion, issue of law or violation of law. This subsection shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean September 16, 2022.

2. **INJUNCTIVE RELIEF: WARNINGS OR REFORMULATION**

2.1 Injunctive Relief

Commencing on, October 31, 2022, and continuing thereafter, the Settling Entity shall only manufacture for sale, import for sale, and purchase for resale in California Products that are Reformulated Products as defined by subsection 2.2 below. Any Products that are not Reformulated Products, which the Settling Entity sells, ships for sale, or distributes for sale to customers or consumers in California, or to customers with nationwide distribution, after the Effective Date, shall be labeled with a clear and reasonable warning as set forth in subsection

2.3. If, after October 31, 2022, the Settling Entity sells Products that are not Reformulated Products via mail order catalog and/or the Internet to customers located in California, the Settling Entity shall also provide warnings for such Products by identifying the specific Product to which the warning applies as set forth in subsections 2.4 through 2.6. This subsection shall not apply for Products that have already entered the stream of commerce prior to the Effective Date.

2.2 Reformulation Standards

“Reformulated Products” are Products containing DEHP and DINP 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 or CPSC-CH-C1001-09.4 and analyzed using U.S. Environmental Protection Agency (EPA) methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

2.3 Clear and Reasonable Website Warnings

Commencing on or before October 31, 2022, (the compliance date), the Settling Entity shall provide clear and reasonable warnings for all Products, that are not Reformulated Products, provided for sale to customers in California. Specifically, each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use and shall be provided in a manner such that it is clearly associated with the Product to which the warning applies.

(a) **Warning.** The warning shall consist of the following or statement (Warning), as applicable:

⚠ WARNING: This product can expose you to DEHP, which is 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.

or

⚠ WARNING: This product can expose you to DINP, which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

or

⚠ WARNING: This product can expose you to DINP, which is known to cause cancer, and to DEHP which is known can cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

(b) Short-Form Warning. the Settling Entity may, but is not required to, use the following short-form warning as set forth in this subsection 2.3(b) (Short-Form Warning) instead of the Warning described in 2.3(a), and subject to the additional requirements in subsections 2.5 and 2.6, so long as it is allowed under Proposition 65's implementing regulations, as applicable and as follows:

⚠ WARNING: Reproductive Harm – www.P65Warnings.ca.gov

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

⚠ WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov

(c) Foreign Language Requirement. Where a product sign or label used to provide a warning includes consumer information in a language other than English, the warning shall also be provided in such language in compliance with Proposition 65's implementing regulations.

2.4 On-Product Warnings


The Settling Entity shall affix a warning to the Product label, Product packaging or otherwise directly on each unit of the Product sold to consumers in California. For the purpose of this Settlement Agreement, "Product label" means a display of written, printed or graphic material that is printed on or affixed to a Product. The entire warning shall appear in a type size

of at least 6-point type and no smaller than the largest type size used for other consumer information on the product. The warning shall be consistent with subsection 2.3 above.

2.5 Mail Order Catalog Warnings

In the event that, the Settling Entity prints new catalogs and sells units of the Products via mail order through such catalogs to California consumers or through its customers, the Settling Entity shall provide a warning for each unit of such Product both on the label in accordance with subsection 2.4 above, and in the catalog in a manner that clearly associates the warning with the specific Product being purchased. Any warning provided in a mail order catalog shall be in the same type size or larger than other consumer information conveyed for such Product within the catalog and shall be located on the same display page of the item. The catalog warning may use the Short-Form Warning described in subsection 2.3(b) if the language provided on the Product label also uses the Short-Form Warning.

2.6 Internet Warnings

If the Settling Entity offers for sale any of the Products through online retail sellers, it shall ensure that the required warning (with the language set forth in subsection 2.3 above) is prominently displayed to the purchaser prior to completion of the transaction without requiring the potential buyer to use considerable effort to be made aware of the health hazard advisory. The warning (or a clearly marked hyperlink to the warning using the word “**WARNING**”) given in conjunction with the online sale of the Products shall appear either: (a) prominently placed on the page in which the Product’s photograph, price, “add-to-cart” section are displayed together; (b) on the same web page as the order form for the Products; or (c) on the web page displayed to the purchaser during the checkout process for any purchaser with a California address. The Settling Entity may also place the symbol “” adjacent to “**WARNING.**” The internet warning may use the Short-Form Warning content described in subsection 2.3(b) if the warning provided on the Product label also uses the Short-Form Warning content.

//

//

3. MONETARY SETTLEMENT TERMS

3.1 Civil Fines

Pursuant to Health & Safety Code §25249.7(b), and in settlement of all claims alleged in the Notice, the Settling Entity agrees to pay a total of \$8,000 in civil fines. This payment will be allocated in accordance with Health & Safety Code §25249.12(c)(1) and (d), with 75% of the penalty amount paid to OEHHA and the remaining 25% of the penalty amount paid to and retained by Wozniak.

The Settling Entity will deliver its civil penalty payment to the address in subsection 3.3 by overnight courier, with a tracking number, or through an automatic electronic transfer such that payment is received by Wozniak's counsel on or before the Effective Date. For non-electronic payments the Settling Entity shall provide two checks made payable to: (a) "OEHHA" in the amount of \$6,000; and (b) "Paul Wozniak" in the amount of \$2,000. Thereafter, Wozniak's counsel shall send the portions of the penalties paid by the Settling Entity to OEHHA and Wozniak.

3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Wozniak and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, the Settling Entity expressed a desire to resolve Wozniak's fees and costs. The Parties then negotiated a resolution of the compensation due to Wozniak's counsel under general contract principles, Proposition 65 implementing regulations codified at 11 California Code of Regulations §3201 and the private attorney general doctrine codified at California Code of Civil Procedure §1021.5. For all work performed through the mutual execution of this agreement, the Settling Entity shall reimburse Wozniak's counsel \$45,000. The Settling Entity will deliver its payment to the address in subsection 3.3 by overnight courier, with a tracking number, or through an automatic electronic transfer such that payment is received by Wozniak's counsel on or before the Effective Date.

The reimbursement shall cover all fees and costs incurred by Wozniak investigating, bringing this matter to the Settling Entity's attention and negotiating a settlement of the matter in furtherance of the public interest.

3.3 Payment Address and Effect of Non-Payment

All non-electronic payments required by this Settlement Agreement shall be delivered to the following address:

Chanler, LLC
Attn: Proposition 65 Controller
72 Huckleberry Hill Road
New Canaan, CT 06840

The payments shall be made in two installments. The first installment of \$35,000 shall be due within two business days from the Effective Date. The second installment of 18,000 shall be due on November 1, 2022. The parties agree that \$8,000 of the first installment will be allocated to pay the civil fines, the remaining payments will be allocated to Wozniak's fees and costs.

Should the payments due under Section 3 not clear within two business days from the above specified dates, then this Settlement Agreement shall be null and void.

4. CLAIMS COVERED AND RELEASED

4.1 Wozniak's Release of The Settling Entity

This Settlement Agreement is a full, final and binding resolution between Wozniak, as an individual (and not on behalf of the public yet furthers its health interest), and the Settling Entity, of any violation of Proposition 65 that was or could have been asserted by Wozniak on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against the Settling Entity and each entity to whom it directly or indirectly distributes or sells Products, including, but not limited, to downstream distributors, dealers, providers, wholesalers, customers, retailers (including but not limited to Amazon.com Inc.), and each of their parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys (Releasees), based on their failure to warn about alleged exposures to DEHP and DINP

contained in the Products that were sold and/or offered for sale in California by the Settling Entity through Amazon.com and/or any other channels to customers in California before the Effective Date, as alleged in the notice.

In further consideration of the promises and agreements herein contained, Wozniak as an individual and not on behalf of the public, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of his rights to institute or 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 or 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 DEHP and DINP in the Products, sold and/or offered for sale by the Settling Entity, before the Effective Date, against the Settling Entity and the Releasees.

The Parties further understand and agree that this subsection 4.1 release shall not extend upstream to any entities that manufactured the Products or any component parts thereof, or any distributors, importers or suppliers who sold the Products to the Settling Entity. Nothing in this subsection affects Wozniak's right to commence or prosecute an action under Proposition 65 against a Releasee that does not involve the Products distributed, sold and/or offered for sale by the Settling Entity that are the subject of this Settlement Agreement.

4.2 The Settling Entity's Release of Wozniak

The Settling Entity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Wozniak and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Wozniak and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in connection with the notice or Products.

5. **SEVERABILITY**

If, subsequent to its execution, 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.

6. **GOVERNING LAW & ENFORCEMENT**

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. For purposes of this Settlement Agreement only, the Settling Entity stipulates that the Superior Court of California shall have personal jurisdiction over it for the limited and sole purpose of an action to enforce the terms of this Settlement Agreement, brought without joinder of other claims. Nothing in this Settlement Agreement shall be interpreted to relieve the Settling Entity from any obligation to comply with any pertinent state or federal toxics control law.

The Parties agree that if the Office of Environmental Health Hazard Assessment (OEHHA) changes its warning regulations affecting subsections 2.3 through 2.6, then the Settling Entity may either conform with the revised law or continue to conform with the terms provided in this Settlement Agreement if the new implementing regulations so allow. In doing so, the Settling Entity will be in compliance with this Settlement Agreement as long as it continues to fulfill any warning obligations unaffected by such new changes.

In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Settlement Agreement are rendered inapplicable or no longer required as a result of any such repeal or preemption or rendered inapplicable by reason of law generally as to the Products, then the Settling Entity shall provide written notice to Wozniak of any asserted change in the law and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

7. **NOTICE**

Unless specified herein, all correspondence notices and service of process required to be provided pursuant to this Settlement Agreement shall be in writing and: (a) personally delivered; (b) sent by first-class (registered or certified mail) return receipt requested; (c) sent by overnight courier; or (d) electronically transmitted to one party by the other party at the following addresses:

For the Settling Entity:

Legend Services Inc.
Attn: Charles Rollins
115 Twinbridge Drive.
Unit C
Pennsauken, NJ 0810

With a Copy to:

Sophia B. Castillo
Downey Brand LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
scastillo@downeybrand.com

For Wozniak:

Proposition 65 Coordinator
Chanler, LLC
72 Huckleberry Hill Road
New Canaan, CT 06840
clifford@chanlerLLC.com

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 AND 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.

9. **COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)**

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

10. MODIFICATION

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

11. AUTHORIZATION

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

AGREED TO:

AGREED TO:

Date: September 9, 2022

Date: September 9, 2022

By: 

Paul Wozniak

By: 

Charles Rollins
Owner/President
Legend Services Inc.