

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Consumer Protection Group, LLC and Guess?, Inc.

This Settlement Agreement is entered into by and between Consumer Protection Group, LLC ("CPG"), on the one hand, and Guess? Inc. ("Guess"), on the other hand, with CPG and Guess collectively referred to as "Parties," and individually, each as a "Party."

1.2 General Allegations

CPG alleges that Guess manufactured, distributed, and/or offered consumer products for sale namely – Clear Logo Fanny Pack and a Girls Jelly Bag in the State of California containing Di(2-ethylhexyl) phthalate ("DEHP") and Diisononyl phthalate ("DINP") respectively, that such products did not include warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). On January 1, 1988, the Governor of California added DEHP to the list of chemicals known to the State to cause Cancer. On October 24, 2003, the Governor of California added DEHP to the list of chemicals known to the State to cause developmental toxicity and male reproductive toxicity. Further, on December 20, 2013, the Governor of California added DINP to the list of chemicals known to the State to cause Cancer.

1.3 Description of Products

The products covered by this Settlement Agreement are defined as clear logo fanny pack, including that certain product identified as "Guess" "LA" "CA" "Style: DX22186" "Color: Clear" "Group: Clear Logo Fanny" "\$24.99" "UPC No.

843061111441” “Fanny Pack” and a girls jelly bag, including that certain product identified as - “Guess” “Los Angeles” “SM6118MTL0-PNK” “Girls Repeat Logo Jelly Backpack” “M.S.R.P \$29.99” “Made in China” (all such items, collectively, the “Subject Products”) that Guess sold, offered for sale and/or distributed in California containing DEHP and/or DINP.

1.4 **Notices of Violations**

On July 8, 2022, CPG served Guess, and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California, with documents entitled "60-Day Notice of Violation", Attorney General No. 2023-02603 (the "First Notice") that provided Guess and such public enforcers with notice that Guess was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Subject Products exposed users in California to DEHP. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the First Notice.

On August 24, 2023, CPG served Guess, and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California, with documents entitled "60-Day Notice of Violation", Attorney General No. 2023-02661 (the "Second Notice")(collectively, with the First Notice, the “Notices”) that provided Guess and such public enforcers with notice that Guess was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Subject Products exposed users in California to DINP. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Second Notice.

1.5 **No Admission**

By execution of this Settlement Agreement, Guess and its affiliates and subsidiaries, parents, directors, officers, agents, employees, attorneys, representatives, shareholders, successors, and assigns and each entity to whom Guess directly or indirectly purchases from, licenses from, distributes or sells the Subject Products, including but not limited to manufacturers, importers, suppliers, downstream distributors, wholesalers, customers, retailers, marketplace retailers, franchisees, licensors, cooperative members and licensees (collectively, the “Releasees”), do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by the Releasees of any fact, conclusion of law, issue of law, or violation of law. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission or evidence of fault, wrongdoing, or liability by the Releasees in any administrative or judicial proceeding or litigation in any court, agency, or forum. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that CPG or Guess, may have against one another in any other pending legal proceeding as to allegations unrelated to the dispute or claims released herein. Notwithstanding the allegations in the Notices, Releasees maintain that they have not knowingly manufactured or distributed, or caused to be manufactured or distributed, or offered the Subject 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 fully executed by all Parties.

2. **INJUNCTIVE RELIEF: WARNING**

2.1 **Commitment to Reformulate or Warn**

Within 30 days after the Effective Date, Guess shall not sell or offer the Subject Products for sale in the State of California unless they are Reformulated Products as outlined in Section 2.2 or Guess provides warnings as outlined in Section 2.3.

2.2 **Reformulation Standards**

“Reformulated Products” are defined as those Products containing DEHP in concentration no more than 1000 parts per million (ppm) or DINP in a concentration of no more than 1000 parts per million (ppm).


2.3 **Warning**

The warning requirements set forth in this Section 2 shall apply only to Subject Products that Guess distributes, markets, sells, or ships for sale in the State of California after the Effective Date that have not been reformulated as set forth in Section 2.2.


2.4 **Warning Language**

Any warnings provided pursuant to this Section 2 shall be provided in such a conspicuous and prominent manner that will reasonably ensure the message is made available and likely to be read, seen, or heard by the consumer prior to, or at the time of, the sale or purchase. It is sufficient to provide the warning in a type-size no smaller than the largest type size used for other consumer information on the products (and no smaller


than 6-point font). Where required, Guess shall have an option to provide a warning label in any one of the following Proposition 65 warnings:

 **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:** Cancer and Reproductive Harm 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:** Cancer www.P65Warnings.ca.gov

This shall constitute compliance with Proposition 65 with respect to the chemicals in the Subject Products. The provisions of Section 2 shall not apply to any of the Subject Products that are already in the stream of commerce. If consumer information is provided in a foreign language, Guess shall provide the warning in the foreign language. Should Guess sell or distribute any Subject Products that exceed 0.1% of DEHP and DINP through the internet the warning will be posted in the manner provided for with respect to internet sales, as provided for in 27 CCR sections 25601 and 25602, as they may be subsequently amended.

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

In settlement of all the claims referred to in this Settlement Agreement, Guess shall pay a total of two thousand two hundred and fifty dollars (\$2,250.00) in civil penalties in accordance with this Section. The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment ("OEHHA") and the remaining 25% of the penalty remitted to CPG. CPG's counsel shall be responsible for delivering OEHHA's portion and CPG's portion of any penalty payment made under this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to CPG and its counsel under the Private Attorney General doctrine and principles of contract law. Under these legal principles, Guess shall reimburse CPG's counsel for fees and costs, incurred as a result of investigating and bringing this matter to Guess' attention. Guess shall pay Consumer Protection's counsel fifty-two thousand five hundred dollars (\$52,500.00) for all attorneys' fees, expert and investigation fees, and related costs associated with this matter and the Notices.

5. PAYMENT INFORMATION

On or before January 31, 2024, Guess shall make a total payment of fifty-four thousand seven hundred and fifty dollars (\$54,750.00) for the civil penalties and attorneys' fees/costs to Plaintiff's counsel, Blackstone Law APC by wire transfer. Other than this payment, each side is to bear its own attorneys' fees and costs associated with the Notices,

the Subject Products, and the settlement memorialized in this Settlement Agreement. Plaintiff's counsel will provide Guess with wire instructions. As a condition precedent to Guess' obligation to make the settlement payment, Blackstone Law APC will first provide to Guess and executed IRS Form W9 and any additional reasonable documentation as Guess' accounting department may require to process payment.

6. RELEASE OF ALL CLAIMS

6.1 Release of Releasees

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3, 4 and 5 above, CPG, in its individual capacity, and on behalf of itself, its past and current owners, agents, representatives, attorneys, members, successors and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims relating to the Notices and/or the Subject Products, 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 limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against any and all of the Releasees including, without limitation: (a) Guess, (b) each of Guess' manufacturers, importers, suppliers, downstream distributors, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users, suppliers, and (c) Guess' parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities.

CPG also, in its individual capacity, on behalf of itself, its past and current agents, owners, attorneys, successors, and/or assignees and *not* in its representative capacity, provides a general release herein which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of any nature, character or kind, known or unknown, suspected or unsuspected, against any of the the Releasees, including Guess, with regards to the Subject Products and the Notices. CPG acknowledges that it is familiar with California Civil Code section 1542, which provides 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 RELEASING PARTY.

CPG in its individual capacity only, and on behalf of itself, its past and current owners, agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California 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 that it may lawfully waive such rights or benefits pertaining to the released matters. The release in this section shall have no force or effect until payments for the full amount set forth in above Sections 3, 4 and 5 are paid in full to Blackstone Law, APC by Guess.

6.2 **Guess Release of Consumer Protection Group, LLC.**

Guess waives any and all claims against CPG, its attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by CPG and its attorneys and other representatives arising from or related to the Notices. Guess represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Guess to 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 by reason of law generally, or as to the Subject Product, then Guess shall have no further obligations pursuant to this Settlement Agreement, but shall have no recourse to claw back payments already made in accordance with Section 3, 4 and 5 of this Settlement Agreement.

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 courier on any Party by the other Party at the following addresses:

For Guess: Matthew S. Kenefick
Jeffer Mangels Butler & Mitchell LLP
2 Embarcadero Center, 5th Floor
San Francisco, CA 94111

For CPG: Jonathan M. Genish, Esq.
Blackstone Law APC
8383 Wilshire Blvd., Suite 745
Beverly Hills, CA 90211

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.

9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile, .pdf or e-signatures, 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 SECTION 25249.7(f)

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

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and all related prior discussions, negotiations, commitments and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

12. MODIFICATION



This Settlement Agreement may be modified only by a written agreement signed by all Parties.

13. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understood and agree to all of the terms and conditions of this Settlement Agreement.

14. NO ADDITIONAL CLAIMS

As of the date of this Agreement's execution, neither CPG nor its Counsel have actual knowledge of any other new claims by CPG against Guess arising under Proposition 65, other than the claims being released.

<p style="text-align: center;">AGREED TO:</p> <p>Date: 1/18/2024</p> <p>By: </p> <p>On Behalf of Consumer Protection Group, LLC</p>	<p style="text-align: center;">AGREED TO:</p> <p>Date: 1/18/2024</p> <p>DocuSigned by:  Jason Miller 0B5BC1F316C4485...</p> <p>By: _____</p> <p>On Behalf of Guess? Inc.</p>
---	---