

**SETTLEMENT AGREEMENT BETWEEN APS&EE, LLC AND DUELLE  
FASHION, INC.**

**1. RECITALS**

**1.1 The Parties**

**1.1.1** This Settlement Agreement (“Agreement”) is entered into by and between Duelle Fashion, Inc. (“Duelle”) and APS&EE, LLC (“APS&EE”) (each individually referred to as a “Party” and collectively as the “Parties”).

**1.1.2** APS&EE is an organization based in California with an interest in protecting the environment, improving human health and the health of ecosystems, and supporting environmentally sound practices, which includes promoting awareness of exposure to toxic chemicals and reducing exposure to hazardous substances found in consumer products.

**1.1.3** APS&EE alleges that Duelle is a person in the course of doing business as the term is defined in California *Health & Safety Code* section 25249.6 et seq. (“Proposition 65”).

**1.2 Allegations**

**1.2.1** APS&EE alleges that Duelle sold the Ciel Collection brand of bags bearing bar code / item numbers BA400249BKBK, BA400249BGBG and BA400249LTLT (hereinafter, collectively the “Products”) in the State of California causing users in California to be exposed to hazardous levels of Di (2-ethylhexyl) Phthalate (“DEHP”) and Di-n-Butyl Phthalate (“DBP”) without providing “clear and reasonable warnings”, in violation of Proposition 65. DEHP is listed by the State of California as known to cause cancer and reproductive toxicity; DBP is listed as known to cause birth defects and other reproductive harm.

**1.2.2** On September 12, 2023, APS&EE sent a Sixty-Day Notice of Violation (the “Notice”), along with a Certificate of Merit, to Shop Q, Inc. and the various public enforcement agencies regarding the alleged violation of Proposition 65

with respect to the Products. Duelle subsequently reached out to APS&EE because Duelle sold the Products to Shop Q, Inc.

### **1.3 No Admissions**

Duelle denies all allegations in APS&EE's Notice and maintains that the Products have been, and are, in compliance with all laws, and that Duelle has not violated Proposition 65. This Agreement shall not be construed as an admission of liability by Duelle but to the contrary as a compromise of claims that are expressly contested and denied. However, nothing in this section shall affect the Parties' obligations, duties, and responsibilities under this Agreement.

### **1.4 Compromise**

The Parties enter into this Agreement in order to resolve the controversy described above in a manner consistent with prior Proposition 65 settlements and consent judgments that were entered in the public interest and to avoid prolonged and costly litigation between them.

### **1.5 Effective Date**

The "Effective Date" shall be the date upon which a complete and fully executed copy of the Agreement is delivered to each Party or its counsel.

## **2. INJUNCTIVE RELIEF**

### **2.1 Reformulation Standard**

As of the Effective Date, Duelle shall not distribute for sale in California, sell or offer for sale the Products in California unless (a) the Products contain no more than 1,000 parts per million (0.01%) of DEHP and DBP, and the Products produce a test result no higher than 1.0 microgram of DEHP and DBP based on a wipe sample collected using NIOSH Method 9100 or equivalent ("Reformulated Product"), or (b) the Product is accompanied by a clear and reasonable warning as described below in Section 2.2.

### **2.2 Proposition 65 Warnings**

For any Products that are not Reformulated Products, such Products shall be accompanied by a clear and reasonable warning. Duelle shall provide a warning

statement substantially similar to the following:

**WARNING:** This product can expose you to chemicals, including [DEHP and/or DBP],<sup>1</sup> which [is/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](http://www.P65Warnings.ca.gov).

The bracketed language may vary based on the identified listed chemical(s). The warning shall be accompanied by a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline. Where the label for the product is not printed using the color yellow, the symbol may be printed in black and white. The symbol shall be placed to the left of the text of the warning, in a size no smaller than the height of the word “WARNING”. Additionally, if the Product contains consumer information in a foreign language, the warning must be provided in the foreign language.

The Products shall carry said warning directly on each unit, label, or package, with such conspicuousness as compared with other words, statements or designs as to render it likely to be read and understood by an ordinary consumer prior to sale. A Product that is sold by Duelle on the internet to persons located in California shall also provide the warning message by a clearly marked hyperlink on the product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Product. For Products that Duelle provides for a downstream entity to sell on the internet, Duelle shall include an instruction that the entity comply with the warning requirements of this section.

### **3. PAYMENTS**

#### **3.1 Civil Penalty Pursuant To Proposition 65**

In settlement of all claims referred to in this Agreement, Duelle shall pay a total

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<sup>1</sup> In accordance with 27 Cal. Code Regs., section 25603, operative Aug. 30, 2018, the warning must expressly identify at least one of the Listed Chemicals present in the Product, as applicable.

civil penalty of two thousand dollars (\$2,000.00) to be apportioned in accordance with *Health and Safety Code* section 25249.12(c)(1) and (d), with 75% (\$1,500.00) for State of California Office of Environmental Health Hazard Assessment (“OEHHA”), and the remaining 25% (\$500.00) for APS&EE.

Duelle shall issue these payments collectively as part of the total payment described below in Section 3.2 via wire transfers to Law Offices of Lucas T. Novak. After receipt of all wire transfers, Law Offices of Lucas T. Novak shall be responsible for forwarding the respective payments to OEHHA and APS&EE.

### **3.2 Reimbursement Of Plaintiff’s Fees And Costs**

Duelle shall reimburse APS&EE’s reasonable experts’ and attorney’s fees and costs incurred in prosecuting the instant action for all work performed through execution of this Agreement, in the amount of fourteen thousand dollars (\$14,000.00). Accordingly, Duelle shall remit total payment via wire transfers to Law Offices of Lucas T. Novak in the total amount of sixteen thousand dollars (\$16,000.00), which includes the civil penalty described in Section 3.1, in two (2) installments, as follows:

- 1) First wire transfer in the amount of eight thousand dollars (\$8,000.00) within five (5) business days of the Effective Date; and
- 2) Second wire transfer in the amount of eight thousand dollars (\$8,000.00) on or before January 25, 2024.

Wire instructions have been exchanged between the Parties’ counsel.

## **4. RELEASES**

### **4.1 APS&EE’s Release Of Duelle**

APS&EE, acting in its individual capacity, in consideration of the promises and monetary payments contained herein, hereby releases Duelle, its parents, subsidiaries, shareholders, directors, members, officers, employees, attorneys, successors and assignees, as well as its downstream distributors, retailers, and franchisees, including but not limited to Shop Q, Inc. (collectively “Released Parties”), from any alleged Proposition 65 violation claims asserted in APS&EE’s Notice regarding failure to warn

about DEHP and/or DBP exposure from the Products that Duelle has sold or caused to be sold in California before and up to the Effective Date.

#### **4.2 Duelle's Release Of APS&EE**

Duelle, by this Agreement, waives all rights to institute any form of legal action against APS&EE, its shareholders, directors, members, officers, employees, attorneys, experts, successors and assignees for actions or statements made or undertaken, whether in the course of investigating claims or seeking enforcement of Proposition 65 against Duelle in this matter. If any Released Party should institute any such action, then APS&EE's release of said Released Party in this Agreement shall be rendered void and unenforceable.

#### **4.3 Waiver Of Unknown Claims**

Each of the Parties acknowledges that it is familiar with Section 1542 of California Civil Code 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 RELEASED PARTY.

Each of the Parties waives and relinquishes any right or benefit it has or may have under Section 1542 of California Civil Code or any similar provision under the statutory or non-statutory law of any other jurisdiction to the full extent that it may lawfully waive all such rights and benefits. The Parties acknowledge that each may subsequently discover facts in addition to, or different from, those that it believes to be true with respect to the claims released herein. The Parties agree that this Agreement and the releases contained herein shall be and remain effective in all respects notwithstanding the discovery of such additional or different facts.

### **5. SEVERABILITY**

Should any part or provision of this Agreement for any reason be declared by a

Court to be invalid, void or unenforceable, the remaining portions and provisions shall continue in full force and effect.

**6. GOVERNING LAW**

The terms of this Agreement shall be governed by the laws of the State of California.

**7. NOTICE**

All correspondence and notice required to be provided under this Agreement shall be in writing and delivered personally or sent by first class or certified mail addressed as follows:

<p>TO DUELLE:                  H. Michael Song, Esq.                  SONG &amp; BACK                  10999 Riverside Dr., Suite 201                  Studio City, CA 91602</p>	<p>TO APS&amp;EE:                  Lucas T. Novak, Esq.                  Law Offices of Lucas T. Novak                  8335 W Sunset Blvd., Suite 217                  Los Angeles, CA 90069</p>
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**8. COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute the same document. Execution and delivery of this Agreement by e-mail, facsimile, or other electronic means shall constitute legal and binding execution and delivery. Any photocopy of the executed Agreement shall have the same force and effect as the originals.

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9. **AUTHORIZATION**

The undersigned are authorized to execute this Agreement on behalf of their respective Parties. Each Party has read, understood, and agrees to all of the terms and conditions of this Agreement. Each Party warrants to the other that it is free to enter into this Agreement and is not subject to any conflicting obligation that will or might prevent or interfere with the execution or performance of this Agreement by said Party.

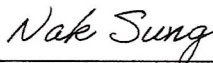
**AGREED TO:**

Date: 12/11/2023

By:   
Authorized Representative of APS&EE, LLC

**AGREED TO:**

Date: 12/11/2023

By:  Nak Young, Sung  
Authorized Representative of Duelle Fashion, Inc.