

# SETTLEMENT AGREEMENT

## 1. INTRODUCTION

### 1.1 Parties

This Settlement Agreement (“**Agreement**”) is entered into by and between BISSELL Homecare, Inc. (“**BISSELL**”) and Keep America Safe and Beautiful (“**KASB**”) with BISSELL and KASB referred to, individually, as a “**Party**” and, collectively, as the “**Parties**.” KASB is a California nonprofit corporation, proceeding in the public interest, pursuant to California Health & Safety Code § 25249.7(d), to ensure chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are either disclosed or eliminated from products sold in California. BISSELL is a “person in the course of doing business,” as defined by Health & Safety Code § 25249.11(b), for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code §§ 25249.5 *et seq.* (“**Proposition 65**”).

### 1.2 General Allegations & Consumer Product Description

KASB alleges BISSELL manufactures, distributes, sells and/or offers for sale to consumers in California vacuum bags with vinyl components containing diisononyl phthalate (“**DINP**”) including, but not limited to, *Sanitaire Bag Assy-Dual Use, Cloth, Red 27.5 in., REPL, Part No. 54582A4, UPC: 0 23169 14429 3*, without providing the health hazard warning required by Proposition 65. All vacuum bags with vinyl components containing DINP are referred to hereinafter as the “**Products**.” DINP is listed as a chemical known to the State of California to cause cancer.

### 1.3 Notice of Violation

On November 21, 2023, KASB served Equipment Supply Company, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to DINP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in either the Notice.

### 1.4 No Admission

BISSELL denies the factual and legal allegations contained in the Notice and maintains all products it manufactured, sold, and distributed for sale, in or into California, including the

Products, have been and are in compliance with all laws. Nothing in this Agreement shall be construed as an admission by BISSELL of any fact, finding, issue of law or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by BISSELL of any fact, finding, conclusion, issue of law or violation of law. This section shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties under this Agreement.

## **1.5 Effective Date**

For purposes of this Agreement, the term “**Effective Date**” shall mean the date by which both Parties have signed the Agreement.

## **2. INJUNCTIVE RELIEF: REFORMULATION & INTERIM WARNINGS**

### **2.1 Commitment to Reformulate the Products**

Commencing on the Effective Date, and continuing thereafter, BISSELL agrees all Products it manufactures and imports which are sold or distributed in or into California shall be Reformulated Products, in accordance with and as defined by Section 2.2, below.


### **2.2 Reformulated Products & Reformulation Standard Defined**

For purposes of this Agreement, “**Reformulated Products**” are defined as Products which, if they contain diisononyl phthalate (“**DINP**”), contain DINP in a maximum concentration of less than 0.1 percent (1,000 parts per million) when analyzed by a laboratory certified or accredited by the State of California, the United States Food and Drug Administration/Environmental Protection Agency, the National Environmental Laboratory Accreditation Program, or a member accreditation body of the International Laboratory Accreditation Cooperation (“**ILAC**”). For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission (“**CPSC**”) methodology CPSCCH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance. (“**Reformulation Standard.**”)

### 2.3 Interim Clear and Reasonable Warnings

Commencing on or before the Effective Date, BISSELL shall provide clear and reasonable warnings for all remaining inventory of Products in BISSELL's possession, custody, or control that are not Reformulated Products provided for sale to customers in California in accordance with this Section pursuant to Title 27 California Code of Regulations § 25600, *et seq.* 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 specific Product to which the warning applies.

(a) **Warning.** The following warnings for Products containing DINP in excess of the Reformulation Standard shall be deemed in compliance with Title 27 California Code of Regulations § 25600, *et seq.*:

 **WARNING:** This product can expose you to diisononyl phthalate (DINP), which is known to the State of California to cause cancer. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

(b) **Foreign Language Requirement.** Where a consumer product sign, label or tag used to provide a warning includes “consumer information,” as the term is defined in Title 27 California Code of Regulations § 25600.1(c) (“**Consumer Information**”), in languages other than English, then the accompanying warnings must also be provided in those languages, in addition to English.

(c) **On-Product Warning Requirements.** BISSELL shall affix a warning to the Product label or otherwise directly on each Product provided for sale to consumers located in California and to customers with retail outlets in California or nationwide distribution. For purposes of this Agreement, “**Product label**” means a display of written, printed, or graphic material that is printed on or affixed to each of a Product or its immediate wrapper. A warning provided pursuant to Section 2.3(a) must print the word “**WARNING:**” in all capital letters and in bold font. 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 labeling does not use the color yellow, then the symbol may be in black and white. 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 Products.

(d) **Catalog Warnings.** If, after the Effective Date, BISSELL prints new catalogs and sells Products through such catalogs to customers located in, with retail outlets located in, California or with nationwide distribution, BISSELL shall provide a warning for each Product both on the Product label in accordance with Section 2.4, 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 provided for the Product within the catalog and shall be provided on the same page and in the same location as the display and/or description of the Product.

(e) **Internet Product Warning Requirements.** For all Products sold in or into California through third-party websites over which BISSELL has the ability to control the application of warnings, BISSELL shall provide warnings for each Product, both on the Product label, in accordance with Section 2.4, and by prominently displaying the warning to customers prior to purchase or during the checkout process such that the consumer does not have to seek out the information being provided. The warning or a clearly marked hyperlink to the warning, using the word “**WARNING**” and given in conjunction with the sale of Products via the internet, shall appear on: (a) the same web page on which the Product is displayed; (b) the same web page as the order form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger than other consumer information provided for the Product. For third-party websites, over which BISSELL has no control, as a condition of sale, BISSELL shall notify its downstream customers the Products must be accompanied by a warning, prior to and as a condition of sale, in or into California, and shall supply the warning requirements, pursuant to Section 2.3.

## 2.4 Customer Notification

No later than sixty days after the Effective Date, BISSELL shall send a letter, electronic or otherwise (“**Notification Letter**”) to each customer that is a retailer or distributor with any remaining inventory of Products BISSELL supplied for sale to consumers in California. The Notification Letter shall advise the recipient that the Products contain DINP, a chemical known to the State of California to cause cancer. The Notification letter shall inform the recipient all Products must be sold in or shipped to California with (a) an On-Product Warning and (b) an Internet Warning which states:

 **WARNING:** This product can expose you to diisononyl phthalate (DINP), which is known to the State of California to cause cancer. For more information go to [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov).

**2.4.1 On Product Warning.** The Notification Letter shall advise that the On Product Warning must be attached to a label on the packaging of each Product expressly referring to the Product before it is sold in the California market or shipped to a customer in California and shall supply the warning requirements, pursuant to this Section as follows. The warning must print the word “**WARNING:**” in all capital letters and in bold font. 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. The entire warning shall appear in at least 6-point type and no smaller than the largest type size used for other consumer information on the Products. If the customer is a retailer or distributor of the Products, the Notification Letter shall include all necessary warning materials such as labels, labeling, shelf signs or tags, and warning language for products sold on the Internet necessary for the customer to label the products in compliance with 22 CCR §§ 25602–25603 in effect as of the Effective Date.

**2.4.2 Internet Warning.** The Notification Letter shall advise Products sold through e-commerce platforms must be accompanied by a warning, prior to and as a condition of sale, in or into California, and shall supply the warning requirements, pursuant to this Section as follows: The Internet Warning must be prominently displayed during the purchase of the Products without requiring customers to seek out the warning. The warning or a clearly marked hyperlink to the warning using the word “**WARNING**” given in conjunction with the sale of the Products

via the internet shall appear either: (a) on the same web page on which the Products are displayed; (b) on the same web page as the virtual cart displaying the Products; (c) on the same page as the price for the Products; or (d) on one or more web pages displayed to a purchaser during the checkout process. The warning shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Products for which it is given in the same type size or larger than other consumer information provided for the Products.

### **3. MONETARY SETTLEMENT TERMS**

#### **3.1 Civil Penalties**

Pursuant to Health and Safety Code § 25249.7(b), and in settlement of all claims alleged in the Notice or referred to in this Agreement, BISSELL agrees to pay \$3,250 in civil penalties. Penalty payments shall be allocated in accordance with Health and Safety Code § 25249.12(c)(1) and (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment (“**OEHHA**”) and the remaining 25% of the penalty amount retained by KASB. Within sixty (60) days of the Effective Date, BISSELL agrees to pay a non-waivable civil penalty in two separate checks, made payable as follows: (1) “**OEHHA**” in the amount of \$2,437.50; and “Seven Hills in trust for Keep America Safe and Beautiful” in the amount of \$812.50, and delivered to the address in Section 3.3, below. KASB’s counsel shall deliver to KASB and to OEHHA their respective portions of the civil penalty payments.

### **3.2 Representations**

BISSELL represents the information about sales data, product reformulation and/or any knowledge of DINP in the Products it provided to KASB in negotiating this Agreement was truthful and acknowledges such information was a material factor upon which KASB relied to determine the civil penalty assessed pursuant to Health & Safety Code § 25249.7. If, within nine months of the Effective Date, KASB discovers and presents evidence demonstrating the preceding representation was materially inaccurate, then BISSELL shall have 30 days to meet and confer regarding KASB's contention. The Parties may extend the 30-day period by mutual consent. If the meet and confer period passes without any such resolution between KASB and BISSELL, then KASB shall be entitled to make an appropriate motion to the Court to cure any breach of this Section 3.2 of the Agreement pursuant to Code of Civil Procedure § 664.6. The prevailing Party on the motion shall be entitled to its reasonable attorneys' fees as approved by the Court.

### **3.3 Reimbursement of Attorneys' Fees and Costs**

The Parties acknowledge KASB and its counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed, thereby leaving the issue to be resolved after the Parties settled the material terms of this Agreement. Shortly after the Parties finalized all other terms, the Parties negotiated a resolution of the compensation due to KASB and its counsel under general contract principles 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. Under these legal principles, within sixty (60) days of the Effective Date, BISSELL agrees to pay \$18,500 to KASB and its counsel for investigating, bringing this matter to the attention of BISSELL's management, and negotiating a settlement in the public interest. BISSELL's payment shall be in the form of a check made payable to "Seven Hills LLP" and delivered to the address appearing in the following Section 3.3.

### **3.4 Payment Address**

All payments required by this Agreement shall be delivered to the following address:

Seven Hills LLP  
c/o Laralei Paras  
4 Embarcadero Suite 1400

San Francisco, CA 94111

#### 4. CLAIMS COVERED AND RELEASED

##### 4.1 KASB's Release of BISSELL

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and BISSELL, of any violation that was or could have been asserted by KASB on behalf of itself and each and all of its agents, employees, representatives, heirs, successors, licensees, assigns, and any other persons or entities that may claim through or on their behalf, against BISSELL Commercial, Inc., BISSELL Commercial Ventures, LLC, BISSELL Homecare, Inc., and BISSELL Inc. (collectively “**Releasees**”), and each of the Releasees’ wholesalers, retailers, dealers, and each and all of their respective present and former directors, officers, agents, shareholders, investors, creditors, insurers, attorneys, accountants, employees, contractors, representatives, successors, predecessors and customers, based on alleged exposures to DINP and the failure to provide a warning under Proposition 65 about exposure to DINP contained in Products distributed, sold or offered for sale by BISSELL, as alleged in the Notice, prior to the Effective Date.

In further consideration of the promises and agreements herein contained, KASB as an individual and *not* on behalf of the public, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of KASB’s rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that KASB 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, expenses, investigation fees, expert fees, and attorneys’ fees arising under Proposition 65 with respect to Products distributed, sold and/or offered for sale by BISSELL prior the Effective Date, as alleged in the Notice, against BISSELL and Releasees.

The Parties further understand and agree that this Section 4.1 release shall neither extend upstream to any entities that manufactured the Products or any component parts thereof or any suppliers who sold the Products or any component parts to BISSELL nor downstream to any Releasee who has been instructed by BISSELL pursuant to Section 2.3(e) and 2.4.2 to provide a warning and fails to do. Nothing in this Section affects KASB’s right to commence or prosecute



an action under Proposition 65 against a Releasee not involving BISSELL's Products.

#### **4.2 BISSELL's Release of KASB**

BISSELL, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against KASB, its attorneys and other representatives, for any actions taken or statements made, or could have been taken or made by, KASB, its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against BISSELL with respect to the Products.

#### **5. SEVERABILITY**

If, subsequent to the Effective Date, any of the provision of this Agreement is deemed by a court unenforceable, the validity of the remaining provisions shall not be adversely affected.

#### **6. GOVERNING LAW**

The terms of this Agreement shall be governed by and apply within the laws of the State of California. Nothing in this Agreement shall be interpreted to relieve BISSELL from its obligation to comply with pertinent state or federal toxics control laws.

#### **7. NOTICE**

Unless specified herein, all correspondence and notice required to be provided by this Agreement shall be in writing and sent by: (i) first-class (registered or certified mail) return receipt requested; or (iii) overnight courier, to one party by the other at the following addresses:

For BISSELL:

Joel Van Winkle  
BISSELL Homecare, Inc.  
2345 Walker Ave. NW  
Grand Rapids, MI 49544

For KASB:

Laralei Paras, Esq.  
SEVEN HILLS LLP  
4 Embarcadero Center, Suite 1400  
San Francisco, CA 94111

With a copy to:

Paul H. Beach, Esq.  
Warner Norcross + Judd LLP  
1500 Warner Building  
150 Ottawa Ave N.W.  
Grand Rapids, MI 49503

Any party, from time to time, may specify in writing to the other party a change of address to which all Notice and other communications shall be sent.

**8. COUNTERPARTS AND SIGNATURES**

This Agreement may be executed in counterparts and by pdf signature, which shall be deemed an original, and, when taken together, shall be deemed to constitute the same document.

**9. REPORTING PURSUANT TO HEALTH & SAFETY CODE § 25249.7(f)**

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

**10. MODIFICATION**


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

**11. AUTHORIZATION**

The undersigned represent they have the full authority to enter into and legally bind the entities that are the subject of this Agreement. The undersigned further represent they are authorized to execute this Agreement and have read, understood, and agree to all of the terms and conditions contained herein.


AGREED TO:

Date: 5/13/2025

By:   
Lance Nguyen, CEO  
Keep America Safe and Beautiful

AGREED TO:

5/21/2025 | 10:00 PM EDT  
Date: \_\_\_\_\_

Signed by:  
By:   
Joel Van Winkle  
Vice President, General Counsel &  
Secretary  
BISSELL Homecare, Inc.