

# PROPOSITION 65 SETTLEMENT AGREEMENT

## 1. INTRODUCTION

### 1.1 The Parties

This Settlement Agreement (“**Agreement**”) is entered into by and between Keep America Safe and Beautiful (“**KASB**”) and Rennsteig Tools Inc. (“**Rennsteig**”), with KASB and Rennsteig each individually referred to as a “**Party**” and, collectively, the “**Parties**.” KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are disclosed in or eliminated from consumer products sold in California. KASB alleges Rennsteig is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b). Rennsteig is a Georgia corporation with its principal place of business at 411 Hackensack Avenue, Suite 200, Hackensack, New Jersey 07601-6331.

### 1.2 Consumer Product Description

KASB alleges that Rennsteig manufactures, imports, sells, and/or distributes for sale in the United States, including California, tools with vinyl/PVC grips containing diisononyl phthalate (“**DINP**”) including, but not limited to, *Rennsteig Revolving Punch Pliers, nickel plated, SKU: 104-220-4, UPC: 4 049002 000447*, without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“**Proposition 65**”). Tools with vinyl/PVC grips are referred to hereinafter as the “**Products**.” DINP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

### 1.3 Notice of Violation

On December 19, 2023, KASB served Rennsteig, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“**Notice**”), alleging Rennsteig 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 the Notice.

### 1.4 No Admission

Rennsteig denies the factual and legal allegations contained in the Notice and maintains that all products it has sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Agreement shall constitute or be construed as, nor shall compliance with this Agreement constitute or be construed as, an admission by Rennsteig of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Rennsteig's obligations, responsibilities, and duties under this Agreement.

### **1.5 Effective Date**

For purposes of this Agreement, "**Effective Date**" shall mean August 30, 2024.

## **2. INJUNCTIVE RELIEF: REFORMULATION**

### **2.1 Reformulation**

The Products that Rennsteig has manufactured and imported in the United States (including California) since January 1, 2018 do not contain any DINP.

**2.2 Compliance Declaration.** On or before October 15, 2024, an officer of Rennsteig shall provide Seven Hills LLP with a written attested declaration stating, as of the Effective Date, and continuing thereafter, that any and all revolving punch pliers with dipped vinyl grips manufactured or directly imported into the United States by Rennsteig Tools Inc., as the authorized importer, for sale to consumers in California directly through its own website, affiliated websites or an authorized third party website, to consumers located in California, shall not contain DINP. Tools that are imported to the US or sold in CA through unauthorized channels (e.g. Grey import, E-commerce marketplaces) from any part of the world and unknown manufacturing date (legacy stock) are excluded. Along with its attested declaration, Rennsteig shall provide a test result performed within 60 days after the date of this Agreement, showing the Products were tested.

### **2.3 Customer Notification**

No later than the Effective Date, Rennsteig shall send a letter, electronic or otherwise ("**Notification Letter**") to any currently known customer that is a retailer or distributor that is understood by Rennsteig to possess an inventory of Products manufactured before January 1, 2018 (the "**Pre-Reformulation Products**"). The Notification Letter shall advise the

recipient that the Pre-Reformulation Products contain DINP, a chemical known to the State of California to cause cancer. The Notification letter shall inform the recipient that all Pre-Reformulation Products must either (1) be returned to Rennsteig for a full refund or (2) have a label, attached to the packaging of each Product before it is sold in the California market or to a customer in California, expressly referring to the Product with the following warning statement:

**⚠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).

The foregoing 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 retailer or distributor opts for return of the merchandise, Rennsteig Tools shall supply a shipping label with the return address and postage paid by Rennsteig. If the retailer or distributor opts to keep the product, Rennsteig Tools shall supply either a sheet of white background, adhesive stickers with the forgoing warning or an electronic file with the warning and directions to obtain adhesive labels.

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

#### **3.1 Civil Penalty**

Pursuant to Health and Safety Code § 25249.7(b), Rennsteig agrees to pay a civil penalty of \$2,500 within five (5) business days of the Effective Date. Rennsteig’s civil penalty payment will be allocated according to Health and Safety Code §§ 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment (“**OEHHA**”), and the remaining twenty-five percent (25%) retained by KASB. Rennsteig shall issue its payment in two checks made payable to: (a) “**OEHHA**” in the amount of \$1,875; and (b) “**Seven Hills LLP in Trust for**

KASB” in the amount of \$625. KASB’s counsel shall deliver to OEHHA and KASB their respective portion of the penalty payment.

### **3.2 Reimbursement of Attorneys’ Fees and Costs**

KASB and its counsel offered to resolve the allegations in the Notice without reaching terms on the amount of reimbursement of attorneys’ fees and costs. Shortly after the Parties finalized the other material settlement terms, they negotiated and reached an accord on the amount of reimbursement to be paid to KASB’s 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 and reporting of this Agreement to the Office of the California Attorney General. Within five (5) days of the Effective Date, Rennsteig agrees to issue a check in the amount of \$21,500 payable to “Seven Hills LLP” for all fees and costs incurred investigating, bringing this matter to Rennsteig’s attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9.

### **3.3 Payments**

All payments payable and due under this Agreement shall be delivered to KASB’s counsel at following address:

Seven Hills LLP  
Attn: Laralei Paras  
4 Embarcadero Center, Suite 1400  
San Francisco, CA 94111

## **4. CLAIMS COVERED AND RELEASED**

### **4.1 KASB’s Release of Rennsteig**

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and Rennsteig, of any violation of Proposition 65 that was or could have been asserted by KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against Rennsteig, its parents, subsidiaries, affiliated entities under common ownership including: directors, officers, employees, attorneys, and each entity to whom Rennsteig directly or indirectly distributes or

sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, “**Releasees**”), based on their failure to warn under Proposition 65 about alleged exposures to DINP contained in the Products that were distributed, sold and/or offered for sale by Rennsteig Tools Inc in California before the Effective Date, as alleged in the Notice.

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, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys’ fees arising under Proposition 65 with respect to DINP in the Products manufactured, distributed, sold and/or offered for sale by Rennsteig, before the Effective Date (collectively, “**Claims**”), against Rennsteig 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 distributors or suppliers who sold the Products, or any component parts thereof, to Rennsteig nor extend to any Releasee who has been instructed by Rennsteig pursuant to Section 2.4 to provide a warning and knowingly fails to do so. Nothing in this Section affects KASB’s right to commence or prosecute an action under Proposition 65 against a Releasee not involving Rennsteig’s Products.

#### **4.2 Rennsteig’s Release of KASB**

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

**5. SEVERABILITY**

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

**6. GOVERNING LAW**

The terms of this Agreement shall be governed by the laws of the State of California and apply within California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Rennsteig may provide KASB with written notice of any asserted change in the law, and shall have no further non-monetary obligations pursuant to this Agreement, with respect to, and to the extent that, the Products are so affected. Nothing in this Agreement shall be interpreted to relieve Rennsteig from its obligation to comply with any pertinent state or federal law or regulation.

**7. NOTICE**

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

For Rennsteig:

Sascha Zmiskol, CEO  
Rennsteig Tools Inc.  
411 Hackensack Avenue, Suite 200  
Hackensack, New Jersey 07601

For KASB:

Laralei Paras, Partner  
Seven Hills LLP  
4 Embarcadero Center, Suite 1400  
San Francisco, CA 94111

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

**8. COUNTERPARTS AND PDF SIGNATURES**

This Agreement may be executed in counterparts and by portable 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.

**9. COMPLIANCE WITH REPORTING REQUIREMENTS**

KASB and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

**10. ENTIRE AGREEMENT**

This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

**11. MODIFICATION**


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

**12. AUTHORIZATION**

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

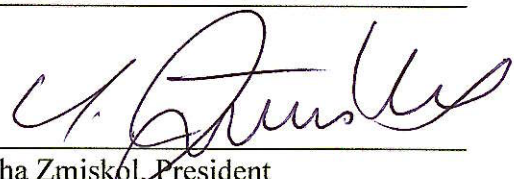
**AGREED TO:**

Date: 09/03/2024

By:   
Lance Nguyen, CEO  
Keep America Safe and Beautiful

**AGREED TO:**

Date: 08/28/2024

By:   
Sascha Zmiskol, President  
Rennsteig Tools Inc