

**SETTLEMENT AGREEMENT**

**I. INTRODUCTION**

**1.1. The Parties**

This Settlement Agreement is entered into by and between Pure.Clean.Healthy LLC ("PCH"), on the one hand, and Starbrands USA Corp, on the other hand, with PCH and Starbrands USA Corp collectively referred to as the "Parties." PCH is a California limited liability that seeks to promote awareness of exposure to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. PCH alleges that Starbrands USA Corp is an entity doing business in the State of California for the purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6, et seq. ("Proposition 65")

**1.2. General Allegations**

PCH alleges that Starbrands USA Corp has exposed consumers to the chemical Coconut Oil Diethanolamine Condensate (Cocamide Diethanolamine, Cocamide DEA) ("Cocamide DEA") from its sales in the State of California of KATIVA Keratin Shampoo Based on Hydrolyzed Keratin and Ceramides without first providing users and consumers of the products with a clear and reasonable health hazard exposure warning as required by Proposition 65. Cocamide DEA is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer.

**1.3. Product Description**

The products that are covered by this Settlement Agreement are defined as KATIVA Keratin Shampoo Based on Hydrolyzed Keratin and Ceramides that Starbrands USA Corp has manufactured, imported, sold, offered for sale or distributed in California. All such items shall be referred to herein as the "Covered Product".

**1.4. Notice of Violation**

On 05/09/2024 PCH served Starbrands USA Corp, Amazon.com Services, LLC and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California with a document entitled "60-Day Notice of Violation" ("Notice") that provided Starbrands USA Corp and such public enforcers with notice that Starbrands USA Corp was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn consumers and customers that the Covered Product exposed users in California to Cocamide DEA. To the best of the Parties' knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the Notice.

**1.5. No Admission**

**TORCH & STONE LAW, APC**  
4171 Ball Road, Suite 172 • Cypress, CA 90630 • (240)930-6180

The Parties enter into this Settlement Agreement to settle disputed claims between them as set forth herein and in the Notice concerning Starbrands USA Corp's compliance with Proposition 65. Starbrands USA Corp denies each of the material factual and legal allegations contained in PCH's Notice and maintains that all Covered Product that it has manufactured for sale and distribution in California, including the Covered Product, have been and are in compliance with Proposition 65 and any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Starbrands USA Corp 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 Starbrands USA Corp of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by Starbrands USA Corp on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Starbrands USA Corp under this Settlement Agreement.

**1.6. Effective Date**

For purposes of this Settlement Agreement, the term "Effective Date" shall mean the date this Settlement Agreement is fully executed.

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

As of the Effective Date, and continuing thereafter, Covered Product that Starbrands USA Corp directly manufactures, imports, distributes, sells, or offers for sale in California shall either be: (a) reformulated Covered Product pursuant to § 2.1, below; or (b) labeled with a clear and reasonable exposure warning pursuant to §§ 2.2 and 2.3, below. For purposes of this Settlement Agreement, a "Cocamide DEA Free Reformulated Product" is a Covered Product that is in compliance with the standard set forth in § 2.1, below. The warning requirements set forth in §§ 2.2 and 2.3 shall not apply to any Cocamide DEA Free Reformulated Product or to any Covered Product manufactured prior to the Effective Date.

**2.1. Cocamide DEA Free Reformulation Standards and Reporting Limit**

To qualify as a "Cocamide DEA Free Reformulated Product," the Covered Product must meet the following standard: Cocamide DEA content that is either not detectable (i.e., zero) or below the Reporting Limit (defined herein) when the Covered Product is analyzed pursuant to liquid chromatography/tandem mass spectrometry (LC-MS/MS), inductively coupled mass spectroscopy (ICP-MS) or other method of analysis utilized by the International Organization of Standardization (ISO) for qualitative or quantitative screening of cosmetics and cosmetic raw materials.

The "Reporting Limit" is the lowest concentration at which Cocamide DEA can be detected in a sample of a Covered Product by an accredited testing laboratory employing by LC-MS/MS, ICP-MS or other reliable method of analysis utilized by the ISO for qualitative and quantitative screening of cosmetics and cosmetic raw materials.

**2.2. Clear and Reasonable Warning**

# TORCH & STONE LAW, APC

4171 Ball Road, Suite 172 • Cypress, CA 90630 • (240)930-6180

Covered Product that does not meet the warning exemption standard set forth in Section 2.1 above shall be accompanied by a warning as described in Section 2.3 below. This warning requirement shall only be required as to Covered Product that is manufactured, distributed, marketed, imported, sold, shipped for sale or offered for sale to consumers by Starbrands USA Corp in the State of California. No Proposition 65 warning shall be required for any Covered Product that is supplied or contracted to be supplied to third parties by Starbrands USA Corp prior to 6 months after the Effective Date, and all such Covered Product is hereby deemed to be exempt from Proposition 65 enforcement.

## 2.3. Warning Language

(a) Where required to meet the criteria set forth in Section 2.2, Starbrands USA Corp shall display one of the following warning statements on the packaging label of the Covered Product that does not meet the warning exemption standard set forth in Section 2.1 above:

(1) **⚠WARNING:** This product can expose you to chemicals including Cocamide Diethanolamine, which is [are] known to the State of California to cause cancer. For more information go to "[www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)"

(2) **⚠WARNING:** Cancer - [www.P65Warnings.ca.gov](http://www.P65Warnings.ca.gov)

Starbrands USA Corp may use "cancer and" in the warning at its option. Starbrands USA Corp may include the names of additional chemicals in the warning if they are present in the Covered Product at a level that Starbrands USA Corp reasonably believes would require a Proposition 65 warning.

(b) The requirements for warnings, set forth in subsection (a) above, are imposed pursuant to the terms of this Settlement Agreement. The Parties recognize that these are not the exclusive methods of providing a warning under Proposition 65 and its implementing regulations. Starbrands USA Corp shall be deemed to be in compliance with the warning requirements of this Settlement Agreement by either adhering to this Section 2.3 or by complying with the Proposition 65 warning requirements adopted by the State of California Office of Environmental Health Hazard Assessment ("OEHHA") as of or after the Effective Date.

(c) If Proposition 65 warnings for Cocamide DEA should no longer be required, Starbrands USA Corp shall have no further obligations pursuant to this Settlement Agreement.

(d) Internet - Covered Product that is sold by Starbrands USA Corp on the Internet to persons located in California shall also provide the warning message by a clearly marked hyperlink on the Covered Product display page, or otherwise prominently displayed to the purchaser before the purchaser completes his or her purchase of the Covered Product.

(e) Foreign Language - If the Covered Product has consumer information in a foreign language, then the package must also contain the WARNING in the foreign language.

# TORCH & STONE LAW, APC

4171 Ball Road, Suite 172 • Cypress, CA 90630 • (240)930-6180

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

In full satisfaction of all potential civil penalties and attorney's fees, costs and any other expenses incurred by PCH or its counsel. Starbrands USA Corp shall pay the total settlement amount of Nine Thousand Dollars (\$9,000.00) ("Settlement Amount") as set forth below.

### **3.1 Civil Penalties to Health & Safety Code 25249.7 (B):**

Five Hundred Dollars (\$500.00) of the Settlement Amount shall be considered a "civil penalty" pursuant to California Health and Safety Code. Starbrands USA Corp shall issue two separate checks within ten business (10) days of the Effective Date for a total amount of Five Hundred Dollars (\$500.00) as follows, and all payments shall be delivered to the addresses listed below.

(a) One check made payable to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") in the amount of Three Hundred Seventy-Five Dollars (\$375.00), representing 75% of the total civil penalty; and

(b) One check, electronic check or ACH transfer payable to "Pure.Clean.Healthy LLC" in the amount of One Hundred Twenty-Five Dollars (\$125.00), representing 25% of the total civil penalty.

### **3.2 Attorney's Fees and Costs:**

Eight Thousand Five Hundred Dollars (\$8,500.00) of the total Settlement Amount shall be paid to Torch & Stone Law, APC by check, electronic check, or ACH transfer within ten (10) business days of the Effective Date, as PCH's attorneys, for reasonable investigation fees, and costs, attorney's fees, and any other cost incurred as a result of investigating and bringing this matter to Starbrands USA Corp's attention.

## **4. PAYMENT PROCEDURES**

### **4.1 Payments to OEHHA.**

All Payments owed to OEHHA, pursuant to section 3.1(a) shall be delivered directly to OEHHA (Memo line "Prop 65 Penalties NOV #2024-01763) at the following address:

Attn: Mike Gyurics  
Fiscal Operations Branch Chief  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010  
Sacramento, CA 95812-4010

### **4.2 Payments to PCH.**

All Payments owed to PCH, pursuant to Section 3.1(b) shall be delivered to:

Pure.Clean.Healthy LLC  
Attn: Michele Reynoso

# TORCH & STONE LAW, APC

4171 Ball Road, Suite 172 • Cypress, CA 90630 • (249)930-6180

2005 Palo Verde Avenue, Suite 202  
Long Beach, CA 90815

## 4.3 Payments to Torch & Stone Law, APC.

All Payments owed to Torch & Stone Law, APC pursuant to Section 4.3, shall be delivered to:

Torch & Stone Law, APC  
Attn: M. Uma Gopalswami, Esq.  
4171 Ball Road, Suite 172  
Cypress, CA 90630

## 4.4 Proof of Payment.

A copy of the check payable to OEHHHA, shall be e-mailed to Torch & Stone Law, APC to [uma@torchstonelaw.com](mailto:uma@torchstonelaw.com), simultaneous with payment to Torch & Stone Law, APC at the address set forth above, as proof of payment to OEHHHA.



## 4.5 Tax Documentation.

PCH agrees to provide IRS W-9 form for the following payee under this Settlement Agreement:

(a) "Torch & Stone Law, APC", whose address and tax identification number shall be provided within three (3) business days after this Settlement Agreement is fully executed by the Parties.

## 5. RELEASE OF ALL CLAIMS

### 5.1. Release of Starbrands USA Corp, Downstream Customers and Upstream Vendors



In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4 above, PCH, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, parents, subsidiaries its past and current agents, representatives, attorneys, successors and/or assignees (collectively, "Releasers"), hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and fully releases all claims relating to the Covered Product, including, without limitation,



# TORCH & STONE LAW, APC


4171 Ball Road, Suite 172 • Cypress, CA 90630 • (240)930-6180

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 (a) Starbrands USA Corp; (b) each of Starbrands USA Corp's downstream distributors in the stream of commerce (including but not limited to Amazon.com Services, LLC and any other upstream or downstream entities in the distribution chain for the Covered Product, including, but not limited to, manufacturers, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users; (c) Starbrands USA Corp's parent companies, corporate affiliates, subsidiaries, affiliates, doing business as entities ("DBAs"), successor companies, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities; and (d) the employees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors and assigns of any of the entities identified in subsection (a) and (c), above (collectively "Releasees"). PCH also, on behalf of itself, its past and current agents, representatives, 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 Starbrands USA Corp and the Releasees.

## 5.2 Starbrands USA Corp's Release of PCH

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

## 5.3 California Civil Code § 1542.



It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Product will develop or be discovered. PCH on behalf of itself only, on one hand, and Starbrands USA Corp, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through the Effective Date, including all rights of action thereof. The Parties acknowledge that the claims released in §§ 5.1 and 5.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims. California Civil Code § 1542 reads 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.**

# TORCH & STONE LAW, APC

4171 Ball Road, Suite 172 • Cypress, CA 90630 • (249)930-6180

PCH and Starbrands USA Corp each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

## **5.4 Deemed Compliance with Proposition 65.**

The Parties agree that after the Effective Date, should compliance with Proposition 65 with respect to Cocamide DEA from use of the Covered Product be governed by operation of law (i.e., Court Order regarding Cocamide DEA in consumer products, or other regulatory exemption), Starbrands USA Corp may choose to comply with such operation of law and such action would not be a breach of this Settlement Agreement.

## **6. 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 Covered Product, then Starbrands USA Corp shall have no further obligations pursuant to this Settlement Agreement.

## **7. 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) electronic mail; or (ii) overnight courier on any party by the other party at the following addresses:

### **For Starbrands USA Corp:**

Lynn R. Fiorentino, Esq.  
ArentFox Schiff LLP  
44 Montgomery St 38th Floor  
San Francisco, CA 94104  
lynn.fiorentino@afslaw.com

### **For Pure.Clean.Healthy LLC:**

M. Uma Gopalswami, Esq.  
Torch & Stone Law, APC  
4171 Ball Road, Suite 172  
Cypress, CA 90630  
uma@torchstonelaw.com

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

## **8. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249(f)**

PCH agrees to comply with the reporting requirements referenced in California Health & Safety Code § 25249(f).

# TORCH & STONE LAW, APC

4171 Ball Road, Suite 172 • Cypress, CA 90630 • (240)930-6180

## 9. COUNTERPARTS; FACSIMILE/E-SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile 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. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, 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, but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Settlement Agreement being contrary to the intent of the Parties entering into this Settlement Agreement.

## 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. Any and all prior negotiations and understandings related hereto shall be deemed to have been merged withing it. No representation of terms of agreement other than those contained herein exist or have been made by and Party with respect to the other Party, or the subject matter hereof.

## 12. MODIFICATION

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

AGREED TO:

Date: Oct 7, 2024

By: [Signature]  
Pure.Clean.Healthy LLC

AGREED TO:

Date: 10/04/2024

By: [Signature]  
Starbrands USA Corp