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GENIUS TOOLS AMERICAS CORP.

1SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

BLUE SKY FOREVER, Plaintiff, v. GENIUS TOOLS AMERICAS CORP; and DOES 1-30, inclusive, Defendants.	2Case No. 25CV456932 [PROPOSED] **CONSENT JUDGMENT**

1. INTRODUCTION

1.1 The Parties

This Consent Judgment ("**Agreement**") is entered into by and between plaintiff Blue Sky Forever ("BSF") and defendant Genius Tools Americas Corp. ("**Genius Tools**"), with BSF and Genius Tools each individually referred to as a "**Party**" and, collectively, the "**Parties**." BSF is a California-based non-profit organization proceeding in the public interest pursuant to California

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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. Genius Tools is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

BSF alleges that Genius Tools manufactures, imports, sells, and distributes for sale in California files with vinyl grips containing di(2-ethylhexyl) phthalate ("**DEHP**"), including, but not limited to, *Genius Tools 5 Piece Diamond File Set SKU: FL-0785 UPC: 6 68233 18909 3,* without providing the health hazard warning that BSF alleges is required by California Health & Safety Code § 25249.5 *et seq.* ("**Proposition 65**"). Files with vinyl grips are referred to hereinafter as the "**Products.**" DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3 Notice of Violation

On June 25, 2024, BSF served Genius Tools, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation ("**Notice**"), alleging Genius Tools violated Proposition 65 by failing to warn its customers and consumers in California that its Products can expose users to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

1.4 Complaint

On January 21, 2025, BSF commenced the instant action ("**Complaint**"), naming Genius Tools Americas Corp. as a defendant for the alleged violations of Proposition 65 subject to the Notice.

1.5 Jurisdiction

For purposes of this Agreement only, the Parties stipulate this Court has jurisdiction over Genius Tools as to the allegations contained in the Complaint, venue is proper in the County of Santa Clara, and the Court has jurisdiction to enter and enforce the provisions of this Agreement pursuant to Proposition 65 and Code of Civil Procedure § 664.6.

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1.6 No Admission

Genius Tools denies the allegations in the Notice and Complaint 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 Genius Tools of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Genius Tools' obligations, responsibilities, and duties under this Agreement.

1.7 Effective Date

For purposes of this Agreement, "**Effective Date**" shall mean the date on which the Court approves this Agreement and enters judgment pursuant to its terms.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Commitment to Reformulate or Warn.

Commencing on the Effective Date and continuing thereafter, Genius Tools agrees that all Products Genius Tools manufactures, imports, or purchases for resale in or into California, directly or through one or more third party retailers or e-commerce marketplaces, shall either meet the Reformulation Standard for Reformulated Products, as defined by Section 2.2, or be accompanied by clear and reasonable warnings pursuant to Section 2.3.

2.2 Reformulation Standard

For purposes of this Agreement, "Reformulated Products" are defined as Products which, if they contain di(2-ethylhexyl) phthalate ("DEHP"), contain such chemical 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 CPSC CH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency

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methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

2.3 Clear and Reasonable Warnings

Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, or designs 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.

2.3.1 Clear and Reasonable Warnings

Option 1: ⚠**WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING**: This product can expose you to chemicals including di(2-ethylhexyl) phthalate (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.

Option 2: ⚠**WARNING [**or] **CA WARNING [**or] **CALIFORNIA WARNING:** Risk of cancer and reproductive harm from exposure to di(2-ethylhexyl) phthalate (DEHP). See www.P65Warnings.ca.gov.

Option 3: ⚠**WARNING [**or] **CA WARNING [**or] **CALIFORNIA WARNING:** Can expose you to di(2-ethylhexyl) phthalate (DEHP), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

Option 4–for Products manufactured and labeled prior to January 1, 2028:

⚠**WARNING:** Cancer and Reproductive Harm - www.P65Warnings.ca.gov.

2.3.2 Foreign Language Requirement. Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information, as that term is defined in Cal. Code Regs., tit. 27, § 25600.1(c) ("**Consumer Information**"), in languages other than English, the warning must also be provided in those languages in addition to English.

2.3.3 Product Warnings. Genius Tools shall affix a warning to the Product label or otherwise directly on each Product. For the purpose 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 2.3.1 must print the phrase "WARNING:," "CA WARNING:" or "CALIFORNIA WARNING:" in all capital letters and in bold font. The warning symbol to the left of that word must be a black exclamation point in a yellow

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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 no smaller than the largest type size used for other Consumer Information on the Products.

2.3.4 Internet Warnings. If, after the Effective Date, Genius Tools sells Products via the internet on websites over which it has control, Genius Tools shall provide warnings for each Product both on the Product label in accordance with Section 2.3.3, and by prominently displaying, or requiring the warning to be prominently displayed on affiliated websites, third party websites or by retail customers, to consumers in California 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 phrase "WARNING:," "CA WARNING:" or "CALIFORNIA 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 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. For third party websites over which Genius Tools has no control, Genius Tools shall instruct its customers to provide the warning required by this as a condition of sale of the Products and shall supply the applicable warning requirements, pursuant to Sections 2.3. If the On Product Warning is one of the warning statements set forth in Options 2-4 in Section 2.3.1, then the Internet Warning may use the corresponding warning statement.

2.4 Customer Notification

No later than the Effective Date, Genius Tools shall send a letter, electronic or otherwise ("**Notification Letter**") to each customer that is a retailer or distributor that has any inventory of Products, which Genius Tools supplied between November 19, 2021 and the Effective Date, for sale to consumers in California. The Notification Letter shall advise the recipient that the Products contain DEHP, a chemical known to the State of California to cause cancer and birth defects or other reproductive harm. The Notification letter shall inform the recipient that all Products must have a

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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 one of the warning statements in Section 2.3.1. The Notification Letter shall include a sheet of white background, adhesive stickers with the forgoing warning statements.

3. MONETARY SETTLEMENT TERMS

3.1 Initial Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Genius Tools agrees to pay a civil penalty of $2,750 within ninety (90) days of the Effective Date. Genius Tools' 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 BSF. Genius Tools shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of $2,062.50; and (b) "Seven Hills in Trust for Blue Sky Forever" in the amount of $687.50. BSF's counsel shall deliver to OEHHA and BSF their respective portion of the penalty payment.

3.2 Reimbursement of Attorneys' Fees and Costs

BSF 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 BSF'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 ninety (90) days of the Effective Date, Genius Tools agrees to issue a check in the amount of $25,250 payable to "Seven Hills LLP" for all fees and costs incurred investigating, bringing this matter to Genius Tools' attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9.

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3.3 Payments

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

Seven Hills LLP
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 BSF's Release of Genius Tools

This Agreement is a full, final and binding resolution between BSF, on behalf of itself and in the public interest, and Genius Tools, of any claim that was or could have been asserted by BSF on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against Genius Tools, its directors, officers, employees, attorneys, and each entity to whom Genius Tools directly or indirectly distributes or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "**Releasees**"), from violations of Proposition 65 based on their failure to warn about alleged exposures to DEHP contained in the Products that were sold to consumers in California before the Effective Date, as alleged in the Notice and Complaint. The Parties further agree that compliance with Section 2 of this Agreement shall be deemed compliance with Proposition 65 with respect to alleged exposures to DEHP in the Products.

In further consideration of the promises and agreements herein contained, BSF, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all of BSF's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that BSF 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 DEHP in the Products sold to consumers in California before the Effective Date (collectively, "Claims"), against Genius Tools and Releasees.

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The Parties further understand and agree that this Section 4.1 release shall not extend to Releasees who have been instructed by Genius Tools pursuant to Section 2.3.4 and Section 2.4 to provide a warning on Products that are not Reformulated Products and have failed to do so.

4.2 Genius Tools' Release of BSF

Genius Tools, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against BSF 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 BSF 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. Nothing in this Agreement shall be interpreted to relieve Genius Tools 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 Genius Tools:

Farhad Novian
Anthony S. Chavez
Novian & Novian, LLP
1801 Century Park East, Suite 1201
Los Angeles, CA 90067

For BSF:

Laralei Paras, Partner
Seven Hills LLP
1 Embarcadero Center, Suite 1200
San Francisco, CA 94111

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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

BSF 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: (i) a written agreement of the Parties and the entry of a modified Agreement by the Court thereon; or (ii) upon a successful motion of any party and the entry of a modified Agreement by the Court thereon.

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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: 11/5/2026

By: _____

Anthony Nguyen, CEO
Blue Sky Forever

AGREED TO:

Date: 11/3/2026

By: DocuSigned by: Edward Chou A2521C50B46C460...

Edward Chou, CEO
Genius Tools Americas Corp.