

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between:

Michael DiPirro

(referred to herein as “DiPirro”) represented by his attorneys,

Law Office of David R. Bush and Jeremy Fietz, Attorney-at-Law; and,

The House of Staunton, Inc.

(referred to herein as “Noticed Party”) represented by its attorneys,

Maynard Nexsen.

DiPirro is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products. At the times relevant to this Settlement Agreement, Noticed Party employed ten or more persons and was a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

DiPirro alleges that the Noticed Party manufactures, imports, sells, or distributes for sale, in the State of California products containing Di(2-ethylhexyl) phthalate (“DEHP”) without first providing the clear and reasonable exposure warning required by Proposition 65. DEHP is listed pursuant to Proposition 65 as a chemical that is known to the State of California to cause cancer and birth defects or other reproductive harm (hereinafter the “Listed Chemical”).

1.3 Product Description

The products covered by this Settlement Agreement are Travel Chess Sets containing the

Listed Chemical that are manufactured, sold, or distributed for ultimate sale to consumers in California by Noticed Party, including, but not limited to the:

US Chess Standard Checkbook Magnetic Travel Chess Set - 6" x 6" Board (the "Products").

1.4 Notice of Violation

On or about April 19, 2024, DiPirro served United States of America Chess Federation ("USCF") and certain requisite public enforcement agencies with a 60-Day Notice of Violation (the "Original Notice"), a document that informed the recipients of DiPirro's allegation that USCF violated Proposition 65 by failing to warn its customers and consumers in California that the Products expose users to the Listed Chemical. On or about June 28, 2024, DiPirro served Noticed Party, USCF and certain requisite public enforcement agencies with a 60-Day Notice of Violation (the "Notice" and, together with the Original Notice, the "Notices"), a document that informed the recipients of DiPirro's allegation that Noticed Party violated Proposition 65 by failing to warn its customers and consumers in California that the Products expose users to the Listed Chemical. To the best of DiPirro's knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notices.

1.5 No Admission

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

duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean the day the final requisite signature is applied to the Settlement Agreement.

2. INJUNCTIVE RELIEF: PRODUCT WARNINGS

2.1 Product Warnings. Commencing within thirty (30) days of the Effective Date, for any of the Noticed Party’s Products that contain more than 0.1 percent (1,000 parts per million) of the Listed Chemical and are shipped to any California resident consumer, or any agent, distributor, retailer, or affiliated company working on behalf of Noticed Party for potential sale to California consumers, Noticed Party shall provide a clear and reasonable warning on the label of each Product as set forth in Section 2.3. There shall be no obligation for Noticed Party to provide an exposure warning for Products that are already in the stream of commerce or that Noticed Party places into the stream of commerce within 30 days after the Effective Date. 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. Each warning shall be provided in a manner such that the consumer or user understands to which specific Product the warning applies, so as to minimize the risk of consumer confusion. The warning requirements in Sections 2.1–2.3 shall apply only to Products that are distributed, sold or shipped for sale in the State of California.

2.2 Internet Warnings. In addition to the warning specified in Section 2.1 above, for all Products that Noticed Party offers for sale directly to consumers in California via the internet, Noticed Party shall provide a warning for such Products by including the warning set forth below in Section 2.3 on one or more of the following: (a) on the same web page on which a Product is displayed; (b) on the same web page as the order form for a Product; (c) on the same web page as the

price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The internet warning described above can also be delivered through a hyperlink using the word “[California Prop 65] WARNING” (language in brackets optional) which then takes the user to a display of the warning set out in Section 2.3. In the event that the Products are offered for sale via the internet on third-party websites, Noticed Party may comply with this paragraph by providing written notice of the warning requirement in this Section to the third-party seller and providing proper warnings to attach to the Product, or by providing a compliant warning on the label of the Product. If the warning is provided using the “short-form” warning label set forth in Section 2.3, the internet warning may use the same content.

2.3 Text of the Warning. The Noticed Party shall use one of the warning options set forth below, which shall include a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline as shown below (the symbol may be black and white if the color yellow is otherwise not used on the Product’s packaging):



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.

or



WARNING: Cancer and reproductive harm – www.P65Warnings.ca.gov.

Foreign Language Requirement. Where a product sign, label or shelf tag used to provide a warning includes consumer information in a language other than English, the warning must also be provided in that language in addition to English.

2.4 Change in Warning Requirements. If, after the Effective Date, the California Office of Environmental Health Hazard Assessment promulgates regulations that differ from the warning

provisions set forth in Sections 2.1–2.3 herein, Noticed Party may comply with those regulations without being deemed in breach of this Settlement Agreement. Nothing in this Settlement Agreement shall be construed as requiring Noticed Party to provide warnings pursuant to Proposition 65 or otherwise subjecting Noticed Party to Proposition 65 for any periods of time that Noticed Party is not a “person in the course of doing business” as defined by California Health & Safety Code § 25249.11(b).

3. PENALTIES & PURSUANT TO HEALTH & SAFETY CODE § 25249.7(b)

3.1 Civil Penalty Payment Pursuant to Health & Safety Code § 25249.7(b). The Noticed Party shall make a civil penalty payment of \$1250.00 as a component of this settlement. The penalty payment will be allocated by DiPirro’s counsel in accordance with California Health & Safety Code § 25249.12(c)(1) & (d), with 75% of the penalty funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to DiPirro.

4. REIMBURSEMENT OF FEES AND COSTS

The parties acknowledge that DiPirro and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. The Noticed Party then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the compensation due to DiPirro and his 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. The Noticed Party shall pay a total of \$ 34,500.00 for fees and costs incurred as a result of investigating, working with toxicology experts, bringing this matter to the Noticed Party's attention, document preparation, and negotiating a settlement in the public interest.

5. PAYMENT AND FORM 1099

5.1 Payment. The complete settlement payment shall be made in two installments. The first payment, in the amount of \$17,875.00 shall be delivered within fifteen (15) days of the Effective Date. The second payment, in the amount of \$17,875.00, shall be delivered within sixty (60) days of the Effective Date. Both payments shall be made to the bank account of Jeremy Fietz, Attorney at Law (via wire transfer, or ACH payment; number provided upon request) or by physical check to the office of Jeremy Fietz, Attorney at Law, 4241 Montgomery Drive, #123, Santa Rosa CA 95405, and for the latter option shall be in the form of a check made payable to: "Jeremy Fietz, Attorney at Law". For any payment that is returned for any reason, including insufficient funds, a payment must be made by Noticed Party by issuing a cashier's check within three (3) business days of notification of insufficient funds. Any payment that is not actually received by the due date will also be subject to a 10% late fee.

5.2 Issuance of 1099 Form. The Noticed Party shall provide DiPirro's counsel, Jeremy Fietz, Attorney-at-Law, with one 1099 form for the entire settlement amount. Such 1099 shall be made on the Form 1099 MISC with the amount reported in box 10 ("Gross proceeds paid to an attorney"). The Noticed Party acknowledges that the 1099 shall NOT be issued under form 1099 NEC. A W9 shall be provided by Jeremy Fietz, Attorney-at-Law, after this Agreement has been fully executed by the Parties to this agreement.

6. CLAIMS COVERED AND RELEASED

6.1 DiPirro's Release of Noticed and Related Parties

This Settlement Agreement is a full, final, and binding resolution between DiPirro and the Noticed Party of any violation of Proposition 65 that was or could have been asserted by DiPirro, on behalf of himself, or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against the Noticed Party, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, shareholders, employees, representatives, agents, attorneys, each entity to whom either Noticed Party directly or indirectly distributes or sells the Products, and the predecessors, successors, affiliates and assigns of any of them, including all downstream entities in the distribution chain for the Products, including but not limited to United States of America Chess Federation, Amazon.com, Inc., retailers, suppliers, distributors, internet marketplaces, customers, licensors, licensees, cooperative members, and all of their respective parents, subsidiaries, affiliates, directors, officers, shareholders, employees, representatives, agents, attorneys, predecessors, successors, and assigns (collectively, the "Releasees"), but not including its upstream suppliers and manufacturers, for unwarned exposures to the Listed Chemical from the Products manufactured, distributed, sold or distributed for sale in California by the Noticed Party on or prior to the Effective Date.

In further consideration of the promises and agreements herein contained, DiPirro, on his own behalf and on behalf of his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that he may have against the Noticed Party and Releasees, including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses, including, without limitation, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 up through the Effective Date for

exposures or alleged exposures to the Listed Chemical from Products distributed, sold, or distributed for sale in California by the Noticed Party as set forth in the Notices.

6.2 Noticed Party's Release of DiPirro

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

6.3 California Civil Code § 1542

It is possible that other claims not known to the parties arising out of the facts contained in the Notices relating to the Products will hereafter be discovered or developed. DiPirro acknowledges that this Settlement Agreement is expressly intended to cover and include all such claims through and including the Effective Date, including all rights of action thereon. DiPirro acknowledges that the claims released in Sections 6.1 may include unknown claims, and nevertheless intends to release such claims, and in doing so waives California Civil Code § 1542 which 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.

DiPirro understands and acknowledges that the significance and consequence of this waiver of California Civil Code § 1542 is that even if DiPirro suffers future damages arising out of or resulting from, or related directly or indirectly to, in whole or in part, the Products, including but not limited to any exposure to, or failure to warn with respect to exposure to, chemicals in or from the Products, DiPirro will not be able to make any claim for those damages against any of the Releasees.

7. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is held by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected, and each provision hereof shall be valid and enforceable to the fullest extent permitted by law.

8. 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 Products, then the Noticed Party may provide written notice to DiPirro of any asserted change in the law, and have no further obligations pursuant to this Settlement Agreement, with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Noticed Party from any obligation to comply with any pertinent state or federal toxics control laws.

9. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this Settlement Agreement shall be in writing and sent by: (i) personal delivery; (ii) first-class, registered or certified mail, return receipt requested; or (iii) a recognized overnight courier on any party by the other party at the following addresses:

For The House of Staunton, Inc.

Zach Mardis Maynard
Nexsen PC
655 Gallatin Street SW

Huntsville, AL, 35801
AND

For Michael DiPirro:

Jeremy Fietz, Attorney-at-Law
4241 Montgomery Drive, #123
Santa Rosa CA 95405

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.

10. COUNTERPARTS; FACSIMILE SIGNATURES

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

12. POST-EXECUTION ACTIVITIES

DiPirro agrees to comply with the reporting form requirements referenced in Health and Safety Code section 25249.7(f).

13. MODIFICATION

This Settlement Agreement may be modified only by a written agreement of the parties to this agreement.

14. ENFORCEMENT

In the event DiPirro asserts that Noticed Party fails to comply with this Settlement Agreement after the Effective Date, the parties shall meet and confer regarding the basis for DiPirro's contention in an attempt to resolve it informally, including providing Noticed Party a reasonable opportunity of

at least thirty (30) days to cure any alleged violation. The prevailing party in any litigation or legal proceeding arising out of or related to this Settlement Agreement shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

15. ENTIRE AGREEMENT

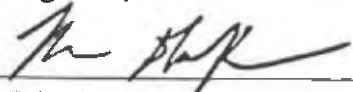
This Settlement Agreement contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein. There are no warranties, 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 Settlement 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.

16. 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.

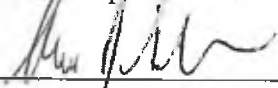
AGREED TO:

Date: August 29, 2024

By: 
Michael DiPirro

AGREED TO:

Date: September 3, 2024

By: 
The House of Staunton, Inc.
Print Name: Shawn D Sullivan
Title: President