

TORCH & STONE LAW, APC

4171 Ball Road, Suite 172 ♦ Cypress, CA 90630 ♦ (248) 930-6180

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1. The Parties

This Settlement Agreement is entered into by and between Pure.Clean.Healthy LLC ("PCH") and Ashtel Studios Inc., with PCH and Ashtel Studios Inc. 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 Ashtel Studios Inc. 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 Ashtel Studios Inc. has exposed individuals to the chemical Coconut Oil Diethanolamine Condensate (Cocamide Diethanolamine, Cocamide DEA) ("Cocamide DEA") from its sales in the State of California of Smart Care Sweet Peach Antibacterial Hand Soap (AG# 2024-01995), Smart Care Tropical Beach Antibacterial Hand Soap (AG# 2024-01996), and Smart Care Cucumber & Tea Antibacterial Hand Soap (AG# 2024-03748) 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, birth defects or other reproductive harm. Ashtel Studios Inc. has denied these allegations.

1.3. Product Description

The products that are covered by this Settlement Agreement are defined as Smart Care Sweet Peach Antibacterial Hand Soap (AG# 2024-01995), Smart Care Tropical Beach Antibacterial Hand Soap (AG# 2024-01996), and Smart Care Cucumber & Tea Antibacterial Hand Soap (AG# 2024-03748) that Ashtel Studios Inc. 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 May 20, 2024 and on September 6, 2024, PCH served Ashtel Studios Inc. 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"), which provided Ashtel Studios Inc. and such public enforcers with notice that Ashtel Studios Inc. 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.

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1.5. No Admission

The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as set forth herein, and in the Notice concerning Ashtel Studios Inc.'s compliance with Proposition 65. Ashtel Studios Inc. denies 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 or any other statutory, regulatory, common law or equitable doctrine. Nothing in this Settlement Agreement shall be construed as an admission by Ashtel Studios Inc. 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 Ashtel Studios Inc. of any fact, binding, conclusion, issue of law, or violation of law, such being specifically denied by Ashtel Studios Inc. on its behalf. However, nothing in this section shall diminish or otherwise affect the obligations, responsibilities, and duties of Ashtel Studios Inc. 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 Ashtel Studios Inc. 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.

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2.2. Clear and Reasonable Warning

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 Ashtel Studios Inc. 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 Ashtel Studios Inc. 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) A clear and reasonable exposure Warning must be provided for Covered Product(s) with Violative Daily Exposure Level that Ashtel Studios Inc. distributes into the State of California after the Effective Date. The Warning shall consist of either the Standard Warning (under 2.3(a)(i)), the Short-Form Warning (under 2.3(ii)(1) or under 2.3(ii)(2)).


i. **Standard Warning.** The Standard Warning shall consist of the statement:

1)  **“WARNING:”** [or] **“CA WARNING:”** [or] **“CALIFORNIA 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

or

ii. **Short-Form Warning.** The Short-Form Warning shall consist of either of the statements below:

2)  **WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Cancer risk from exposure to Cocamide Diethanolamine (“Cocamide DEA”). See www.P65Warnings.ca.gov

or


3)  **WARNING** [or] **CA WARNING** [or] **CALIFORNIA WARNING:** Can expose you to Cocamide Diethanolamine (“Cocamide DEA”), a carcinogen. See www.P65Warnings.ca.gov

or

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- iii. On a product manufactured/labeled after January 1, 2028, regardless of date of sale: an Alternative Warning shall be provided as set forth in § 25603(b):

4)  **WARNING:** Cancer – www.P65Warnings.ca.gov

A Standard Warning or Short-Form Warning must print the word “**WARNING:**” in all capital letters and in bold font, followed by a colon. The warning symbol shall be placed to the left of the warning text in a size no smaller than the height of the word “WARNING,” and it must be a black exclamation point inside a yellow equilateral triangle with a black outline. Where the sign, label, or shelf tag for the product is not printed using the color yellow, the symbol may be printed in black and white.

Warning language on products manufactured on or after January 1, 2028 must use the Short-Form Warning requirements outlined in Section 25603(b)(3) and must include at least one chemical name for each applicable endpoint (cancer and/or reproductive toxicity).

(b) Print Warning. Standard Warning or Short-Form Warning provided pursuant to Section 2.3(a) in print form must:

- i. contain the word “WARNING” in all capital letters, in bold font, followed by a colon;
- ii. be affixed to or printed on the Covered Product’s label, or on a placard, shelf tag, sign or electronic device;
- iii. be displayed 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 of purchase or use; and
- iv. be set off from other surrounding information.
- v. The font size of the Short-Form Warning must be a minimum of 6 points, and it cannot be smaller than the largest size font used for Consumer Information.

(c) Online/Internet Warning. As set forth in Cal. Code Regs. Tit. 27, § 25602(b), to the extent a Covered Product is sold online by Ashtel Studios Inc. or a Distributor, a warning that complies with the content requirements of Cal. Code Regs Tit. 27, § 25603 must be provided via one or more of the following methods:

- i. a warning on the product display page, or
- ii. a clearly marked hyperlink using the word “**WARNING**”, or the words “**CA WARNING**” or “**CALIFORNIA WARNING**” on the product display page that links to the warning; or
- iii. an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase. If the warning is provided using the short-form warning label content pursuant to Cal. Code Regs Tit. 27, § 25602(a)(4), the warning provided on the website may use the same content. For purposes of this subsection, the warning is not prominently displayed if the purchaser must search for it in the general content of the website.

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For internet purchases made before January 1, 2028, a retail seller is not responsible under Cal. Code Regs Tit. 27, § 25600.2(e)(4) for conspicuously posting or displaying the new warning online until 60 calendar days after the retailer receives a warning or a written notice under Cal. Code Regs Tit. 27, § 25600.2(b) and (c) which updates a short-form warning compliant with Cal. Code Regs Tit. 27, § 25603(c) with content compliant with Cal. Code Regs Tit. 27, § 25603(b).

(d) Foreign Language. Where a sign, labeling, or label, as defined in Cal. Code Regs Tit. 27, § 25600.1, is used to provide a warning that includes consumer information about a product in a language other than English, the warning must also be provided in that language in addition to English.

(e) 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. Ashtel Studios Inc. 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.

(f) If Proposition 65 warnings for Cocamide DEA should no longer be required, Ashtel Studios Inc. shall have no further obligations pursuant to this Settlement Agreement.

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. Ashtel Studios Inc. shall pay the total settlement amount of Ten Thousand Dollars (\$10,000.00) (“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. Ashtel Studios Inc. shall issue two separate checks within ten (10) business 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 Hundred Dollars (\$375.00), representing 75% of the total civil penalty; and

(b) One check 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:

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Nine Thousand Five Hundred Dollars (\$9,500.00) of the total Settlement Amount shall be paid to Torch & Stone Law, APC 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 Ashtel Studios Inc.'s attention.

4. PAYMENT PROCEDURES

4.1 Payments to OEHHHA.

All Payments owed to OEHHHA, pursuant to section 3.1(a) shall be delivered directly to OEHHHA (Memo line "Prop 65 Penalties NOV #2024-01995, 2024-01996, 2024-03748") 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
% Torch & Stone Law, APC
Attn: M. Uma Gopalswami, Esq.
4171 Ball Road, Suite 172
Cypress, CA 90630

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 each check payable to OEHHHA shall be mailed to Torch & Stone Law, APC, simultaneous with payment to Torch & Stone Law, APC at the address set forth above, as proof of payment to OEHHHA.

4.5 Tax Documentation.

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Ashtel Studios Inc. agrees to provide a completed IRS 1099 for its payments to, and PCH agrees to provide IRS W-9 form for, each of the following payees under this Settlement Agreement:

(a) "Pure.Clean.Healthy LLC", whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties;

(b) "Torch & Stone Law, APC", whose address and tax identification number shall be provided within five (5) days after this Settlement Agreement is fully executed by the Parties; and

(c) "Office of Environmental Health Hazard Assessment", 1001 I Street, Sacramento, CA 95814.

5. RELEASE OF ALL CLAIMS

5.1. Release of Ashtel Studios Inc., 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 or any other Products known or unknown at this time, 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 limited to, investigation fees, expert fees and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "Claims"), against (a) Ashtel Studios Inc.; (b) each of Ashtel Studios Inc.'s downstream distributors in the stream of commerce 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) Ashtel Studios Inc.'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 Ashtel Studios Inc. and the Releasees.

5.2 Ashtel Studios Inc.'s Release of PCH

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Ashtel Studios Inc., 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 and Ashtel Studios Inc. 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.

PCH and Ashtel Studios Inc. 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), Ashtel Studios Inc. 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 Ashtel Studios Inc. 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:

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(i) electronic mail; or (ii) overnight courier on any party by the other party at the following addresses:

For Ashtel Studios Inc. :

Sheetal S. Patel
LeonardPatel PC
9891 Irvine Center Drive, Suite 100
Irvine, California 92618

For Pure.Clean.Healthy LLC:

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

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).

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 within 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.

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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: 10/28/2025

By: 
Pure.Clean.Healthy LLC

AGREED TO:

Date: 10/27/2025

By:  Signed by:
ANISH PATEL
Ashtel Studios Inc.