

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Consumer Protection Group, LLC and Bio World Merchandising, Inc.

This Settlement Agreement is entered into by and between Consumer Protection Group, LLC (“CPG”), on the one hand, and Bio World Merchandising, Inc. (“Bioworld”), on the other hand, with CPG and Bioworld collectively referred to as “Parties”.

1.2 General Allegations

CPG alleges that Bioworld manufactured, distributed, and/or offered a consumer product - Squishmallows Clayton the Cow Lanyard for sale in the State of California allegedly containing Diisononyl phthalate (“DINP”), which did not include warnings pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq.* ("Proposition 65"). Bioworld denies these allegations. DINP is listed pursuant to Proposition 65 as a chemical known to the state of California to cause Cancer.

1.3 Product Description

The product covered by this Settlement Agreement is defined as Squishmallows Clayton the Cow Lanyard that contain DINP (the “Covered Product”) that Bioworld manufactured, imported, distributed, and/or sold in California.

1.4 Notices of Violation

On or about November 15, 2024, CPG served Kelly Toys Holdings, LLC, Hot Topic, Inc., and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California, with documents entitled “60-

Day Notice of Violation” that provided Kelly Toys Holdings, LLC, Hot Topic, Inc., and such public enforcers with notice that Kelly Toys Holdings, LLC, and Hot Topic, Inc. were allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn California consumers and customers that the Covered Product can expose users in California to DINP. Further, on January 6, 2025, CPG served Bioworld and the requisite public enforcement agencies eligible to initiate Proposition 65 actions on behalf of the People of the State of California, with documents entitled “60-Day Notice of Violation” that provided Bioworld, and such public enforcers with notice that Bioworld was allegedly in violation of California Health & Safety Code section 25249.6 for failing to warn California consumers and customers that the Covered Product can expose users in California to DINP.

To the best of the Parties’ knowledge, no public enforcer has commenced or is diligently prosecuting the allegations set forth in the November 15, 2024, and January 6, 2025, notices (“Notices”).

1.5 **No Admission**

Bioworld enters into this Settlement Agreement as a full and final settlement of all claims that were raised in the Notices as to the Covered Product. Bioworld denies the material factual and legal allegations contained in the Notices and maintains that the Covered Product sold/distributed have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission against interest by Bioworld of any fact, finding, issue of law, or violation of law; including, but not limited to any fact or conclusion of law suggesting or demonstrating that Bioworld has sold any products including the Covered Product in California, or that it has violated Proposition

65, or that it is subject to personal jurisdiction in California, nor shall compliance with this Settlement Agreement constitute or be construed as an admission against interest by Bioworld of any of the above, such being specifically denied by Bioworld. Nothing in this Settlement Agreement shall prejudice, waive or impair any right, remedy, argument or defense Bioworld may have in this or any other future legal proceedings. This Settlement Agreement is the product of negotiation and compromise and is accepted by Bioworld solely for purposes of settling, compromising, and resolving issues disputed in the Notices. However, this Section 1.5 shall not diminish or otherwise affect the Parties' 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 date this agreement has been fully executed by both Parties and both Parties have notice of such execution.

2. **INJUNCTIVE RELIEF: WARNING**

2.1 **Commitment to Reformulate or Warn**

As of sixty (60) days after the Effective Date, Bioworld shall not sell or offer the Covered Product for sale in the State of California unless they are "Reformulated Covered Products" as defined in Section 2.2 or Bioworld provides warnings as outlined in Section 2.3. Covered Product currently in the channels of distribution with distributors and retailers (including Covered Product in inventory or in production) or in Bioworld's

inventory prior to the Effective Date through sixty (60) days after the Effective Date may continue to be sold-through.

2.2 Reformulation Standards


Reformulated Covered Product means Covered Product that contain concentrations less than or equal to 0.1% (1,000 parts per million (“ppm”)) of DINP in any accessible components. Reformulated Covered Products do not require a Proposition 65 warning hereunder.

2.3 General Warning Requirements


The warning requirements set forth in this Section 2 shall apply only to Covered Product that Bioworld distributes, markets, sells, or ships for sale in the State of California more than sixty (60) days after the Effective Date that have not been reformulated as set forth in Section 2.2. There shall be no obligation for Bioworld to provide a warning for any Covered Products that are not Reformulated Products that are manufactured or otherwise enter the stream of commerce prior to 60 days after the Effective Date. Covered Product currently in the channels of distribution with distributors and retailers (including Covered Product in inventory or in production) or in Bioworld’s inventory prior to the Effective Date through sixty (60) days after the Effective Date may continue to be sold-through.

2.4 Warning Language Requirements


Any warnings provided pursuant to this Section 2 shall be provided with such conspicuousness, as compared with other words, statements, or designs as to render it reasonably likely to be read and understood by an ordinary individual under customary conditions of purchase or use. Where required, Bioworld must provide any one of the following Proposition 65 warnings:

 **WARNING:** This product can expose you to chemicals including Diisononyl phthalate (DINP), which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.


Or

 **WARNING:** Can expose you to Diisononyl phthalate (DINP), a carcinogen. See www.P65Warnings.ca.gov.

Or

 **WARNING:** Cancer risk from exposure to Diisononyl phthalate (DINP). See www.P65Warnings.ca.gov.

For Covered Product manufactured and labeled before January 1, 2028, if Bioworld elects to use a short-form warning, it may use the following language:

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

In the above warnings, in lieu of the word “**WARNING**,” Bioworld may use “**CA WARNING**” or “**CALIFORNIA WARNING**.”

This shall constitute compliance with Proposition 65 with respect to DINP in the Covered Product. The provisions of Section 2 shall not apply to any of the Covered Product that are already in the stream of commerce (including Covered Product in inventory, store shelves, or production) or Bioworld’s existing inventory prior to the Effective Date through sixty (60) days after the Effective Date. Where a warning label is used for a Covered Product whose labeling includes consumer information as defined by California Code of Regulations title 27 §25600.1(c) in a

language other than English, the warning must also be provided in that language in addition to English. Should Bioworld sell or distribute any Covered Product that is not reformulated through the internet to California the warning will be provided in the manner set forth in 27 CCR sections 25601 and 25602, or as either section may be subsequently amended.

2.5 Correction Notice

In the event that Bioworld is allegedly not in compliance with Section 2 of this Agreement, Bioworld upon receiving a written notice of non-compliance (the “Compliance Notice”), may bring the Covered Product into compliance or demonstrate that the Covered Product is already compliant within thirty (30) days of receipt of the Compliance Notice. If the Covered Product is brought into compliance during this period, Bioworld shall not be required to make any additional monetary payment or settlement amount.

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

In settlement of all the claims for monetary relief of any kind referred to in this Settlement Agreement and the Notices (except for CPG’s attorney’s fees set forth in Section 4 below), Bioworld shall pay a total of two thousand five hundred dollars (\$2,500) in civil penalties in accordance with this Section. The penalty payment will be allocated in accordance with California Health & Safety Code section 25249.12(c)(1) & (d), with 75% of the funds remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty remitted to CPG.

CPG's counsel shall be responsible for delivering OEHHA's portion and CPG's portion of any penalty payment made under this Settlement Agreement.

4. REIMBURSEMENT OF FEES AND COSTS

The Parties reached an accord on the compensation due to CPG and its counsel under the Private Attorney General doctrine and principles of contract law. Under these legal principles, Bioworld shall reimburse CPG's counsel for a portion of the fees and costs incurred as a result of investigating and bringing this matter to Bioworld's attention and negotiating this Settlement Agreement. Bioworld shall pay CPG's counsel a total of thirty-two thousand dollars (\$32,000) in complete resolution of any claim for attorneys' fees, expert and investigation fees, and all costs and expenses of any kind incurred in this matter, including, but not limited to all attorney's fees and costs incurred for investigating, testing, consulting with experts, bringing this matter to the attention of Bioworld, and negotiating this Settlement Agreement.

5. PAYMENT INFORMATION

Within thirty (30) days of the Effective Date, Bioworld shall make a total payment of thirty-four thousand five hundred dollars (\$34,500) for the civil penalties and attorney's fees/expenses set forth above to CPG's counsel, Blackstone Law APC by wire transfer. CPG's counsel will provide Bioworld with wire instructions and tax forms concurrent with the full execution of this Settlement Agreement. The Parties acknowledge that Bioworld cannot issue any settlement payments until after Bioworld receives the requisite wire instructions and W-9 forms from CPG's counsel. Other than this payment, each side is to bear its own attorneys' fees and costs.

6. **RELEASE OF ALL CLAIMS**

6.1 **CPG's Release of Bioworld's 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, 4 and 5 above, CPG, in its individual capacity, and on behalf of itself, its 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 relating to the Covered Product, 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) Bioworld including its parents, shareholders, members, directors, officers, managers, employees, representatives, agents, attorneys, divisions, subdivisions, subsidiaries, partners, sister companies, and affiliates, and their predecessors, successors and assigns; and (b) each of Bioworld's suppliers, vendors, downstream distributors, retailers, wholesalers, licensors, licensees, auctioneers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, users, including but not limited to, Jazwares Entertainment, LLC (an entity related to Kelly Toys), Kelly Toys Holdings, LLC, Hot Topic, Inc., and each of their parents, successors, assigns and related and affiliate entities (collectively the "Releasees").

CPG also, in its individual capacity, on behalf of itself, its past and current agents, 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 Bioworld and the Releasees with regards to the Covered Product. CPG acknowledges that it is familiar with California Civil Code section 1542, which provides 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 RELEASING PARTY.

CPG in its individual capacity only, and on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees expressly waives and relinquishes any and all rights and benefits which it may have under, or which may be conferred on it by the provisions of California Civil Code section 1542 as well as under any other state or federal statute or common law principle of similar effect, to the fullest extent that it may lawfully waive such rights or benefits pertaining to the released matters. The release in this section shall have no force or effect until payments for the full amount set forth in above Sections 3, 4 and 5 are paid in full to Blackstone Law, APC by Bioworld.

6.2 Bioworld's Release of Consumer Protection Group, LLC.

Bioworld waives any and all claims against CPG, its attorneys and other representatives, for any and all actions taken, or statements made (or those that could have been taken or made) by CPG and its attorneys and other representatives, whether in the

course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the Covered Product. Bioworld represents that its signatory to this Settlement Agreement has full authority to enter into and legally bind Bioworld to this Settlement Agreement.

7. 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 Bioworld shall have no further obligations pursuant to this Settlement Agreement, but shall have no recourse to claw back payments already made in accordance with Section 3, 4 and 5 of this Settlement Agreement.

8. 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 email on any party by the other party at the following addresses:

For Bioworld:	Sedina L. Banks, Esq. Sherry E. Jackman, Esq. Greenberg Glusker LLP 2049 Century Park East, Suite 2600 Los Angeles, CA 90067 sbanks@greenbergglusker.com sjackman@greenbergglusker.com
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For CPG:	Jonathan M. Genish, Esq. Blackstone Law APC 8383 Wilshire Blvd., Suite 745 Beverly Hills, CA 90211 jgenish@blackstonepc.com
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Any party, from time to time, may specify in writing to the other party a change of email address to which all notices and other communications shall be sent.

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. COMPLIANCE WITH HEALTH & SAFETY CODE SECTION 25249.7(f)

CPG agrees to comply with the reporting requirements referenced in California Health & Safety Code § 25249.7(f).

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, and all related prior discussions, negotiations, commitments and understandings. No other agreements, oral or otherwise, exist to bind either of the Parties.

12. MODIFICATION

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

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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.

<p style="text-align: center;">AGREED TO:</p> <p>Date: July 11, 2025</p>  <p>By: _____ On Behalf of Consumer Protection Group, LLC</p>	<p style="text-align: center;">AGREED TO:</p> <p>Date: July 11, 2025</p> <p>DocuSigned by: Vivek Gandhi 50BBA7638A8D40E...</p> <p>By: _____ On Behalf of Bio World Merchandising, Inc.</p>
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