

SETTLEMENT AGREEMENT

AG Notice Nos. 2025-01687, 2025-01990, 2025-00811, and 2025-01323

1. INTRODUCTION

1.1 The Parties

This settlement agreement (Settlement Agreement) is entered into by and between Jay Epps (Epps) and Transform SR Holding Management LLC (Settling Entity or Transform), with Epps and the Settling Entity referred to as the “Parties.”

Epps 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. Transform employs ten or more persons. Epps alleges that Transform is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5, *et seq.* (Proposition 65).

1.2 General Allegations

Epps alleges that the Settling Entity distributes, retails, and/or otherwise facilitates the sale of the products defined in subsection 1.3 below to (a) California consumers or (b) non-California consumers for which the products are shipped to an address in California (collectively, “Customers”), and that it does so without providing the online health hazard warning he contends is required by Proposition 65 for consumer exposures to lead and toluene (Listed Chemicals). Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm. Toluene is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects or other reproductive harm.

1.3 Covered Products

The products covered by this Settlement Agreement are (i) soldering wire, including kits, containing lead (solder wire); and (ii) clear and colored furniture wax manufactured by Briwax

International Inc., containing toluene (furniture wax), expressly limited to items offered for sale on sears.com and kmart.com (Websites) (collectively referred to as the “Covered Product” or “Covered Products”). Covered Products include, but are not limited to, the exemplar product item numbers expressly listed in the Notices of Violation described in Section 1.4. A list of the covered furniture wax products is attached hereto as Exhibit A.

1.4 Notices of Violation

On May 29, 2025 and June 20, 2025, Epps served the Settling Entity and certain requisite public enforcement agencies with two 60-Day Notices of Violation (Solder Wire Notices) alleging that Transform violated Proposition 65 when it failed to warn Customers that certain soldering wire expose users to lead. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Solder Wire Notices.

On March 13, 2025 and April 23, 2025, Epps served the Settling Entity and certain requisite public enforcement agencies with two 60-Day Notices of Violation alleging that Transform violated Proposition 65 when it failed to warn Customers that certain clear and colored furniture wax made by Briwax expose users to toluene (Furniture Wax Notice). To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Furniture Wax Notices.

The Solder Wire Notices and Furniture Wax Notices are hereinafter collectively referred to as the “Notices.”

1.5 No Admission

The Settling Entity denies the material, factual and legal allegations contained in the Notices and maintains that all Covered Products sold on the Websites have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as either a waiver or admission by the Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law, in this or any other matter, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by the Settling Entity of any fact, finding, conclusion of law, issue of law, or violation of law, the same being specifically denied by

Transform. This Settlement Agreement is the product of negotiation and compromise and is accepted by Settling Entity solely for purposes of settling, compromising, and resolving issues disputed in the Notices. This subsection shall not, however, diminish or otherwise affect the obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term “Effective Date” shall mean January 31, 2026. The term “Compliance Date” shall refer to February 15, 2026.

2. INJUNCTIVE RELIEF: WARNINGS

2.1 Covered Product Warnings


(a) Transform agrees, promises, and represents that, by the Compliance Date, to the extent it ships or sells Covered Products in California, Transform will either:

(1) provide the Section 2.1(b) warning on each Covered Product’s online product page on the Websites by (i) Transform applying the Section 2.1(b) warning itself, or (ii) Transform instructing vendors and third-party sellers of the Covered Products to fulfill their existing contractual obligation by providing the Section 2.1(b) warning on each Covered Product’s online product page on the Websites and Transform confirming to Epps that prompt placement of the Section 2.1(b) warning on each Covered Product’s online product page were placed on the Websites by the Compliance Date; or


(2) cease allowing the Covered Products to be offered for sale in California on the Websites.

(b) The warnings required by Section 2.1(a) shall be provided in a conspicuous and prominent manner such that they will be likely to be read or seen by the consumer prior to or at the time of the sale or purchase:

For Covered Products containing Lead:


 **WARNING:** This product can expose you to chemicals including lead, 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.

For Covered Products containing Toluene:


 **WARNING:** This product can expose you to chemicals including toluene, which is known to the State of California to cause birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Transform may alternatively use a short-form warning (Short-Form Warning) language so long as it is allowed under Proposition 65's implementing regulations. For Covered Products manufactured and labeled after January 1, 2028, the Short-Form Warning shall consist of the following statement:

For Covered Products containing Lead:

 **WARNING:** Risk of cancer and reproductive harm from exposure to lead. See www.P65Warnings.ca.gov.

For Covered Products containing Toluene:

 **WARNING:** Risk of reproductive harm from exposure to toluene. See www.P65Warnings.ca.gov.

(c) Transform shall notify in writing all vendors and third-party sellers of the Covered Products of the legal requirement to provide the Section 2.1(b) warning statement for each Covered Product online, and that the California Attorney General requires that vendors and third-party sellers of the Covered Products that are subject to Proposition 65 also apply the Section 2.1(b) warning statement, or a Proposition 65 compliant warning, directly on the packaging of the Covered Products. Transform shall not be responsible or liable for failures of any vendors or third-party sellers of the Products to fulfill their independent Proposition 65 obligations.

(d) To the extent that the product information for any of the Covered Products appears in a foreign language (e.g., if a potential purchaser chooses to review the Websites in Spanish, using the Websites' translation feature), the Proposition 65 warning shall appear in the same foreign language.

(e) The Parties understand and agree that some Covered Products may be offered for sale on the Websites without the Section 2.2 warning, if the shipping address entered by a customer is not in California, and that the lack of a warning under such circumstances is not a breach of this Settlement Agreement or a violation of Proposition 65.

2.2 Covered Products in the Stream of Commerce

Any Covered Products sold prior to the Compliance Date shall not be subject to the requirements of Section 2.1.

2.3 Right to Cure (No Assignment or Transfer of Claims)

As of the time of this Settlement Agreement, neither Epps nor his counsel have any specific knowledge of the presence of any other Covered Products listed to be sold and to be shipped to an address in California that, in their opinion, fail to comply with Proposition 65's warning requirement. Epps represents and warrants neither he nor his agents or attorneys have assigned or otherwise transferred, or attempted to assign, or transfer, any claim or claims against Transform based on the Notices or the subject matter of the Notices. Epps further warrants that neither he nor his agents or attorneys are aware of any other potential private enforcer or attorney who intends to bring litigation based on the subject matter of the Settlement Agreement.

To the extent Epps, his agents, or his attorneys identify any Covered Product for sale on the Websites to consumers in California, which they believe is not in compliance with this Settlement Agreement, Epps agrees to advise Transform of such alleged breach in the manner set forth in Section 7, and provide Transform with forty-five (45) calendar days (calculated from the date written notice is provided electronically) to cure any alleged violation, including by providing a Proposition 65 warning or taking action to ensure that the product is not sold to any

purchaser with a shipping address in California. Such notice to Transform shall contain information sufficient for Transform to identify the product(s) and the product's seller, which shall include the product item number, the name of the product, a screenshot of the product's online listing, and at least a summary explanation as to why Epps believes it is a Covered Product not in compliance.

If the alleged non-compliance is cured within the forty-five (45) calendar days, then Transform shall: (i) not be deemed in breach or violation of Proposition 65 based on the Notices, or in breach of this Settlement Agreement in any respect; (ii) Epps shall take no further action to enforce Proposition 65 based on the Notices or this Settlement Agreement; (iii) Epps shall not be entitled to seek or recover any civil penalties; (iv) Epps and his counsel shall not be entitled to seek or recover any attorneys' fees or costs, or any other available remedies arising from or relating to the alleged failure to comply with Proposition 65 or the terms of this Settlement Agreement; and (v) the matter shall be deemed to be resolved by and between Transform and Epps as to such products.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Fines

Pursuant to Health & Safety Code §25249.7(b), and in settlement of all claims alleged in the Notices, the Settling Entity agrees to pay a total of \$6,000 in civil fines. This payment will be allocated in accordance with Health & Safety Code §25249.12(c)(1) and (d), with 75% of the penalty amount paid to the Office of Environmental Health Hazard Assessment (OEHHA), and the remaining 25% of the penalty amount paid to and retained by Epps. The assessment of fines relating to the Furniture Wax Notice is based upon, among other statutory factors, the number of furniture wax sold and shipped to consumers in California during the relevant period as represented by the Settling Entity's sales data provided to Epps through his counsel.

By Friday, January 30, 2026, Transform will deliver \$23,000 of its payment due under Section 3.1 and 3.2 to the address in Section 3.3 through an automatic electronic transfer. A further \$23,000 will then be due 30 days later, by March 1, 2026, for the total of \$46,000.

Transform acknowledges that it has received the requested W-9s as of January 21, 2026.

Thereafter, Epps' counsel shall send the portions of the penalties paid by the Settling Entity to OEHHA and Epps.

3.2 Reimbursement of Attorneys' Fees and Costs

The Parties acknowledge that Epps 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 the issue to be resolved after the material terms of the agreement had been settled. Shortly after the other settlement terms had been finalized, the Settling Entity expressed a desire to resolve Epps' fees and costs. The Parties then negotiated a resolution of the compensation due to Epps' counsel under general contract principles, Proposition 65 implementing regulation for fee awards at 11 California Code of Regulations §3201 and/or the private attorney general doctrine codified at California Code of Civil Procedure §1021.5. For all work performed in connection with the claims alleged in the Notices through the mutual execution of this agreement, the Settling Entity shall reimburse Epps' counsel \$40,000.

Within ten (10) calendar days of the Effective Date and Transform's receipt of a current W-9 from Plaintiff and Plaintiff's counsel, whichever date is later, Transform will deliver its payment to the address in Section 3.3 through an automatic electronic transfer. Transform acknowledges that it has received the requested W-9s on or before January 21, 2026.

This reimbursement shall cover all fees and costs incurred by Epps investigating, bringing this matter to the Settling Entity's attention, and negotiating a settlement for the claims alleged in the Notices in furtherance of the public interest for the Covered Products.

4. CLAIMS COVERED AND RELEASED

4.1 Epps' Release of the Settling Entity and Releasees

This Settlement Agreement is a full, final and binding resolution between Epps, as an individual (and not on behalf of the public yet furthers its health interest), and the Settling Entity, of any violation of Proposition 65 that was or could have been asserted by Epps on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees,

against the Settling Entity and each of its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Transform directly or indirectly distributes or sells the Covered Products (Releasees), for failure to warn online about alleged exposures to lead and toluene contained in the Covered Products sold on the Websites. This release is expressly limited to Covered Products sold and/or offered for sale for shipment to persons with a California address on the Websites before the Compliance Date.

In further consideration of the promises and agreements herein contained, Epps as an individual and not on behalf of the public, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby fully waives all of his rights to institute or participate in, directly or indirectly, any form of legal action, and releases all claims that he may have against Transform and Releasees, 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 without limitation investigation fees, expert fees, and attorneys' fees), arising under Proposition 65 with respect to lead and toluene in the Covered Products. Nothing in this subsection shall affect Epps' right to commence an action under Proposition 65 against the Settling Entity and its Releasees that does not involve the Covered Products covered by this Settlement Agreement.

4.2 The Settling Entity's Release of Epps

The Settling Entity, on behalf of itself, its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Epps 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 Epps and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 in connection with the Notices or the Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties including those arising out of the facts alleged in the Notices relating to the Covered Products sold by Settling Entity through the

Effective Date will develop or be discovered. Epps, on behalf of himself, his past and current agents, representatives, attorneys, successors, and or assignees only on the one hand, and Settling Entity, on the other hand acknowledge that this Settlement Agreement is expressly intended to cover and include: all such claims against Releasees for the Covered Products sold by Settling Entity through the Effective Date. The Parties acknowledge that the claims released in §§ 4.1 and 4.2, above, may include unknown claims, and nevertheless waive California Civil Code § 1542 as to any such unknown claims related to the Covered Products. California Civil Code § 1542 reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Epps and Settling Entity each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

4.4 Representations

Epps’ counsel agrees that as of the Effective Date of this Agreement, they are not aware of, and have not been informed of, any other person, potential claimant, plaintiff, or attorney who, to their knowledge, intends to bring the same or similar claims against the Releasees, as defined above, that Epps has asserted in the Notices concerning the Covered Products.

5. SEVERABILITY

If, subsequent to its execution, 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.

6. GOVERNING LAW & ENFORCEMENT

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. Nothing in this Settlement Agreement shall

be interpreted to relieve the Settling Entity from any obligation to comply with any pertinent state or federal law.

The Parties agree that if the OEHHA changes its warning regulations affecting Section 2 above, then the Settling Entity may either conform with the revised law or continue to conform with the terms provided in this Settlement Agreement if the new implementing regulations so allow. In doing so, the Settling Entity will be in compliance with this Settlement Agreement as long as it continues to fulfill any warning obligations unaffected by such new changes. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or if any of the provisions of this Settlement Agreement are rendered inapplicable or no longer required as a result of any such repeal or preemption or rendered inapplicable by reason of law generally as to the Covered Products, then the Settling Entity shall provide written notice to Epps of any asserted change in the law and shall have no further injunctive obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Covered Products are so affected.

7. NOTICE

Unless specified herein, all correspondence, notices, and service of process required to be provided pursuant to this Settlement Agreement shall be in writing and sent by electronic mail *and* any of the following: (a) personal delivery; (b) first class mail, registered or certified mail, return receipt requested; or (c) overnight courier, sent to the following addresses:

For the Settling Entity:

Gregory L. Doll, Esq.
Doll Amir & Eley LLP
725 S. Figueroa St., Suite 3275
Los Angeles, CA 90017
gdoll@dollamir.com

For Epps:

Proposition 65 Coordinator
Chanler, LLC
72 Huckleberry Hill Road

New Canaan, CT 06840
clifford@chanlerLLC.com

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

8. COUNTERPARTS; FACSIMILE AND 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.

9. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(F)

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

10. MODIFICATION

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

11. AUTHORIZATION

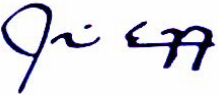
The undersigned are authorized to execute this Settlement Agreement and have read, understood, and agreed to all of the terms and conditions contained herein.

AGREED TO:


AGREED TO:

Date: January 31, 2026

Date: January 26, 2026

By: 

Jay Epps

By: 

NAME: Luke Valentino
TITLE: General Counsel
Transform SR Holding Management LLC

EXHIBIT A

<i>PRODUCT NAME</i>
Briwax - Original - 16 oz, A - CLEAR
Briwax - Original - 16 oz, B – LIGHT BROWN
Briwax - Original - 16 oz, C – DARK BROWN
Briwax - Original - 16 oz, D – ANTIQUE MAHOGANY
Briwax - Original - 16 oz, E – GOLDEN OAK
Briwax - Original - 16 oz, F – EBONY
Briwax - Original - 16 oz, G – RUSTIC PINE
Briwax - Original - 16 oz, H – TUDOR BROWN
Briwax - Original - 16 oz, I – MID-BROWN / DARK OAK
Briwax - Original - 16 oz, J – TEAK
Briwax - Original - 16 oz, K – NEW SLATE GREY
Briwax - Original - 16 oz, L – NEW SILVER GREY
Briwax - Original - 3.5 Liter, M – CLEAR
Briwax - Original - 3.5 Liter, N – EBONY
Briwax - Original - 3.5 Liter, O – LIGHT BROWN
Briwax - Original - 3.5 Liter, P – DARK BROWN
Briwax - Original - 3.5 Liter, R – ANTIQUE MAHOGANY
Briwax - Original - 3.5 Liter, S – GOLDEN OAK
Briwax - Original - 3.5 Liter, T – TUDOR BROWN
Briwax - Original - 3.5 Liter, U – MID BROWN / DARK OAK
Briwax - Original - 3.5 Liter, V – TEAK
Briwax - Original - 3.5 Liter, X – RUSTIC PINE