

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement (the “Settlement Agreement”) is entered into by and between Environmental Health Advocates, Inc. (“Plaintiff” or “EHA”) and BookOff USA Inc. (“Defendant” or “BookOff”). EHA and BookOff are each sometimes individually referred to herein as a “Party” and collectively as the “Parties.” EHA alleges that it is a corporation in the State of California serving in the interest of the general public by seeking to promote awareness of exposures to listed chemicals and to improve human health by reducing or eliminating hazardous substances used in consumer products. EHA alleges that BookOff is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

EHA alleges that BookOff used, distributed, and/or provided to customers in California thermal receipt paper that contains Bisphenol A (BPA) without first providing a warning required by Proposition 65. BPA is a listed chemical pursuant to Proposition 65.

1.3 Product Description

The product covered by this Settlement Agreement is defined as thermal receipt paper (“Covered Products”) that is used, distributed, and/or provided to customers in California by BookOff.

1.4 Notice of Violation

On or around September 19, 2025, EHA served BookOff, the California Attorney General, and certain other public enforcement agencies with a 60-Day Notice of Violation of Proposition 65 (“Notice”). The Notice alleged that BookOff violated Proposition 65 by failing to sufficiently warn consumers in California that the Covered Products can cause an exposure to BPA in connection with their purchases from BookOff. To the best of the parties’ knowledge, no public enforcer has commenced or is otherwise prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

BookOff enters into this Settlement Agreement as a full and final settlement of all claims that were raised or that could have been raised in the Notice and any other claim by plaintiff concerning alleged BPA in the Covered Products, and solely to avoid prolonged and costly litigation. BookOff denies the material factual and legal allegations contained in the Notice, maintains that it is not a person in the course of doing business that is subject to Proposition 65, that it is not subject to personal jurisdiction in California, and that all products that it has sold and distributed in California, including the Covered Products, have been and are in compliance with all laws, and are completely safe for their intended use. Nothing in this Settlement Agreement shall be construed as an admission against interest by BookOff 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 BookOff has sold any products in California, or that it has violated Proposition 65, or that it is a person in the course of doing business for purposes of Proposition 65, nor shall compliance with this Settlement Agreement constitute or be construed as an admission against interest by BookOff of any of the above, such being specifically denied by BookOff. Nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense BookOff may have in this or any other future legal proceedings, including BookOff's position that it is not a person in the course of doing business under Proposition 65, nor that it is not subject to personal jurisdiction in California. This Settlement Agreement is the product of negotiation and compromise and is accepted by BookOff solely for purposes of settling, compromising, and resolving issues disputed in the Notice. 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 Settlement Agreement is executed by the Parties.

1.7 Compliance Date

For purposes of this Settlement Agreement, the term “Compliance Date” means the date 90 days after the Effective Date.

2. INJUNCTIVE RELIEF

2.1 Reformulation Standard

Beginning on the Compliance Date, Defendant shall not purchase for use, distribute, provide, or offer to provide Covered Products or other stickers or labels in California or in any shipments to California addresses that contain more than 200 parts per million (“ppm”) of BPA or 200 ppm of BPS when tested for total BPA and/or BPS content using a Liquid Chromatography Mass-Spectrometer, and do not contain either BPA or BPS as an intentionally added ingredient.

2.2 Grace Period for Existing Inventory of the Covered Product

The injunctive requirements of Section 2 shall not apply to a Covered Product that is already in the stream of commerce as of the Compliance Date, which Covered Product is expressly subject to the releases provided in Section 4.1. For the avoidance of doubt, a Covered Product that is in the stream of commerce specifically includes, but is not limited to, a Covered Product that was procured by BookOff prior to the Compliance Date.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code § 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement for monetary relief of any kind, including, but not limited to, damages or penalties, BookOff agrees to pay one thousand dollars (\$1,000) in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code §§ 25249.12(c)(1) & (d), with 75% of the penalty amount paid to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount retained by EHA. BookOff shall issue two separate checks for the initial civil penalty payment to (a) “OEHHA” and (b) Environmental Health Advocates, Inc. as follows:

- One payment of \$750 to OEHHA, due fourteen (14) days after the Effective Date.
- One payment of \$250 to EHA, due fourteen (14) days after the Effective Date.

All payments owed to OEHHA (EIN: 68-0284486), pursuant to this Section shall be delivered directly to OEHHA (Memo Line “Prop 65 Penalties”) at the following addresses:

For United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
P.O. Box 4010
Sacramento, CA 95812-4010

For Non-United States Postal Service Delivery:

Mike Gyurics
Fiscal Operations Branch Chief
Office of Environmental Health Hazard Assessment
1001 I Street
Sacramento, CA 95814

All penalty payments owed to EHA shall be sent to:

Environmental Health Advocates
225 Broadway, Suite 1900
San Diego, CA 92101

3.2 Attorney Fees and Expenses

The Parties reached an accord on the compensation due to EHA and its counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, BookOff agrees to pay fourteen thousand dollars (\$14,000) to EHA and its counsel for all attorney’s fees and expenses incurred in this matter, including but not limited to fees and expenses incurred investigating, testing, consulting with experts, bringing this matter the attention of BookOff, and negotiating this settlement agreement in the public interest. The fourteen thousand dollars (\$14,000) in Attorney’s fees and expenses shall be payable by check to Entorno Law, LLP as one payment of \$14,000 due fourteen (14) days after the Effective Date.

All payments required under this Section shall be payable to Entorno Law, LLP and delivered to:

Attn: Isaac Fayman
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101

3.3 Tax Documentation

BookOff agrees to provide a completed IRS 1099 for its payments to, and EHA agrees to provide IRS W-9 forms for, each of the payees under this Settlement Agreement. The Parties acknowledge that BookOff cannot issue any settlement payments pursuant to Sections 3.1 and 3.2 above until after BookOff receives the requisite W-9 forms from EHA's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 EHA's Release of BookOff

This Settlement Agreement is a full, final, and binding resolution of all claims between EHA, on its own behalf, and BookOff for all claims that can or could have been asserted by EHA, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, against BookOff and each of its respective parents, subsidiaries, affiliated entities under common ownership, directors, officers, members, employees, attorneys, and any entity, including, but not limited to, each entity to whom BookOff directly or indirectly distributes or provides the Covered Products, including, but not limited to, its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on the failure to warn about exposures to BPA and/or BPS required under Proposition 65 in the Covered Products manufactured, sold, distributed for sale, or provided to customers in California by BookOff before the Compliance Date, as alleged in the Notice, or for any other reason.

In further consideration of the promises and agreements herein contained, EHA on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and assignees hereby waives any and all rights it may have to institute or participate in, directly or indirectly, any form of legal action and releases all claims against BookOff and Releasees including,

without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses or expenses including, but not limited to, investigation fees, expert fees and attorney fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to BPA and/or BPS required under Proposition 65 in the Covered Products manufactured, distributed, sold, offered for sale, or provided to customers by BookOff, before the Compliance Date.

4.2 BookOff's Release of EHA

BookOff, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against EHA and its attorneys and other representatives, for any and all actions taken or statements made by EHA and its 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 Covered Products.

4.3 California Civil Code Section 1542

It is possible that other claims not known to the Parties including but not limited to those arising out of the facts alleged in the Notice and relating to the products distributed or sold by BookOff will develop or be discovered. EHA on behalf of itself only, on the one hand, and BookOff on behalf of itself only, on the other hand, acknowledge that this Settlement Agreement is expressly intended to cover and include all such claims for any such products manufactured up through the Compliance Date. The Parties acknowledge that the claims released in Sections 4.1 and 4.2 may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 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.

BookOff and EHA, on their own behalf, and on behalf of their past and current agents, representatives, attorneys, successors, and/or assignees, expressly waive and relinquish any and all

rights and benefits that they may have under, or that may be conferred upon them by, the provisions of 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 they may lawfully waive such rights or benefits pertaining to the released matters. BookOff and EHA each acknowledge and understand the significance and consequences of this specific waiver of California Civil Code § 1542.

4.4 Deemed Compliance with Proposition 65

The Parties agree that compliance by BookOff with this Settlement Agreement constitutes compliance with Proposition 65 with respect to actual or alleged exposure to BPA and/or BPS from use of the Covered Products and any stickers or labels that it provides.

5. PUBLIC BENEFIT

It is the Parties' understanding that the commitments BookOff has agreed to herein, and actions to be taken by BookOff under this Settlement Agreement confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of the Parties that to the extent any other private party serves a notice and/or initiates an action alleging a violation of Proposition 65 with respect to BookOff's alleged failure to provide a warning concerning actual or alleged exposure to BPA prior to use of the Covered Products and/or stickers or labels it has manufactured, distributed, sold, or offered for sale, or provided to consumers in California, or will manufacture, distribute, sell, or offer for sale, or provide to consumers in California, such private party action would not confer a significant benefit on the general public as to the Covered Products addressed in this Settlement Agreement, provided that BookOff is in material compliance with this Settlement Agreement.

6. 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.

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.

8. ENFORCEMENT

Should EHA enter into a Settlement Agreement or Consent Judgment with more favorable injunctive relief terms for Covered Products after the Effective Date of this Settlement Agreement, BookOff shall be entitled to comply with such other more favorable injunctive relief terms without being in breach of this Settlement Agreement. Before any Party may take action to enforce the terms of this Settlement Agreement for alleged breach, that Party must give the other Party written notice and a good-faith opportunity to respond and cure the alleged violation. The Parties must thereafter meet and confer for a period of no less than 30 days to try to resolve any alleged violation. EHA shall not bring an enforcement action or institute a judicial proceeding or seek any other relief of any kind if BookOff demonstrates that it has complied with the requirements of Sections 2 and 3. In the event that meet-and-confer efforts are unsuccessful, the Party alleging a violation may initiate a judicial proceeding to enforce this Settlement Agreement no earlier than 30 days after issuing the written notice specified herein. In the event that a Party initiates such a judicial proceeding, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.

9. NOTICE

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

For BookOff:

Yuka Hashimoto
BookOff U.S.A. Inc.
15606 Broadway Center St.
Gardena CA 90248

With Copy to:

James Robert Maxwell, Esq.
Rogers Joseph O'Donnell

311 California Street, 10th fl
San Francisco, CA 94104
JMaxwell@rjo.com

For EHA:

Noam Glick, Esq.
Entorno Law, LLP
225 Broadway, Suite 1900
San Diego, CA 92101
noam@entornolaw.com

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

10. JOINT PREPARATION

The Parties have jointly participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties. Accordingly, any uncertainty or ambiguity existing in this Settlement Agreement shall not be interpreted against any Party as a result of the manner of the preparation of this Settlement Agreement. Each Party to this Settlement Agreement agrees that any statute or rule of construction providing that ambiguities are to be resolved against the drafting Party should not be employed in the interpretation of this Settlement Agreement and, in this regard, the Parties hereby waive California Civil Code § 1654.

11. ENTIRE AGREEMENT

This Settlement Agreement contains the sole and entire agreement of the Parties and any and all prior negotiations and understandings related hereto shall be deemed to have been merged within it. No representations or terms of agreement other than those contained herein exist or have been made by any Party with respect to the other Party or the subject matter hereof.

12. 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.

13. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

EHA and its attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f)

14. MODIFICATION

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

15. 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:

AGREED TO:

Date: 5/21/26

Date: 5/14/2026

By: 
ENVIRONMENTAL HEALTH
ADVOCATES, INC.

By: 
BOOKOFF USA INC.