

SETTLEMENT AGREEMENT

AG Notice Nos. 2026-01038

1. INTRODUCTION

1.1 Epps and DK Hardware Supply LLC

This settlement agreement (Settlement Agreement) is entered into by and between Jay Epps and DK Hardware Supply LLC (Settling Entity) 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. The Settling Entity employs ten or more persons. Epps alleges that the Settling Entity 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 for sale in California 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 toluene. Epps further alleges that, notwithstanding Settling Entity’s asserted compliance with on-product labeling, providing the health hazard warning he contends is required by Proposition 65 for consumer exposures to toluene, the Settling Entity’s website warning is not compliant with such requirements for on-line sales to California addresses. 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 Product Description

The products covered by this Settlement Agreement are Contact Cement supplied or made by “DAP Global Inc.” and branded under its “Weldwood” name, which were offered for sale by the Settling Entity on dkhardware.com hereinafter the “Product” or “Products.”

1.4 Notice of Violation

On March 6, 2026, Epps served the Settling Entity, and the requisite public enforcement agencies with a 60-Day Notice of Violation (Notice), alleging that the noticed entities violated Proposition 65 when they failed to warn consumers with California addresses that purchase the Product through on-line sales that the Contact Cement supplied or made by “DAP Global Inc.” and branded under its “Weldwood” name, expose users to toluene. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

1.5 No Admission

The Settling Entity denies the material, factual and legal allegations contained in the Notice and maintains that all Products that were manufactured, sold and distributed in California 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, 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, issue of law or violation of law. 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 September 21, 2026. The term “Compliance Date” shall refer to October 30, 2026.

2. INJUNCTIVE RELIEF: WARNINGS

2.1 Injunctive Relief

Pursuant to the terms set forth below, with respect to Products sold online in California, the Settling Entity, at its option, agrees to: (a) provide clear and reasonable Proposition 65 warnings for the Products as set forth in subsection 2.2; or (b) cease selling the Products that are to be shipped an address in California, and/or delist the Products offered for sale as set forth in subsection 2.3. The Parties understand and agree that some Products may appear online that contain no warning, but are not available for sale to California consumers (sales cannot be completed) and that this complies with this subsection 2.1(b), so long as they are not shipped to a California address.

2.2 Clear and Reasonable Warnings (Products Sold Online)

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 of purchase or use.

(a) Warning. The warning shall consist of the following or statement

(Warning):

 **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.

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

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

If any of the Products are offered for sale to California consumers after the Compliance Date, such Product listings shall contain a warning (as set forth above) which is displayed to the purchaser prior to completion of the transaction without requiring the potential buyer to use considerable effort to be made aware of the health hazard advisory. The warning (or a clearly and reasonably marked hyperlink to the warning using the signal word “⚠ Warning” or “⚠ Product Warning”) given in conjunction with the online sale of the Products may appear either: (a) prominently placed on the page in which the Product’s image, price and add-to-cart are displayed; (b) on the same page as the order confirmation for the Products (e.g., review cart URL); or (c) on the page displayed to the purchaser during the checkout process prior-to-payment for any shipment recipient with a California address.

2.3 Option to Delist

On or before the Compliance Date, the Settling Entity may, at its option, comply with the injunctive commitments set forth in subsection 2.1 above by delisting a Product such that the item is then unavailable for online sale for shipment to an address in California. If it does so, the previously delisted product may be reinstated for sale online to California consumers if it complies with subsections 2.1 through 2.2 prior to the date of such relisting.

2.4 Foreign Language Requirement

The Settling Entity shall comply with the requirements set forth in 27 California Code of Regulations §25602(d).

2.5 Products in the Stream of Commerce

The Injunctive Relief requirements in this Section 2 shall not apply to Product in the stream of commerce as of the Compliance Date.

2.6 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 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 the Settling Entity based on the Notice or the subject matter of the Notice. 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 Product for sale on dkhardware.com to consumers in California, which they believe is not in compliance with this Settlement Agreement, Epps agrees to advise the Settling Entity of such alleged breach in the manner set forth in Section 7, and provide the Settling Entity 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 the Settling Entity shall contain information sufficient for it to identify the product(s) and the product's seller, which shall include the listing 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 Product not in compliance.

If the alleged non-compliance is cured within the forty-five (45) calendar days, then the Settling Entity shall: (i) not be deemed in breach or violation of Proposition 65 based on the Notice, or in breach of this Settlement Agreement in any respect; (ii) Epps shall take no further action to enforce Proposition 65 based on the Notice 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 the Settling Entity 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 Notice, the Settling Entity agrees to pay a total of \$1,100 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 is based upon, among other statutory factors, the number of Products sold and shipped to consumers in California during the relevant period as disclosed to Epps by the Settling Entity.

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. The 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 Notice in furtherance of the public interest for the Products. For all work performed in connection with the claims alleged in the Notice through the mutual execution of this agreement, the Settling Entity shall reimburse Epps' counsel \$13,750.

3.3 Payment

All payments required under this Settlement Agreement shall be delivered to Epps' counsel within ten (10) calendar days after the Effective Date, subject to Epps and Epps' counsel completing any reasonably necessary tax and compliance documentation to enable the Settling

Entity to complete the payment which the Parties acknowledge has already been transmitted. For non-electronic payments, the Settling Entity shall provide three checks made payable as follows: (a) "OEHHA" in the amount of \$825; (b) "Jay Epps" in the amount of \$275; and (c) "Chanler Group" in the amount of \$13,750. For electronic payment, Epps' counsel shall send the respective portions of the penalties paid by the Settling Entity to OEHHA and Epps.

If payment is to be made by mail, the Settling Entity will deliver its payment to the address in subsection 3.3 by overnight courier, with a tracking number.

3.3 Payment Address

All non-electronic payments required by this Settlement Agreement shall be delivered to the following address:

Chanler Group
Attn: Proposition 65 Controller
72 Huckleberry Hill Road
New Canaan, CT 06840

If payment is made through an automatic electronic transfer, such information shall be provided to the Settling Entity by Epp's counsel.

4. CLAIMS COVERED AND RELEASED

4.1 Epps' Release of the Settling Entity

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, including without limitation, directors, officers, employees, attorneys, as well as any distributors or other sellers of the Settling Entity's Products (releasees), based on their failure to warn about alleged exposures to toluene contained in the Products. This release is expressly limited to Products sold and/or offered for sale for shipment to consumers with a California

address on dkhardware.com before the Compliance Date and to such Products brought into California by those purchased by consumers with a non-California address.

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 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, 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 exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to toluene in the Products against the Settling Entity and the releasees in connection with the Notice. Nothing in this subsection, therefore, shall affect Epps' right to commence an action under Proposition 65 against the Settling Entity and its releasees that do not involve the 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 Notice or Products. This release is expressly limited to such actions or statements made prior to the Effective Date.

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 subsections 2.1 through 2.5 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 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 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: (a) personally delivered; (b) sent by first class (registered or certified mail) return receipt requested; or (c) sent by overnight courier; and (d) electronically transmitted to one party by the other party at the following addresses:

For the Settling Entity:

Art Goldman
Chief Financial Officer
DK Hardware Supply LLC
1835 E. Hallandale Beach Blvd

PMB #264
Hallandale Beach, FL 33009
artgoldman@dkhardware.com

For Epps:

Proposition 65 Coordinator
Chanler Group
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 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:

Date: September 21, 2026

By: Jay Epps
Jay Epps

AGREED TO:

Date: September 21, 2026

By: Art Goldman
Name: Art Goldman
Title: CEO
DK Hardware Supply LLC