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SETTLEMENT AGREEMENT BETWEEN MONARCH AND NEXT STEP GROUP INC DBA CUSHIONAIRE

Mothers Oversight Network for Actionable Response to Contaminant Harm [MONARCH], LLC ("MONARCH") and Next Step Group Inc dba Cushionaire ("Alleged Violator") (collectively, the "Parties") enter into this Settlement Agreement for the purpose of avoiding prolonged and costly litigation and settling MONARCH's allegations that Alleged Violator violated California Health and Safety Code § 25249.6 *et seq.* ("Proposition 65"). The effective date of this Settlement Agreement shall be the date upon which it is fully executed by all Parties hereto (the "Effective Date").

I. Recitals

A. MONARCH is a California-based entity that seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer and industrial products.

B. MONARCH alleges that Alleged Violator manufactured, imported, sold, or distributed for sale in the State of California vegan leather booties that contain Di-2-ethylhexyl phthalate ("DEHP") without first providing a clear and reasonable warning as required by Proposition 65.

C. DEHP is listed pursuant to Proposition 65 as a chemical known to cause Reproductive Harm.

D. The product covered by this Settlement Agreement is vegan leather booties manufactured by or for Alleged Violator, imported by or for Alleged Violator, or distributed or sold by or for Alleged Violator to others, including, but not limited to Rodeo Western Stacked Heel Bootie (the "Covered Product").

E. On October 24, 2003, the Governor of California added DEHP to the list of chemicals known to the State to cause Reproductive Harm.

F. These additions took place more than twelve (12) months before MONARCH served its "60-Day Notice of Violation" which is further described below.

G. DEHP is referred to hereinafter as the "Listed Chemical."

H. On April 13, 2026, MONARCH served Alleged Violator, as well as certain relevant public enforcement agencies, with a document entitled "60-Day Notice of Violation" ("Notice"), advising of its intent to sue for violations of Proposition 65 arising from or related to

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the Covered Product containing the Listed Chemical. The Notice alleged that Alleged Violator violated Proposition 65 by failing to warn consumers in California that use of Covered Product exposed users to the Listed Chemical.

I. To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting the same allegations against Alleged Violator.

J. Alleged Violator denies the material, factual, and legal allegations contained in the Notice and maintains that all the products it sold and distributed in California, including the Covered Product, have complied with all laws.

K. The Parties enter into this Settlement Agreement to settle disputed claims between the Parties as alleged in the Notice and as set forth below concerning the Parties' and the Covered Product's compliance with Proposition 65 (the "Dispute").

L. By execution of this Settlement Agreement, the Parties do not admit any facts or conclusions of law, including, but not limited to, any facts or conclusions of law regarding any violation of Proposition 65, or any other statutory, regulatory, common law, or equitable doctrine.

M. Nothing in this Settlement Agreement shall be construed as an admission against interest by any Party of any fact, conclusion of law, issue of law, or violation of law.

N. Nothing in this Settlement Agreement, nor compliance with its terms, shall constitute or be construed, considered, offered, or admitted as evidence of an admission against interest or evidence of fault, wrongdoing, or liability by Alleged Violator, their officers, directors, employees, or parents, subsidiaries, or affiliated corporations, or any person acting for Alleged Violator, or any direct or indirect customer of Alleged Violator who sold or sells the Covered Product, in any administrative or judicial proceeding or litigation in any court, agency, or forum.

O. Except for the allegations settled and compromised, nothing in this Settlement Agreement shall prejudice, waive, or impair any right, remedy, argument, or defense that MONARCH or Alleged Violator may have against one another in any other legal proceeding as to allegations unrelated to the Dispute or claims released herein.

II. Release

A. This Settlement Agreement is a full, final, and binding resolution between MONARCH, individually and *not* in its representative capacity, and:

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1. Alleged Violator, and its owners, parents, subsidiaries, affiliates, sister and related companies, employees, shareholders, members, officers, directors, insurers, agents, attorneys, predecessors, successors, and assigns (collectively the "Releasees"), and

2. All entities to whom Releasees directly or indirectly provide, distribute, or sell the Covered Product, including but not limited to distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees ("Downstream Releasees"), on the other hand, of any violation(s) or claimed violation(s) of Proposition 65 or any statutory or common law claim that has been, could have been, or may in the future be asserted against the Releasees and/or Downstream Releasees regarding exposing persons or failing to warn persons about exposure to the Listed Chemical and the failure to warn about exposure to the Listed Chemical arising in connection with the Covered Product manufactured, shipped, and/or otherwise distributed prior to the Effective Date, even if sold by Downstream Releasees after the Effective Date.

3. This release applies to all Downstream Releasees up through the Effective Date and continues after the Effective Date as to liability for Downstream Releasees if and only if Alleged Violator provides notice of this Settlement and Release or have provided or thereafter provide notification of the responsibility of the Downstream Releasee to provide the warning as described in Section III (Duties) of this Agreement.

B. The Parties agree compliance with the terms of this Settlement Agreement by Alleged Violator shall be deemed to be compliance with Proposition 65 by Releasees and Downstream Releasees with respect to any exposures to the Listed Chemical in the Covered Product manufactured, distributed, or sold by Alleged Violator after the Effective Date.

C. The Covered Product subject to this Settlement Agreement is limited to those manufactured by or for Alleged Violator, imported by or for Alleged Violator, distributed by or for Alleged Violator, or sold by or for Alleged Violator.

D. MONARCH, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, but not in its capacity as representative of the public, hereby waives and releases with respect to the Covered Product all rights to institute or participate in, directly or indirectly, any form of legal action, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations,

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damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) (collectively the "Claims"), against Releasees and/or Downstream Releasees that arise under Proposition 65 or any other statutory or common law claims that were or could have been asserted in respect of any Covered Product sold up to the Effective Date, including without limitation to the extent that such claims relate to Releasees' and/or Downstream Releasees' alleged exposure of persons to the Listed Chemical contained in the Covered Product or any failure by Releasees and Downstream Releasees to warn about exposures to the Listed Chemical contained in the Covered Product.

E. MONARCH acknowledges that it is familiar with Section 1542 of the Civil Code, 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 RELEASED PARTY.**

MONARCH, its past and current agents, representatives, attorneys, successors, and/or assignees, in its individual and *not* representative capacity, 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 Civil Code § 1542, ***only as it pertains to the Listed Chemical and the Covered Product***, 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.

III. Alleged Violator's Duties

A. Commencing on the Effective Date, Alleged Violator shall not manufacture, import, sell, or distribute for sale in the State of California any Covered Product unless it either:

1. contains the Listed Chemical in a concentration less than or equal to 1,000 parts per million ("ppm") (0.1%) when analyzed pursuant to a scientifically reliable application of any scientifically reliable methodology for determining the Listed Chemical content in a substance of the form of the Covered Products herein; **or**

2. exhibits a warning in compliance with this Settlement Agreement.

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B. Whenever a clear and reasonable warning is required under Section III(A)(2) for the Covered Product offered for sale in the State of California, it shall state one of the warnings described in Section III(D) below in such a conspicuous and prominent manner as to be likely to be read and understood by the consumer prior to or at the time of sale or purchase.

C. Alleged Violator further agrees to send out instructions to all distributors and retailers, including third-party online vendors, regarding the display of a clear and reasonable warning at the time of purchase, if one is deemed required.

D. The Parties agree that any of the following warnings shall constitute a Compliant Warning for the Listed Chemical in the Covered Product:

1. the text, "**WARNING:** This product can expose you to chemicals including Di (2-ethylhexyl) phthalate (DEHP), which is known to the State of California to cause Birth Defects and other Reproductive Harm. For more information, go to www.P65Warnings.ca.gov," accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016.

a. The triangular warning symbol specified in Section III(D)(1) shall be in yellow with a black exclamation mark; *provided, however,* the symbol may be printed in black and white if the Covered Product label is not printed against a yellow background.

2. the text, "**WARNING:** Reproductive Harm – www.P65Warnings.ca.gov," accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016.

a. The triangular warning symbol specified in Section III(D)(2) shall be in yellow with a black exclamation mark; *provided, however,* the symbol may be printed in black and white if the Covered Product label is not printed against a yellow background.

3. Where a consumer product provides a warning in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.

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4. As of January 1, 2028, a short-form warning shall comply with the revised regulations.

a. The above short-form warning is only valid through December 31, 2027. Beginning on January 1, 2028, the following language must be used for the short form warning: "WARNING: Risk of Reproductive Harm from exposure to Di (2-ethylhexyl) phthalate (DEHP). See www.P65Warnings.ca.gov," accompanied by and placed to the right of a symbol consisting of a black exclamation point in a yellow equilateral triangle with a bold black outline sized to be no smaller than the word, "WARNING" as provided by regulations adopted on or about August 30, 2016.

b. The triangular warning symbol specified in Section III(D)(4) shall be in yellow with a black exclamation mark; *provided, however,* the symbol may be printed in black and white if the Covered Product label is not printed using the color yellow.

E. The Parties agree the specifications for Compliant Warnings in this Settlement Agreement comply with Proposition 65 and its regulations as of the Effective Date.

F. If modifications or amendments to Proposition 65 or its regulations after the Effective Date are inconsistent with, or provide warning specifications or options different from, the specifications in this Settlement Agreement, Alleged Violator may modify the content and delivery methods of its warnings to conform to the modified or amended provisions of Proposition 65 or its regulations.

IV. Payments

A. **Payment from Alleged Violator**. Alleged Violators shall make the Total Settlement Payment of $10,000.00 within ten (10) business days after the Effective Date.

B. **Allocation of Payments**. The Total Settlement Payment shall be paid in three (3) separate checks made payable and allocated as follows:

1. **Civil Penalty.** Alleged Violator shall pay $1,000.00 as a civil penalty pursuant to Health & Safety Code § 25249.7(b). The civil penalty shall be apportioned in accordance with Health & Safety Code § 25249.12 (25% to MONARCH and 75% to the State of California's Office of Environmental Health Hazard Assessment ("OEHHA")).

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a. Accordingly, the OEHHA portion of the civil penalty payment of $750.00 shall be made payable to OEHHA and associated with taxpayer identification number 68-0284486. This payment shall be delivered as follows: Attn: Fiscal Operations Branch Chief, Office of Environmental Health Hazard Assessment, P.O. Box 4010, MS #19B, Sacramento, CA 95812-4010.

b. The MONARCH portion of the civil penalty payment of $250.00 shall be made payable to MONARCH and associated with taxpayer identification number 88-0835494. This payment shall be delivered along with a 1099 to MONARCH, 573 N Olive St, Ventura, CA 93001. **This is an unmonitored mailbox, please do not request signatures for mail sent to this address.**

2. **Attorney's Fees and Costs.** A reimbursement of MONARCH's attorney's fees and costs in the amount of $9,000.00 payable to the "Greenbaum Law Firm," and associated with taxpayer identification number 46-4580172. This payment shall be delivered to the Greenbaum Law Firm, 7120 Hayvenhurst Ave, Suite 320, Van Nuys, CA 91406 ("GLF") along with a 1099 for the same amount.

V. Reporting the Settlement Agreement. MONARCH shall report this Settlement Agreement to the Attorney General's Office within five (5) days of the Parties' execution of this Settlement Agreement.

VI. Execution in Counterparts and Facsimile. This Settlement Agreement may be executed in counterparts, which taken together shall be deemed to constitute the same document. A facsimile or portable document format (PDF) signature shall be as valid as the original.

VII. 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 any of the Parties.

VIII. Modification of Settlement Agreement. Any modification to this Settlement Agreement shall be in writing and signed by the Parties.

IX. Application of Settlement Agreement

1. This Settlement Agreement shall apply to, be binding upon, and inure to the benefit of, MONARCH and the Releasees and Downstream Releasees identified in Section II(A)(2) above.

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2. Alleged Violator's compliance with this Settlement Agreement shall constitute compliance with Proposition 65 by the Releasees and Downstream Releasees regarding the Listed Chemical in the Covered Product.

X. Enforcement of Settlement Agreement

1. A violation of the warning requirements in this Agreement by Alleged Violator or the Downstream Releasees may be enforced, at MONARCH's sole discretion, by enforcing this Agreement or through a new Notice of Violation and the procedures of Health and Safety Code § 25249.6 *et seq*.

2. Any Party may file suit before the Superior Court of the County of Los Angeles, consistent with the terms and conditions set forth in Section X(3) and X(4) of this Settlement Agreement, to enforce the terms and conditions contained in this Settlement Agreement.

3. No action to enforce this Settlement Agreement may be commenced or maintained unless the Party seeking enforcement or alleging violation notifies the other Party of the specific acts alleged to breach this Settlement Agreement at least 30 days before serving or filing any action and the entity receiving the notice fails to comply with the requirements set forth in Subsection (4) below.

4. Within those 30 days (or such additional time as the Parties may mutually agree upon) after receiving the notice described in Subsection (3) above, Alleged Violator and MONARCH shall meet and confer regarding the alleged violation. Should the Parties be unable to resolve the dispute, any Party may seek relief under Subsection (2) above.

5. Enforcement of the other responsibilities under this Agreement may be enforced through an action for specific performance or breach of contract in the Superior Court of California, County of Los Angeles. The prevailing party is entitled to prejudgment interest if applicable, costs, and reasonable attorney's fees, subject to Section X(2-4), above.

XI. Notification Requirements

1. Any notice required or permitted hereunder shall be effective if sent via email, unless one of the Parties requests notice by another method, to the following designees:

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For MONARCH:	For Cushionaire:
Daniel N. Greenbaum, Esq.	Jeffrey Dweck
Email: service@greenbaumlawfirm.com	Email: jeffrey@dweckny.com

2. Any Party may change its designee(s) for purposes of notification by providing written notice of such change pursuant to this section.

XII. Severability. If after the execution of this Settlement Agreement, any of the provisions of this Settlement Agreement are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

XIII. Governing Law.

1. The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California.

2. This Settlement Agreement shall have no application to Covered Products not sold to California consumers.

3. If Proposition 65 is repealed, preempted, or otherwise rendered inapplicable by reason of law generally, or as to the Covered Product, then Alleged Violators shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, any Covered Product so affected. The Parties, including their counsel, have participated in the preparation of this Settlement Agreement and this Settlement Agreement is the result of the joint efforts of the Parties.

4. This Settlement Agreement was subject to revision and modification by the Parties and has been accepted and approved as to its final form by all Parties and their counsel.

5. 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.

XIV. Authorization

1. Each signatory to this Settlement Agreement certifies that he or she is fully authorized by the Party he or she represents to stipulate to this Settlement

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Agreement and to enter into and execute the Settlement Agreement on behalf of the represented Party and legally bind that Party.

2. The undersigned have read, understand, and agree to all the terms and conditions of this Settlement Agreement.

3. Except as explicitly provided herein, each Party is to bear its own fees and costs.

AGREED TO:

Dated: 10/29/2026

MONARCH

By: 

Dated: October 27, 2026

NEXT STEP GROUP INC DBA CUSHIONAIRE

By: 