# SETTLEMENT AND RELEASE AGREEMENT

Center for Consumer Safety, LLC ("CCS"), and Chemco Corp., a Florida corporation ("Chemco"), enter into this Settlement and Release Agreement ("Agreement") to resolve CCS's allegation that Chemco has violated the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code sections 25249.6 *et seq*. and its implementing regulations ("Proposition 65"), pursuant to CCS and Chemco's (collectively, the "Parties") Recitals and Terms set forth below.

## RECITALS

WHEREAS CCS seeks to promote awareness of exposures to toxic chemicals and to improve human health by reducing or eliminating hazardous substances contained in consumer products; and

WHEREAS CCS alleges that Chemco is a person in the course of doing business for purposes of Proposition 65; and

WHEREAS Chemco manufactures, sells, and/or distributes for sale in the State of California, and elsewhere, a product known as KERAGEN Brazilian Smoothing Keratin Hair Treatment, ASIN B011IVFVTO (the "Product"); and

WHEREAS CCS purchased an exemplar of the Product on Amazon and, upon testing it, alleges that the Product exposes users to formaldehyde gas during heat-activated use, including blow-drying and flat-ironing, and lacks Proposition 65 warnings on the packaging and online product display or point-of-sale page in violation of Proposition 65; and

WHEREAS on September 11, 2026, CCS served Chemco, Amazon.com Services LLC, and the requisite public enforcement agencies with a 60-Day Notice of Violation, entitled "60-Day Notice of Violation of California Safe Drinking Water and Toxic Enforcement Act (Proposition 65)" ("Notice"), NOV No. 2026-04372; and

WHEREAS, to the Parties' knowledge as of execution of this Agreement, no public enforcer has commenced or is prosecuting the allegations set forth in the Notice; and

WHEREFORE the Parties have agreed to enter into this Agreement for the purpose of avoiding the cost and inconvenience associated with litigating CCS's claims against Chemco and Amazon.com Services LLC, pursuant to the following:

## TERMS

### 1. GENERAL MATTERS

1.1. Product Description.

The products covered by this Agreement (the "Covered Product," used interchangeably herein with the "Product" and "Products") are defined as KERAGEN Brazilian Smoothing Keratin Hair Treatment, ASIN B011IVFVTO that Chemco manufactured, sold, or distributed in California as identified in the Notice.

1.2. No Admission.

Chemco denies the material, factual, and legal allegations contained in the Notice and maintains that the units of Product it has sold and distributed in California have been, and are, in compliance with all laws. Nothing in this Agreement shall be construed as an admission by

Chemco of any fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Chemco of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Chemco.

This Section shall not, however, diminish or otherwise affect Chemco's obligations, responsibilities, and duties under this Agreement.

1.3. Effective Date.

For the purposes of this Agreement, the term "Effective Date" shall mean the date that both Parties received the fully executed Agreement.

## 2. INJUNCTIVE RELIEF

2.1. Reformulation Standard.

Beginning on or before the 30th day following the Effective Date, Chemco agrees not to manufacture, distribute, or directly sell in the State of California any Covered Product that causes exposure to formaldehyde gas requiring a warning under Proposition 65, unless Chemco provides the warnings required by Section 2.2.

For purposes of this Agreement, exposure to formaldehyde gas shall include exposure resulting from the reasonably foreseeable use of the Covered Product in accordance with its labeling, instructions, and intended purposes, including application to hair, blow-drying, flat-ironing, and other heat-activated treatment procedures.

A Covered Product shall be deemed to satisfy the reformulation alternative under this Section if Chemco establishes, through scientifically valid testing and exposure assessment using methods and assumptions consistent with Proposition 65 and its implementing regulations, that reasonably foreseeable use of the Covered Product does not result in exposure to formaldehyde gas requiring a cancer warning under Proposition 65.

For purposes of determining compliance, the applicable Proposition 65 no significant risk level for formaldehyde shall be considered in accordance with applicable law and regulations. The mere absence of intentionally added formaldehyde, or a representation that the Covered Product is "formaldehyde-free," shall not independently establish compliance with this Section.

Chemco may satisfy its obligations under this Section by providing clear and reasonable warnings in accordance with Section 2.2, without demonstrating that the Covered Product meets the reformulation alternative.

2.2. Clear and Reasonable Warning

As an alternative to Section 2.1, beginning on or before the 30th day following the Effective Date, Chemco shall label all units of the Products manufactured for sale in California and shall be in compliance with the requirements of the California Code of Regulations, Title 27, Article 6, Clear and Reasonable Warning Requirements §§ 25601-25603. Chemco shall display the following warning statement on the website and on packaging according to Sections 2.3 and 2.4 below:

(a) **Warning**. The "Warning" shall consist of the statements:



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"**WARNING:**" [or] "**CA WARNING:**" [or] "**CALIFORNIA WARNING:**" This product can expose you to formaldehyde, which is known to the State of California to cause cancer. For more information go to www.P65Warnings.ca.gov.

(b) **Alternative Warning**:

Chemco may, but is not required to, use the alternative short-form warning as set forth in this § 2.2(b) ("**Alternative Warning**") as follows:

1. "**WARNING:**" [or] "**CA WARNING:**" [or] "**CALIFORNIA WARNING:**" Cancer risk from exposure to formaldehyde. See www.P65Warnings.ca.gov.

OR

2. "**WARNING:**" [or] "**CA WARNING:**" [or] "**CALIFORNIA WARNING:**" Can expose you to formaldehyde, a carcinogen. See www.P65Warnings.ca.gov.

OR

3. **WARNING:** Cancer -- www.P65Warnings.ca.gov.

The third form may be used for a Covered Product manufactured and labeled prior to January 1, 2028, regardless of the date of sale.

All Warnings and Alternative Warnings shall comply with the applicable content, formatting, and presentation requirements of 27 CCR §§ 25601-25603, including the warning symbol required by 27 CCR § 25603(a)(1), the applicable requirements for bold, capitalized signal words, and the type-size requirements applicable to short-form warnings under 27 CCR § 25602(a)(4). The warning symbol shall appear immediately to the left of the warning text and shall be no smaller than the height of the word "WARNING." Where the sign, label, or shelf tag is not printed using the color yellow, the warning symbol may be printed in black and white. All warnings shall be provided in a manner reasonably calculated to be seen, read, and understood by consumers under customary conditions of purchase or use.

2.3. E-Commerce.

The warning shall be posted on websites where Chemco offers Products for sale to consumers in California. This Section shall be satisfied if the Warnings or Alternative Warnings, or a clearly marked hyperlink using the word "WARNING" or the words "CA WARNING" or "CALIFORNIA WARNING" that links to the Warning or Alternative Warning appears on the product display page, or by otherwise prominently displaying the warnings to the purchaser prior to completing the purchase. To comply with this Section, Chemco shall (a) post the Warnings on its own U.S. website and, if it has the ability to do so, on the websites of its third-party internet sellers; and (b) if Chemco does not have the ability to post the Warnings on the websites of its third-party internet sellers, Chemco shall provide the applicable sellers with written notice and warning materials in accordance with the requirements of 27 CCR § 25600.2(b) and (c), including the applicable requirements concerning confirmation of receipt and renewal of notices.

2.4. Packaging Requirements.

Chemco shall print or affix the warning statements to the packaging of the products in accordance with Section 2.2. The Warnings shall be affixed to, displayed, or printed on the Products' packaging or labeling, or on a place card, shelf tag, sign or electronic device or automatic process, provided that the Warnings are displayed with such conspicuousness, as compared with



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other words, statements, or designs as to render them likely to be read and understood by an ordinary individual under customary conditions of purchase or use. Warnings may be provided on the Covered Product's packaging or labeling, or through any other method permitted under 27 CCR § 25602, provided that the applicable content, placement, conspicuousness, and timing requirements are satisfied. A warning contained in an instruction booklet shall satisfy this Section only if its placement and method of transmission comply with the applicable requirements of Proposition 65 and its implementing regulations.

2.5. Compliance with Warning Regulations.

Chemco shall be deemed to have satisfied its obligations under this Agreement with respect to the alleged exposures to formaldehyde gas from the Covered Product that are the subject of the Notice by either adhering to Section 2 of this Agreement or by complying with warning regulations adopted by the State of California's Office of Environmental Health Hazard Assessment ("OEHHA") applicable to the Products and the exposures at issue.

2.6. Grace Period for Existing Inventory of Products.

The injunctive requirements of Section 2 shall not apply to Products that are already in the stream of commerce as of the Effective Date, which Products are expressly subject to the releases provided in Section 4 of this Settlement Agreement.

2.7. Discontinuation of California Sales.

Notwithstanding anything to the contrary in this Section 2, Chemco shall have no obligations under Sections 2.1 through 2.5 for so long as it does not manufacture, distribute, or sell the Covered Product for sale or use in California. If Chemco resumes any such activities, it shall comply with the applicable requirements of Sections 2.1 through 2.5 before doing so.

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

In settlement of all claims referred to in this Agreement, Chemco shall pay a total of $25,000.00, of which $2,500.00 shall be paid as a Civil Penalty in accordance with this Section. The Civil Penalty payment shall be allocated in accordance with California Health & Safety Code §§ 25249.12(c)(1) and (d), with 75% of the Penalty remitted to OEHHA and the remaining 25% of the Penalty remitted to CCS. The Civil Penalty payment(s) shall be delivered to the addresses identified in Section 3.3 below. For purposes of this Section 3, the date of payment shall be: (a) for payment by check, money order, or other physical instrument sent by mail, the date of tender to the U.S. Postal Service for delivery by Priority Mail, or tender to UPS or FedEx for delivery by a service that provides shipment tracking, in each case with a tracking number sufficient to verify the date of mailing or shipment and the delivery status; (b) for payment delivered by hand, the date of actual receipt by CCS; and (c) for payment by electronic funds transfer, the date on which the payment is initiated by Chemco, as evidenced by the transaction confirmation. Chemco shall provide CCS with the applicable tracking number and shipment confirmation by email within one (1) business day after mailing or shipment of any payment made by check, money order, or other physical instrument. Notwithstanding the foregoing, if any payment is lost, misdirected, or not delivered to the designated recipient, Chemco shall, promptly upon receiving written notice thereof, take reasonable steps to trace such payment and, if necessary, cancel and reissue the payment at no additional cost to CCS or its counsel.



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3.1. Civil Penalty.

As part of the first installment due on November 10, 2026, Chemco shall issue two (2) separate checks for the Civil Penalty payment (a) one to "OEHHA" in the amount of $1,875; and one to (b) Center for Consumer Safety in the amount of $625. The Civil Penalty payment(s) shall be delivered to the addresses identified in Section 3.3, below.

3.2. Reimbursement of Fees and Costs.

The Parties reached an accord on the compensation due to CCS and its counsel under the general contract principle and the private attorney general doctrine and principles codified at California Code of Civil Procedure § 1021.5, for all work performed through the Effective Date. Under these legal principles, Chemco shall reimburse CCS's counsel for fees and costs incurred as a result of investigating and bringing this matter to the attention of Chemco and negotiating a settlement in the public interest. Chemco shall pay "Tusan Law, P.C." a total of $22,500 for fees and costs: $4,500 from the first installment due November 10, 2026; $6,000 from the second installment due December 10, 2026; $6,000 from the third installment due January 10, 2027; and $6,000 from the fourth installment due February 10, 2027. Payments shall be delivered to the address identified in § 3.3 below. If Chemco does not make payment within three (3) business days of the due date for such payment, Chemco shall be responsible for the attorney's fees and costs incurred in pursuing any outstanding payments.

3.3. Payment Procedures.

Chemco shall pay the $25,000 settlement amount in four installments: $7,000 due November 10, 2026; $6,000 due December 10, 2026; $6,000 due January 10, 2027; and $6,000 due February 10, 2027. The first installment shall consist of the $2,500 Civil Penalty described in § 3.1 and $4,500 toward fees and costs described in § 3.2. The second, third, and fourth installments shall be applied entirely to remaining fees and costs. Payments shall be delivered as follows:

a. All payments owed to CCS and CCS's counsel, pursuant to § 3.1 and § 3.2 above, shall be delivered to the following payment address:

Christina Tusan
Tusan Law, P.C.
2629 Foothill Blvd., #159
La Crescenta, CA 91214

b. All payments owed to OEHHA (EIN: 68-0284486), pursuant to § 3.1 above shall be delivered directly to OEHHA (Memo Line "Prop 65 Penalties") at the following address:

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

c. Copy of Payments to OEHHA. Chemco agrees to provide CCS's counsel with a copy of the check payable to OEHHA, simultaneously with its penalty payment to CCS, to be delivered to the address provided in § 3.3, as proof of payment to OEHHA.



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d. Tax Documentation.

Tusan Law, P.C. shall provide an IRS W-9 form for each payee under this Agreement. The Parties acknowledge Chemco cannot issue the Settlement Payment until Chemco receives the requisite W-9 forms from counsel. The Parties further acknowledge that they will cooperate in good faith to extend Chemco's payment deadline as set forth in sections 3.2 and 3.3 herein, if counsel fails timely to provide the requisite W-9 tax forms to Chemco.

The Parties acknowledge that no representations have been made by the other Party regarding the taxability of all or any portion of this Agreement. The Parties hereby acknowledge that they have had the opportunity to seek independent advice regarding the tax consequences of this Agreement and each accepts responsibility for satisfying its own tax obligations and liabilities arising from this Agreement.

## 4. RELEASE OF ALL CLAIMS

4.1. Release of Chemco and Downstream Customers

CCS, for itself and on behalf of all persons claiming by, through or under it, including without limitation, CCS's past and current heirs, agents, representatives, attorney, successors, and/or assignees (collectively, the "Releasors"), hereby releases, acquits, and forever discharges (i) Chemco, and its members, owners, officers, insurers, agents, representatives, contractors, affiliates, subsidiaries, successors, and assigns and all persons acting by, through, under, or in concert with any of them; (ii) all downstream entities engaged in the distribution chain of the Products, including, but not limited to, distributors, wholesalers, vendors, licensors, licensees, auctioneers, retailers, franchisees, dealers, shareholders, cooperative members, customers, owners, purchasers, third-party re-sellers, and users, including Amazon.com Services LLC; and (iii) all employees, agents, representatives, indemnitees, shareholders, officers, directors, members, managers, equity owners, insurers, attorneys, predecessors, successors, and assigns of the entities described in subsections (i) and (ii) hereof (the persons and entities described in subparagraphs (i) through (iii) of this section 4.1 shall be collectively referred to herein as the "Releasees"), of and from any and all claims, demands, obligations, liabilities, indebtedness, breaches of contract, breaches of duty or of any relationship, acts, omissions, misfeasance, malfeasance, causes of action, defenses, offsets, debts, sums of money, accounts, compensation, contracts, controversies, promises, damages, costs, losses and expenses, of every type, kind, nature, description, or character, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, each as though fully set forth herein at length (collectively, "Claims"), that the Releasors have or may have as of the Effective Date arising from or relating to alleged exposures to formaldehyde gas from the Covered Product, including the alleged violations of Proposition 65 identified in the Notice (collectively, the "Released Claims"); provided, however, that this release extends only to claims that CCS has legal authority to release and shall not release or otherwise impair the independent enforcement rights of the California Attorney General, any other public prosecutor, or any private person who is not a party to this Agreement.

The Parties further understand and agree that this Section 4.1 release shall not extend upstream to any entities that manufactured the Product or any component parts thereof, or any distributors or suppliers who sold the Products or any component parts thereof to Chemco.



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Notwithstanding the foregoing, the Release does not relieve the Releasees of their duty to fulfill their obligations, conditions, covenants, warranties, and representations under this Agreement.

4.2. Chemco Release of Center for Consumer Safety

Chemco, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Center for Consumer Safety, LLC and its attorneys and other representatives, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Product.

Chemco acknowledges that it may hereafter discover facts, claims, or defenses in addition to or different from those that it now knows or believes to be true with respect to the claims released under Section 4.2. Chemco agrees that the release in Section 4.2 shall remain effective in all respects notwithstanding any such additional or different facts, claims, or defenses. Chemco expressly assumes the risk of any and all unknown, unanticipated, or misunderstood claims released under Section 4.2. With respect to such released claims, Chemco waives and releases all rights and benefits it might otherwise have under California Civil Code § 1542 and under any similar statute, rule, or doctrine of any other jurisdiction. Chemco further waives any defense to the validity or scope of the release provided in Section 4.2 based solely upon the subsequent discovery of facts, claims, or defenses that were unknown, unanticipated, or misunderstood at the time of execution of this Agreement.

## 5. GOVERNING LAW

The terms of this Agreement shall be governed by the law of the State of California and shall 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 Products, then Chemco shall provide written notice to CCS of any asserted change in the law, and Chemco's obligations under this Agreement shall cease only to the extent such obligations are rendered inapplicable by that change.

This Agreement is enforceable solely by the Parties hereto.

## 6. COMMUNICATIONS

Unless otherwise specified herein, all correspondence and notices required to be provided pursuant to this Agreement shall be in writing and sent by electronic email or priority mail as follows:

**For: Chemco Corp.**

Bergie Montarroyos
Chemist - President
Chemco Corp.
4920 NW 165th Street
Miami, FL 33014
bergie@echemco.com

**For: Center for Consumer Safety, LLC:**

Christina Tusan
Tusan Law, P.C.



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2629 Foothill Blvd., #159
La Crescenta, CA 91214
ctusan@ctusanlaw.com

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

**7. ENTIRE AGREEMENT**

This 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.

**8. SEVERABILITY & MODIFICATION**

If after 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.

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

**9. COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but when taken together shall constitute one and the same agreement, with the same effect as if the signatures were placed on one original. This Agreement may be executed by electronic signature.

**10. COMPLIANCE WITH PROPOSITION 65 REPORTING REQUIREMENTS**

The Parties acknowledge that this Agreement constitutes a settlement of alleged Proposition 65 violations identified in the Notice without the filing of a complaint. Pursuant to California Health and Safety Code section 25249.7(f)(1) and California Code of Regulations, title 11, section 3003(c), CCS shall submit to the California Attorney General a complete copy of this Agreement and the required Report of Settlement within five (5) days after execution of this Agreement by both Parties. CCS shall provide Chemco with confirmation of such submission within five (5) business days thereafter. The Parties acknowledge that this Agreement is not a court-approved consent judgment and does not purport to bind any public prosecutor or private enforcer who is not a party to this Agreement.

**11. AUTHORIZATION**

Each Party represents that its signatory to this Settlement Agreement has full legal authority to enter into and legally bind it to the terms herein. Each Party further represents that it has read, understood, and agreed to all of the terms and conditions of this Settlement Agreement.

**12. CONFIDENTIALITY**

Neither Party shall issue any press release or otherwise voluntarily publicize this Agreement or its terms. Nothing in this Section shall restrict disclosures required by law, including reporting to the California Attorney General pursuant to Proposition 65 and its implementing regulations.



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IN WITNESS WHEREOF, the undersigned have caused this Settlement and Release Agreement to be duly executed, effective as of the Effective Date first set forth above.

**AGREED TO:**

Date: 11 / 04 / 2026

By: Christina Tusan
Center for Consumer Safety, LLC
Christina Tusan, Counsel

**AGREED TO:**

Date: 11 / 04 / 2026

By: _____
Chemco Corp.
Bergie Montarroyos, President



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# Audit trail

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