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117/13
DEPUTY COUNTY CLERK

FILED
San Francisco County Superior Court
JUL 20 1994
ALAN GARLSON, Clerk
BY: *[Signature]*
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

AS YOU SOW, a non-profit corporation,)	CASE NO. 950766
)	
Plaintiff,)	<u>STIPULATION AND JUDGMENT</u>
)	
v.)	
)	
NOXELL CORPORATION, et al.,)	
)	
Defendants.)	
<hr/>		
AS YOU SOW, a non-profit corporation,)	
)	
Plaintiff,)	
)	
v.)	
)	
ORLY INTERNATIONAL, INC., et al.,)	
)	
Defendants.)	

IT IS HEREBY STIPULATED by and between plaintiff As You Sow and Opt In Defendant, by and through their respective representatives, that:

(1) defendant is an Opt In Defendant as defined in Paragraph 9 of the Settlement Agreement (the

1 "Agreement") dated August 24, 1993, a copy of which is attached
2 hereto as Exhibit A, and agrees:

3 (a) that it is an entity employing ten (10) or
4 more persons, or reasonably believes that at some time
5 since January 1, 1992, it employed ten (10) or more
6 persons, and that it sold nail polish and related
7 products containing toluene in the State of California
8 during some period of time since January 1, 1992;

9 (b) that it is deemed to have accepted service
10 of a summons and complaint by AYS as a Doe Defendant;
11 and

12 (c) that it has read and agrees to be bound by
13 all terms and conditions of the Agreement.

14 (2) Exhibit B hereto is the required amendment to
15 Exhibit A to the Agreement; and (3) judgment in the
16 above-entitled action shall be entered in accordance with the
17 terms of the Agreement.

18
19 Dated: 6/20, 1993

CHANLER & ASSOCIATES

20 By: Cliff Chanler
21 Clifford A. Chanler
22 Attorneys for Plaintiff As
23 You Sow
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Dated: 9/15, 1993

COSMETCO INDUSTRIES, LTD.

By: *Mitchell Russo*
General Manager

JUDGMENT

Having considered the matter and finding good cause therefor, IT IS HEREBY ORDERED THAT judgment be entered and given effect in accordance with the terms of the Agreement.

Dated: JUN 23 1994, ~~1993~~

Ollie Marie-Victoire
Judge of the Superior Court
OLLIE MARIE-VICTOIRE

SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF ALL CLAIMS

On August 20, 1993 in San Francisco, California, As You Sow ("AYS"), The Cosmetic, Toiletry, and Fragrance Association ("CTFA") and the following Named Defendants:

1. Cosmair, Inc. and Lancome, Inc.
2. Del Laboratories, Inc., sued herein as Sally Hansen
3. The Princess Marcella Borghese, Inc.
4. Anway Corporation
5. Clarins U.S.A. Inc.
6. Mavala S.A.
7. Johnson Products Company (hereafter "Named Defendants")

and the following Doe Defendants:

1. Avon Products, Inc.
2. Chanel Inc.
3. Orlane Inc.
4. Mary Kay Cosmetics, Inc.
5. Merle Norman Cosmetics
6. Tristar Corporation dba Apple Cosmetics

(hereafter "Doe Defendants") (hereinafter the Named Defendants and Doe Defendants are collectively referred to as "Defendants") agreed to the following terms and conditions:

RECITALS

WHEREAS:

A. AYS is a not-for-profit public interest corporation dedicated to promoting consumer awareness, protecting the environment, and improving human health; and

B. CTFA is a not-for-profit corporation, and the national trade association representing the cosmetic, toiletry, and fragrance industry, some of whose member companies engage in the manufacture, formulation, distribution or sale of nail polish in California; and

C. Defendants are companies that currently or at some time in the past have manufactured and/or distributed nail enamel products containing toluene for sale in California; and

D. The Doe Defendants are companies that currently or at some time in the past have manufactured and/or distributed nail enamel products containing toluene for sale in California. The Doe Defendants are not presently Named Defendants in this litigation but are within the group of Defendants sued under the fictitious names of Does 1 through 50. Doe Defendants hereby agree to resolve their potential liability, if any, by entering into this settlement agreement and mutual release of claims, as if they had been Named Defendants; and

E. On January 1, 1991, toluene was officially listed by the State of California as a chemical known to cause birth defects or other reproductive harm, pursuant to Health and Safety Code Section 25249.8; and

F. A list of each Defendant's nail enamel products containing toluene which may have been sold or used in California since January 1, 1992 (the "Products") is provided in Appendix A, or will be provided to AYS and the court within 30 days of the execution of this Agreement; and

G. Since November 18, 1992 AYS has served Named Defendants and others with a document entitled "60-Day Notice" which provided Named Defendants and others with notice of AYS' contention that they were in violation of Health and Safety Code Section 25249.6 for failing to warn purchasers and individuals that nail enamel products expose the user to toluene, a chemical known by the State of California to cause birth defects or other reproductive harm; and

H. On April 5, 1993 AYS filed three complaints (the "AYS litigation") in San Francisco Superior Court against Defendants and others entitled As You Sow v. Revlon, et al. No. 950766 and As You Sow v. Orly International, et al. No. 950767 (since consolidated and captioned As You Sow v. Noxell, et al. No. 950766) and As You Sow v. Apple Cosmetics, et al. No. 950768 (subsequently dismissed) alleging violations of Health and Safety Code Section 25249.5 et seq. ("Proposition 65") and Business and Professions Code Section 17200 et seq.; and

I. On April 12, 1993 CTFA filed suit against AYS in Sacramento County Superior Court, entitled Cosmetic, Toiletry, and Fragrance Association v. As You Sow, No. 533231, (now pending in San Francisco Superior Court as Cosmetic, Toiletry, and Fragrance Association v. As You Sow, No. 952884) alleging a cause of action for declaratory relief (the "CTFA action"); and

J. The Named Defendants have filed general denials of, or have otherwise disputed, all claims asserted in AYS' complaints and have alleged that certain toluene exposure studies

establish that the Products are statutorily exempted from the warning requirement of Proposition 65; and

K. Defendants, while they believe their nail enamel products are safe and that no Proposition 65 warning is required for those Products to be lawfully sold in California, nevertheless wish to resolve this matter, solely to avoid the cost of further litigation, by agreeing to reformulate their Products so as to eliminate the presence of toluene as an intended ingredient.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. No Admission. Nothing in this Agreement shall be construed, and Defendants expressly do not intend to imply, any admission by Defendants as to any fact, finding, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission by Defendants of any fact, finding, conclusion, issue of law, or violation of law. However, this paragraph shall not diminish or otherwise affect the obligation, responsibilities, and duties of the parties under this Agreement.

2. Reformulation. Defendants agree not to ship for sale (or cause to be shipped for sale) any of the Products set forth in Appendix A (as amended) into the State of California after March 1, 1994, unless such Products have been reformulated so as to eliminate the presence of toluene as an intended ingredient; provided, however, any Defendant may by letter mailed to the office of the California Attorney General, extend

the March 1, 1994 reformulation date to September 1, 1994, if such Defendant certifies that it has made good faith efforts to reformulate its Products by March 1, 1994 but has been unable to do so.

3. Warnings. If any Defendant fails to comply with paragraph 2, such Defendant agrees to comply with California Health and Safety Code Section 25249.6 and 22 CCR Section 12601 for each of the Products on Appendix A (as amended) that is not in compliance with paragraph 2 but that is shipped or caused to be shipped, for sale by such Defendant into California, after March 1, 1994 (or such later date as may be permitted pursuant to paragraph 2 above) by providing a warning that is prominent and displayed with such conspicuousness, as compared with other words, statements, or designs as to render it likely to be read and understood by an ordinary individual, and calculated to warn individuals at the point of purchase. The warning shall bear the message:

WARNING: This product contains toluene, a chemical known to the State of California to cause birth defects or other reproductive harm.

No warning need be given prior to the reformulation date (i.e. March 1, 1994 or September 1, 1994 if extended pursuant to the "provided however" clause of paragraph 2 above).

4. Stipulation for Entry of Judgment. AYS and Defendants agree that AYS shall file a Stipulation for Entry of Judgment in the form attached hereto as Appendix B-1 (to be approved pursuant to Cal. Code of Civil Procedure § 664.6) and lodge a

proposed Judgment in the form attached hereto as Appendix B-2 with the San Francisco Superior Court in accordance with the terms set forth in this Agreement. AYS agrees to provide a copy of the endorsed, filed judgment to Deputy Attorney General Edward G. Weil and to Barry P. Goode who shall provide a copy to each Defendant.

5. AYS' Waiver and Release of CTFA. Upon execution of this Agreement by AYS and CTFA, CTFA shall promptly file a dismissal with prejudice of the entire CTFA action. Upon such filing, and in consideration thereof as well as in consideration of the mutual covenants and agreements contained herein, AYS on its own behalf and on behalf of its members, subsidiaries, successors and assigns and its directors, officers, agents, attorneys, representatives and employees, releases CTFA and CTFA's members, directors, officers, agents, attorneys, representatives, employees, heirs, successors, and assigns (collectively the "CTFA Releasees") from (and waives all rights to institute any form of legal action against the CTFA Releasees based on) any and all (i) claims for damages, penalties, fines, sanctions, restitution, fees (including fees of attorneys, experts and others), costs, expenses or any other sum incurred or claimed or which could be claimed in connection with either the AYS litigation or the CTFA action or both; (ii) claims based upon any statute, provision of common law or any theory or issue whatsoever, for any and all actions or statements (and failures to act or state something) made by any

of the CTFA Releasees (or anyone purporting to act on behalf of any of them) arising out of the parties' relations in these matters; and (iii) claims based upon any theory or issue related to the AYS litigation, the CTFA action, or the subject matter of this settlement. AYS further covenants not to sue any of the CTFA Releasees based on any claim so released.

However, notwithstanding the inclusion of the term "CTFA's members" in the second sentence of paragraph 5 or any term or provision of this Agreement, nothing herein is intended to or shall be construed to constitute a waiver or release of, or shall in any way diminish or otherwise affect, AYS' right to sue or otherwise proceed against any CTFA member (except Defendants) for any past, present or future violation by it of Proposition 65, Business and Profession Code §§ 17200 et seq., or any other law or regulation.

6. AYS' Waiver and Release of Defendants. By this agreement AYS, acting on its own behalf and on behalf of its members, subsidiaries, affiliates, successors and assigns, and its directors, officers, agents, attorneys, representatives, employees, and the California general public as specified in Health and Safety Code Section 25249.7(d), also releases Defendants, distributors and/or retailers which sell and/or distribute the Products, and all of the officers, directors, agents, attorneys, representatives, heirs, successors and assigns of each of them (collectively the "Defendant, Retailer and Distributor Releasees") from all claims and waives all

rights to institute any form of legal action against the Defendant, Retailer and Distributor Releasees, including but not limited to any claim for penalties, damages, fines, sanctions, restitution, fees (including fees for attorneys, experts and others) or costs in the AYS litigation, whether under Proposition 65, California Business and Profession Code §§ 17200 et seq. or any other statute, provision of common law or any theory or issue whatsoever based on the alleged failure of any of the Defendant, Retailer and Distributor Releasees to warn about exposure to toluene from the sale, distribution or use of any of the Products or arising out of the parties' relations in these matters or relating to the AYS litigation, the CTFA action or the subject matter of this settlement. AYS further covenants not to sue any of the Defendant, Retailer and Distributor Releasees based on any claim so released.

However, notwithstanding any term or provision of this Agreement, nothing herein is intended to or shall be construed to constitute a waiver or release of, or shall in any way diminish or otherwise affect AYS' right to sue or proceed against any (i) distributor or retailer (including those who are among the Defendant, Retailer and Distributor Releasees) for violation of Proposition 65, Business and Professions Code §§ 17200 et seq. or any other law or regulation based upon the sale or distribution of any nail enamel containing toluene except for the Products; or (ii) any bulk supplier of nail enamel or any nail enamel ingredient, other than a Defendant, Retailer or Distributor Releasee.

7. Defendants' and CTFA's Waiver and Release of AYS. By this agreement, Defendants (each acting on its own behalf and on behalf of its subsidiaries, affiliates, successors, assigns, officers, directors, employees, agents, attorneys and representatives) and CTFA (acting on its own behalf and on behalf of its successors, assigns, officers, directors, employees, agents, attorneys and representatives) releases all claims and waives all rights to institute any form of legal action (including but not limited to any claim for damages, fines, sanctions, fees [including fees of attorneys, experts and others] or costs in the AYS litigation and/or the CTFA action) against AYS and any of AYS' officers, directors, agents, attorneys, representatives, heirs, successors and assigns (collectively the "AYS Releasees") based on any statute, provision of common law or any theory or issue whatsoever and for any and all actions or statements (and failures to act or state something) made by any of the AYS Releasees, in the course of seeking enforcement of Proposition 65's warning requirement for nail enamel containing toluene or arising out of the parties' relations in these matters or relating to the AYS litigation, the CTFA action or the subject matter of this settlement. Defendants and CTFA further covenant not to sue any of the AYS Releasees based on any claim so released.

8. Waiver of Section 1542. Each party hereby acknowledges that it is aware that it may hereafter discover

facts in addition to or different from those which it now knows or believes to be true with respect to the subject matters of this Agreement, but that it is its intention fully, finally and forever to settle any and all disputes and differences, asserted and unasserted, known and unknown, suspected and unsuspected, which now exist, may exist, or have existed, with respect to the matters settled pursuant to this Agreement. In light of the foregoing and in view of the fact that each party has been advised by its counsel relating to the provisions of Section 1542 of the Civil Code of the State of California, each party specifically waives, to the extent permitted by law, the provisions and the benefits of the provisions of said Section 1542 as follows:

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

9. Reimbursement of Costs, Waiver of Penalties. AYS agrees that, in consideration of the mutual covenants and agreements contained herein, no penalties, restitution, fines or other sanctions shall be sought or imposed upon either the Named Defendants or the Doe Defendants, for their prior distribution and/or sale of the Products without a Proposition 65 warning. The Defendants agree that, in consideration of the mutual covenants and agreements contained herein, AYS shall be paid by them separately through an

escrowed account, sums which total \$255,000 (Two Hundred Fifty Five Thousand Dollars), as reimbursement of AYS' reasonable costs and fees incurred in investigating and enforcing the alleged violations. These payments shall be made by September 15, 1993 or seven days after entry of judgment pursuant to this Agreement, whichever is later, and be by check made payable to "As You Sow" and delivered to the law offices of Chanler and Associates, 1700 Montgomery Street, San Francisco, California 94111, Attn: Clifford Chanler, Esq.

10. Allocation of Settlement Fund Among Defendants.

(a) Defendants have agreed on an allocation of the settlement amount among themselves, and each Defendant is responsible to pay only its allocated share of the settlement amount. Failure by Defendant to pay its allocated share of the settlement amount shall not affect the benefits or obligations of the other Defendants under this Agreement. Failure by a Defendant to pay its allocated share of the settlement amount on a timely basis shall be governed by subparagraph (b) below.

(b) If any Defendant fails to pay its allocated share of the settlement amount, then the following shall occur:

(i) Defendants' counsel shall inform AYS of the allocated share of the defaulting Defendant;

(ii) AYS shall be entitled to execute upon the Stipulated Judgment referred to in Paragraph 4 above, against the defaulting Defendant in the amount of the allocated share disclosed pursuant to subparagraph (a)

above and any additional amount in the form of reasonable attorneys' fees and costs necessary to enforce said judgment; and

(iii) AYS shall retain all of its rights to proceed against that defaulting Defendant for violation of Proposition 65, Business & Professions Code § 17200 et seq. or any other law or regulation including but not limited to claims for penalties and restitution, notwithstanding any other provision of this Agreement.

11. Additional Parties. This Agreement is executed with the understanding that additional parties not named in the litigation have sold or distributed nail polish containing toluene in the State of California since January 1, 1992, and that those parties are subject either to separate suit by AYS or to being brought into the litigation as defendants sued under the fictitious names of Does 1 through 50. Any person or entity (except parties in the AYS litigation as of the date of this Agreement) that employs ten or more persons, or which reasonably believes that at some time since January 1, 1992, it has employed ten or more persons, and which believes it may have sold or distributed nail polish in the State of California which resulted in an exposure of a California citizen to toluene since January 1, 1992, may become a Defendant in the litigation and a party to this Agreement (some times herein called an "Opt-In Defendant") by undertaking the following steps:

(a) Executing an "opt-in" stipulation in which it provides an appropriate amendment to Appendix A hereto and thereby agrees:

(1) that it is an entity employing ten or more persons, or reasonably believes that at some time since January 1, 1992, it employed ten or more persons, and that it sold or distributed, or caused to be sold or distributed, nail polish containing toluene in the State of California during some period of time since January 1, 1992;

(2) that it is deemed to have accepted service of a summons and complaint as a Doe Defendant; and

(3) that it has read and agrees to be bound as a Defendant by all terms and conditions of this Agreement.

A copy of the "opt-in" stipulation (the "Opt-In Stipulation") is attached as Appendix C hereto.

(b) Not later than October 19, 1993, mailing a check, in the amount specified in paragraph 13, made payable to "As You Sow", and the original signed Opt-In Stipulation (by certified mail or overnight delivery) to Chanler and Associates, 1700 Montgomery Street, San Francisco, California 94111, Attn: Clifford Chanler, Esq., with a copy of the stipulation to Barry Goode, Esq., McCutchen, Doyle, Brown & Eneksen, Three Embarcadero Center, San Francisco, California 94111.

(c) Upon such mailing the Opt-In Defendant and all parties to this Agreement shall be bound by all the provisions of this Agreement as if the Opt-In Defendant were a Defendant.

(d) Within three days of receipt by AYS of the original Opt-In Stipulation and Opt-In Payment, AYS shall execute the Opt-In Stipulation and file it with the Court.

12. Notification to Potential Opt-In Defendants. It is the intent of AYS and Defendants that potential Opt-In Defendants will be advised of this Agreement and will be provided with copies of the Agreement and other materials necessary to enable them to elect to become parties to the Agreement. CTFA agrees to make good faith efforts beginning promptly after execution of this Agreement to locate and notify all companies who may have manufactured or distributed nail enamel products containing toluene for sale in California after January 1, 1992, and to advise them of the terms of the settlement and to provide them with a copy of this Agreement and the materials necessary to opt into this Agreement.

13. Opt-In Payment Schedule. Each Opt-In Defendant shall pay (as provided in Paragraph 11, above) to AYS, as reimbursement of AYS' reasonable costs and fees incurred in investigating and enforcing the alleged violations, either Opt-In Payment "A" or "B" identified below, based upon that Opt-In Defendant's California nail enamel products market share:

OPT-IN PAYMENT	CALIFORNIA MARKET SHARE (Gross Sales in Dollars)
A. \$30,000	1% or greater
B. \$15,000	less than 1%

14. Retailers and Distributors.

(a) AYS agrees to take all reasonable steps to alert retailers and distributors of Defendants' Products that the parties have entered this Agreement by sending to them the letter attached hereto as Appendix D. AYS further agrees to make good faith efforts to obtain a signed copy of Appendix D from each retailer or distributor which has received a 60-Day Notice from AYS or has otherwise been contacted by AYS with respect to the AYS litigation and which has previously agreed not to accept the Products.

(b) AYS shall send the letter referred to in subparagraph (a) within two days of the Court's entry of judgment (attached as Appendix B-2 hereto); and, as to each Opt-In Defendant, AYS shall send the letter referred to in subparagraph (a) (appropriately modified) within two days of the Court's entry of judgment upon the Opt-In Stipulation. AYS shall promptly send to Barry Goode a copy of the written confirmations referred to in the second sentence of paragraph 14(a).

15. Publication of Agreement. AYS, CTFA and Defendants agree that they will work in good faith to try to agree upon a joint public statement/press release regarding this agreement and the resolution of this litigation. In no event may any party hereto make public in any way the existence or the terms of this Agreement prior to the time the court approves it. Subject to paragraph 14, AYS agrees that neither it nor its

representatives shall voluntarily disclose to anyone other than the Court the name of any of the Doe Defendants who are party to this Agreement. Nothing in the foregoing shall limit the right of any party to provide a public document to any person or entity.

16. Enforcement. If any of the parties to the Agreement fails to comply with any provision of this Agreement including, but not limited to, the reformulation commitment set forth in paragraphs 2 and 3, the parties agree first to negotiate, during a period of one month, in good faith a mutually satisfactory resolution of the dispute, and if negotiations fail, any party to this Agreement shall be entitled to all rights and remedies under the law, including bringing a motion before the Superior Court of the City and County of San Francisco, which shall retain jurisdiction over these cases for purposes of interpreting, amending and enforcing this Agreement, for an order interpreting, amending or enforcing the terms of the Agreement. In the event that a dispute arises with respect to any provision(s) of this Agreement, the prevailing party shall be entitled to recover costs and reasonable attorneys' fees. The duties and obligations of the parties hereto are separate and individual and not joint and several. Failure to comply with any provision of this Agreement by any one party to it shall not be the responsibility of any other complying party nor shall such failure affect the validity of the Agreement as to any other complying party.

17. Execution in Counterparts. This Agreement may be executed in one or more counterparts which, taken together, shall be deemed to constitute one and the same document.

18. Severability. In the event that any of the provisions of this Agreement are held by a court to be unenforceable, the validity of the enforceable provisions shall not be adversely affected.

19. Applicable Law. The terms of this Agreement shall be governed by the laws of the State of California.

20. Changed Circumstances: In the event that,

(a) it is finally adjudicated by a California court that a Proposition 65 warning is not required for nail enamel products containing a certain percentage of toluene; or

(b) AYS resolves its dispute with another entity in a manner such that, or a State agency determines that, certain nail enamel or nail care products containing a certain percentage of toluene may be sold in California without a Proposition 65 warning; or

(c) Proposition 65 or the regulations thereunder are amended in a manner significantly different from the existing regulations or from any change which has been proposed by the State and is under consideration by it as of August 1, 1993 so that certain nail products containing a certain

percentage of toluene may be sold in California
without a Proposition 65 warning:

the commitments referenced in paragraphs 2 and 3 shall be modified so as to allow Defendants to manufacture, sell, market and ship such nail enamel or nail care Products in a manner consistent with such adjudications, determinations or changes in law or regulations as provided in the following sentence. If any of the events described in subparagraphs (a)-(c) above occur, and a party wishes to modify the commitments referenced in paragraphs 2 and 3, then that party may, upon thirty days written notice to all parties (including the Attorney General), apply to the court for a modification of its obligations under paragraphs 2 or 3 of this Agreement (and only those paragraphs) to be consistent with such significantly changed circumstances.

21. Authority to Sign. The undersigned are authorized to execute this Agreement on behalf of their respective parties and have read, understood and agreed to all of the terms and conditions of this Agreement.

22. Effect of Entry of Judgment. Entry of judgment by the Court pursuant to this Agreement shall, inter alia:

- (1) constitute a full and final adjudication of all claims against Defendants, including but not limited to any claims based upon alleged violations of Proposition 65 and of Business and Professions Code § 17200 et seq. which arise from the alleged failure to provide clear and

reasonable warning of exposure to toluene from use of the Products offered for sale in California; and

- (2) bar any and all other persons from prosecuting against any Defendant, Retailer or Distributor Releasee any claim, including but not limited to any claim based upon alleged violations of Proposition 65 and of Business and Professions Code § 17200 et seq. which arise from the alleged failure to provide clear and reasonable warning of exposure to toluene from use of the Products offered for sale in California.

23. Attorney General. The signature of the representative of the Office of the Attorney General evidences only the view of that office that no further action is warranted by the Attorney General concerning the violations alleged against Defendants, and that any other litigation against Defendants involving the issues settled herein would be improper.

24. Notices. All notices or correspondence to be given pursuant to this Agreement or relating to this Agreement shall be served on any Party by the others at the addresses shown on Appendix E. Appendix E may be amended by giving notice to all parties to this Agreement.


25. Entire Agreement. This is an integrated Agreement. All agreements, covenants, representations and warranties, express or implied, oral or written, of the Parties concerning

the subject matter of this Agreement are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party (or the representative of any party) to any other party (or the representative or agent of any party) concerning the subject matter hereof. All prior and contemporaneous conversations, prior drafts of this Agreement, negotiations, possible and alleged agreements, representations, covenants and warranties concerning the subject matter hereof other than those referred to herein are merged herein and shall not be used to interpret the language and/or meaning of this Agreement.

26. No Benefits to Certain Non-Parties. Nothing contained in this Agreement shall inure to the benefit of any person or entity named in the AYS litigation as of the date of this Agreement except for Defendants.

27. Date of Agreement. The date of this Agreement is deemed to be August 20.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

By: 
COSMAIR, INC. AND LANCOME INC.
Dated: August 23, 1993

By: _____
DEL LABORATORIES, INC.
Dated: August _____, 1993

By: _____
THE PRINCESS MARCELLA BORGHESE, INC.
Dated: August _____, 1993


the subject matter of this Agreement are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party (or the representative of any party) to any other party (or the representative or agent of any party) concerning the subject matter hereof. All prior and contemporaneous conversations, prior drafts of this Agreement, negotiations, possible and alleged agreements, representations, covenants and warranties concerning the subject matter hereof other than those referred to herein are merged herein and shall not be used to interpret the language and/or meaning of this Agreement.

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Dated: August _____, 1993

By: 
DEL LABORATORIES, INC.
Dated: August 23, 1993

By: _____
THE PRINCESS MARCELLA BORGHESE, INC.
Dated: August _____, 1993

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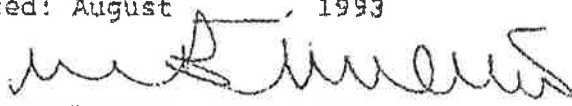
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By: _____
COSMAIR, INC. AND LANCOME INC.
Dated: August _____, 1993

By: _____
DEL LABORATORIES, INC.
Dated: August _____, 1993

By: 
THE PRINCESS MARCELLA BORGHESE, INC.
Dated: August 23, 1993

By: Richard M. Berkowitz
AMWAY CORPORATION
Dated: August 23, 1993

By: _____
CLARINS U.S.A. INC.
Dated: August _____, 1993

By: _____
MAVALA S.A.
Dated: August _____, 1993

By: _____
JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
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For: _____
Dated: August _____, 1993

By: _____
AMWAY CORPORATION

Dated: August _____, 1993

By: 
CLARINS U.S.A. INC.

Dated: August 23, 1993

By: _____
MAVALA S.A.

Dated: August _____, 1993

By: _____
JOHNSON PRODUCTS COMPANY

Dated: August _____, 1993

By: _____
For: _____

Dated: August _____, 1993

By: _____
For: _____

Dated: August _____, 1993

By: _____
For: _____

Dated: August _____, 1993

By: _____
For: _____


Dated: August _____, 1993

By: _____
For: _____

Dated: August _____, 1993

By: AMWAY CORPORATION
Dated: August _____, 1993

By: CLARINS U.S.A. INC.
Dated: August _____, 1993

By: 
MAVALA S.A.
Dated: August 23, 1993

By: JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
AMWAY CORPORATION
Dated: August _____, 1993

By: _____
CLARINS U.S.A. INC.
Dated: August _____, 1993

By: _____
MAVALA S.A.
Dated: August _____, 1993

By: *Greg Johnson, General Counsel*
JOHNSON PRODUCTS COMPANY
Dated: August 23, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____

Dated: August _____, 1993

By: _____
ANWAY CORPORATION
Dated: August _____, 1993

By: _____
CLARINS U.S.A. INC.
Dated: August _____, 1993

By: _____
MAVALA S.A.
Dated: August _____, 1993

By: _____
JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: *Robert H. Kelley*
For: AVON PRODUCTS, INC.
Dated: August 21, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: AMWAY CORPORATION
Dated: August _____, 1993

By: CLARINS U.S.A. INC.
Dated: August _____, 1993

By: MAVALA S.A.
Dated: August _____, 1993

By: JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: *M. Ausmer* Sr. V.P. Research & Development
For: Chanel Inc.
Dated: August 23, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: AMWAY CORPORATION
Dated: August _____, 1993

By: CLARINS U.S.A. INC.
Dated: August _____, 1993

By: MAVALA S.A.
Dated: August _____, 1993

By: JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: *Green Meyer*
For: OLLAND INC.
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
AMWAY CORPORATION
Dated: August _____, 1993

By: _____
CLARINS U.S.A. INC.
Dated: August _____, 1993

By: _____
MAVALA S.A.
Dated: August _____, 1993

By: _____
JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: R. Bradley Mendenhall Senior Vice President, Secretary and
For: MARY KAY COSMETICS, INC. General Counsel
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____

Dated: August _____, 1993

By: _____
AMWAY CORPORATION
Dated: August _____, 1993

By: _____
CLARINS U.S.A. INC.
Dated: August _____, 1993

By: _____
MAVALA S.A.
Dated: August _____, 1993

By: _____
JOHNSON PRODUCTS COMPANY
Dated: August _____, 1993

By: *Ernst E. Kram, Corp. Counsel*
For: *TRISTAR CORPORATION DBA APPLE COSMETICS*
Dated: August 23, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: _____
For: _____
Dated: August _____, 1993

By: 

For: MERLE NORMAN COSMETICS, INC.

Dated: August 23, 1993

By: THE COSMETIC, TOILETRY, AND FRAGRANCE ASSOCIATION

Dated: August _____, 1993

By: CALIFORNIA ATTORNEY GENERAL'S OFFICE

Dated: August _____, 1993


By: AS YOU SOW

Dated: August _____, 1993

By: _____

For: _____

Dated: August _____, 1993

By: 
THE COSMETIC, TOILETRY, AND FRAGRANCE ASSOCIATION

Dated: August 23, 1993

By: _____
CALIFORNIA ATTORNEY GENERAL'S OFFICE

Dated: August _____, 1993

By: _____
AS YOU SAW

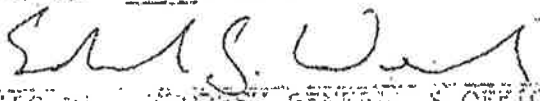
Dated: August _____, 1993

By: _____

For: _____

Date: August 1993

BY: THE OCEANIC, COLLETRY, AND FRAGRANCE ASSOCIATION
Date: August 1993


BY: CALIFORNIA ATTORNEY GENERAL'S OFFICE
Date: August 23, 1993

By: _____

Date: August 1993

By: _____

For: _____

Dated: August _____, 1993

By: THE COSMETIC, TOILETRY, AND FRAGRANCE ASSOCIATION

Dated: August _____, 1993

By: CALIFORNIA ATTORNEY GENERAL'S OFFICE

Dated: August _____, 1993

By: *Benjamin H. Lopez*
AS YOU SOW

Dated: August _____, 1993

APPENDIX A

APPENDIX A

CLARINS, USA INC.

<u>ITEM #</u>	<u>DESCRIPTION</u>	
38010	NAIL COLOUR-NATURAL PINK	01
38020	NAIL COLOUR-NATURAL BEIGE	02
38030	NAIL COLOUR-CORAL ROSE	03
38040	NAIL COLOUR-SATIN PINK	04
38050	NAIL COLOUR-GARDEN PINK	05
38060	NAIL COLOUR-RUBY	06
38070	NAIL COLOUR-PUMPKIN	07
38080	NAIL COLOUR-RED GERANIUM	08
38090	NAIL COLOUR-SCARLET	09
38120	NAIL COLOUR-BEIGE OPAL	12
38130	NAIL COLOUR-TENDER PINK	13
38140	NAIL COLOUR-HEATHER PINK	14
38150	NAIL COLOUR-RED CORAL	15
38160	NAIL COLOUR-RED ROSE	16
38700	NAIL COLOUR-BASE-TOPCOAT	70

DEL LABORATORIES, INC.

Sally Hansen Hard As Nails - Colors

Sally Hansen Hard As Nails With Nylon & Silk - Colors

Sally Hansen New Lengths - Colors

Glaze Glow/Natural Glow SuperShine - Colors

Quencher Nail Glaze - Colors

Sally Hansen Hard As Nails:

Clear
Natural Tint
Sheer Buff Tint
Sheer Pink Tint

Sally Hansen:

10 Great Nails Manicure Kit
A Case For Great Nails
Ealong With Fibers
Clearly Buffed French Manicure
Color Revitalizer
Double Duty
French Manicure Kit
Glossy Sealer
Great Performers
Instant Strength
Kwik Aid Kit
Liquid Silk Wrap
Maximum Growth
Mend "A" Nail
Moisturizing Base Coat
Nail Color Thinner
Nail Fitness
Nail Protex
Natural Nude Glaze
Natural White Glaze
New Lengths Liquid Nail Wrap Kit
No Chip Acrylic Top Coat
No More Breaks
No More Peelings

1 Mavala S.A., Johnson Products Company, Doe Defendants Avon
2 Products, Inc., Chanel Inc., Orlane Inc., Mary Kay Cosmetics,
3 Inc., Merle Norman Cosmetics, Tristar Corporation dba Apple
4 Cosmetics, and the Attorney General of the State of California,
5 having stipulated through their respective representatives that
6 judgment be entered into pursuant to the terms of the
7 Settlement Agreement and Mutual Release of All Claims (the
8 "Agreement") entered into by the parties and dated August 20,
9 1993, a copy of which is attached hereto,

10 Having considered the matter and finding good cause
11 therefor, IT IS HEREBY ORDERED THAT judgment be entered and
12 given effect in accordance with the terms of that Agreement.

13

14 DATED: August __, 1993

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Judge of the Superior Court

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

AS YOU SOW, a non-profit
corporation,

Plaintiff,

v.

NOXELL CORPORATION, et al.,

Defendants.

Case No. 950766
STIPULATION AND JUDGMENT

AS YOU SOW, a non-profit
corporation,

Plaintiff,

v.

ORLY INTERNATIONAL, INC., et al.,

Defendants.

IT IS HEREBY STIPULATED by and between plaintiff As
You Sow and Opt-In Defendant _____
("defendant"), by and through their respective representatives,
that (1) defendant is an Opt-In Defendant as defined in

defendant fails to do so, it will provide a clear and reasonable warning as required by Proposition 65.

[Consistent with your recent agreement with AYS,]* your company is neither required nor expected to reject delivery of nail polish products from the settling defendants.

Please acknowledge your receipt and understanding of this letter by signing and returning to me a copy of this letter. Thank you.

Very truly yours,

Clifford A. Chanler

Attorney for As You Sow

cc: [Counsel for Settling Defendants]
Edward G. Weil
Deputy Attorney General for the State of California

ACKNOWLEDGED AND ACCEPTED

By: _____

Dated: _____

* This phrase shall be included only in the letter to those from whom AYS has a commitment not to accept nail enamel products which contain toluene.

APPENDIX E
SERVICE LIST

Barry Goode
McCutchen, Doyle, Brown & Enersen
Three Embarcadero Center
San Francisco, CA 94111

The Cosmetic, Toiletry and
Fragrance Assn.

Thomas Donegan
CIFA
1101 17th St., NW, Suite 300
Washington, D.C. 20036

The Cosmetic, Toiletry and
Fragrance Assn.

James M. Mattesich
Livingston & Mattesich
1201 K Street, Suite 1100
Sacramento, CA 95814

Anway Corporation; Apple
Cosmetics; Cosmair, Inc.;
Mavala S.A.

Bruce Kuhlik
Owen Jones
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P.O. Box 7566
Washington, D.C. 20004

Clarins U.S.A., Inc.

Robert H. Haines
Zimet, Haines & Friedman
460 Park Avenue
New York, NY 10022

Del Laboratories

James R. Arnold
Severson & Werson
One Embarcadero Center
26th Floor
San Francisco, CA 94111

Del Laboratories

Mark R. Mittelman
Christopher Aker
King, Shapiro, Mittelman & Suchman
Lake Merritt Plaza, Suite 1600
1999 Harrison Street
Oakland, CA 94612

Johnson Products Company, Inc.

Laura Worsinger
Reinis & Reinis
550 S. Hope Street, 20th Floor
Los Angeles, CA 90071

Princess Marcella Borghese,
Inc.

Lisa A. Whitney
Vice President and General Counsel
Princess Marcella Borghese, Inc.
767 Fifth Ave. 49th Floor
New York, NY 10153

Ward M. Miller Jr.
Vice President - Law
Avon Products, Inc.
9 West 57th Street
New York, NY 10019-2683

Dr. Jack Mausner
Chanel Inc.
876 Centennial Ave.
Piscataway, NJ 08855-0308

Francesco Borghese
President
Orlane Inc.
555 Madison Ave.
New York, NY 10022

Kerry Tassopoulos
Director, Legal Department
Mary Kay Cosmetics, Inc.
8787 Stemmons Freeway
Dallas, TX 75247

Arthur O. Armstrong
General Counsel
Merle Norman Cosmetics
9130 Bellanca Av.
Los Angeles, CA 90045

Clifford Chanler
Chanler & Associates
1700 Montgomery Street
San Francisco, CA 94111

Edward G. Weil
Deputy Attorney General
2101 Webster Street, 12th Floor
Oakland, CA 94612-3049

Princess Marcella Borghese,
Inc.

Avon Products, Inc.

Chanel Inc.

Orlane Inc.

Mary Kay Cosmetics, Inc.

Merle Norman Cosmetics

As You Sow

Attorney General of the
State of California

1 Paragraph 11 of the Settlement Agreement and Mutual Release of
2 All Claims (the "Agreement") dated August 20, 1993, a copy of
3 which is attached hereto as Exhibit A; (2) Exhibit B hereto is
4 the required amendment to Appendix A to the Agreement; and
5 (3) judgment in the above-entitled action shall be entered in
6 accordance with the terms of the Agreement.

7

8 Dated: _____, 1993 Chanler & Associates
9
10 _____
11 Attorneys for Plaintiff
As You Sow

12 Dated: _____, 1993 _____
13
14
15 By _____

16

17 JUDGMENT

18 Having considered the matter and finding good cause
19 therefor, IT IS HEREBY ORDERED THAT judgment be entered and
20 given effect in accordance with the terms of the Agreement.

21

22 DATED: August __, 1993

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Judge of the Superior Court

APPENDIX D

Dear Retailer/Distributor:

On August 20, 1993, As You Sow ("AYS"), a not-for-profit public interest organization, reached a settlement with The Cosmetic, Toiletry, Fragrance Association ("CTFA") and the following thirteen nail polish manufacturers: Cosmair, Inc. and Lancome, Inc., Del Laboratories, Inc., The Princess Marcella Borghese, Inc., Amway Corporation, Clarins U.S.A. Inc., Mavala S.A., Johnson Products Company, Avon Products, Inc., Chanel Inc., Orlane Inc., Mary Kay Cosmetics, Inc., Merle Norman Cosmetics, Tristar Corporation dba Apple Cosmetics.

Under the settlement agreement, AYS has agreed to take all reasonable steps to alert the retailers and distributors of the settling defendants' nail polish products of the fact of the settlement agreement. As part of the settlement agreement with the thirteen defendants, As You Sow will not bring an action against you or any other retailers or distributors of the settling defendants' products for any alleged violations of Proposition 65 or Business and Professions Code Section 17200 et seq. relating to any sale or distribution of the settling defendants' nail polish products containing toluene.

Each settling defendant has agreed to reformulate on an agreed schedule its nail polish products so as to eliminate the presence of toluene as an intended ingredient. If any

Noticeable Stronger (Nail Thickener)
Perfect Fitness
Smooth Nails
Strong 'N' Fit
Super Shine
Super Strong Micro Fiber Base Coat

Sally Hansen New Lengths:

Anti-Stain Base Coat
Base & Top Coat
Clear
Nail Strengthenar
Top Coat

Flame Glow/Natural Glow Supershine:

2-in-1 Base and Top Coat
Color Bond Base Coat
Fortifying Strengthenar
Protective Top Coat

PRINCESS MARCELLA BORGHESE

NAIL PRODUCTS

<u>Prod #</u>	<u>Description</u>
5915-16	Protettivo Nail Lacquer - Amalfi Red
5915-14	Protettivo Nail Lacquer - Amalfi Sandstone Beige
5915-15	Protettivo Nail Lacquer - Amalfi Sandstone Pink
5915-13	Protettivo Nail Lacquer - Amalfi Stormy Red
5915-78	Protettivo Nail Lacquer - Boldini Berry Mauve
5915-05	Protettivo Nail Lacquer - Carmine Red
5915-02	Protettivo Nail Lacquer - Coral Allegro
5915-76	Protettivo Nail Lacquer - Da Vinci Dawn Pink
5915-37	Protettivo Nail Lacquer - Fiamma Garnet
5915-07	Protettivo Nail Lacquer - Fuchsia Verona
5915-26	Protettivo Nail Lacquer - Innocente
5915-88	Protettivo Nail Lacquer - Lucca Plum
5915-29	Protettivo Nail Lacquer - Mauve Delicata
5915-09	Protettivo Nail Lacquer - Opalescent
5915-31	Protettivo Nail Lacquer - Opera Pink
5915-32	Protettivo Nail Lacquer - Opera Red
5915-87	Protettivo Nail Lacquer - Pink Con Brio
5915-90	Protettivo Nail Lacquer - Pisa Rosewood
5915-89	Protettivo Nail Lacquer - Primavera Peach
5915-75	Protettivo Nail Lacquer - Primavera Red
5915-10	Protettivo Nail Lacquer - Primavera Sunset
5915-01	Protettivo Nail Lacquer - Puro
5915-04	Protettivo Nail Lacquer - Red Aida
5915-08	Protettivo Nail Lacquer - Red Vellura
5915-72	Protettivo Nail Lacquer - Red Verdi
5915-73	Protettivo Nail Lacquer - Rose Delicata
5915-51	Protettivo Nail Lacquer - Rosa Sensuale
5915-41	Protettivo Nail Lacquer - Scandalo Coral
5915-77	Protettivo Nail Lacquer - Titian Tangerine
5915-70	Protettivo Nail Lacquer - Tostino
5915-24	Protettivo Nail Lacquer - Twilight Mauve Frost
2528-01	Protettivo (top and base coats)

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN FRANCISCO

AS YOU SOW, a non-profit
corporation,

Plaintiff,

v.

NOXELL CORPORATION, et al.,

Defendants.

AS YOU SOW, a non-profit
corporation,

Plaintiff,

v.

ORLY INTERNATIONAL, INC., et al.,

Defendants.

Case No. 950766
STIPULATION FOR ENTRY OF
JUDGMENT

IT IS HEREBY STIPULATED, by and between plaintiff As
You Sow and defendants Cosmair, Inc. and Lancome, Inc., Del
Laboratories, Inc., sued herein as Sally Hansen, The Princess
Marcella Borghese, Inc., Amway Corporation, Clarins U.S.A.

1 Inc., Mavala S.A., Johnson Products Company, Doe Defendants
2 Avon Products, Inc., Chanel Inc., Orlane Inc., Mary Kay
3 Cosmetics, Inc., Merle Norman Cosmetics, Tristar Corporation
4 dba Apple Cosmetics, through their respective representatives,
5 that judgment in the above-entitled action be entered in
6 accordance with the terms of the Settlement Agreement between
7 the parties, which is attached hereto as Exhibit A.

8 Dated: August 20, 1993 CHANLER & ASSOCIATES

9
10 By: _____
Attorneys for As You Sow

11 Dated: August 20, 1993 McCUTCHEN, DOYLE, BROWN & ENERSEN

12
13 By: _____
Attorneys for The Cosmetic,
Toiletry, and Fragrance Association

14 Dated: August 20, 1993 LIVINGSTON & MATTESICH

15
16 By: _____
Attorneys for Amway Corporation;
17 Apple Cosmetics; Cosmair, Inc.;
Mavala S.A.

18 Dated: August 20, 1993 COVINGTON & BURLING

19
20 By: _____
Attorneys for Clarins U.S.A. Inc.

21 Dated: August 20, 1993 SEVERSON & WERSON

22
23 By: _____
Attorneys for Del Laboratories,
24 sued herein as Sally Hansen

25

26

1 Dated: August 20, 1993

2

3

By: _____
Attorneys for Johnson Products
Company, Inc.

4

Dated: August 20, 1993

REINIS & REINIS

5

6

By: _____
Attorneys for Princess Marcella
Borghese, Inc.

7

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Dated: August __, 1993

By: _____

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For: _____

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Dated: August __, 1993

By: _____

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For: _____

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Dated: August __, 1993

By: _____

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For: _____

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Dated: August __, 1993

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For: _____

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Dated: August __, 1993

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Dated: August __, 1993

By: _____

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For: _____

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