

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Russell Brimer and Travel Caddy, Inc.

This Settlement Agreement is entered into by and between Russell Brimer (“Brimer”) and Travel Caddy, Inc., an Illinois Corporation (“Travel Caddy”), with Brimer and Travel Caddy collectively referred to as the “Parties.” Brimer represents that he is an individual residing in the State of California who seeks to promote awareness of exposure to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products. Travel Caddy employs ten or more persons and is a person in the course of doing business for purposes of the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code § 25249.6, *et seq.* (“Proposition 65”).

1.2 General Allegations

Brimer alleges that Travel Caddy has manufactured, distributed and/or sold luggage tags which contain lead (hereinafter the “Listed Chemical”), without the requisite Proposition 65 warnings. The Listed Chemical is on the Proposition 65 list as a chemical known by the State of California to cause birth defects and other reproductive harm.

1.3 Product Description

The products that are covered by this Settlement Agreement are defined as follows: luggage tags containing the Listed Chemical such as, but not limited to, *Travelon Travel Easier Luggage Tag, Style #1939 (#0 25732 00481 2)*. All such luggage tags containing the Listed Chemical are referred to hereinafter as the “Products”.

1.4 Notice of Violation

On or about February 12, 2010, Brimer served Travel Caddy and various public enforcement agencies with a document entitled “60-Day Notice of Violation” (the “Notice”) that provided Travel Caddy and public enforcers with notice of alleged

violations of California Health & Safety Code § 25249.6 for failing to warn consumers that the Products that Travel Caddy sold exposed users in California to the Listed Chemical. To the best of the parties' knowledge, no public enforcer has diligently prosecuted the allegations set forth in the Notice on February 12, 2010.

1.5 No Admission

Travel Caddy denies the material, factual and legal allegations contained in Brimer's Notice and maintains that all Products that it has sold and distributed in California have been and are in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Travel Caddy of any fact, finding, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Travel Caddy of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Travel Caddy. However, this section shall not diminish or otherwise affect Travel Caddy's obligations, responsibilities, and duties under this Settlement Agreement.

1.6 Effective Date

For purposes of this Settlement Agreement, the term "Effective Date" shall mean July 1, 2010.

2. WARNINGS AND REFORMULATION

2.1 Product Warnings

After the Effective Date, Travel Caddy shall not sell, ship, or offer to be shipped for sale in California any Products containing lead unless: such Products are sold or shipped with one of the clear and reasonable warnings set forth in subsections 2.1(a) and (b), or comply with the reformulation standard set forth in Section 2.3.

Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each warning shall be provided in a manner such that the consumer or

user understands to which specific Product the warning applies, so as to minimize if not eliminate the chance that an over-warning situation will arise.

(a) Retail Store Sales.

(i) Product Labeling. Travel Caddy may perform its warning obligation by ensuring that a warning is affixed to the packaging, labeling, or directly on each Product sold in retail outlets in the State of California by Travel Caddy or its agents, that states:

CA PROP 65 WARNING:	This product contains chemicals known to the State of California to cause cancer and birth defects (or other reproductive harm.)
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(ii) Point-of-Sale Warnings. Travel Caddy may, alternatively, perform its warning obligations by ensuring that signs are posted at retail outlets in the State of California where the Products are sold. Point-of-sale warnings shall be provided through one or more signs posted in close proximity to the point of display of the Products that state:

CA PROP 65 WARNING:	This product contains chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.
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Where more than one Product is sold in proximity to other like items or to those that do not require a warning (e.g., Reformulated Products as defined in Section 2.3), the following statement must be used:

CA PROP 65 WARNING:	The following products contain chemicals known to the State of California to cause cancer and birth defects (or other reproductive harm.)
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[list products]

(b) Mail Order Catalog and Internet Sales. In the event that Travel Caddy sells its Products directly to consumers located in California via catalog or internet

sites after the Effective Date, and Travel Caddy can control the content included in such catalog or internet sites, Travel Caddy shall provide a warning: (i) in the mail order catalog; or (ii) on the website. Warnings given in the mail order catalog or on the website shall identify the specific Product to which the warning applies as further specified in Sections 2.1(b)(i) and (ii).

(i) **Mail Order Catalog Warning.** For any Travel Caddy mail order catalogs offering goods to consumers in California, and for which Travel Caddy can control the content included in such catalogs, Travel Caddy will include a warning in the same type size as or larger than the Product description text within the catalog. The following warning shall be provided on the same page and in the same location as the display and/or description of the Product:

CA PROP 65 WARNING:	This product contains chemicals known to the State of California to cause cancer and birth defects (or other reproductive harm.)
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Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the Product, Travel Caddy may utilize a designated symbol (▼) to cross reference the applicable warning and shall define the term “designated symbol” with the following language on the inside of the front cover of the catalog or on the same page as any order form for the Product(s):

CA PROP 65 WARNING:	Certain products identified with this symbol ▼ and offered for sale in this catalog contain chemicals known to the State of California to cause cancer and birth defects or other reproductive harm.
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The designated symbol must appear on the same page and in close proximity to the display and/or description of the Product. On each page where the designated symbol appears, Travel Caddy must provide a header or footer directing the reseller to the warning language and definition of the designated symbol.

If Travel Caddy elects to provide warnings in the mail order catalog, then the

warnings must be included in all catalogs offering to sell one or more Products printed after the Effective Date.

(ii) **Internet Website Warning.** A warning may be given in conjunction with any Travel Caddy owned or operated internet website offering goods to consumers, Travel Caddy will include the below described warning either: (a) on the same web page on which the Product is displayed; (b) on the same web page as the order form for the Product; (c) on the same page as the price for any Product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the Product for which it is given in the same type size or larger than the Product description text:

**CA PROP 65
WARNING:**

This product contains chemicals known to the State of California to cause cancer and birth defects (or other reproductive harm.)

Alternatively, the designated symbol may appear adjacent to or immediately following the display, description, or price of the Product for which a warning is being given, provided that the following warning statement also appears elsewhere on the same web page, as follows:

**CA PROP 65
WARNING:**

Products identified on this page with the following symbol contain chemicals known to the State of California to cause birth defects (or other reproductive harm): ▼

2.2 Exceptions To Warning Requirements

The warning requirements set forth in Section 2.1 shall not apply to Reformulated Products (as defined in Section 2.3 below).

2.3 Reformulation Standards

For purposes of this Settlement Agreement, “Reformulated Products” shall mean Products containing components that may be handled, touched or mouthed by a consumer, and which components yield less than 1.0 microgram of lead when using a wipe test pursuant to NIOSH Test Method 9100, or yield less than 300 parts per million (“ppm”) lead when analyzed pursuant to EPA testing methodologies 3050B and 6010B, or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid substance. Starting on May 1, 2011, “Reformulated Products” shall mean Products containing components that may be handled, touched or mouthed by a consumer, and which components yield less than 1.0 microgram of lead when using a wipe test pursuant to NIOSH Test Method 9100, or yield less than 100 parts per million (“ppm”) lead when analyzed pursuant to EPA testing methodologies 3050B and 6010B, or equivalent methodologies utilized by federal or state agencies for the purpose of determining lead content in a solid substance.

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

3.1 Payments Pursuant to Health & Safety Code § 25249.7(b)

3.1.1. In settlement of all claims related to the Products, pursuant to Health & Safety Code § 25249.7(b), Travel Caddy shall pay civil penalties as follows:

3.1.1.1 Initial Civil Penalty: Travel Caddy shall pay an initial civil penalty of \$5,000. Travel Caddy shall issue two separate checks for the Initial Penalty payment pursuant to Health & Safety Code § 25192: (a) one check made payable to “The Chanler Group in Trust For The State of California’s Office of Environmental Health Hazard Assessment (OEHHA)” in the amount of \$3,750,

representing 75% of the total penalty; and (b) one check to “The Chanler Group in Trust for Russell Brimer” in the amount of \$1,250, representing 25% of the total penalty.

Two separate 1099s shall be issued for the above payments: (a) OEHHA, P.O. Box 4010, Sacramento, CA, 95814 (EIN: 68-0284486); and (b) Russell Brimer, whose information shall be provided five (5) calendar days before the payment is due.

Payment shall be delivered to Brimer’s counsel on or before July 12, 2010 at the following address:

The Chanler Group
Attn: Proposition 65 Coordinator
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

3.1.1.2 Final Civil Penalty: Travel Caddy shall pay a final civil penalty of \$10,000 on May 31, 2011 (the “Final Civil Penalty”); provided, however, as an incentive for the achievement of reformulating the Products, if an Officer of Travel Caddy certifies in writing that Travel Caddy, as of May 1, 2011, to the extent that it has offered for sale any Product in California on or after May 1, 2011, it has sold, shipped and offered for sale in California only Reformulated Products and that Travel Caddy, to the extent that it offers for sale any Product in California, will continue to sell, ship and offer for sale in California only Reformulated Products, the Final Civil Penalty shall be waived in its entirety. Such Certification must be received by The Chanler Group on or before May 15, 2011.

The Chanler Group shall hold the initial civil penalty and payment due pursuant to Section 4 below in trust without distributing the funds for 30 days following the date Brimer and his attorneys upload the reporting form with the Attorney General pursuant to California Health & Safety Code § 25249.7(f) (the “30-Day Period”). In the event that

during the 30-Day Period, Travel Caddy is served with notice that the Attorney General, any district attorney, any city attorney, or any prosecutor has commenced an action pursuant to the Notice, Travel Caddy shall be entitled to revoke the settlement by written notice and the proceeds shall be returned to Travel Caddy by The Chanler Group within 5 days of Travel Caddy's notice to The Chanler Group revoking the settlement.

4. **REIMBURSEMENT OF FEES AND COSTS**

The parties reached an accord on the compensation due to Brimer and his counsel under the private attorney general doctrine and principles of contract law. Under these legal principles, Travel Caddy shall reimburse Brimer's counsel for fees and costs, incurred as a result of investigating, bringing this matter to Travel Caddy's attention, and negotiating a settlement in the public interest. Travel Caddy shall pay Brimer and his counsel \$28,700 for all attorneys' fees, expert and investigation fees, and related costs. The payment shall be issued in a third separate check made payable to "The Chanler Group" and shall be delivered on or before July 12, 2010, at the following address:

The Chanler Group
Attn: Proposition 65 Controller
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710

Travel Caddy shall issue a separate 1099 for attorney's fees and costs paid in the amount of \$28,700 to The Chanler Group, 2560 Ninth Street, Suite 214, Berkeley, CA 94710 (EIN: 94-3171522).

5. RELEASE OF ALL CLAIMS

5.1 Brimer's Release of Travel Caddy

In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4, Brimer on behalf of himself and in his representative capacity, his past and current agents, representatives, attorneys, successors, and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorney's fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively "claims"), against Travel Caddy and each of its wholesalers, licensors, licensees, auctioneers, retailers, distributors, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (collectively "Releasees") that arise under Proposition 65, as such claims relate to Travel Caddy's alleged failure to warn about exposures to the Listed Chemical contained in the Products

Brimer in his individual capacity and *not* his representative capacity hereby releases all claims which he now has or may have in the future against Travel Caddy, irrespective of the subject matter, of all character, kind and nature, whether said claims are known or unknown or are suspected or unsuspected and Brimer expressly waives any and all rights and benefits which he now has, or in the future may have, under California Civil Code § 1542, which provides 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.

5.2 Travel Caddy's Release of Brimer

Travel Caddy, on behalf of itself and its Releasees, waives any and all claims against Brimer, his attorneys, and other representatives for any and all actions taken by Brimer and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against them in this matter, and/or with respect to the Products.

6. SEVERABILITY

If, subsequent to 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.

7. GOVERNING LAW

The terms of this Settlement Agreement shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Travel Caddy may provide written notice to Brimer of any asserted change in the law, and shall have no further obligations pursuant to this Settlement Agreement with respect to, and to the extent that, the Products are so affected.

8. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this settlement agreement shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

To Travel Caddy:

Vance L. Liebman, Esq.
Funkhouser Vegosen Liebman & Dunn Ltd
55 West Monroe, Suite 2300
Chicago, IL 60603

To Brimer:

Proposition 65 Coordinator
The Chanler Group
2560 Ninth Street
Parker Plaza, Suite 214
Berkeley, CA 94710-2565

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

9. **POTENTIAL CONSENT ORDER**

The Parties intend and agree that this Settlement Agreement shall be given full effect for purposes of precluding claims regarding the Products against Travel Caddy or the Releasees under Proposition 65 as covered under the release in Section 5 of this agreement. If requested in writing by Travel Caddy (within twelve months of the Effective Date), Brimer shall file a complaint and seek approval of this Settlement Agreement through a court approved consent judgment incorporating the terms of this Settlement Agreement pursuant to California Health and Safety Code Section 25249.7, or as may be otherwise allowed by law, and Brimer shall reasonably cooperate with Travel Caddy and use best efforts and that of his counsel to support the entry of a consent judgment incorporating the terms of this Settlement Agreement for approval by a superior court in California. Pursuant to CCP Sections 1021 and 1021.5, Travel Caddy will reimburse Brimer and his counsel for their reasonable fees and costs incurred in filing the complaint and seeking judicial approval of this Settlement Agreement, in an amount not to exceed \$15,000. No fees under this paragraph will be due and owing to Brimer or his counsel unless a written request is made by Travel Caddy to have Brimer file a complaint and seek a consent judgment. Travel Caddy will remit payment to The Chanler Group, at the address set forth in Section 8 above. Such additional fees shall be paid by Travel Caddy within ten days after its receipt of monthly invoices from Brimer for work performed under this paragraph.

10. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or .pdf signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document. A facsimile or .pdf signature shall be as valid as the original.

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

Brimer and his attorneys agree to comply with the reporting form requirements referenced in California Health & Safety Code § 25249.7(f).

12. MODIFICATION

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

13. AUTHORIZATION

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

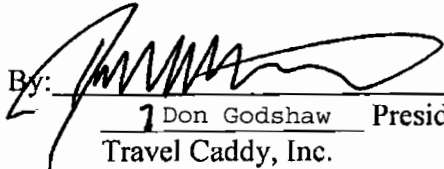
AGREED TO:

Date: 7-8-10

By: 
Russell Brimer

AGREED TO:

Date: 7-2-2010

By: 
Don Godshaw President
Travel Caddy, Inc.