

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Peter Englander (“Englander”) and, Kikkerland Design, Inc. (“Kikkerland”), with Englander and Kikkerland each individually referred to as a “Party” and collectively as the “Parties.” Englander is an individual residing in the State of California who seeks to promote awareness of exposures to toxic chemicals, and to improve human health by reducing or eliminating hazardous substances contained in consumer products. Kikkerland employs ten or more individuals 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 and Safety Code section 25249.5 et seq. (“Proposition 65”).

1.2 General Allegations

Englander alleges that Kikkerland manufactures, imports, sells and/or distributes for sale in the State of California, vinyl/PVC bicycle reflectors containing di(2-ethylhexyl) phthalate (“DEHP”), and that it does so without providing a Proposition 65 health hazard warning. DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm.

1.3 Product Description

For purposes of this Settlement Agreement “Products” are defined as vinyl/PVC bicycle reflectors containing DEHP that are manufactured, sold, or distributed for sale in California by Kikkerland including, but not limited to, the *Kikkerland Clip-On Reflector, FL42-A, UPC #6 12615 07542 9* identified in Englander’s Notice.

1.4 Notice of Violation

On August 17, 2017, Englander served Kikkerland, the California Attorney General, and all other requisite public enforcers with a 60-Day Notice of Violation (“Notice”). The Notice alleges Kikkerland violated Proposition 65 by failing to warn its customers and consumers in California of the health risks associated with exposures to

DEHP from the Products. No public enforcer has commenced and is diligently prosecuting an action to enforce the violations alleged in the Notice.

1.5 No Admission

Kikkerland denies the material, factual, and legal allegations in the Notice, and maintains that all the products that it has manufactured, imported, sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Settlement Agreement shall be construed as an admission by Kikkerland of any allegation, fact, finding, conclusion, issue of law, or violation of law, nor shall compliance with this Settlement Agreement constitute or be construed as an admission by Kikkerland of any allegation, fact, finding, conclusion, issue of law, or violation of law, all of which are specifically denied by Kikkerland. This Section shall not, however, diminish or otherwise affect Kikkerland'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 November 2, 2017.

2. INJUNCTIVE RELIEF: REFORMULATION & WARNINGS

2.1 Commitment to Reformulate Products or Provide Warnings

Commencing on the Effective Date and continuing thereafter, Kikkerland shall only manufacture for sale, purchase for sale, or import for sale in California, Products that are either (a) Reformulated Products as defined by Section 2.2; or (b) offered with a clear and reasonable warning pursuant to Section 2.3, below.

2.2 Reformulated Products Defined

For the purposes of this Settlement Agreement, "Reformulated Products" are defined as Products that contain DEHP in concentrations that do not exceed 1,000 parts per million (0.1%) in any component sampled and analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C or equivalent

methodologies utilized by state or federal agencies to determine DEHP content in a solid substance.

2.3 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, for any Products sold or distributed for sale in California by Kikkerland that are not Reformulated Products, Kikkerland will only offer such Products with a clear and reasonable warning in accordance with this Section or Title 27 California Code of Regulations section 25600, et seq., as amended from time to time. Kikkerland further agrees that any warning used will be prominently placed in relation to the Products with such conspicuousness when compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use. For purposes of this Settlement Agreement, a warning satisfying the above criteria that is affixed directly to a Product or its accompanying labeling or packaging containing the following statement shall be deemed clear:

WARNING: This product can expose you to DEHP, a chemical that is known to the State of California to cause birth defects or other reproductive harm.

If Kikkerland sells Products via an internet website to customers located in California, the warning requirements of this section shall be satisfied if the foregoing warning appears either: (a) on the same web page on which a Product is displayed and/or described; (b) on the same page as the price for the Product; or (c) on one or more web pages displayed prior to purchase during the checkout process. Alternatively, a symbol consisting of a black exclamation point in a yellow or white equilateral triangle may appear adjacent to or immediately following the display, description, price, or checkout listing of the Product, provided the warning statement appears elsewhere on the same web page in a manner that clearly associates it with the product(s) to which the warning applies.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty Payment

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice and referred to in this Settlement Agreement, Kikkerland agrees to pay \$2,500 in civil penalties. The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) & (d), with 75% of the penalty paid to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount retained by Englander.

Kikkerland will deliver its payment within five days of the Effective Date in two checks payable to: (a) “OEHHA” in the amount of \$1,875; and (b) “Peter Englander, Client Trust Account” in the amount of \$625. Englander’s counsel shall be responsible for delivering OEHHA’s portion of the penalty payment.

3.2 Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Englander and his counsel under general contract principles and the private attorney general doctrine codified at Code of Civil Procedure section 1021.5 for all work performed in this matter. Kikkerland agrees to pay \$20,000 to Englander and his counsel for all fees and costs incurred investigating, bringing this matter to the attention of Kikkerland’s management, and negotiating a settlement that provides a significant public benefit. Kikkerland’s payment shall be delivered within five days of the Effective Date in a check made payable to “The Chanler Group.”

3.3 Payment Address

All payments required by this Settlement Agreement shall be delivered to:

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

4. CLAIMS COVERED AND RELEASED

4.1 Englander's Release of Kikkerland

This Settlement Agreement constitutes a full, final, and binding resolution between Englander and Kikkerland of any violation of Proposition 65 that Englander has or could have asserted based on the allegations in the Notice. Englander, on his own behalf and on behalf of his past and current agents, principals, representatives, and assignees, provides a release to Kikkerland and its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, agents, principals, representatives, predecessors, successors, assignees ("Releasees"), and each downstream entity to whom Kikkerland directly or indirectly distributes, ships, or sells the Products, including, but not limited to, Kikkerland's downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Downstream Releasees"), for any and all claims based on the alleged or actual failure to warn about exposures to DEHP in Products imported, manufactured, sold, or distributed for sale by Kikkerland before the Effective Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, Englander, on his own behalf and on behalf of his past and current agents, principals, representatives, and assignees, hereby waives any and all rights he may have to institute or participate in, directly or indirectly, any form of legal action, and releases all claims against Kikkerland, Releasees, and Downstream Releasees including, without limitation, all actions and causes of action, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, expenses, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to the alleged or actual failure to warn about exposures to DEHP in Products imported, manufactured, sold, or distributed for sale by Kikkerland before the Effective Date.

The releases provided by Englander under this Settlement Agreement are provided solely on Englander's own behalf, and not on behalf of the public in California.

4.2 Kikkerland's Release of Englander

Kikkerland, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives all claims against Englander, Englander's attorneys, and other representatives, for any action taken or statement made, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. SEVERABILITY

If, subsequent to the 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.

6. 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. If Proposition 65 is repealed or otherwise rendered inapplicable by reason of law generally, or as to the Products, then Kikkerland may provide written notice to Englander of the asserted change in the law, and shall have no further injunctive obligations pursuant to this Settlement Agreement, to the extent that the Products are so affected.

7. NOTICE

Unless specified herein, all correspondence and notice required by this Settlement Agreement shall be in writing and sent by: (a) personal delivery; (b) first-class, registered or certified mail, return receipt requested; or (c) a recognized overnight courier on any Party by the other at the following addresses:

For Kikkerland:

Jan van der Lande, President
Kikkerland Design, Inc.
666 Broadway, Floor 4
New York, NY 10012

Chuck H. Jew, Esq.
236 West Portal Avenue # 533
San Francisco, California 94127

For Englander:

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

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

8. COUNTERPARTS; FACSIMILE SIGNATURES

This Settlement Agreement may be executed in counterparts and by facsimile or portable document format (PDF) signature, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

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

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

10. MODIFICATION

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

11. AUTHORIZATION

The undersigned are authorized to execute this Settlement Agreement on behalf of their respective Parties and have read, understand, and agree to all the terms and conditions set forth herein.

AGREED TO:

Date: November 3, 2017

By: 
PETER ENGLANDER

AGREED TO:

Date: 11/2/17

By: 
Jan van der Lande, President
KIKKERLAND DESIGN, INC.