

# SETTLEMENT AGREEMENT

## 1. INTRODUCTION

### 1.1 Parties

This Settlement Agreement is entered into by and between Mark Moorberg (“Moorberg”) and Tara Toy Corp. (“Tara Toy”), with Moorberg and Tara Toy each individually referred to as a “Party” and collectively as the “Parties.” Moorberg 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 used in consumer products. Tara Toy 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

Moorberg alleges that Tara Toy manufactures, sells, and/or distributes for sale in California, children’s purses containing lead. Lead is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Moorberg alleges that Tara Toy failed to provide the health hazard warning required by Proposition 65 for exposures to lead from the children’s purses sold in California. Tara Toy alleges that pursuant to it’s test reports, the product in questions does not violate Federal or California Lead Standards.

### 1.3 Product Description

The products that are covered by this Settlement Agreement are children’s purses containing lead that are sold and/or distributed for sale in California by Tara Toy including, but not limited to, the *Disney Princess Color N’ Style Fashion Purse Activity*, #91831, NBC213126931T1 (UPC No. 0 29116 91831 3), (collectively, “Products”).

### 1.4 Notice of Violation

On April 16, 2014, Moorberg served Tara Toy and certain requisite public

enforcement agencies with a “60-Day Notice of Violation” (“Notice”) alleging that Tara Toy violated Proposition 65 when it failed to warn its customers and consumers in California that the Products expose users to lead. To the best of the Parties’ knowledge, no public enforcer has commenced and is diligently prosecuting the allegations set forth in the Notice.

### **1.5 No Admission**

Tara Toy denies the material, factual, and legal allegations contained in the Notice and maintains that all of the products that it has sold and distributed 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 Tara Toy of any 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 Tara Toy of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by Tara Toy. This Section shall not, however, diminish or otherwise affect Tara Toy’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 April 10, 2015.

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## **2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS**

Commencing on September 1, 2015 and continuing thereafter, Tara Toy shall only purchase for sale or manufacture for sale in California, “Reformulated Products.” For purposes of this Settlement Agreement, “Reformulated Products” are products that (a) contain a maximum of 90 parts per million lead by weight in any accessible component (i.e., any part, feature or aspect of a Product that may be touched during use) analyzed pursuant to EPA testing methodologies 3050B and 6010B; and (b) yield a result of no more than 1.0 micrograms lead when sampled according to the NIOSH 9100 testing protocol, and analyzed pursuant to EPA Test Methods 3050B and 6010B. In

addition to the EPA test methods authorized above, the Parties may utilize equivalent methodologies employed by state or federal agencies to determine lead content in a solid substance.

### **3. MONETARY SETTLEMENT TERMS**

#### **3.1 Civil Penalty Payments**

Pursuant to Health and Safety Code section 25249.7(b)(2), and in settlement of all claims alleged in the Notice or referred to in this Settlement Agreement, Tara Toy agrees to pay \$1,500 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 amount remitted to the California Office of Environmental Health Hazard Assessment (“OEHHA”) and the remaining 25% of the penalty amount paid to Moorberg. Tara Toy shall deliver its payment within five days of the Effective Date in a single check made payable to “Mark Moorberg, Client Trust Account” in the amount of \$1,500. Moorberg’s counsel shall be responsible for delivering OEHHA’s portion of the penalty payment to the office.

#### **3.2 Reimbursement of Moorberg’s Attorneys’ Fees and Costs**

The Parties reached an accord on the compensation due to Moorberg 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. Under these legal principles, within five days of the Effective Date, Tara Toy agrees to pay \$10,500 to Moorberg and his counsel for all fees and costs incurred investigating, bringing this matter to the attention of Tara Toy’s management, and negotiating a settlement in the public interest.

#### **3.3 Payment Address**

All payments made under this Settlement Agreement shall be delivered to:

The Chanler Group  
Attn: Proposition 65 Controller  
2560 Ninth Street

**5. CLAIMS COVERED AND RELEASED**

**5.1 Moorberg's Release of Tara Toy**

This Settlement Agreement is a full, final and binding resolution between Moorberg and Tara Toy, of any violation of Proposition 65 that was or could have been asserted by Moorberg on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, against Tara Toy, its parents, subsidiaries, affiliated entities that are under common ownership, directors, officers, employees, attorneys, and each entity to whom Tara Toy directly or indirectly distributes or sells Products, including but not limited to downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on their failure to warn about alleged exposures to lead in Products that Tara Toy sold or distributed for sale by Tara Toy prior to the Effective Date.

In further consideration of the promises and agreements herein contained, Moorberg on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any right to institute or participate in, directly or indirectly, any form of legal action and releases all claims that he may have, including, without limitation, all actions and causes of action in law and in equity, all suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees, but exclusive of fees and costs on appeal, if any, arising under Proposition 65 with respect to the failure to warn about exposures to lead from Products sold or distributed for sale by Tara Toy before the Effective Date. The releases provided by Moorberg under this Settlement Agreement are provided solely on Moorberg's behalf and are not releases on behalf of the public.

**5.2 Tara Toy's Release of Moorberg**

Tara Toy on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Moorberg and his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Moorberg and his attorneys and other representatives, whether in the course of investigating claims, otherwise seeking to enforce Proposition 65 against it in this matter, 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 deemed 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 Tara Toy may provide written notice to Moorberg 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. NOTICE**

Unless specified herein, all correspondence and notices required to be provided pursuant to 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 Tara Toy:

Bruce Pearl, President  
Tara Toy Corp.  
40 Adams Avenue  
Hauppauge, NY 11788

For Moorberg:

The Chanler Group  
Attn: Prop 65 Coordinator  
2560 Ninth St.  
Parker Plaza, Suite 214  
Berkeley, CA 94710-2565

with a copy to Tara Toy's counsel:

Jeffrey Locker  
Locker Greenberg & Brainin PC  
420 Fifth Avenue  
New York, New York 10018

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.

**10. 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.

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

Moorberg and his attorneys agree to comply with the reporting form requirements referenced in California Health and Safety Code section 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: 6.26.15

By:   
MARK MOORBERG

**AGREED TO:**

Date: June 26, 2015

By:   
Bruce Pearl, President  
TARA TOY CORP.