

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between John Moore (“Moore”) and C-Line Products, Inc. (“C-Line”), with Moore and C-Line each individually referred to as a “Party” and collectively as the “Parties.” Moore 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. C-Line 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 and Safety Code section 25249.6 *et seq.* (“Proposition 65”).

1.2 General Allegations

Moore alleges that C-Line manufactures, sells, and distributes for sale in California, vinyl/PVC file case handles containing the phthalate chemical di(2-ethylhexyl)phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Moore alleges that C-Line failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from its file case handles.

1.3 Product Description

The products covered by this Settlement Agreement are vinyl/PVC file case handles containing DEHP that are manufactured, sold or distributed for sale in California by C-Line, including, but not limited to, the handles of the *Expanding File with Handles, No. 48211, UPC #0 38944 48211 8* (“Products”).

1.4 Notice of Violation

On May 21, 2015, Moore served C-Line and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”), alleging that C-Line



violated Proposition 65 when it failed to warn its customers and consumers in California of the health hazards associated with exposures to DEHP from its vinyl/PVC file case handles. 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

C-Line 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 C-Line 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 C-Line of any fact, finding, conclusion, issue of law, or violation of law, such being specifically denied by C-Line. This Section shall not, however, diminish or otherwise affect C-Line'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 October 1, 2015.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS & WARNINGS

2.1 Reformulated Products

Commencing on the Effective Date, and continuing thereafter, C-Line shall only purchase for sale or manufacture for sale in California "Reformulated Products." For purposes of this Settlement Agreement, "Reformulated Products" are Products that contain a maximum DEHP concentration of 1,000 parts per million (0.1%) in any accessible component (i.e., any component that may be touched during a reasonably foreseeable use) when analyzed pursuant to U.S. Environmental Protection Agency testing methodologies 3580A and 8270C, or equivalent methodologies utilized by state and federal agencies to measure DEHP content in a solid substance. However C-



Line may ship, sell or offer to be shipped for sale in California a Product that does not meet the DEHP Standard, if the following conditions are met: (i) no Reformulated Product or equivalent DEHP-free substitute product (product containing no detectable DEHP) is "reasonably commercially available"; (ii) the Product is not primarily intended for use by individuals twelve years of age or younger; and (iii) C-Line complies with the warning requirements set forth in Section 2.2 below. For purposes of this Section 2.1 "reasonable commercial availability" shall include consideration of the following factors: availability and supply of a Reformulated Product or equivalent DEHP-free product; cost of the Reformulated Product or equivalent DEHP-free product; and performance characteristics of the Reformulated Product or equivalent DEHP-free product, including but not limited to performance, safety and stability. Upon request, C-Line shall produce to Moore records demonstrating that a Reformulated Product or equivalent DEHP-free product is not reasonably commercially available.

2.2 Clear and Reasonable Warnings

C-Line agrees that commencing on the Effective Date, and continuing thereafter, all Products it sells and/or distributes in California which do not qualify as Reformulated Products, provided the conditions in Section 2.1 are met, will bear a clear and reasonable warning pursuant to this Section. C-Line further agrees that the warning will be prominently placed 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 use. For purposes of this Settlement Agreement, a clear and reasonable warning for the Products shall consist of a warning affixed to the packaging, label, tag, or directly to a Product sold in California that contains one of the following statements:

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

or



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

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, C-Line agrees to pay \$3,000 in civil penalties within five days of the Effective Date. The penalty payment will be allocated in accordance with California Health and Safety Code section 25249.12(c)(1) and (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 Moore. Moore’s counsel shall be responsible for delivering OEHHA’s portion of the civil penalty payment made under this Settlement Agreement to OEHHA.

3.2 Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Moore 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, C-Line agrees to pay \$21,000 in the form of a check made payable to “The Chanler Group” for all fees and costs incurred investigating, bringing this matter to the attention of C-Line’s management, and negotiating a settlement in the public interest.

3.3 Payment Address

All payments under this Settlement Agreement shall be delivered to the following address:

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

4. CLAIMS COVERED AND RELEASED

4.1 Moore's Release of C-Line

This Settlement Agreement is a full, final and binding resolution between Moore and C-Line, of any violation of Proposition 65 that was or could have been asserted by Moore on his own behalf or on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against C-Line, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom C-Line directly or indirectly distributes or sells Products, including its downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, licensors, and licensees ("Releasees"), based on the alleged or actual failure to warn about exposures to DEHP from Products sold or distributed for sale by C-Line in California before the Effective Date.

In further consideration of the promises and agreements herein, Moore, on his own behalf and on behalf of 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 arising under Proposition 65 with respect to exposures to DEHP from Products manufactured, distributed, sold and/or offered for sale by C-Line before the Effective Date. The releases provided by Moore under this Settlement Agreement are provided solely on Moore's own behalf and not on behalf of the public in California.

4.2 C-Line's Release of Moore

C-Line, on its own behalf, and on behalf of its past and current agents, representatives, attorneys, successors, and/or assignees, hereby waives any and all claims against Moore and his attorneys and other representatives, for any and all actions taken or



statements made by Moore and his attorneys and other representatives, whether in the course of investigating claims, seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. SEVERABILITY

If, subsequent to the execution of this Settlement Agreement, any provision of this Settlement Agreement is deemed 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. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then C-Line may provide written notice to Moore 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.

7. NOTICE

Unless specified herein, all correspondence and notice 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 C-Line:

James Krumwiede, President
C-Line Products, Inc.
1100 Business Center Drive
Mount Prospect, IL 60056

For Moore:

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

with a copy to:

Jay W. Connolly
Seyfarth Shaw LLP
560 Mission Street, 31st Floor
San Francisco, CA 94105-2930



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)

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

10. MODIFICATION

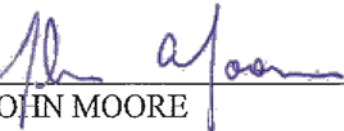
This Settlement Agreement may be modified only by written agreement of the Parties.

11. AUTHORIZATION

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

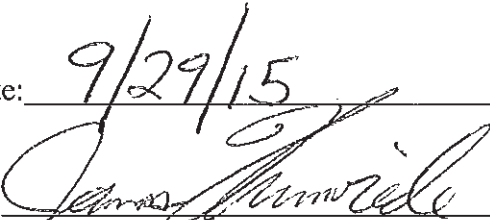
AGREED TO:

Date: 9/30/2015

By: 
JOHN MOORE

AGREED TO:

Date: 9/29/15

By: 
James Krumwiede, President
C-LINE PRODUCTS, INC.