

SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 Parties

This Settlement Agreement is entered into by and between Laurence Vinocur (“Vinocur”) and Lifeline First Aid, LLC (“Lifeline”), with Vinocur and Lifeline each individually referred to as a “Party” and collectively as the “Parties.” Vinocur 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. Lifeline 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

Vinocur alleges that Lifeline manufactures, sells, and/or distributes for sale in California, vinyl/PVC electrical tape that contains di(2-ethylhexyl)phthalate (“DEHP”). DEHP is listed pursuant to Proposition 65 as a chemical known to cause birth defects or other reproductive harm. Vinocur alleges that Lifeline failed to provide the health hazard warning required by Proposition 65 for exposures to DEHP from vinyl/PVC electrical tape sold in California.

1.3 Product Description

The products that are covered by this Settlement Agreement are vinyl/PVC electrical tape containing DEHP that are manufactured, sold and/or distributed for sale in California by Lifeline including, but not limited to, the tape offered in connection with the *Bridgestone Auto Emergency Kit, Item 804197, UPC #8 45174 00604 1*. The term “Products” under this Settlement Agreement shall mean all vinyl/PVC electrical tape containing DEHP that is sold or distributed for sale in California, whether directly or indirectly, by retail customers of Lifeline. “Products” shall also include vinyl/PVC electrical tape containing DEHP supplied by Lifeline to manufacturer customers of Lifeline with whom Lifeline contracts or partners with after the Effective Date and whose products are not individually sold but offered or included with

products such manufacturers sell or distribute for sale in California, or offer for sale through a parts department.

1.4 Notice of Violation

On July 11, 2014, Vinocur served Lifeline and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”) alleging that Lifeline violated Proposition 65 when it failed to warn its customers and consumers in California that the Products expose users to DEHP. 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

Lifeline 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 Lifeline 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 Lifeline of any fact, finding, conclusion, issue of law, or violation of law, the same being specifically denied by Lifeline. This Section shall not, however, diminish or otherwise affect Lifeline’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.

2. INJUNCTIVE RELIEF: REFORMULATED PRODUCTS& WARNINGS

2.1 Commitment to Offer Reformulated Products or Provide Warnings

Commencing on the Effective Date and continuing thereafter, Lifeline shall only purchase for sale or manufacture for sale in California, Reformulated Products, or Products that are sold with a clear and reasonable warning pursuant to Section 2.2. For purposes of this Settlement Agreement, Reformulated Products are Products that contain no more than 1,000 ppm

(0.1%) DEHP content when analyzed pursuant to EPA testing methodologies 3580A and 8270C, or equivalent methodologies used by state or federal agencies for purposes of determining DEHP content in a solid substance.

2.2 Clear and Reasonable Warnings

Commencing on the Effective Date and continuing thereafter, for all Products that are not Reformulated Products, Lifeline agrees that it will only sell or distribute such Products for sale in California with a clear and reasonable warning pursuant to this Section. Lifeline shall also provide warnings for vinyl/PVC electrical tape containing DEHP supplied by Lifeline to manufacturer customers of Lifeline for retailers with whom Lifeline contracts or partners after the Effective Date and are not sold by retailers but offered or included with products such manufacturers sell or distribute for sale in California, or offer for sale through a parts department.

Lifeline 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 before purchase or use. For purposes of this Settlement Agreement, a clear and reasonable warning shall consist of a warning affixed to the packaging, label, tag, or directly to a Product sold in California that contains the following statement:

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

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 or referred to in this Settlement Agreement, Lifeline agrees to pay \$12,000.00 in civil penalties. 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% paid to Vinocur. Lifeline shall tender its payment within five days of the Effective Date in a single check made payable to “Laurence Vinocur, Client Trust Account.” Vinocur’s counsel shall be responsible for delivering OEHHA’s portion of the penalty payment to the office.

3.2 Reimbursement of Vinocur’s Attorneys’ Fees and Costs

The Parties reached an accord on the compensation due to Vinocur 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, Lifeline agrees to pay \$22,500.00 in the form of a check payable to “The Chanler Group” for all fees and costs incurred by Vinocur investigating, bringing this matter to the attention of Lifeline’s management, and negotiating a settlement in the public interest.

3.3 Payment Address

All payments required under 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 Vinocur’s Release of Lifeline

This Settlement Agreement is a full, final, and binding resolution between Vinocur and Lifeline, of any violation of Proposition 65 that was or could have been asserted by Vinocur on his own behalf and on behalf of his past and current agents, representatives, attorneys, successors, and assignees, against Lifeline, its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, attorneys, and each entity to whom Lifeline directly or indirectly distributes or sells Products, including but not limited to, downstream distributors, wholesalers, customers, retailers (including, but not exclusively, Costco Wholesale Corporation), franchisees, cooperative members, licensors, and licensees (“Releasees”), alleging

a failure to warn about exposures to DEHP in Products that Lifeline sold or distributed for sale prior to the Effective Date.

In further consideration of the promises and agreements herein contained, Vinocur 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 the failure to warn about exposures to DEHP from Products sold or distributed for sale by Lifeline before the Effective Date. The releases provided by Vinocur under this Settlement Agreement are provided solely on Vinocur's behalf and are not releases on behalf of the public.

4.2 Lifeline's Release of Vinocur

Lifeline, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against Vinocur 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 Vinocur 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.

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

Lifeline may provide written notice to Vinocur of the 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 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 Lifeline:

Dean Stevenson, President
Lifeline First Aid, LLC
26200 SW 95th Avenue, Suite 302
Wilsonville, OR 97070

For Vinocur:

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

with a copy to:

Lee N. Smith, Esq.
Perkins, Mann & Everett, P.C.
7815 N. Palm Ave, Suite 200
Fresno, California 93711-5531

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)

Vinocur 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, understood, and agree to all of the terms and conditions of this Settlement Agreement.

AGREED TO:

AGREED TO:

Date: April 14, 2015

Date: _____

By: 
LAURENCE VINO CUR

By: _____
Dean Stevenson, President
LIFELINE FIRST AID, LLC

11. 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:

AGREED TO:

Date: _____

Date: 4/10/15

By: _____

By: Dean Stevenson

LAURENCE VINOUCUR

Dean Stevenson, President
LIFELINE FIRST AID, LLC