

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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 In re: : Chapter 11
 :
 LEAF123, INC. (f/k/a NATROL, INC.), *et al.*, : Case No. 14-11446 (BLS)
 :
 Debtors.¹ : (Jointly Administered)
 :
 : Docket Ref. No. 1040, 1081, & 1330
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**FINAL ORDER APPROVING
SETTLEMENT AND RELEASE AGREEMENT**

The Court has considered the motion (“Motion”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of orders: (a) approving on a preliminary basis the *Settlement Agreement and General Release* dated April 3, 2015 between the Debtors, Plethico Pharmaceuticals Limited of India and its affiliates (“Plethico”), Natrol LLC, and plaintiff Jessica Augustine (the “Class Representative” or “Augustine,” and together with the Debtors, Plethico and Natrol, LLC the “Parties”), on behalf of herself and similarly situated class members (the “Settlement Agreement”),² (b) approving the form of notice (the “Class Notice”) to the Class Members of class certification and settlement, (c) scheduling a fairness hearing (the “Fairness Hearing”) to consider final approval of the Settlement Agreement, and (d) after the Fairness Hearing, approving on a final basis the Settlement Agreement and

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Leaf123, Inc. (f/k/a Natrol, Inc.) (0780); Leaf123 Holdings, Inc. (f/k/a Natrol Holdings, Inc.) (4614); Leaf123 Products, Inc. (f/k/a Natrol Products, Inc.) (7823); Leaf123 Direct, Inc. (f/k/a Natrol Direct, Inc.) (5090); Leaf123 Acquisition Corp. (f/k/a Natrol Acquisition Corp.) (3765); Leaf123 Nutrition, Inc. (f/k/a Prolab Nutrition, Inc.) (3283); and Leaf123 Research Institute (f/k/a Medical Research Institute) (2825). The Debtors’ principal offices are located at 21411 Prairie Street, Chatsworth CA 91311.

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Settlement Agreement.

granting related relief. A true and correct copy of the Settlement Agreement is attached hereto as

Exhibit 1. The Court finds:

A. The Court entered an Order on April 16, 2015, granting preliminary approval of the Settlement Agreement, including the certification of the Class for the sole purpose of effectuating the Settlement, and approving the form and manner of notice of the Settlement Agreement and the deadline for opting out of the Class and filing objections to the Settlement Agreement to be given to all Class Members.

B. Due notice has been given to the Class of the Settlement Agreement, the right to opt-out of the Class or object to the proposed Settlement Agreement and the right to appear in person or by counsel at the Fairness Hearing; all applicable statutory notice periods have expired; and no other and further notice is required and such notice is deemed proper and sufficient under the circumstances.

C. The Court has personal jurisdiction over Augustine and all Settlement Class Members and the Court has subject matter jurisdiction to approve the Settlement and Settlement Agreement and all exhibits thereto on a final basis.

D. The Settlement Notice Program: (i) constituted the best practicable notice; (ii) constituted notice that was reasonable calculated under the circumstances to apprise the Settlement Class of the pendency of the Action, of their right to object to or exclude themselves from the proposed Settlement, of their right to appear at the Fairness Hearing and of their right to seek monetary and other relief; (iii) constituted reasonable, due, adequate and sufficient notice to

all Persons entitled to receive notice; and (iv) met all requirements of due process and any other applicable law.

E. All Class Members who did not exercise the right to opt-out of the Class are bound by this Order and the terms of the Settlement Agreement.

F. The terms of the Settlement Agreement are fair, reasonable and adequate under Federal Rule of Civil Procedure 23 incorporated by Rule 7023 of the Federal Rules of Bankruptcy Procedure and the nine factor test the Third Circuit developed in Girsh v. Jepson, 521 F.2d 153 (3d Cir. 1975).

G. The terms of the Settlement Agreement are also appropriate and in the best interests of creditors under Bankruptcy Rule 9019.

H. The Settlement Agreement was negotiated at arm's-length and in good faith, is fair equitable and in the best interest of the Debtors' estates and the best interest of the Settlement Class.

I. Settlement Class Counsel, Settlement Class Co-Counsel and Augustine adequately represented the Settlement Class for purposes of entering into and implementing the Settlement and Settlement Agreement.

J. Other good and sufficient cause exists for granting the relief requested in the Motion.

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Settlement Agreement is APPROVED.

2. The Settlement Class is hereby certified solely for the purpose of effectuating the Settlement.

3. The Settlement Agreement is hereby approved on a final basis as fair, reasonable and adequate to all Parties and consistent and in compliance with all requirements of due process and applicable law, as to and in the best interests of all Parties.

4. Upon the "Effective Date" of the Settlement, as defined in the Settlement Agreement, the Parties, are authorized and directed to implement the terms of the Settlement Agreement and make the payments required thereunder and in accordance with the Settlement Agreement.

5. The Opt-Out List is hereby approved as the complete list of all members of the Settlement Class who have timely requested exclusion from the Settlement Class and, accordingly, shall neither share in nor be bound by this Final Order.

6. Augustine and the Settlement Class have hereby conclusively compromised, settled, dismissed and released any and all Released Claims against Leaf 123, Plethico and Natrol, LLC, and the terms of the Release are hereby approved in their entirety.

7. Upon the Effective Date of the Settlement, as defined in the Settlement Agreement, except for the rights arising out of, provided for, or reserved in the Settlement Agreement, the Released Claims described in the Settlement Agreement are hereby deemed to have been fully and forever released and discharged.

8. Upon the Effective Date, Augustine and all Settlement Class Members shall be barred from asserting any Released Claims against Leaf 123, Plethico and Natrol, LLC

and/or any Released Persons, and any such Settlement Class Members shall have released any and all Released Claims as against Leaf 123, Plethico and Natrol, LLC and all Released Persons.

9. Upon the Effective Date, all Settlement Class Members are permanently enjoined from: (i) filing, commencing, prosecuting, intervening in or participating (as a plaintiff, claimant, class member or otherwise) in any other lawsuit or administrative, regulatory, arbitration or other proceeding in any jurisdiction based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Released Claims; (ii) organizing Settlement Class Members who have not excluded themselves from the Settlement Class into a separate class for the purpose of pursuing as a purported class action any lawsuit or arbitration or other proceedings (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action) based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Released Claims, except that Settlement Class Members are not precluded from participating in any investigation or suit initiated by a state or federal agency.

10. Upon the Effective Date of the Settlement, as defined in the Settlement Agreement, the Debtors and any claims agent that has been appointed in the Bankruptcy Case are each authorized and directed to make such revisions to the Debtors' claims registry maintained in these cases as are necessary to reflect the relief granted herein, including, but not limited to, expunging any claims released pursuant to the terms of the Settlement Agreement, specifically including Claims 204 and 224, without further notice to or order of the Court.

11. Augustine is hereby directed to withdraw all individual claims asserted in the Action, Case No 1:14-cv-01869 with prejudice, and all class claims in that Action without prejudice, and without fees or costs except as provided in the Settlement Agreement, in accordance with the terms of this Final Order within five (5) days after entry of this Final Order.

12. Within ten (10) days after entry of this Final Order, Debtors shall pay to Class Counsel a total of \$799,000 as the Attorney's Fee Award.

13. Within ten (10) days after the Effective Date, the Debtors shall pay to Augustine a total of \$1,000 as the Augustine Incentive Award.

14. The Settlement Agreement and this Final Order shall be binding on and have res judicata and preclusive effect in all pending and future lawsuits or other proceedings encompassed by the Released Claims and maintained by or on behalf of Augustine and all Settlement Class Members, as well as Augustine's present, former and future administrators, agents, assigns, attorneys, executors, heirs, partners, predecessors-in-interest and successors.

15. The Settlement Agreement and the Settlement provided for therein and any proceedings taken pursuant thereto are not and should not in any event be offered or received as evidence of, a presumption, concession or an admission of liability, or of any misrepresentation or omission in any statement or written document approved or made by Leaf 123, Plethico or Natrol, LLC or any Released Persons or of the suitability of these or similar claims to class treatment in active litigation and trial; provided, however, that reference may be made to the Settlement Agreement and the Settlement provided therein in such proceedings solely as may be necessary to effectuate the Settlement Agreement.

16. The Parties are hereby authorized, without further approval from this Court, to agree to adopt such amendments, modifications and expansions of the Settlement Agreement and all exhibits thereto as (i) shall be consistent in all material respects with this Final Order, and (ii) do not limit the rights of the Parties or the Settlement Class Members.

17. This Court shall retain jurisdiction, consistent with any plan of liquidation that is confirmed by order of this Court, over the Settlement Administrator, Leaf 123, Plethico, Natrol, LLC, Augustine and the Settlement Class Members, as to all matters arising from or related to the administration, consummation, enforcement and interpretation of the terms of the Settlement, the Settlement Agreement and this Final Order.

Dated: August 7, 2015
Wilmington, Delaware



BRENDAN LINEHAN SHANNON
CHIEF UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Settlement Agreement

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251359.1

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release is entered into between Jessica Augustine, in her representative capacity (“Augustine”), on the one hand, and Leaf 123 (f/k/a Natrol, Inc.) and all of its affiliated debtor entities (collectively “Leaf 123”), Plethico Pharmaceuticals Limited of India and its relevant affiliates (collectively “Plethico”), and Natrol LLC, on the other hand. Capitalized terms shall have the meaning ascribed to them in Paragraph 1 of this Settlement Agreement.

RECITALS

1. During the Class Period until the close of the sale of its assets on December 4, 2014, Leaf 123 manufactured and sold a line of tea products under the name Laci LeBeau Super Dieter’s Tea (the “Covered Products,” as more fully defined in Exhibit B attached hereto), which are sold directly by Leaf 123 as well as by retailers not affiliated with Leaf 123. Subsequent to Leaf 123’s bankruptcy, Natrol, LLC acquired the right to manufacture and sell the Covered Products, and does so at present.

2. On December 20, 2013, a putative class action complaint purporting to assert claims regarding the Covered Products was filed against Leaf 123 in the United States District Court for the Southern District of California, bearing the caption *Augustine v. Natrol, Inc.*, No. 3:13-cv-03129 (the “Action”).

3. In the Action, Augustine alleges that certain statements made on the labeling and packaging of the Covered Products are false and/or misleading. Based upon these allegations, Augustine asserts violations of California’s Consumer Legal Remedies Act, California’s Unfair Competition Laws, and California’s False Advertising Laws, as well as breach of express warranty and breach of the implied warranty of merchantability.

4. Leaf 123 denies the allegations in the Action and asserts defenses and affirmative defenses Leaf 123 specifically denies that it has engaged in any wrongdoing whatsoever or that it has any liability in connection with the claims that were asserted or that could have been asserted in the Action.

5. On June 11, 2014, Leaf 123 and certain of its affiliates (the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware, which were consolidated for procedural purposes only under case number 14-11446 (BLS) (the “Bankruptcy Cases”).

6. On October 3, 2014, Augustine filed an adversary complaint before this Court, Adv. Pro No. 14-50795 (BLS) [Adv. Dkt. No. 1] (the “Adversary Action”). The Adversary Action is virtually identical to the Action filed in the Southern District of California.

7. On October 27, 2014, Augustine filed a proof of claim, designated Claim Number 204, in the Bankruptcy Cases asserting the same claims alleged in the Action, and on December 17, 2014, Augustine filed an amendment to Claim Number 204, which was designated Claim No. 224 (together, the “Bankruptcy Claim”).

8. Augustine and Settlement Class Counsel, on the one hand, and Leaf 123, Plethico and Natrol, LLC, on the other hand, have conducted an extensive examination of the facts relating to the Action.

9. This Settlement was reached after more than three months of arms-length negotiations, including a formal mediation before the Honorable Joseph J. Farnan, Jr. on February 9, 2015.

10. The Action, if it were to continue, would likely result in expensive and protracted litigation, appeals, continued uncertainty as to the outcome and a delayed resolution of Leaf 123's Bankruptcy Cases.

11. Augustine and Settlement Class Counsel have concluded that this Settlement provides substantial benefits to the Settlement Class and the consuming public and resolves all issues that were or could have been raised in the Action or Bankruptcy Claim without prolonged litigation and the risks and uncertainties inherent in litigation.

12. Augustine and Settlement Class Counsel have concluded that this Settlement is fair, reasonable, adequate, and in the best interests of the Settlement Class.

13. Leaf 123 continues to deny each and every allegation of wrongdoing, liability and damages that were or could have been asserted in the Action or Bankruptcy Claim and further continues to deny that the claims in the Action or Bankruptcy Claim would be appropriate for class treatment if the Action were to proceed through class certification and trial. Nonetheless, without admitting or conceding any wrongdoing, liability or damages or the appropriateness of Augustine's claims or similar claims for class treatment, Leaf 123, Plethico and Natrol, LLC consent to the Settlement Agreement solely to avoid the expense, inconvenience and inherent risk of litigation as well as the risk of postponing the resolution of Leaf 123's Bankruptcy Cases. Leaf 123, Plethico and Natrol, LLC acknowledge the Action is being settled voluntarily after consultation with competent legal counsel, a full-day mediation, and extensive negotiations.

14. Nothing in this Settlement Agreement shall be construed as an admission or concession by Leaf 123, Plethico or Natrol, LLC of the truth of any allegations raised in the Action or Bankruptcy Claim or of any fault, wrongdoing, liability or damages of any kind.

15. This Settlement Agreement, its terms, documents relating to it and the negotiations or proceedings connected with it shall not be offered or received into evidence in the Action or in any other action or proceeding to establish any liability or admission by Leaf 123, Plethico or Natrol, LLC.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, promises and general releases set forth below and subject to preliminary and final approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the Parties hereby agree as follows:

DEFINITIONS

1. As used herein, the following terms (the plural of any of which includes the singular and vice versa, as made necessary in context) have the meanings set forth below:

1.1 “Action” means the action previously captioned *Augustine v. Natrol, Inc.*, No. 3:13-cv-03129 (S.D. Ca.).

1.2 “Administrative Costs” means the amount of money necessary to disseminate the Class Notice and administer the Settlement in accordance with this Settlement Agreement and engage in any other tasks directed by the Court, Settlement Class Counsel or Natrol’s Counsel as set forth in Paragraphs 9-11.

1.3 “Attorney’s Fee Award” means the Court-approved award to Settlement Class Counsel and Settlement Class Co-Counsel as defined in Paragraph 14.

1.4 “Class Notice” means the Court-approved forms of notice to the Settlement Class, which will notify members of the Settlement Class of entry of the Preliminary Approval Order and the scheduling of the Fairness Hearing, among other things.

1.5 “Court” means the United States Bankruptcy Court for the District of Delaware.

1.6 “Covered Products” means the Laci LeBeau Super Dieter’s Tea products as identified in Exhibit B – List of Covered Products.

1.7 “Days” means calendar days, except that when computing any period of time prescribed or allowed by this Settlement Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. Furthermore, when computing any period of time prescribed or allowed by this Settlement Agreement, the last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a Federal or New York legal holiday, in which event the period runs until the end of the next day which is not a Saturday, a Sunday or a Federal or New York legal holiday.

1.8 “Effective Date” means the date defined in Paragraph 19.

1.9 “Augustine” means named plaintiff Jessica Augustine.

1.10 “Final” means final as defined in Paragraph 19.5.

1.11 “Final Order and Judgment” means the order defined in Paragraph 19.5.

Any reduction in the Attorney’s Fee Award or Incentive Award shall not be considered a material alteration.

1.12 “Incentive Award” means the Court-approved award as defined in Paragraph 15.

1.13 “Leaf 123” means Leaf 123, Inc. and all of its affiliated debtor entities.

1.14 “Natrol” means Natrol, LLC. and its parents, subsidiaries, affiliates, and assigns.

1.15 “Natrol’s Counsel” means Miller Barondess LLP.

1.16 “Notice and Administration Costs” means any and all reasonable and authorized costs and expenses of notice and administration relating to this Settlement Agreement.

1.17 “Notice Date” means the first day on which the Settlement Administrator begins disseminating the Class Notice, and shall be no later than fourteen (14) Days after the Preliminary Approval Date.

1.18 “Opt-Out” shall refer to a member of the Settlement Class who properly and timely submits a request for exclusion from the Settlement Class as set forth in Paragraph 13. An Opt-Out may rescind a request for exclusion by submitting a Claim Form to the Settlement Administrator to obtain benefits of the Settlement Agreement by the Claim Deadline.

1.19 “Opt-Out List” shall refer to the list compiled by the Settlement Administrator pursuant to Paragraph 13, identifying those who properly and timely submit a request for exclusion from the Settlement Class and become Opt-Outs.

1.20 “Opt-Out and Objection Date” means the date by which a request for exclusion must be filed with the Settlement Administrator in order for a member of the Settlement Class to be excluded from the Settlement Class, and the date by which Settlement Class Members must file objection, if any, to the Settlement Agreement, as set by the Court.

1.21 “Parties” means Plaintiff Jessica Augustine together with Defendant Leaf 123 and third parties Plethico and Natrol, LLC.

1.22 “Person” means an individual, corporation, partnership, limited partnership, limited liability company, association, member, joint stock company, estate, legal representative, trust, unincorporated association, business or legal entity, and such individual’s or entity’s heirs, predecessors, successors, representatives and assignees.

1.23 “Plethico” means Plethico Pharmaceuticals Limited of India and its relevant affiliates.

1.24 “Preliminary Approval Date” means the date the Preliminary Approval Order has been executed and entered by the Court.

1.25 “Preliminary Approval Hearing” means the hearing at which the Court considers the Preliminary Approval Order.

1.26 “Preliminary Approval Order” means the order defined in Paragraph 17 and attached hereto as Exhibit C.

1.27 “Release” means the release and discharge, as of the Effective Date, by Augustine and all Settlement Class Members (and their respective, present, former and future administrators, agents, assigns, attorneys, executors, heirs, partners, predecessors-in-interest and successors) who have not excluded themselves from the Settlement Class of Natrol and shall include the agreement and commitment by Augustine and all Settlement Class Members to not now or hereafter initiate, maintain or assert against Leaf 123 or its bankruptcy estates, Plethico or Natrol, LLC any and all causes of action, claims, rights, demands, actions, claims for damages, equitable, legal and/or administrative relief, interest, demands or rights, including without limitation, claims for damages of any kind, including those in excess of actual damages, whether based on federal, state or local law, statute, ordinance, regulation, contract, common law or any other sources that have been, could have been, may be or could be alleged or asserted by Augustine or any Settlement Class Members against Leaf 123, Plethico or Natrol, LLC in the Action or in any other court action or before any administrative body (including any regulatory entity or organization), tribunal, arbitration panel or other adjudicating body arising out of or relating to the Released Claims.

1.28 “Released Claims” means any and all claims, actions, causes of action, rights, demands, suits, debts, liens, contracts, agreements, offsets or liabilities (including but not limited to tort claims, negligence claims, claims for breach of contract, breach of the duty of good faith and fair dealing, breach of statutory duties, actual or constructive fraud, unfair business or trade practices, false advertising, restitution, rescission, unjust enrichment, compensatory and punitive damages, injunctive or declaratory relief, attorney’s fees, interests, costs, penalties and any other claims), whether known or unknown, alleged or not alleged, foreseen or unforeseen, suspected or unsuspected, contingent or matured, liquidated or unliquidated, under federal, state or local law, whether by statute, contract, common law or equity, which Augustine and/or any Settlement Class Member had, now has or may in the future have with respect to any conduct, acts, omissions, facts, matters, transactions or oral or written statements or occurrences arising from or relating to the causes of action and allegations made in the Action, as well as claims and allegations that Leaf 123 made false and deceptive representations and warranties and/or omitted material information about the Covered Products (including, without limitation, causes of action for violation of California’s Consumer Legal Remedies Act, California’s Unfair Competition Laws, and California’s False Advertising Laws, as well as breach of express warranty and breach of the implied warranty of merchantability) during the Settlement Class Period. Expressly excluded from the Released Claims are any claims alleging personal injury or bodily damages arising from the use of the Covered Products.

1.29 “Released Persons” means: Leaf 123, Plethico and Natrol, LLC including their respective past, present and future direct and indirect predecessors, successors, heirs, assigns, parents, subsidiaries, affiliates, joint venturers, partnerships, limited liability companies, corporations, unincorporated entities, divisions, or groups, and Leaf 123’s bankruptcy estates.

1.30 “Releasing Persons” means (a) Augustine, on behalf of herself and all Settlement Class Members (as defined below), (b) all Settlement Class Members, and (c) the respective past, present and future administrators, agents, assigns, attorneys, executors, heirs, partners, personal representatives, spouses, insurers, immediate families, predecessors-in-interest and successors of Augustine.

1.31 “Settlement” means the settlement set forth in this Settlement Agreement.

1.32 “Settlement Administrator” means Classaura Class Action Administration, the entity that the Parties have mutually agreed to disseminate the Class Notice and administer the Settlement in accordance with this Settlement Agreement and engage in any other tasks directed by the Court, Settlement Class Counsel or Natrol’s Counsel.

1.33 “Settlement Agreement” means this Settlement Agreement and General Release, including all exhibits hereto.

1.34 “Settlement Class” means all Persons who fall within the definition of the class identified in Paragraph 2.

1.35 “Settlement Class Counsel” means Ronald A. Marron and Skye Resendes of the Law Offices of Ronald A. Marron.

1.36 “Settlement Class Co-Counsel” means Steven K. Kortanek of Womble, Carlyle, Sandridge & Rice, LLP.

1.37 “Settlement Class Members” means all Persons in the Settlement Class who do not validly exclude themselves (i.e. become Opt-Outs) pursuant to Paragraph 13.

1.38 Settlement Class Notice Process shall mean the process by which potential class members are given notice of the existence of the Settlement Agreement and given the opportunity to opt-out or object, as set forth in Paragraphs 11-13.

1.39 Settlement Class Period shall mean December 20, 2009 to the Preliminary Approval Date, as set by the Court.

1.40 "Settlement Website" means the website to be created by the Settlement Administrator as set forth in Paragraph 11.

PROPOSED CLASS FOR SETTLEMENT PURPOSES

2. **Settlement Class Definition.** Solely for the purposes of implementing this Settlement Agreement and effectuating the Settlement, pursuant to Fed. R. Civ. P. 23, the Parties hereto agree to certification of the following Settlement Class:

All residents of the United States of America who purchased in the United States of America for personal use and not resale or distribution, a Covered Product as listed in Exhibit B to the Settlement Agreement between December 20, 2009 and the Preliminary Approval Date. Specifically excluded from the Settlement Class are the following Persons: (a) Leaf 123, Plethico, and Natrol LLC and their respective affiliates, employees, officers, directors, agents and representatives and their immediate family members; (b) Settlement Class Counsel; and (c) any judge presiding over this matter and the members of his/her immediate family.

3. **Settlement Class Counsel.** Solely for the purpose of implementing this Settlement Agreement and effectuating the Settlement, the Parties stipulate to the entering of an order preliminarily certifying the Settlement Class, appointing Augustine as the representative for the Settlement Class and appointing the following as Settlement Class Counsel for the Settlement Class:

Ronald A. Marron
Skye Resendes
LAW OFFICES OF RONALD A. MARRON, APLC
651 Arroyo Drive
San Diego, California 92103
Telephone: (619) 696-9006
Facsimile: (619) 546-6665
ron@consumersadvocates.com
skye@consumersadvocates.com

4. **Settlement Administrator**

Solely for the purpose of implementing this Settlement Agreement and effectuating the Settlement, the Parties stipulate to identify and retain Classaura Class Action Administration (“Classaura”) as the Settlement Administrator, and stipulate to the Court entering an order appointing Classaura as the Settlement Administrator. The Parties further stipulate that all costs incurred by the Settlement Administrator will be split evenly between Augustine and Leaf 123, with each party’s responsibility for such costs not to exceed \$25,000.

5. **Adequacy**. Solely for the purpose of implementing this Settlement Agreement and effectuating the Settlement, the Parties stipulate to the Court entering an order preliminarily finding that Augustine and Settlement Class Counsel are adequate representatives and counsel for the Settlement Class, respectively.

BENEFITS TO THE CLASS

6. **Affirmative Injunctive Relief**. All Settlement Class Members, as well as any potential future purchaser of any of the Covered Products, will benefit from the following changes to the packaging of the Covered Products, which shall be fully-implemented no later than six months after April 1, 2015.

6.1 Natrol, LLC will emphasize in bold the language in the “Directions” section of the packaging that states “Do not take for more than 10 days unless directed by a doctor” while leaving the rest of the directions in standard font.

6.2 Natrol, LLC will add the same language (“Do not take for more than 10 days unless directed by a doctor”) on the back of the packaging.

6.3 Natrol, LLC represents that the “Dear Friend” language contained on the packaging for the Covered Products prior to 2013 is not currently being used on the packaging for any of the Covered Products, and agrees not to resume use of this language in the future.

RELEASE OF CLAIMS

7. **Release Provisions.** As of the Effective Date, the Releasing Parties are deemed to have fully released and forever discharged the Released Persons of any and all Released Claims by operation of entry of the Final Order and Judgment.

7.1 Subject to Court approval, all Settlement Class Members who have not validly excluded themselves from the Settlement Class shall be bound by this Settlement Agreement and Release and all of their Released Claims shall be dismissed with prejudice and released, irrespective of whether they received actual notice of this Settlement.

7.2 Nothing in the Release shall preclude any action to enforce the terms of this Settlement Agreement, including participation in any of the processes detailed herein.

8. **Additional Releases.** Except as to the rights and obligations provided for under this Agreement, each of Leaf 123, Plethico and Natrol, LLC releases and forever discharge as of the Effective Date, Augustine, the Settlement Class, Settlement Class Counsel and Settlement Class Co-Counsel from any and all claims, actions, causes of action, rights, demands, suits, debts, liens, contracts, agreements, offsets or liabilities, whether known or unknown, alleged or not alleged, foreseen or unforeseen, suspected or unsuspected, contingent or matured, liquidated or unliquidated, under federal, state or local law, whether by statute, contract, common law, or equity, which Leaf 123, Plethico or Natrol, LLC had, now has or may in the future have against Augustine, the Settlement Class Members, Settlement Class Counsel or Settlement Class Co-Counsel with respect to any conduct, acts, omissions, facts, matters, transactions or oral or written statements or occurrences arising out of the Action and/or the Settlement.

SETTLEMENT ADMINISTRATION

9. **Settlement Administrator.** The Settlement Administrator will work under the direction of Settlement Class Counsel and Natrol's Counsel, subject to the direction of the Court, in implementing the Settlement Class Notice Program and advising each member of the Settlement Class of his/her right to object to or opt-out of the Settlement.

10. **Payment of Notice and Administration Costs.** After entry of the Preliminary Approval Order, Augustine and Leaf 123 will pay reasonable Notice and Administration Costs arising under this Settlement Agreement by making such payments directly to the Settlement Administrator (or to such other party incurring such costs) as those costs are incurred and payment becomes due. Each party's obligation for such costs is limited to \$25,000.

11. **Settlement Class Notice Program.** Classaura shall cause to be published a mutually agreed upon press release on the PR Newswire containing language relating to the Settlement. Classaura shall also cause to be published in U.S.A. Today for a period of 4 days the Class Notice that is mutually agreed to by the parties and approved by the Court. Classaura will also create and maintain the Settlement Website, which will include the Class Notice, relevant court documents, and information on how a potential class member can opt-out or object to the Settlement.

OBJECTIONS AND OPT-OUT RIGHTS

12. **Objections.** Any Settlement Class Member who intends to object must do so on or before the Opt-Out and Objection Date.

12.1 In order to object, the Settlement Class Member must include in a written objection submitted to the Court and served on Settlement Class Counsel and Natrol's Counsel:

(i) the name, address and telephone number of the Person objecting and, if represented by

counsel, of his/her counsel; (ii) a signed declaration stating that he/she is a member of the Settlement Class and purchased one or more of the Covered Products; (iii) a statement of all objections to the Settlement; and (iv) a statement of whether he/she intends to appear at the Fairness Hearing, either with or without counsel, and if with counsel, the name of his/her counsel who will attend.

12.2 Any Settlement Class Member who fails to file and serve timely a written objection and notice of his/her intent to appear at the Fairness Hearing pursuant to this Paragraph and as detailed in the Class Notice, shall not be permitted to object to the approval of the Settlement at the Fairness Hearing.

13. **Opt-Outs.** A member of the Settlement Class who wishes to opt-out of the Settlement Class must complete and send to the Settlement Administrator a written request for exclusion that is post-marked no later than the Opt-Out and Objection Date. The request for exclusion must be personally signed by the member of the Settlement Class requesting exclusion, contain a statement that indicates his/her desire to be excluded from the Settlement Class and contain a statement that he/she is otherwise a member of the Settlement Class and purchased one or more of the Covered Products. A member of the Settlement Class may opt-out on an individual basis only; so-called “mass” or “class” opt-outs shall not be allowed.

13.1 Except for those members of the Settlement Class who timely and properly file a request for exclusion, all members of the Settlement Class will be deemed to be Settlement Class Members for all purposes under the Settlement Agreement, and upon the Effective Date will be bound by its terms, regardless of whether they file a Claim Form or receive any monetary relief.

13.2 Any member of the Settlement Class who properly opts-out of the Settlement Class shall not: (i) be bound by any orders or judgments entered in the Action relating to the Settlement; (ii) be entitled to relief under, or be affected by, the Settlement Agreement; (iii) gain any rights by virtue of the Settlement Agreement; or (iv) be entitled to object to any aspect of the Settlement.

13.3 The Settlement Administrator shall provide Settlement Class Counsel and Natrol's Counsel with the Opt-Out List within five (5) Days after the Opt-Out and Objection Date.

ATTORNEY'S FEES AND COSTS AND INCENTIVE AWARD

14. **Attorney's Fee Award.** On or before thirty seven (37) Days prior to the Fairness Hearing, Settlement Class Counsel and Settlement Class Co-Counsel will apply to the Court for an award of attorney's fees and costs in the amount of seven hundred ninety nine thousand dollars (\$799,000). Leaf 123, Plethico and Natrol, LLC will not oppose the application for an Attorney's Fee award up to that amount. Settlement Class Counsel and Settlement Class Co-Counsel agree that upon payment by Leaf 123 and Plethico of the Attorney's Fee Award as directed by the Court (which unless directed otherwise by the Court shall be paid by Leaf 123 and/or Plethico within ten (10) Days after the date of any court order so providing, notwithstanding the existence of any timely filed objections thereto, or appeal (actual or potential) therefrom, or collateral attack on the Settlement or any part thereof, subject to Settlement Class Counsel's and Settlement Class Co-Counsel's obligation to make appropriate refunds or repayments if and when, as a result of any appeal and/or further proceedings on remand, or successful collateral attack, the fee or cost award is reduced. After payment is made as discussed in this paragraph, Leaf 123 and Plethico's obligations to Settlement Class Counsel

and Settlement Class Co-Counsel regarding the Action shall be fully satisfied and discharged, and Settlement Class Counsel and Settlement Class Co-Counsel shall have no further or other claim against Leaf 123 or Plethico regarding the Action, including but not limited to a claim for enforcement of any attorney's lien.

15. **Incentive Award.** On or before thirty seven (37) Days prior to the Fairness Hearing, Augustine will apply for an Incentive Award not to exceed one thousand dollars (\$1,000). Leaf 123, Plethico and Natrol, LLC will not oppose Augustine's application up to that amount and will pay any Incentive Award (up to \$1,000) that is awarded by the Court. Any Incentive Award will be paid by Leaf 123 and/or Plethico separate from the Attorney's Fee Award, and will be paid by Leaf 123 and/or Plethico within ten (10) Days after the Effective Date (unless directed otherwise by the Court).

16. **No Effect On Finality.** Any order or proceeding relating to the applications for the Attorney's Fee Award or the Incentive Award, or any appeal from any order relating thereto or reversal or modification thereof, will not operate to terminate or cancel this Settlement Agreement, or affect or delay the finality of the Final Order and Judgment approving the Settlement Agreement and the Settlement.

SETTLEMENT APPROVAL PROCESS

17. After execution of this Settlement Agreement, the Parties shall promptly move the Court to enter the Preliminary Approval Order that is without material alteration from Exhibit B hereto, which

17.1 Preliminarily approves this Settlement Agreement;

17.2 Preliminarily certifies the Settlement Class for the sole purpose of effectuating the Settlement;

17.3 Finds that the proposed Settlement is sufficiently fair, reasonable and adequate to warrant providing notice to the Settlement Class;

17.4 Schedules a Fairness Hearing for final approval of this Settlement and Settlement Agreement to consider the fairness, reasonableness and adequacy of the proposed Settlement and whether it should be finally approved by the Court, such Fairness Hearing to take place not less than sixty five (65) Days after the Preliminary Approval Date, unless a longer period is required under 28 U.S.C. § 1715(b), the Class Action Fairness Act notice requirement;

17.5 Appoints the Settlement Administrator in accordance with Paragraphs 4 and 9 of this Settlement Agreement;

17.6 Appoints Ronald A. Marron and Skye Resendes of the Law Offices of Ronald A. Marron, APLC as Settlement Class Counsel; and Jessica Augustine at the Settlement Class Representative;

17.7 Approves the form of Class Notice, and directs the Settlement Administrator to disseminate the Class Notice in accordance with the Settlement Class Notice Program;

17.8 Finds that the Settlement Class Notice Program: (i) is the best practicable notice; (ii) is reasonably calculated, under the circumstances, to apprise the Settlement Class of the pendency of the Action and their right to object to or to exclude themselves from the proposed Settlement; (iii) is reasonable and constitutes due, adequate and sufficient notice to all Persons entitled to receive notice; and (iv) meets all requirements of due process and applicable law;

17.9 Requires the Settlement Administrator to file proof of compliance with the Settlement Class Notice Program at or before the Fairness Hearing;

17.10 Approves the creation of the Settlement Website in accordance with the terms of this Settlement Agreement.

17.11 Requires any member of the Settlement Class who wishes to exclude himself/herself from the Settlement Class to submit an appropriate, timely request for exclusion, postmarked no later than the Opt-Out and Objection Date, or as the Court may otherwise direct, to the Settlement Administrator at the address on the Class Notice;

17.12 Orders that any member of the Settlement Class who does not submit a timely, written request for exclusion from the Settlement Class (*i.e.*, becomes an Opt-Out) will be bound by all proceedings, orders and judgments in the Action;

17.13 Requires any Settlement Class Member who does not become an Opt-Out and who wishes to object to the fairness, reasonableness or adequacy of this Settlement or Settlement Agreement to file with the Court and serve on Settlement Class Counsel and Natrol's Counsel no later than the Opt-Out and Objection Date, or as the Court may otherwise direct, a written statement of the objection signed by the Settlement Class Member containing all of the following information: (i) the objector's full name, address, and telephone number; (ii) a signed declaration that he or she is a member of the Settlement Class and purchased one or more of the Covered Products; (iii) a written statement of all grounds for the objection; (iv) if the objector intends to appear at the Fairness Hearing through counsel, the objection must also identify the attorney representing the objector who will appear at the Fairness Hearing;

17.14 Any response to an objection shall be filed with the Court no later than seven (7) Days prior to the Fairness Hearing or such other date and time as set forth in the notice of the motion seeking approval of this Settlement Agreement;

17.15 Specifies that any Settlement Class Member who does not file a timely written objection to the Settlement or who fails to otherwise comply with the requirement of Paragraphs 15-16 of this Settlement Agreement shall be foreclosed from seeking any adjudication or review of this Settlement by appeal or otherwise.

17.16 Requires by no later than the Opt-Out and Objection Date (or as the Court otherwise may direct) any attorney hired by a Settlement Class Member for the purpose of objecting to the proposed Settlement, the Attorney's Fee Award or the Incentive Award who intends to make an appearance at the Fairness Hearing to file with the Clerk of the Court a notice of intention to appear and provide a copy of said notice to the Settlement Administrator (who shall forward it to Settlement Class Counsel and Natrol's Counsel);

17.17 Requires that any Settlement Class Member who files and serves a written objection and who intends to make an appearance at the Fairness Hearing shall so state in his/her objection papers;

17.18 Directs the Settlement Administrator to establish a post office box in the name of the Settlement Administrator to be used for receiving requests for exclusion and any other communications, and providing that only the Settlement Administrator, Settlement Class Counsel, Natrol's Counsel, the Court, the Clerk of the Court and their designated agents shall have access to this post office box, except as otherwise provided in this Settlement Agreement;

17.19 Directs that Settlement Class Counsel and Settlement Class Co-Counsel shall file their applications for the Attorney's Fee Award and Augustine's Incentive Award in accordance with the terms sets forth in Paragraphs 14-15 of this Settlement Agreement;

17.20 Orders the Settlement Administrator to provide the Opt-Out List to Settlement Class Counsel and Natrol's Counsel no later than five (5) Days after the Opt-Out and

Objection Date, and then file with the Court the Opt-Out List with an affidavit attesting to the completeness and accuracy thereof no later than three (3) Days thereafter.

17.21 **Preliminary Injunction.** In further aid of the Court's jurisdiction to implement and enforce the Settlement, Augustine and members of the Settlement Class and their counsel are preliminarily enjoined and barred (solely during the period from entry of the Preliminary Approval Order until the decision whether to grant a Final Order and Judgment after the Fairness Hearing) from: (i) filing, commencing, prosecuting, intervening in or participating (as a plaintiff, claimant, class member or otherwise) in any other lawsuit or administrative, regulatory, arbitration or other proceeding in any jurisdiction based on, related to, or arising out of the claims and causes of action or the facts and circumstances giving rise to the Action (unless and until they have timely excluded themselves from the Settlement Class); (ii) filing, commencing, participating in or prosecuting (including by seeking to amend a pending complaint including class allegations or seeking class certification in a pending action) a lawsuit or administrative, regulatory, arbitration or other proceeding as a class action based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Action where the purposed class would include any member of the Settlement Class; and (iii) attempting to effect Opt-Outs of a class of individuals in any lawsuit or administrative, regulatory, arbitration or other proceeding based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Action. This Settlement Agreement is not intended to prevent members of the Settlement Class from participating in any action or investigation initiated by a state or federal agency; and

17.22 Contains any additional provisions agreeable to the Parties that might be necessary or advisable to implement the terms of this Settlement Agreement and the proposed Settlement.

FINAL ORDER AND JUDGMENT AND RELEASES

18. If this Settlement Agreement (including any modification thereto made with the consent of the Parties as provided herein) is approved by the Court in its Preliminary Approval Order (irrespective of whether the Fairness Hearing is held), the Parties shall request the Court to enter a Final Order and Judgment pursuant to the Federal Rules of Civil Procedure, Federal Rules of Bankruptcy Procedure, and all applicable laws that, among other things:

18.1 Finds that the Court has personal jurisdiction over Augustine and all Settlement Class Members and that the Court has subject matter jurisdiction to approve this Settlement and Settlement Agreement and all exhibits thereto;

18.2 Certifies the Settlement Class solely for purposes of effectuating this Settlement;

18.3 Grants final approval to this Settlement Agreement as being fair, reasonable and adequate as to all Parties and consistent and in compliance with all requirements of due process and applicable law, as to and in the best interests of all Parties and directs the Parties and their counsel to implement and consummate this Settlement Agreement in accordance with its terms and provisions;

18.4 Declares this Settlement Agreement and the Final Order and Judgment to be binding on and have *res judicata* and preclusive effect in all pending and future lawsuits or other proceedings encompassed by the Released Claims and maintained by or on behalf of Augustine and all Settlement Class Members, as well as Augustine's present, former and future

administrators, agents, assigns, attorneys, executors, heirs, partners, predecessors-in-interest and successors;

18.5 Finds that the Settlement Notice Program: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated under the circumstances to apprise the Settlement Class of the pendency of the Action, of their right to object to or exclude themselves from the proposed Settlement, of their right to appear at the Fairness Hearing and of their right to seek monetary and other relief; (iii) constituted reasonable, due, adequate and sufficient notice to all Persons entitled to receive notice; and (iv) met all requirements of due process and any other applicable law;

18.6 Finds that Settlement Class Counsel, Settlement Class Co-Counsel and Augustine adequately represented the Settlement Class for purposes of entering into and implementing the Settlement and Settlement Agreement;

18.7 Directs Augustine to withdraw all individual claims asserted in the Action, Case No.1:14-cv-01869 with prejudice, and all class claims in that Action without prejudice, and without fees or costs except as provided herein, in accordance with the terms of the Final Order and Judgment within five (5) days of entry of the Final Order and Judgment;

18.8 Deems Augustine's Bankruptcy Claim satisfied and released in full without any further action by Augustine or the Debtors and waives Augustine's right to further amend the Bankruptcy Claim or to seek any additional recovery from the Debtors or the bankruptcy estates with respect to the claims alleged in the Bankruptcy Claim;

18.9 Adjudges that Augustine and the Settlement Class have conclusively compromised, settled, dismissed and released any and all Released Claims against Leaf 123, Plethico and Natrol, LLC, and approves the terms of the Release in its entirety;

18.10 Approves payment of the Attorney's Fee Award and the Augustine Incentive Award;

18.11 Without affecting the finality of the Final Order and Judgment for purposes of appeal, reserves jurisdiction over the Settlement Administrator, Leaf 123, Plethico, Natrol, LLC, Augustine and the Settlement Class Members as to all matters relating to the administration, consummation, enforcement and interpretation of the terms of the Settlement, the Settlement Agreement and Final Order and Judgment and for any other necessary purposes;

18.12 Provides that on the Effective Date, Augustine and all Settlement Class Members shall be barred from asserting any Released Claims against Leaf 123, Plethico and Natrol, LLC and/or any Released Persons, and any such Settlement Class Members shall have released any and all Released Claims as against Leaf 123, Plethico and Natrol, LLC and all Released Persons;

18.13 Determines that the Settlement Agreement and the Settlement provided for therein and any proceedings taken pursuant thereto are not and should not in any event be offered or received as evidence of, a presumption, concession or an admission of liability or of any misrepresentation or omission in any statement or written document approved or made by Leaf 123, Plethico or Natrol, LLC or any Released Persons or of the suitability of these or similar claims to class treatment in active litigation and trial; provided however, that reference may be made to this Settlement Agreement and the Settlement provided therein in such proceedings solely as may be necessary to effectuate the Settlement Agreement;

18.14 Bars and permanently enjoins all Settlement Class Members from: (i) filing, commencing, prosecuting, intervening in or participating (as a plaintiff, claimant, class member or otherwise) in any other lawsuit or administrative, regulatory, arbitration or other

proceeding in any jurisdiction based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Released Claims; (ii) organizing Settlement Class Members who have not excluded themselves from the Settlement Class into a separate class for the purpose of pursuing as a purported class action any lawsuit or arbitration or other proceedings (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action) based on, relating to or arising out of the claims and causes of action or the facts and circumstances giving rise to the Released Claims, except that Settlement Class Members are not precluded from participating in any investigation or suit initiated by a state or federal agency;

18.15 Approves the Opt-Out List and determines that the Opt-Out List is a complete list of all members of the Settlement Class who have timely requested exclusion from the Settlement Class and, accordingly, shall neither share in nor be bound by the Final Order and Judgment; and

18.16 Authorizes the Parties, without further approval from the Court, to agree to and adopt such amendments, modifications and expansions of this Settlement Agreement and all exhibits hereto as (i) shall be consistent in all material respects with the Final Order and Judgment, and (ii) do not limit the rights of the Parties or the Settlement Class Members.

EFFECTIVE DATE

19. The Effective Date of this Settlement Agreement shall be the date when each and all of the following conditions have occurred:

19.1 This Settlement Agreement has been fully executed by all Parties and their counsel;

19.2 The Court has entered the Preliminary Approval Order certifying the Settlement Class solely for settlement purposes, granting preliminary approval of this Settlement and approving the forms of Class Notice and Claim Form, all as provided above;

19.3 The Settlement Class Notice Program has been executed in accordance with the Preliminary Approval Order;

19.4 The Court has entered a Final Order and Judgment finally approving this Settlement Agreement, as provided above; and

19.5 The Final Order and Judgment has become Final. "Final," when referring to a judgment or order means that (i) the judgment is a final, appealable judgment; and (ii) either (a) no appeal has been taken from the judgment as of the date on which all times to appeal therefrom have expired, or (b) an appeal or other review proceeding of the judgment having been commenced, the date by which such appeal or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions or rehearing or re-argument, petitions for rehearing en banc, petitions for writ of certiorari, or otherwise, and such appeal or other review has been finally resolved in a manner that affirms the Final Order and Judgment in all material respects.

TIMING OF PAYMENT OBLIGATIONS

20. **In General.** Leaf 123 and Plethico shall have no obligation to make any payment under this Settlement Agreement, and Natrol, LLC shall have no obligation to implement any changes to the packaging of the Covered Products until the Court enters the Preliminary Approval Order.

21. **Payments After Preliminary Approval.** After entry of the Preliminary Approval Order and pursuant to Paragraph 10, Leaf 123 and Augustine shall each pay the Notice

and Administration Costs as those costs are incurred and payment becomes due in an amount not to exceed \$25,000.

22. **Payments After Entry of The Final Order and Judgment.** Leaf 123 and Plethico shall have no obligation to make any payments under this Paragraph until after the Court enters (meaning, the date issued by the Court) the Final Order and Judgment.

22.1 Within ten (10) Days after the Court enters its Final Order and Judgment, or any other Court order so providing, , and pursuant to Paragraph 14, Leaf 123 and/or Plethico shall pay the Attorney's Fee Award to Settlement Class Counsel.

22.2 Within ten (10) Days after the Effective Date (unless directed otherwise by the Court), and pursuant to Paragraph 15, Leaf 123 and/or Plethico shall pay Augustine's Incentive Award.

WITHDRAWAL FROM OR TERMINATION OF SETTLEMENT

23. **Termination By Any Party.** Each of the Parties shall have the right to terminate his, her or its participation in the Settlement and terminate the Settlement Agreement by providing written notice of its election to do so to counsel for all other Parties hereto within fourteen (14) Days of the occurrence of any of the following:

23.1 The Court denies approval of the Settlement Agreement in any material respect or the Court's approval is reversed or materially modified on appeal (except that an Attorney's Fee Award or Incentive Award less than that to which Leaf 123, Plethico and Natrol, LLC have agreed not to object shall not be deemed to be a material alteration);

23.2 The Court considers and fails to approve and enter the Preliminary Approval Order or the Final Order and Judgment, as described in Paragraphs 17-18 in any material respect or the Court's approval is reversed or modified on appeal; or

23.3 The Final Order and Judgment fails to become Final for any reason.

24. **Effect of Withdrawal or Termination.** In the event that the Settlement Agreement is terminated pursuant to its terms or is not approved in any material respect by the Court, or such approval is reversed, vacated or modified in any material respect by the Court or by any other court, or otherwise fails to become final:

24.1 The Settlement Agreement shall be come null and void and of no further force and effect;

24.2 The Parties shall be restored to their litigation position existing before the execution of this Settlement Agreement; and

24.3 The Action shall proceed as if the Settlement Class had never been certified and no reference to the Settlement Class, this Settlement Agreement or any documents, communications or negotiations related in any way thereto shall be made for any purpose in the Action, prosecution of the Bankruptcy Claim, or in any other action or proceeding.

NO ADMISSION OF WRONGDOING OR LIABILITY AND NON-ADMISSIBILITY

25. **No Admission of Wrongdoing or Liability.** Leaf 123, Plethico and Natrol, LLC have denied, and continue to deny, all allegations and claims asserted in the Action. This Settlement is made solely in order to eliminate the burden, expense and uncertainties of further litigation.

26. **Non-Admissibility.** This Settlement Agreement, whether or not consummated, and any of its provisions, its exhibits or related documents (including but not limited to drafts of the Settlement Agreement, the Preliminary Approval Order or the Final Order and Judgment), its negotiation or any proceedings relating in any way to the Settlement shall not be construed as or deemed to be evidence of an admission or concession by any Person, including Leaf 123,

Plethico or Natrol, LLC, and shall not be offered or received in evidence, or subject to discovery, or used for any purpose (including the existence, certification or maintenance of any proposed or existing class or the amenability of these or similar claims to class treatment in this or any other action or proceeding) except in an action brought to enforce its terms or except as may be required by law or Court order.

NOTICES

27. All notices (other than the Class Notice) required by the Settlement Agreement shall be made in writing and communicated by mail to the following addresses:

27.1 All notices to Settlement Class Counsel shall be sent to:

Ronald A. Marron
Skye Resendes
LAW OFFICES OF RONALD A. MARRON, APLC
651 Arroyo Drive
San Diego, California 92103
Telephone: (619) 696-9006
Facsimile: (619) 546-6665
ron@consumersadvocates.com
skye@consumersadvocates.com

27.2 All notices to Natrol's Counsel shall be sent to:

Brian A. Procel
MILLER BARONDESS LLP
1999 Avenue of the Stars
Suite 1000
Los Angeles, CA 90067
bprocel@millerbarondess.com
Telephone (310) 552-4400

Maris J. Kandestin
YOUNG CONAWAY STARGATT & TAYLOR, LLP
1000 North King Street
Wilmington, DE 19801
mkandestin@yest.com
Telephone (302) 571-6600

28. The notice recipients and addresses designated above may be changed by written notice.

29. Upon the request of any of the Parties, the Parties agree to promptly provide each other with copies of comments, objections, requests for exclusion, or other documents or filings received as a result of the Class Notice.

MISCELLANEOUS PROVISIONS

30. **Interpretation.** All terms contained herein are contractual. For the purpose of construing or interpreting this Settlement Agreement, the Parties agree that the Settlement Agreement is to be deemed to have been drafted equally by all Parties hereto and shall not be construed strictly for or against any Party, and the Parties further agree that any prior drafts may not be used to construe or interpret this Settlement Agreement.

31. **Binding Effect.** The terms are and shall be binding upon each of the Parties hereto, their administrators, agents, assigns, attorneys, executors, heirs, partners, representatives, predecessors-in-interest and successors as well as upon all other Persons claiming any interest in the subject matter hereto through any of the Parties hereto including any Settlement Class Members.

32. **Headings.** The headings contained in this Settlement Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Settlement Agreement.

33. **No Rescission on Grounds of Mistake.** The Parties acknowledge that they have made their own investigation of the matters covered by this Settlement Agreement to the extent they have deemed it necessary to do so. Therefore, the Parties agree that they will not seek to set aside any part of the Settlement Agreement on the grounds of mistake. Moreover, the Parties

understand, agree and expressly assume the risk that any fact not recited, contained or embodied in the Settlement Agreement may turn out hereinafter to be other than, different from or contrary to the facts now known to them or believed by them to be true, and further agree that the Settlement Agreement shall be effective in all respects notwithstanding and shall not be subject to termination, modification or recession by reason of any such difference in facts.

34. **Amendment.** The Settlement Agreement may be amended or modified only by a written instrument signed by all signatories hereto (or their successors-in-interest) or their counsel, and a Party may not be deemed to have waived any provision except by a writing signed by that Party (or its successor-in-interest) or its counsel. Amendments and modifications may be made without notice to the Settlement Class unless such notice is required by law or by the Court.

35. **No Waiver.** The waiver by one Party of any breach of this Settlement Agreement by any other Party shall not be deemed a waiver by the waiving Party of any other prior or subsequent breach of this Settlement Agreement or a waiver by any other Party of any breach of the Settlement Agreement.

36. **Integration.** This Settlement Agreement and its exhibits (which are an integral and material part of the Settlement and are hereby specifically incorporated and made a part of the Settlement Agreement) constitute the entire agreement among the Parties concerning this Settlement Agreement, and no representations, warranties or inducements have been made by any Party concerning this Settlement Agreement and its exhibits other than those contained, memorialized or referenced in such documents. This Settlement Agreement contains the entire agreement among the Parties hereto and supersedes any prior or contemporaneous discussions,

agreements, or understandings among them as well as any and all prior drafts of this Settlement Agreement.

37. **Jurisdiction.** The United States Bankruptcy Court for the District of Delaware has jurisdiction over interpretation of this Settlement Agreement, the Parties to this Settlement Agreement and the Settlement Class.

38. **Governing Law.** The construction, interpretation, operation, effect and validity of this Settlement Agreement, and all documents necessary to effectuate it, shall be governed by the laws of the State of California without regard to conflicts of law, except to the extent that federal law requires that federal law govern.

39. **Counterparts.** This Settlement Agreement may be executed in counterparts and may be executed by facsimile or electronic signature, and as so executed shall constitute one agreement.

40. **Cooperation.** The Parties agree (a) to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and this Settlement, (b) to use best efforts to promptly agree upon and execute all such other documentation as may be reasonably required to obtain final approval by the Court of the Settlement, and (c) to cooperate in formulating a procedural means to preserve Augustine's rights with respect to any proposed plan or other pending relief in the Bankruptcy Cases, such that failure of approval of this Settlement Agreement shall not unfairly prejudice Augustine's rights.

41. **Authority to Sign.** All counsel and all other persons executing this Settlement Agreement or any of the exhibits hereto, or any incorporated Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take

appropriate action required or permitted to be taken pursuant to the Settlement Agreement to effectuate its terms.

42. **No Media Statements.** Subject to the Preliminary Approval Order issued by the Court, neither Augustine, Settlement Class Counsel or any other counsel acting on behalf of Augustine, or Natrol's Counsel shall issue any press release or make any statement to any media or press of any sort, regarding this Settlement, including any references on websites maintained by Augustine or Settlement Class Counsel, other than to state that the Action has been resolved on terms satisfactory to the Parties and contained in this Settlement Agreement. Nothing in this Paragraph prevents Settlement Class Counsel from including statements factually recounting the Settlement and its role as class counsel on its website or in resumes or attorney biographies.

43. **No Assignment.** Augustine represents that no portion of any claim, right, demand, action or cause of action against the Released Persons that Augustine has or may have arising out of any allegations made in the Action or pertaining to any of the Released Claims, and no portion of any recovery or settlement to which Augustine may be entitled has been assigned, transferred or conveyed by or for Augustine, in any manner; and no Person other than Augustine has any legal or equitable interest in the claims, demands, actions or causes of action referred to in this Agreement as those of Augustine.

44. **Dismissal of Augustine v. Natrol.** Within five (5) Days of the Effective Date, Augustine will seek a dismissal with prejudice of all of Augustine's individual claims, and without prejudice to her Class claims in Case No. 3:13-cv-03129 as well as her individual and the Settlement Class claims in Adv. Pro No. 14-50795 (BLS).

45. Amendment of Augustine Claim in Bankruptcy. Augustine's Bankruptcy Claim in the Leaf 123 Bankruptcy shall be deemed satisfied in accordance with the terms of the Settlement Agreement on the Effective Date.

IN WITNESS WHEREOF, the Parties have executed and cause this Agreement to be executed by their duly authorized representatives below.

Plaintiff


Jessica Augustine

Dated: 04/02/2015

Defendant

Leaf 123, Inc.

By _____

Dated: _____

Its _____

Plethico Pharmaceuticals Limited of India

By _____

Dated: _____

Its _____

Natrol, LLC

By _____

Dated: _____

Its _____

Approved as to form

45. Amendment of Augustine Claim in Bankruptcy. Augustine's Bankruptcy Claim in the Leaf 123 Bankruptcy shall be deemed satisfied in accordance with the terms of the Settlement Agreement on the Effective Date.

IN WITNESS WHEREOF, the Parties have executed and cause this Agreement to be executed by their duly authorized representatives below.

Plaintiff

Jessica Augustine

Dated: _____

Defendant

Leaf 123, Inc.

By Jeffrey C. Peron
Its CHIEF FINANCIAL OFFICER

Dated: 4/3/2015

Plethico Pharmaceuticals Limited of India

By _____

Dated: _____

Its _____

Natrol, LLC

By _____

Dated: _____

Its _____

Approved as to form

45. Amendment of Augustine Claim in Bankruptcy. Augustine's Bankruptcy Claim in the Leaf 123 Bankruptcy shall be deemed satisfied in accordance with the terms of the Settlement Agreement on the Effective Date.

IN WITNESS WHEREOF, the Parties have executed and cause this Agreement to be executed by their duly authorized representatives below.

Plaintiff

Jessica Augustine

Dated: _____

Defendant

Leaf 123, Inc.

By _____

Dated: _____

Its _____

Plethico Pharmaceuticals Limited of India

By /s/ Shashikant Patel _____

Dated: 4/3/15 _____

Its CMD _____

Natrol, LLC

By _____

Dated: _____

Its _____

Approved as to form

45. Amendment of Augustine Claim in Bankruptcy. Augustine's Bankruptcy Claim in the Leaf 123 Bankruptcy shall be deemed satisfied in accordance with the terms of the Settlement Agreement on the Effective Date.

IN WITNESS WHEREOF, the Parties have executed and cause this Agreement to be executed by their duly authorized representatives below.

Plaintiff

Jessica Augustine

Dated: _____

Defendant

Leaf 123, Inc.

By _____

Dated: _____

Its _____

Plethico Pharmaceuticals Limited of India

By _____

Dated: _____

Its _____

Natrol, LLC

By 

Dated: 4-2-15

Its CEO

Approved as to form

LAW OFFICES OF RONALD A. MARRON, APLC

By: /s/ Ronald A. Marron
Ronald A. Marron

651 Arroyo Drive
San Diego, California 92103
ron@consumersadvocates.com
Telephone: (619) 696-9006
Facsimile: (619) 546-6665

Settlement Class Counsel

MILLER BARONDESS

By: /s/ Brian A. Procel
Brian A. Procel

1999 Avenue of the Stars
Suite 1000
Los Angeles, CA 90067
bprocel@millerbarondess.com
Telephone: (310) 552-4400

YOUNG CONAWAY STARGATT & TAYLOR, LLP

By: /s/ Maris J. Kandestin
Maris J. Kandestin

1000 North King Street
Wilmington, DE 19801
mkandestin@ycst.com
Telephone (302) 571-6600

*Counsel for Leaf 123, Inc.,
Plethico Pharmaceuticals Limited of India, and
Natrol, LLC, respectively*