

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No. 17-21468-CIV-RNS

LISA MOLLICONE and MILLIE LAND,)
on behalf of themselves, all others similarly)
situated, and the general public,)

Plaintiffs,)

vs.)

UNIVERSAL HANDICRAFT, INC.,)
D/B/A "Deep Sea Cosmetics" d/b/a)
"Adore Organic Innovations;" and)
SHAY SABAG SEGEV,)

Defendants.)

_____ /

SETTLEMENT AGREEMENT OF CLASS ACTION CLAIMS

This Settlement Agreement (“Agreement” or “Settlement Agreement”) is made and entered into by, between and among Plaintiffs Lisa Mollicone and Millie Land, on their own behalf and on behalf of the Settlement Class, defined below (hereafter collectively referred to as “Plaintiffs”), and Defendants Universal Handicraft, Inc. (“UHI”) and Shay Sabag Segev (“Mr. Segev”), (collectively, the “Defendants”) and The Hartford Fire Insurance Company (“Defendants’ Insurer”), (collectively, the “Parties”).

I. RECITALS

1.1 WHEREAS, on September 29, 2016, Plaintiff Lisa Mollicone filed a class action complaint in the United States District Court for the Central District of California, Case No. 2:16-cv-07322-CAS-MRW (the “*Mollicone* Action”) against Defendants Universal Handicraft, Inc. and Shay Sabag Segev alleging that Defendants fraudulently advertise the plant stem cell technology incorporated into UHI’s Adore Organic Innovation products (hereinafter, the “Adore Products”) and asserting causes of action for: (1) intentional fraud and deceit, pursuant to California Civil Code §§ 1709–1711; (2) fraud by omission and suppression of facts, pursuant to California Civil Code § 1710(3); (3) negligent misrepresentation; (4) rescission of purchase contracts based on fraudulent inducement; (5) rescission of purchase contracts based on illegality and violations of public policy; (6) quasi-contract/unjust enrichment; (7) declaratory relief pursuant to 28 U.S.C. §§ 2201–2202; (8) breach of express warranties; (9) breach of the implied warranty of merchantability; (10) violations of the Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301 et seq.; (11) violations of the California Consumer Legal Remedies Act (“CLRA”), Cal. Civ. Code §§ 1750 et seq.; (12) violations of California’s False Advertising Law (“FAL”), Cal. Civ. Code. §§ 17500 et seq.; (13) violations of California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200 et seq.; (14) violations of New Jersey’s Consumer Fraud Act (“CFA”), N.J.S.A. § 56:8-1 et seq.; and (15) violations of New Jersey’s Truth-in-Consumer Contract Warranty and Notice Act (“TCCWNA”), N.J. Stat. Ann. §§ 56:12-14–56:12-18.

1.2 WHEREAS, on April 17, 2017, the Honorable Judge Christina A. Snyder issued an Order transferring the *Mollicone* Action to the United States District Court for the Southern District of Florida, Case No. 17-21468-CIV-RNS.

1.3 WHEREAS, on May 25, 2017, Plaintiff Millie Land filed a class action complaint in the United States District Court for the Southern District of Florida, Case No. 1:17-cv-21947-CMA (the “*Land* Action”) against Defendants Universal Handicraft, Inc. and Shay Sabag Segev

alleging that Defendants fraudulently advertise the plant stem cell technology incorporated into UHI's Adore Organic Innovation products (hereinafter, the "Adore Products") and asserting causes of action for: (1) breach of express warranty; and (2) Unjust Enrichment.

1.4 WHEREAS, on July 27, 2017, the Honorable Judge Robert N. Scola Jr. issued an Order consolidating the *Land* Action with the *Mollicone* Action (the "Consolidated Action", "Litigation", or the "Class Action").

1.5 WHEREAS, on August 2, 2017, Plaintiffs Lisa Mollicone and Millie Land filed a Third Amended Complaint in the Class Action against Defendants Universal Handicraft, Inc. and Shay Sabag Segev alleging that Defendants fraudulently advertise the plant stem cell technology incorporated into UHI's Adore Organic Innovation products (hereinafter, the "Adore Products") and asserting causes of action for: (1) breach of express warranty; (2) unjust enrichment; (3) negligent misrepresentation; (4) intentional fraud; (5) violations of the California Consumer Legal Remedies Act ("CLRA"), Cal. Civ. Code §§ 1750 et seq.; (6) violations of California's False Advertising Law ("FAL"), Cal. Civ. Code. §§ 17500 et seq.; and (7) violations of California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200 et seq.

1.6 WHEREAS, on January 15, 2018, the Parties mediated the claims and defenses at issue in the Class Action before David H. Lichter, Esq. on January 15, 2018. As a result of the mediation, Plaintiffs and Defendants reached a settlement of the Class Action in principle, subject to negotiation and execution of this Agreement and subject to preliminary and final approval by the Court, as required by Federal Rule of Civil Procedure 23.

1.7 Plaintiffs and Class Counsel believe this Agreement provides benefits to the Settlement Class, is fair, reasonable and adequate, and is in the best interests of Plaintiffs and the Settlement Class Members.

1.8 WHEREAS, this Agreement was reached after extensive review of the underlying facts and after extensive arm's length negotiations between Class Counsel and counsel for Defendants.

1.9 WHEREAS, based upon the discovery and investigation to date and evaluation of the facts and law relating to the matters alleged in the pleadings, including Defendants' affirmative defenses and arguments, Plaintiffs and Class Counsel have agreed to settle, subject to court approval, the claims asserted in the Action pursuant to the provisions of this Agreement. In so doing, Plaintiffs and Class Counsel have considered the terms of this Agreement, the

numerous risks of continued litigation and other factors, including but not limited to the following:

- a. the expense and length of time necessary to prosecute this Action through trial;
- b. the uncertainty of a successful outcome at trial and the possibility of an appeal by either side following the trial;
- c. the possibility that a contested class might not be certified, and if certified, the possibility that such certification would be reversed on appeal;
- d. the fact that Defendants would file a motion for summary judgment that, if granted, would dispose of all or many of the claims in this Action; and
- e. the benefits being made available to Plaintiffs and the Settlement Class Members under the terms of this Agreement.

1.10 WHEREAS, **Defendants deny any liability or any wrongdoing of any kind whatsoever**, and stand by the Adore Products and advertising thereof. Nevertheless, Defendants consider it desirable that the Class Action be resolved upon the terms and conditions set forth in this Agreement in order to avoid the expense, risk, uncertainty, and interference with UHI's ongoing business operations inherent in any litigation, and to obtain the releases as described herein.

1.11 WHEREAS, the Parties have engaged in extensive and hard-fought settlement negotiations, the combined result of which is memorialized in the terms set forth in this Settlement Agreement.

1.12 **NOW, THEREFORE**, without any admission or concession whatsoever on the part of Plaintiffs of the lack of merit of this Action, or any admission or concession of liability or wrongdoing or as to the lack of merit of any defense whatsoever by Defendants, it is hereby agreed by the undersigned, on behalf of Plaintiffs, the Settlement Class, and Defendants that, in consideration of the promises and covenants set forth herein, the Class Action and all claims of the Settlement Class be settled, compromised, released and dismissed on the merits and with prejudice, subject to preliminary and final Court approval as required by Federal Rule of Civil Procedure 23, on the terms and conditions set forth below and upon the Effective Date (as defined below).

1.13 Each party affirms that the recitals above as to such party are true and accurate as to such party and are hereby made a part of this Settlement Agreement.

TERMS AND CONDITIONS OF SETTLEMENT

II. DEFINITIONS

2.1 In addition to the terms defined elsewhere within this Agreement, and unless a section or subsection of this Agreement or its exhibits expressly provides otherwise, the following defined terms apply throughout this Agreement and the annexed exhibits. Unless otherwise indicated, defined terms include the plural as well as the singular.

- A. “Authorized Claimant” means any Claimant who has timely and completely submitted a Proof of Claim Form, along with any required Proof of Purchase, which has been reviewed and validated by the Claims Administrator.
- B. “Claim” means an assertion of a Class Member who submits a Proof of Claim Form, along with any required Proof of Purchase, for review by the Claims Administrator.
- C. “Claims Deadline” means the date set by the Court in the Preliminary Approval Order by which Settlement Class Members must submit a Claim toward obtaining the Class Benefits described in Section VI of this Agreement or, if the Court does not set such deadline, then it shall mean the date 120 days (not including the day of the event) following the date on which the Class Notice was first published (*i.e.*, made accessible to the public), as conspicuously displayed on the Class Notice itself.
- D. “Claim Form” or “Proof of Claim Form” means the documents to be fully completed and submitted by Claimants seeking payment pursuant to this Agreement, which will be made available online at and through the Settlement Website, substantially in the form attached hereto as Exhibit A.
- E. “Claimant” means any Class Member who seeks a Settlement Payment by fully completing and submitting a Claim Form, along with any required Proof of Purchase, pursuant to this Settlement Agreement.
- F. “Claims Administration Expenses” means the reasonable fees charged and actual expenses incurred by the Claims Administrator in completing the claims administration process set forth in this Agreement.
- G. “Claims Administrator” or “Settlement Administrator” means a reputable third-party agent or administrator, which is not an affiliate of or otherwise related to Class Counsel,

chosen jointly by Class Counsel and Defendants to provide, administer and manage the Class Notice and claims process as described in this Agreement. The Parties shall jointly select a successor in the event one becomes necessary.

- H. “Class Counsel” means, subject to Court approval to represent the Settlement Class, the Law Offices of Ronald A. Marron, APLC and Cullin O’Brien Law, P.A. and any attorneys at those firms assisting in the representation of the Class in this Class Action.
- I. “Class Period” or “Settlement Class Period” shall mean and refer to the time period beginning on September 29, 2012 and ending on the date the Notice of settlement is first disseminated in this Class Action.
- J. “Class Representatives” means named Plaintiffs Lisa Mollicone and Millie Land.
- K. “Class Representative Enhancement” or “Incentive Award” means any award sought by application to and approved by the Court that is payable to the Class Representatives from the Settlement Fund for their role as class representative in the Class Action and for the responsibility and work attendant to that role.
- L. “Court” means the United States District Court for the Southern District of Florida.
- M. “Defense Counsel” means the law firm of Cozen O’Connor and any attorneys at that firm assisting in the representation of Defendants in the Class Action.
- N. “Effective Date” shall mean the date of the thirty-first (31st) day following the entry of the Final Approval Order; or, in the event of an appeal, the Effective Date is the date of the final disposition of all appeals, petitions for rehearing or re-argument, petitions for rehearing en banc and petitions for certiorari or any other form of review related to the settlement if the Court’s Final Approval Order is affirmed..
- O. “Escrow Account” means the escrow account managed by the Escrow Agent, which shall be the sole escrow account for compensation of Class Members under the Settlement Agreement in this Class Action.
- P. “Escrow Agent” means the agreed-upon and Court-approved entity which shall hold in trust the funds identified in Paragraph 6.2.3.a. until the Claims Administrator has notified the Parties that it is ready to begin distributions to Authorized Claimants who have been determined by the Claims Administrator to be entitled to receive and have requested a monetary payment, in accordance with this Settlement Agreement. The Parties agree that CLASSURA, LLC shall serve as Escrow Agent, subject to approval by the Court.

- Q. “Fee and Expense Award” means the amount of any reasonable attorneys’ fees and reimbursement of litigation expenses awarded to Class Counsel under their Fee Application based on their work prosecuting the Action and creating the benefits of this Settlement, which shall not exceed the sum of three hundred thousand dollars (\$ 300,000).
- R. “Final Approval Order” means the order and judgment that the Court enters upon fully and finally approving the settlement and dismissing the Class Action with prejudice. The proposed Final Approval Order shall be substantially in the form attached hereto as Exhibit F, or in such other form as Class Counsel and counsel for Defendants subsequently agree upon. Plaintiffs will submit the Parties’ proposed Final Approval Order as an exhibit to their Motion for Final Approval.
- S. “Notice” or “Class Notice” means the Notice of Proposed Class Action Settlement to be disseminated to Class Members by the Claims Administrator in accordance with the Court’s Preliminary Approval Order, and in a form identical or substantially similar to Exhibits “B”, “C” and “D”), which may be modified as necessary to comply with the provisions of this settlement. At the top of the Class Notice, the date it was first published shall be conspicuously displayed.
- T. “Notice Date” or “Notice Deadline” means the date on which the Class Administrator completes the initial distribution of Notice to Settlement Class Members, in accordance with the Preliminary Approval Order and this Agreement.
- U. “Objection” is the written communication that a Settlement Class Member timely files with the Court objecting to this Agreement, as provided for in Section 4.3 of this Agreement.
- V. “Objection/Exclusion Deadline” means the date by which a Settlement Class Member must serve written objections, if any, to the settlement or a Request for Exclusion. The Objection Deadline shall be the first business day on or after ninety (90) calendar days from the Preliminary Approval Order, or such other date as the Court may order in its Preliminary Approval Order, as referred to in Section 4.2 of this Agreement.
- W. “Party” or “Parties” means Plaintiffs and Defendants in this litigation.
- X. “Plaintiffs” means the class representatives, Lisa Mollicone and Millie Land, on behalf of themselves and each of the Settlement Class Members.

- Y. “Preliminary Approval Date” means the date that the Court enters, without material change to the terms of settlement, an order preliminarily approving the Settlement. The proposed Preliminary Approval Order shall be substantially in the form attached hereto as Exhibit “E”, or in such other form as the Parties subsequently agree.
- Z. “Preliminary Approval Order” means the Court’s order preliminarily approving this Settlement Agreement, approving the settlement notice plan, and conditionally certifying the Settlement Class.
- AA. “Adore Products” means the products within UHI’s Adore Organic Innovations product line that are marketed as containing a plant stem cell formula, purchased by Class Members during the Class Period for her or his own personal or household use and not for resale, and include: (i) CELLMAX Redefining Facial Cream; (ii) CELLMAX Elite Facial Serum; (iii) CELLMAX Superior Supplement Facial Thermal Mask; (iv) Essence Facial Detoxifying Cleansing Cream; (v) Essence Facial Toner; (vi) Essence Facial Milk; (vii) Essence Facial Cleanser; (viii) Snow White Facial Brightening Cream; (ix) Dreams Multi Active Night Cream; (x) Performer Sculpting Neck Serum; (xi) Essence Facial Serum; (xii) Essence Facial Hydrating Cream - normal to oily skin; (xiii) Essence Facial Hydrating Cream - normal to dry skin; (xiv) Advanced Firming Eye Cream; (xv) Advanced Firming Eye Serum; (xvi) Skin Tightening Instant Face Lift; (xvii) Golden Touch Magnetic Facial Mask; (xviii) Essence Facial Collagen Mask; (xix) Golden Touch 24k Techno- Dermis Facial Mask; (xx) Nourishing Hand and Body Lotion – Original; (xxi) Nourishing Hand and Body Lotion – Blossom; (xxii) Nature - Intensive Body Butter; (xxiii) Spirit – Calming Body Butter; (xiv) Spirit - Calming Body Peeling Scrub; and, (xv) Nature - Intensive Body Peeling Scrub.
- BB. “Proof of Purchase” means an original sales receipt or emailed order confirmation issued by an authorized retailer of the Adore Product within the Class Period, which legibly shows the purchase of one or more of the Adore Products by the Claimant and the amount thereof.
- CC. “Released Claims” means any and all claims, counterclaims, allegations, disputes, liabilities, rights, demands, suits, obligations, damages, restitutions, disgorgements, losses, costs, attorneys’ fees or expenses, actions or causes of action, of every kind and description that a Releasing Parties had, has or may have had against the Released

Persons arising out of or related in any way to the transactions, occurrences, events, behaviors, conduct, practices, policies or allegations of misleading statements, misrepresentations, or warranties concerning the Adore Products that involve a common factual predicate as that asserted in the Class Action, whether matured or unmatured, at law or in equity, existing under federal or state law that any Plaintiff or Settlement Class Member has or may have against the Released Persons, including assigned claims, whether in arbitration, administrative, or judicial proceedings, whether as individual claims or as claims asserted on a class basis or on behalf of the general public, that is, has been, could reasonably have been or in the future might reasonably be asserted by the Releasing Parties.

DD. “Releasing Parties” means each of the Plaintiffs and each Settlement Class Member, along with each of their heirs, guardians, parents, executors, administrators, representatives, agents, attorneys, insurers, partners, successors, predecessors-in-interest, and assigns.

EE. “Released Persons” means Universal Handicraft, Inc., Shay Sabag Segev, each, any and all of their respective past, present, and future heirs, executors, administrators, predecessors, successors, assigns, parent companies, subsidiaries, divisions, departments, joint venturers, entities in which the Defendants have a controlling interest, holding companies, employees, agents, consultants, marketing partners, advertising and marketing consultants, resellers, lead generators, customers, distributors, formulators, manufacturers, vendors, labelers, telemarketers, independent contractors, insurers, reinsurers, directors, officers, partners, principals, attorneys, accountants, financial advisors, investors, investment bankers, underwriters, shareholders, stockholders, auditors, legal representatives, successors in interest, affiliates, trusts, and corporations; and each and all of the past, present, and future officers, directors, principals, representatives, employees, agents, shareholders, attorneys, successors, executors, claim service managers, subrogees, and assigns of any of the foregoing entities.

FF. “Request for Exclusion” means the written communication that must be sent to the Settlement Administrator and postmarked on or before the Objection/Exclusion Deadline by a Settlement Class Member who wishes to be excluded from the Settlement Class.

- GG. “Settlement Class Member(s)” or “Class Members” means: All persons in the United States who purchased Adore Products marketed as containing a plant stem cell formula anytime from September 29, 2012 until the date the Class Notice is first disseminated in this action. Excluded from the Settlement Class are: (1) all judges and magistrates who have presided or are presiding over this action (or the judge or Magistrate presiding over the action through which this matter is presented for settlement); (2) the defendants, defendants' subsidiaries, parent companies, successors, predecessors, and any entity in which the defendants or their parents have a controlling interest and their current or former officers, directors, and employees; (3) retailers of the Adore Products; (4) persons who properly execute and file a timely Request for Exclusion from the class; and (5) legal representatives, successors or assigns of any such excluded person.
- HH. “Settlement Fund” means the total amount to be deposited by Defendants’ Insurer into the Escrow Account from which the Claims Administrator shall pay all fees, expenses, incentives or claims/payments that are associated with this Settlement and approved by the Court including for: Class Notice and Administration Fees, Class Member claims or Settlement Payments, Class Representative Enhancement or Incentive awards and Class Counsel legal expenses and attorneys’ fees, as described in Section VI.
- II. “Settlement Hearing” means the hearing(s) to be held after Class Notice has been provided in accordance with this Agreement and the Court’s Preliminary Approval Order, in order to: (1) determine whether to grant final approval to (a) the certification of the Settlement Class, (b) the designation of Class Representatives as the representatives of the Settlement Class, (c) the designation of Class Counsel as counsel for the Settlement Class, and (d) the Settlement; (2) consider whether to enter the Final Approval Order; and (3) rule on Class Counsel’s Fee and Expense Award application. The Parties shall ask the Court to schedule the Settlement Hearing on a date 120 days after the Court enters the Preliminary Approval Order in order to permit the provision of all necessary notices under the Class Action Fairness Act of 2005 (28 U.S.C. §1715).
- JJ. “Class Notice and Administrative Fees” means all fees, costs and expenses actually incurred by the Settlement Administrator in the creation and dissemination of Class Notice, establishment of the Settlement Website, compliance with the attorney general notification provision of the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C.

§1715, and the processing, handling, reviewing, and paying of Claims made by Claimants.

KK. “Settlement Payment” means the relief to be provided to Authorized Claimants as described in Section VI.

LL. “Settlement Website” means the website to be created, operated and maintained by the Claims Administrator in order to provide the Settlement Class with information relating to the Settlement, including relevant documents and forms relating to the settlement, including the Claim Form which must be capable of being submitted online or printed and mailed. The Settlement Website shall be activated and accessible by no later than ten (10) days after the Court enters the Preliminary Approval Order.

2.2. Other capitalized terms used in this Agreement but not defined above shall have the meaning ascribed to them in this Agreement and the exhibits attached hereto.

III. CERTIFICATION OF A SETTLEMENT CLASS

3.1 Defendants hereby consent, solely for purposes of the Settlement set forth herein, to the certification of a nationwide Settlement Class pursuant to Federal Rules of Civil Procedure 23(b)(3) and 23(b)(2), to the appointment of Class Counsel as counsel for the Settlement Class, and to the conditional approval of Plaintiffs as suitable representatives of the Class; provided, however, that if this Agreement fails to receive the Court’s approval or otherwise fails to become effective, including, but not limited to, the Judgment not becoming final as provided in § IX of this Agreement, then Defendants retain all rights and defenses that they had preceding the execution of this Agreement to object to the maintenance of this Litigation as a class action and, in that event, nothing in this Agreement or other papers, negotiations or proceedings associated with the settlement and not otherwise disclosed in this Class Action shall be used as evidence or argument by any Party concerning whether the Litigation may properly be maintained as a class action.

IV. APPROVAL PROCEDURES AND RELATED PROVISIONS

Motion for Preliminary Approval and Settlement Hearing

4.1 Preliminary Approval. As soon as reasonably practicable after the signing of this Agreement by all Parties, the Parties shall file with the Court a Joint Motion for Preliminary Approval of Class Settlement seeking entry of an order (substantially in the form attached hereto

as Exhibit E), which, in accordance with the terms of this Agreement, for settlement purposes only would:

- a. Certify a tentative Settlement Class under Federal Rule of Civil Procedure 23(b)(2) and 23(b)(3) composed of the Settlement Class Members;
- b. Preliminarily approve this Settlement Agreement;
- c. Approve and authorize the distribution of the Class Notice;
- d. Approve the Claims Administrator;
- e. Approve the claims process, as set forth in Section 5.9 below;
- f. Appoint Plaintiffs as the representatives of the Settlement Class; and
- g. Appoint Class Counsel.

4.2 Requests for Exclusion

a. Any Settlement Class Member who does not wish to participate in this Settlement must submit a Request for Exclusion to the Claims Administrator by the Objection/Exclusion Deadline, stating an intention to be “excluded” from this Settlement. The Request for Exclusion must contain the Settlement Class Member’s name, current residential address, telephone number, and email address. The Request for Exclusion must be either: (i) personally signed by the Settlement Class Member, dated and mailed to the Claims Administrator and postmarked on or before the Objection/Exclusion Deadline; or (ii) electronically signed by the Settlement Class Member, and submitted to the Claims Administrator through the Settlement Website on or before the Objection/Exclusion Deadline. So-called “mass” or “class” opt-outs shall not be allowed. The date of the postmark on the return mailing envelope and/or the date of online submission through the Settlement Website shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class Member whose request to be excluded from the Settlement Class is approved by the Court will not be bound by this Settlement Agreement or have any right to object to, appeal or comment upon the Settlement Agreement.

b. Any Settlement Class Member who does not complete and timely submit a written Request for Exclusion as provided in the preceding paragraph shall be bound by all subsequent proceedings, orders, and the Final Approval Order in the Class Action relating to the

Settlement, even if he or she has pending, or subsequently initiates litigation, arbitration, or any other proceeding against Defendants relating to the Released Claims.

c. Right to Terminate Agreement Due to Excessive Requests for Exclusion. If more than one hundred (100) persons timely and properly submit a Request for Exclusion, any Defendant may, at its sole discretion, terminate this Agreement without penalty or sanction.

4.3 Objections to the settlement

a. Any Settlement Class Member, on his or her own, or through an attorney hired at his or her own expense, may object to the terms of the settlement or Class Counsel's application for an Award of Attorneys' Fees and Expenses and/or the Incentive Awards. To be effective, any such objection must be in writing and include the information described in Paragraph (b) below, and must be filed with the Court and served on counsel for the Parties on or before the Objection/Exclusion Deadline or as the Court otherwise directs. Any objections that are not properly and timely filed shall be deemed to have been waived. Such objection papers must be served to each of the following persons:

Ronald A. Marron
LAW OFFICES OF RONALD A. MARRON
651 Arroyo Drive
San Diego, CA 92103
Telephone: (619) 696-9006
Email: ron@consumersadvocates.com

Susan J. Latham and Jeffrey D. Feldman
COZEN O'CONNOR
Southeast Financial Center, 30th Floor
200 South Biscayne Boulevard
Miami, Florida 33131
Telephone: 305-358-5001
Facsimile: 305-358-3309
Email: slatham@cozen.com; jfeldman@cozen.com

b. To be effective, any Objection described in Paragraph (a) must contain all of the following information: (i) a reference, in its first sentence, to this Litigation, *Lisa Mollicone et al. v. Universal Handicraft, Inc., et al.*, Case No. 1:17-cv-21468-RNS; (ii) the objector's full, legal name, residential address, telephone number and email address (and his/her lawyer's name, business address, telephone number and email address if objecting through counsel); (iii) a statement describing his/her membership in the Settlement Class, including a verification under

oath as to the date, name of the Adore Products purchased, and the location and name of the retailer from whom he or she made the purchase of Adore Products and/or a Proof of Purchase reflecting such purchase and any other information required by the Claim Form; (iv) a written statement of all grounds for the objection, accompanied by any legal support for such objection; (v) copies of any papers, briefs, or other documents upon which the objection is based; (vi) a list of all persons who will be called to testify in support of the objection; (vii) a statement of whether the objector intends to appear at the Settlement Hearing (Note, if the objector intends to appear at the Settlement Hearing through counsel, the objection must also state the identity of all attorneys representing the objector who will appear at the Settlement Hearing); (viii) a list of the exhibits the objector may offer during the Settlement Hearing, along with copies of such exhibits; and (ix) the objector's signature. In addition, Settlement Class Members, if applicable, must include with their objection: (i) the identity of all counsel who represent the objector, including former or current counsel who may be entitled to compensation for any reason related to the objection; (ii) a detailed list of any other objections submitted by the Settlement Class Member, or his/her counsel, to any class actions submitted in any court, whether state or federal, within the United States in the previous five (5) years.

c. Any Settlement Class Member who fails to file and timely serve a written Objection containing all of the information listed above in the previous paragraphs, including notice of his/her intent to appear at the final approval hearing, shall not be permitted to object to the settlement and shall be foreclosed from seeking any review of the settlement or the terms of the Settlement Agreement by any means, including but not limited to an appeal.

Cooperation

4.4. The Parties and their counsel agree to cooperate fully with one another and to use their best efforts to effectuate the settlement of the Litigation, including without limitation, in seeking Preliminary Approval and Final Approval of this Settlement Agreement and the settlement embodied herein, carrying out the terms of this Settlement Agreement, and expediently agreeing upon and executing any other documentation reasonably required to obtain the Court's final approval of the settlement embodied in this Settlement Agreement. The Parties shall cooperate in good faith and undertake all reasonably necessary actions and steps in order to accomplish the events required by this Agreement.

V. CLASS NOTICE OF SETTLEMENT

General Terms

5.1 The Class Notice shall:

a. conspicuously display the date upon which it was first published on the Settlement Website and electronically mailed to Settlement Class Members;

b. inform Settlement Class Members that, if they do not exclude themselves from the Class, they may be eligible to receive the relief under the proposed settlement;

c. inform the Settlement Class Members of deadlines and Federal Rules of Civil Procedure that apply to their right to exclude themselves from the Settlement Class or object to the settlement;

d. contain a short, plain and neutral statement of the background of the Litigation, the Class certification and the proposed settlement;

e. describe the proposed settlement relief outlined in this Agreement;

f. explain the impact of the proposed settlement on any existing litigation, arbitration or other proceeding; and

g. explain that any relief to Settlement Class Members is contingent on the Court's final approval of the proposed settlement.

5.2 Following the Court's Preliminary Approval of this settlement, all activity in the Action shall be stayed except to the extent necessary to effectuate this Agreement unless and until this Agreement is terminated pursuant to its terms and conditions.

5.3 Cost of Notice. Defendants' Insurer agrees to pay a total of \$200,000.00 for the Class Notice and Administrative Fees. Neither Defendants nor Defendants' Insurer shall have an obligation to pay for any Class Notice and Administrative Fees in excess of such amount.

5.4 Notice to State and Federal Officials. In compliance with the attorney general notification provision of the Class Action Fairness Act of 2005 ("CAFA"), 28 U.S.C. §1715, within ten (10) days after the motion for Preliminary Approval is filed, the Claims Administrator and/or Defendants shall cause notice of this proposed settlement to be served on the Attorney General of the United States, and the attorneys general of each state or territory in which a Settlement Class Member resides. Defendants shall file with the Court a certification stating the date(s) on which the CAFA notices were sent. The Claims Administrator and/or Defendants will

provide Class Counsel with any substantive responses received in response to any CAFA notice served by it.

5.5 Notice to the Settlement Class Members

a. Identification of Settlement Class Members. Defendants shall conduct a reasonable search of UHI's records to identify persons who purchased any of the Adore Products and are within the Settlement Class. Within fourteen days (14) of the Court's entry of a Preliminary Approval Order, Defendants shall compile and provide to the Settlement Administrator a list of persons within the Settlement Class (the "Class List"), which shall include for each such person: (i) an email address; (ii) his or her last known mailing address; (iii) the date of his or her purchase(s). Defendants shall have no further obligation to identify and locate persons within the Settlement Class. The Claims Administrator shall execute a Confidentiality Agreement benefiting the Defendants prior to receipt of the Class List and shall treat the Class List as CONFIDENTIAL, regardless of whether it is marked with such a designation, and shall not disclose or use such list or the email addresses contained therein for any purpose except to provide Class Notice and otherwise administer the settlement of this Litigation. Upon fulfillment of the Claims Administrator's duties and the terms of this Agreement, the Claims Administrator shall immediately destroy the list and all copies thereof and shall permanently delete all e-mail addresses derived therefrom from any database or other electronic file(s) into which they were entered, copied into or otherwise maintained. Within ten (10) days of the destruction of the list and email addresses, the Claims Administrator shall provide written notice to the Defendants' counsel of such destruction. Should Class Counsel inadvertently, or otherwise, receive a copy of the Class List from the Class Administrator, it shall immediately notify Defendants' Counsel and destroy all copies of the Class List in its possession.

b. Upon Preliminary Approval of this Agreement, the Claims Administrator shall cause the Class Notice to be made as set forth below.

c. E-mail Notice. On or before the Notice Deadline, the Claims Administrator will cause the Notice, in the form approved by the Court, to be electronically mailed to Settlement Class Members at an e-mail address for the Settlement Class Member's account reflected in Class List provided by Defendants pursuant to Section 5.5(a), *supra*.. The Claims Administrator may also send reminder notices to Settlement Class Members. The E-mail Notice will be substantially in the form of Exhibit D. To facilitate a high degree of deliverability of the E-mail

Notice and in an effort to avoid spam filters, the Claims Administrator must utilize industry-recognized best practices and comply with the Can-Spam Act. The Email Notice shall have a hyperlink that Class Member recipients may click and be taken to a landing page on the Settlement Website, prepopulated with Class Member data, if practicable.

d. Notice by Publication. On or before the Notice Deadline, the Settlement Administrator shall cause the Notice to be published once in the print version of *USA Today*.

e. Settlement Website. On or before the Notice Deadline, the Settlement Administrator shall establish and make publicly accessible the Settlement Website, from which Settlement Class Members may access, view, download and/or print the Class Notice, a copy of this Agreement, a copy of the Operative Complaint in this Action, a complete copy of the Court's Preliminary Approval Order, and a Claim Form, and through which Settlement Class Members may submit a completed Claim Form and any required documentation in support thereof. The Settlement Website shall conspicuously display: (i) the deadlines for filing Claims, Requests for Exclusion from the Settlement Class, Objections; (ii) the hearing date for final approval; (iii) any other information required by the Court pertaining to the Settlement; and (iv) the telephone number for accessing the interactive voice response system described in Section 5.5(f) below. The Claims Administrator shall establish the Settlement Website using a domain name to be mutually agreed upon by the Parties. The Settlement Website shall be accessible for a period of not fewer than five (5) days following the Objection/Exclusion Deadline.

f. Toll-Free Interactive Voice Response ("IVR"). On or before the Notice Deadline, the Settlement Administrator shall establish a toll-free IVR telephone number through which Settlement Class Members may access recorded information about this Settlement, including the relevant portions of the language contained in the Notice and Claim Form. Such phone number shall remain operative and accessible through the Claim Deadline. The Settlement Administrator shall make reasonable provision for Class Counsel and Defendants' Counsel to be promptly advised of recorded messages left on the phone number by potential Settlement Class Members concerning the Action and/or this Settlement, so that Class Counsel may timely and accurately respond to such inquiries; except that the Settlement Administrator shall review the recorded messages before providing them to Class Counsel, and if any of the messages requests a blank Claim Form or other administrative assistance only, then the Settlement Administrator shall

respond to such administrative request(s) and need not advise Class Counsel and Defendants' Counsel of the recorded message. The Settlement Administrator shall provide all other, non-administrative messages to Class Counsel and Defendants' Counsel for any further response to the Settlement Class Member.

5.6 Retention of Class Action Settlement Administrator. Subject to Court Approval, Class Counsel shall retain CLASSURA, LLC as the Class Action Settlement Administrator for the sole purpose of administering and assisting the Parties effectuate the terms of the settlement.

5.7 **Responsibilities of Settlement Administrator.** The Settlement Administrator shall administer the settlement in accordance with the terms of this Settlement Agreement. The Settlement Administrator shall treat any and all documents, communications and other information and materials received in connection with the administration of the Settlement as confidential and shall not use or disclose to any person or entity any or all such documents, communications or other information except as provided for in this Agreement or by court order. Because the information about persons in the Settlement Class that will be provided to the Settlement Administrator will consist of confidential, non-public personal information and other information protected by privacy laws, the Settlement Administrator will execute a confidentiality agreement acceptable to the reasonable discretion of Defendants and will take all reasonable steps to ensure that any and all information received in connection with this Agreement will be used solely for the purpose of effectuating this Settlement. Any information provided by Defendants to the Settlement Administrator will not be provided to Plaintiffs or Class Counsel, except as necessary for administration of the Settlement. The duties of the Settlement Administrator shall include, without limitation: (a) obtain a Class List from Defendants; (b) create, maintain and operate the Settlement Website; (c) distribute Class Notice (in the form approved by the Court) and Claims Forms (in the form approved by the Court) to Settlement Class Members, utilizing industry-recognized best practices and in compliance with the Can Spam Act; (d) answer inquiries from Settlement Class Members and/or forward such written inquiries to Class Counsel, or their designee, and Defendants' Counsel; (e) establish and maintain a post office box for any non-electronically mailed correspondence from Settlement Class Members; (f) receive, process and maintain, on behalf of the Court and the Parties, any Settlement Class Member correspondence regarding Requests for Exclusion from the Settlement Agreement; (g) post notices on the Settlement Website, Claim Forms, and other required

information related to the settlement; (h) provide weekly reports and a final report to Class Counsel and Defendants' Counsel, which summarize: the number of Requests for Exclusion received that week; the total number of Requests for Exclusion received to date; the number, type and amount of Settlement Payments requested; and any other pertinent information; (i) prepare and provide to Class Counsel and Defendants' Counsel, in advance of the Final Approval Hearing, an affidavit for submission to the Court that confirms that the Class Notice program was timely completed and identifies each person in the Settlement Class who timely and properly submitted a Request for Exclusion; (j) receive and process all Claims; (k) distribute Settlement Payments to Authorized Claimants; (l) issue all necessary tax-related documents; and (m) otherwise assist with implementation and administration of the Settlement Agreement terms.

5.8 General Claims Administration and Review of Claims. The Claims Administrator shall be responsible for reviewing and administering all claims to determine their validity. The Claims Administrator shall reject any Claim that does not comply with the instructions on the Claim Form or the terms of this Agreement, or is submitted after the Claims Deadline. The Claims Administrator shall assess the validity of all Claims and determine all Authorized Claimants within twenty-one days after the Claims Deadline, except that the Claims Administrator shall have an additional fourteen (14) days with respect to any Claims that are challenged by any of the Parties.

5.9 Claims Process. The Claims Administrator shall retain copies of all Claim Forms submitted and all documentation of Claims approved or denied and all Settlement Payments made. The Claims Administrator agrees to be subject to the direction and authority of the Court with respect to the administration of the settlement and Settlement Payments to Authorized Claimants for accepted Claims pursuant to the terms of this Agreement. Upon determining that a Claim submitted pursuant to this Agreement is valid and determining the Settlement Payment to be provided to the Authorized Claimants, the Claims Administrator shall notify Defendants and Class Counsel of that determination. Defendants shall have 30 days following such notice to challenge the Claim(s). Defendants shall be permitted to submit to the Claims Administrator, with a copy to Class Counsel, any information demonstrating that the submitted Claim is not valid. The Claims Administrator shall then contact the Settlement Class Member(s) who submitted the challenged Claim(s) to request further information relating to the challenge. The

Claims Administrator shall then make a final determination that is not challengeable by any Party.

5.10 In addition to its duties described elsewhere in this Agreement, the contract with the Class Action Settlement Administrator shall obligate the Class Action Settlement Administrator to abide by the following performance standards:

- i. the Settlement Administrator shall accurately and neutrally describe, and shall train and instruct its employees and agents to accurately and neutrally describe, the provisions of the settlement in communications with Settlement Class Members;
- ii. the Settlement Administrator shall provide prompt, accurate, and objective responses to inquiries from Class Counsel, Defendants, or Defendants' Counsel;
- iii. the Settlement Administrator shall act in good faith and exercise its best efforts in issuing Settlement Payments to Authorized Claimants and resolving any errors that occur with respect to same;
- iv. the Settlement Administrator shall act in good faith, exercise its best efforts, and cooperate with Class Counsel and Defendants' Counsel in effectuating the terms of this Settlement Agreement and maintaining its confidentiality.

5.11 All disputes relating to the Settlement Administrator's ability and obligation to perform its duties shall be referred to the Court, if necessary, which may exercise continuing jurisdiction over the Litigation, until all payments and obligations contemplated by this Agreement have been fully carried out.

5.12 **Declaration of Compliance.** Within five (5) calendar days of the Claims Deadline, the Settlement Administrator shall provide the Parties with a declaration attesting to completion of the Notice process set forth in this section.

VI. SETTLEMENT CONSIDERATION

6.1 Class Benefits. Class Counsel and Class Representatives believe the Settlement confers substantial benefits upon the Class, as identified below, particularly as weighed against the risk associated with the inherently uncertain nature of a litigated outcome; the complex nature of the Action in which Class Counsel have reviewed internal and confidential documents; the difficulty and complexity of calculating actual economic harm attributable to allegedly false representations as to the benefits of the Adore Products; and the length and expense of continued proceedings through additional fact depositions, retention of experts to study the facts, conduct tests and render opinions and testify in the Litigation, depositions of such experts, third party document productions and depositions, summary judgment briefing, pre-trial motions, trial preparation, conduct of trial, and the briefing of appeals and any associated oral argument. Based on their evaluation of such factors, Class Counsel and Class Representatives have determined that settlement, based on the terms set forth herein, is in the best interests of the Settlement Class.

6.2 Settlement Payment. The relief available to Authorized Claimants in the Settlement Class includes monetary relief and non-monetary relief as set forth below.

1. Monetary Relief

a. With Proof of Purchase: For class members who submit a Proof of Purchase that show a purchase of Adore Products with their Claim, Defendants will provide either:

- i. \$25.00 cash per such Settlement Class Member. This option (i) shall have a total cap of \$50,000.00 in cash available for the entire class. Accordingly, when a total of \$50,000 in cash has been claimed by Authorized Claimants, this cash option shall not be available and the remaining Authorized Claimants who submitted the required receipt shall receive a Settlement Payment pursuant to option ii; or
- ii. an electronic gift card for 50% of the price paid for the Adore Products reflected on the Proof of Purchase, with a maximum gift card value of \$200 per any such Settlement Class Member, for use on Universal Handicraft, Inc.'s website, <https://www.adorecosmetics.com/>, and having a one-year expiration date. With respect to this option (ii), the combined total value of all gift cards issued to Authorized Claimants who provided Proof of Purchase shall not exceed \$225,000 in gift cards.

Eligible members of the Settlement Class who submit, with their Claim Form, a Proof of Purchase that shows a purchase of Adore Products, may choose only one of the aforementioned options.

b. Without Proof of Purchase: For class members who submit a Claim Form without a Proof of Purchase that shows a purchase of an Adore Product, Defendants will provide one \$50 electronic gift card per such class member for use on Universal Handicraft, Inc.'s website, <https://www.adorecosmetics.com/>, with a one-year expiration date. The combined total value of all gift cards issued to Authorized Claimants who filed a Claim without Proof of Purchase shall not exceed \$100,000 in gift cards.

c. If the maximum Settlement Fund is exhausted, the Settlement Payments will be reduced *pro rata*.

d. Claimants may seek a Settlement Payment by submitting a completed Claim Form either by mail or electronically. Each Claim Form must be signed (electronic or manual) under penalty of perjury. The actual amount paid to individual Authorized Claimants will depend upon the number of valid Claims made in each category of relief described above. Adequate and customary procedures and standards will be used by the Settlement Administrator to prevent the payment of fraudulent claims and to pay only legitimate Claims.

2. Non-Monetary Relief

a. Defendants agree that within eight months of the Court's final approval of the Settlement Agreement, UHI's advertising and promotion of the Adore Products will comply with the following prospective injunctive relief:

- (i) Defendants will remove the word "proven" from the labelling of the Adore Products and the description or promotion of the Adore Products upon the <https://www.adorecosmetics.com/> website;
- (ii) Defendants will remove the word "breakthrough" from the labelling of the Adore Products and the description or promotion of the Adore Products upon the <https://www.adorecosmetics.com/> website;
- (iii) Defendants will remove the phrase: "most advanced anti-aging science available today" from the labelling of the Adore Products and the description or promotion of the Adore Products upon the <https://www.adorecosmetics.com/> website;

(iv) Defendants shall not state that the plant stem cell formula contains “live” plant stem cells.

b. All such injunctive relief shall be prospective and shall not require the destruction or recall of any labels or products that were manufactured and entered the stream of commerce prior to the Court’s final approval of the Settlement Agreement (*i.e.*, “Existing Inventory”). For clarity, Defendants are not restricted from selling off Existing Inventory. Defendants shall also have no obligation with respect to any third-party or archival copies of advertising and promotion of the Adore Products.

3. Settlement Fund

a. By no later than thirty (30) days after the Court enters the Preliminary Approval Order, Defendants’ Insurer shall pay \$558,000.00 into an Escrow Account by check. The Settlement Fund shall be applied to pay, in the following order, and in full: (i) any required taxes; (ii) all Class Notice and Administrative Fees; (iii) Settlement Payments to Authorized Claimants; (iv) any Fee and Expense Award made by the Court to Class Counsel under § VIII, 8.2; and (v) any Incentive Award made by the Court to the Class Representatives under § VIII, 8.3 of this Agreement. Neither Defendants nor Defendants’ Insurer are obligated to make any other or further cash payments to Plaintiffs, Class Counsel, or the Settlement Class Members in settlement of this Litigation.

4. Delivery of Payments and Gift Cards to Settlement Class Members

a. Rejected Claims. If the Class Administrator has determined that any Claims of Settlement Class Members are untimely or otherwise invalid, the Class Administrator shall send correspondence to each affected Settlement Class Member explaining the rejection of his or her Claim no later than thirty (30) days after the Claims Deadline. Settlement Class Members’ time to challenge any such rejection decisions shall expire thirty (30) days after the date of the Settlement Administrator’s correspondence notifying the Settlement Class Member of the rejection of his or her Claim.

b. Payment to Authorized Claimants. With respect to Claims that have been timely submitted and validated by the Claims Administrator, the Class Action Administrator shall send payment directly to the Authorized Claimants in accordance with the following schedule:

- i. Within thirty-one (31) calendar days after the Effective Date, the Settlement Administrator shall send the Settlement Payment to those Authorized Claimants selecting relief pursuant to § VI, 6.2(1)(a)(i) via any of the following means: PayPal, electronic Automated Clearing House (“ACH”) transactions, or physical check. Settlement Class Members opting to receive a physical check shall have ninety (90) days from the date of the physical check to cash such. Within sixty (60) days of issuance of the Settlement Payment, Settlement Class Members who opted to receive a physical check may request that the Settlement Administrator issue a replacement physical check if they have lost or misplaced their original physical check. The time period for cashing any replacement check will be thirty (30) days from issuance, or ninety (90) days from the date of issuance of the original Settlement Payment, whichever is longer.
- ii. Within thirty-one (31) calendar days after the Effective Date, Settlement Class Members who chose the electronic gift card option under § VI, 6.2(1)(a)(ii) and § VI, 6.2(1)(b) of this Agreement will receive, via email, an electronic code that the Authorized Claimant may use, during the following one year period, toward the purchase of any merchandise offered on the website <https://www.adorecosmetics.com/>, including but not limited to *non-Adore* Products.
- iii. Any calculation needed to facilitate a pro rata distribution of the Settlement Fund to Authorized Claimants shall be the responsibility of the Settlement Administrator. Neither Defendants nor Defendants’ Insurer shall have any obligation or liability with respect to the calculation or distribution of Authorized Claimants’ pro rata share of the Settlement Fund.

5. Final Accounting and Unclaimed Monies.

a. No later than thirty (30) days after expiration of the time period to cash physical checks issued for Settlement Payments, the Settlement Administrator shall provide a final accounting to the Parties. At the request of Class Counsel or Defendants made at any time, the Settlement Administrator shall also provide a declaration to the Parties, which may be filed with the Court, concerning the status of the administration process. No person shall have any claim against Defendants, Plaintiffs, the Settlement Class, Class Counsel or the Settlement Administrator based upon distributions or payments made in accordance with this Agreement.

b. After distribution of Settlement Payments to all Authorized Claimants and expiration of the time period to cash physical checks issued for Settlement Payments, and after payment of the agreed fees and costs to the Settlement Administrator, any and all unclaimed monies remaining in the Settlement Fund shall be donated to Consumers Union.

6. Eligibility for Monetary Relief

a. To be eligible for Monetary Relief under § VI, 6.2(1) of this Agreement, the Settlement Class Member must timely submit a completed Claim Form containing his or her legal name, residential mailing address, email address, a declaration under penalty of perjury that all information is truthful and accurate, and signature.

b. To be timely, Claim Forms must be postmarked, or submitted online through the Settlement Website, no later than 120 days (not including the day of the event) following the date on which the Class Notice was first published (*i.e.*, made accessible to the public), as conspicuously displayed on the Class Notice itself.

VII. RELEASES

7.1 As of the Effective Date, and except as to such rights or claims expressly created by the settlement, Plaintiffs and each Settlement Class Member, and each of their heirs, guardians, executors, parents, administrators, representatives, agents, attorneys, insurers, partners, successors, predecessors-in-interest, and assigns, shall be deemed to have, and by operation of the Final Approval Order shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims against the Released Persons.

7.2 In connection with the Released Claims, each Settlement Class Member shall be deemed to have fully and forever waived any and all provisions, rights, and benefits conferred by § 1542 of the California Civil Code and any statute, rule, and legal doctrine similar, comparable, or equivalent to California Civil Code § 1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

7.4 Notwithstanding the above, all Parties and the Settlement Administrator agree to submit to the jurisdiction of the Court for purposes of implementing this Settlement Agreement and/or resolving any disputes related to Class Notice,

administration of the settlement, or enforcement of this Settlement Agreement that cannot be resolved by negotiation and agreement between counsel for the Parties.

7.5 Covenant Not to Sue. Plaintiffs and the Settlement Class Members covenant and agree: (a) not to file, commence, prosecute, intervene in or participate in (as class members or otherwise) any action in any jurisdiction based upon any of the Released Claims against any of the Released Persons; (b) not to organize or solicit the participation of Settlement Class Members in a separate class for purposes of pursuing any action (including by seeking to amend a pending complaint to include class allegations or seeking class certification in a pending action in any jurisdiction) based on any of the Released Claims; and (c) that the foregoing covenants and this Agreement shall be a complete defense to any of the Released Claims against any of the Released Parties.

7.6 Dismissal of Actions. Promptly after the Effective Date, all Settlement Class Members who did not timely submit a Request for Exclusion shall dismiss with prejudice all claims, actions or proceedings that have been brought by or involve any Settlement Class Member in any other jurisdiction that are released pursuant to this Agreement.

VIII. CLASS COUNSEL'S ATTORNEYS' FEES, COSTS, AND CLASS REPRESENTATIVE INCENTIVE AWARDS

8.1 The Parties agree that Class Counsel may apply for an award of attorneys' fees and reasonable, actual out-of-pocket expenses not to exceed \$300,000.00, to be paid from the Settlement Fund. Subject to the terms and conditions of this Agreement and any order of the Court, the Fee and Expense Award awarded by the Court to Class Counsel shall be paid out of the Settlement Fund to Class Counsel within thirty (30) days following the District Court's Final Approval Order subject to Class Counsel providing an undertaking to repay such attorneys' fees, costs and expenses in the event that the Final Approval Order is reversed or otherwise does not become final following an appeal. Such payment will be in lieu of any statutory fees Plaintiffs and/or their attorneys might otherwise have been entitled to recover from Defendants, if any.

8.2 Class Counsel shall have the sole and absolute discretion to allocate and distribute the Court's Fee and Expense Award among Plaintiffs' Counsel and any other attorneys for Plaintiffs.

8.3 Class Counsel shall ask the Court for an Incentive Award to be paid from the Settlement Fund to each of the Class Representatives as follows: \$5,000.00 to Plaintiff Lisa

Mollicone, and \$3,000.00 to Plaintiff Millie Land. Any Incentive Awards approved by the Court shall be paid to the Plaintiffs from the Settlement Fund within ten (10) days after the Effective Date.

IX. CONDITIONS OF SETTLEMENT, EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION

9.1 If the Court's Final Approval Order is reversed or otherwise rejected on appeal, or the Court requires material alterations to this Settlement Agreement, then this Settlement Agreement shall be canceled, terminated and deemed void, and all monies deposited into the Settlement Fund shall be returned to Defendants' Insurer within seven (7) calendar days (minus any actual, reasonable and necessary expenses incurred by the Settlement Administrator prior to the date of termination), unless the Parties amend this Agreement in a mutually executed writing in order to accommodate the Court's, or appellate court's, reasoning or suggested alterations.

9.2 In the event that this Agreement is not approved by the Court or the settlement set forth in this Agreement is terminated or fails to become effective in accordance with its terms, the Parties shall be restored to their respective pre-settlement positions in the Litigation without any penalty or sanction, the Parties shall retain all of their pre-settlement litigation rights and defenses, and this entire Agreement shall become null and void. In such event, this Agreement shall not be used in the Litigation, or in any other proceeding, for any purpose, and all communications and documents related to this Agreement shall be subject to Federal Rule of Evidence 408 and all other applicable settlement, negotiation and mediation privileges; and the Final Approval Order or other judgment or order entered by the Court pursuant to this Agreement will be treated as vacated, nunc pro tunc.

9.3 Up to, but not exceeding, the amount set forth in Paragraph 5.3 for Class Notice and Administrative Fees, Defendants' shall bear all actual, reasonable and necessary costs incurred in connection with the administration of this Class Action Settlement Agreement by the Settlement Administrator up until its termination. Neither the Class Representatives nor Class Counsel shall be responsible for any such settlement related costs. Upon termination of this Agreement, neither Defendants nor Defendants' Insurer shall have any financial responsibility exceeding the amount previously paid into the Settlement Fund with respect to Class Notice and Administrative Fees. In the event of the termination of this Agreement, Defendants and

Defendants' Insurer shall have the right to challenge the reasonableness of any costs incurred in connection with administration of this Agreement by the Settlement Administrator.

X. DISPUTE RESOLUTION AND MISCELLANEOUS PROVISIONS

10.1 The Parties hereto and their undersigned counsel agree to undertake their best efforts and mutually cooperate to promptly effectuate this Agreement and the terms of the settlement set forth herein, including by taking all reasonable steps and efforts contemplated by this Agreement and any other steps and efforts which may become necessary by order of the Court.

10.2 Plaintiffs' and Class Counsel represent that they are fully authorized to execute and enter into the terms and conditions of this Agreement on behalf of their respective clients. Class Counsel, on behalf of the Settlement Class, are expressly authorized by each of the Plaintiffs to take all appropriate action required or permitted to be taken by the Class pursuant to this Agreement to effectuate its terms, and are expressly authorized to enter into any modifications or amendments to this Agreement on behalf of the Settlement Class that Class Counsel deem appropriate.

10.3 This Agreement contains the entire agreement among the Parties hereto and supersedes any prior agreements or understandings between them. Except for the "Whereas" recitals in § I, all terms of this Agreement are contractual and not mere recitals and shall be construed as if drafted by all Parties. The presumption found in California Civil Code section 1654 (and equivalent, comparable or analogous provisions of the laws of the United States of America or any state or territory thereof, or of the common law or civil law) that uncertainties in a contract are interpreted against the party causing an uncertainty to exist hereby is waived by all Parties.

10.4 The terms of this Agreement are and shall be binding upon each of the Parties, their agents, attorneys, employees, successors and assigns, and upon all other Persons claiming any interest in the subject matter through any of the Parties, including any Settlement Class Member who has not timely filed a Request for Exclusion, and the Releasing Parties.

10.5 Whenever this Agreement requires or contemplates that one Party shall or may give notice to the other, notice shall be provided by email and/or next day (excluding Saturday and Sunday) express delivery service as follows:

If to Plaintiffs, then to:

Ronald A. Marron
LAW OFFICES OF RONALD A. MARRON
651 Arroyo Drive
San Diego, CA 92103
Telephone: (619) 696-9006
Email: ron@consumersadvocates.com

If to Defendants, then to:

Susan J. Latham, Jeffrey D. Feldman and Nathan Dooley
COZEN O'CONNOR
Southeast Financial Center, 30th Floor
200 South Biscayne Boulevard
Miami, Florida 33131
Telephone: 305-358-5001
Facsimile: 305-358-3309
Email: slatham@cozen.com; jfeldman@cozen.com; ndooley@cozen.com;
jmendoza@cozen.com; and icervantes@cozen.com

10.6 The time periods and/or dates described in this Settlement Agreement with respect to the giving of notices and hearings are subject to approval and change by the Court or by the written agreement of Class Counsel and Defendants' Counsel, without notice to Settlement Class Members. The Parties reserve the right, by agreement and subject to the Court's approval, to grant any reasonable extension of time that might be needed to carry out any of the provisions of this Settlement Agreement.

10.7 Unless otherwise expressly provided herein, all time periods set forth herein or prescribed or allowed by order of the Court, shall be computed in accordance with Rule 6 of the Federal Rules of Civil Procedure.

10.8 The Parties, their successors and assigns, and their attorneys undertake to implement the terms of this Agreement in good faith and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Agreement.

10.9 This Agreement may be amended or modified only by a written instrument signed by Class Counsel and the Defendants. Amendments and modifications may be made without additional notice to the Settlement Class Members unless such notice is expressly required by the Court in an order entered in the Litigation.

10.10 Neither this Agreement nor the settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Released Claim, or of any wrongdoing or liability of Defendants, or of the propriety of Class Counsel maintaining the Litigation as a class action; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal, except that Defendants may file this Agreement or the Final Approval Order in any action that may be brought against any Released Person in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

10.11 Dismissal of Shay Sabag Segev. Within fourteen (14) days following the date of the Court's Preliminary Approval Order approving of the settlement, Plaintiffs shall dismiss Defendant Shay Sabag Segev from the Litigation with prejudice.

10.12 Dispute Resolution. The Parties agree to meet and confer in good faith with respect to any dispute relating to this Settlement Agreement or administration of the settlement. Thereafter, any dispute that cannot be resolved by the Parties among themselves shall be submitted to mediation. Mr. David Lichter, Esq. shall serve as mediator (the "Mediator"). As a result of mediation, the Mediator shall provide the Parties with a written, non-binding recommendation. The cost of any such mediation shall be equally shared by Plaintiffs, on the one hand, and Defendants' on the other hand. If the Mediator's recommendation does not resolve the dispute, either Party may thereafter seek appropriate relief from a court and, in ruling on the dispute, the court may consider but shall not be bound by the Mediator's recommendation.

10.13 This Agreement shall be governed by the laws of the State of Florida, except to the extent that the law of the United States governs any matters set forth herein, in which case such federal law shall govern.

Page 30 of 32

10.14 Exhibits Are Material. All of the exhibits to this Agreement are material and integral parts hereof and are fully incorporated herein by reference.

10.15 This Agreement shall be deemed to have been executed upon the last date of execution set forth below by the signatories.

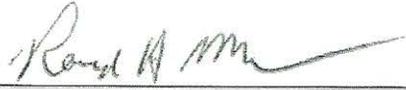
10.16 This Agreement may be executed in counterparts, each of which shall constitute an original.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

UNDERSTOOD AND AGREED:

Dated: March 27, 2018

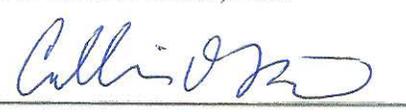
LAW OFFICES OF RONALD A. MARRON

By: 

Ronald A. Marron (*pro hac vice*)
651 Arroyo Drive
San Diego, California 92103
Telephone: (619) 696-9006
Facsimile: (619) 564-6665
Email: ron@consumersadvocates.com
Counsel for Plaintiffs and the Class

Dated: March 27, 2018

CULLIN O'BRIEN LAW, P.A.

By: 

Cullin O'Brien
6541 NE 21st Way
Ft. Lauderdale, FL 33308
Telephone: (561) 676-6370
Fax: (561) 320-0285
Email: cullin@cullinobrienlaw.com
Counsel for Plaintiffs and the Class

Dated: _ March 27, 2018

By: *Lisa Mollicone*
Lisa Mollicone

Dated: _ March _____, 2018

By: _____
Millie Land

Dated: _ March _____, 2018

By: _____
Representative of Universal Handicraft, Inc.

Dated: _ March _____, 2018

By: _____
Shay Sabag Segev

Dated: _ March _____, 2018

By: _____
Representative of The Hartford Fire Insurance Company

Page 31 of 32

Dated: _ March _____, 2018

By: _____
Lisa Mollicone

Dated: _ March 27^d, 2018

By: Millie Land
Millie Land

Dated: _ March _____, 2018

By: _____
Representative of Universal Handicraft, Inc.

Dated: _ March _____, 2018

By: _____
Shay Sabag Segev

Dated: _ March _____, 2018

By: _____
Representative of The Hartford Fire Insurance
Company

Dated: March _____, 2018

By: _____

Lisa Mollicone

Dated: March _____, 2018

By: _____

Millie Land

Dated: March 27, 2018

By:  _____

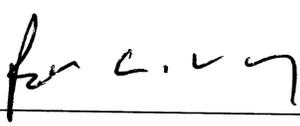
Representative of Universal Handicraft, Inc.

Dated: March 27, 2018

By:  _____

Shay Sabag Segev

Dated: March 30, 2018

By:  _____

Representative of The Hartford Fire Insurance Company

Robert C. Walton, Jr.

Manager, Specialty GL Claims