

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA**  
(Atlanta Division)

S.P. RICHARDS COMPANY, a Georgia corporation, \*

Plaintiff, \*

v. \* Civil Action No.: \_\_\_\_\_

SOLV-ALL ALLIANCE GROUP, LLC d/b/a SOLV-ALL, an Ohio limited liability company, \*

and \*

SCOTT A. MARINCEK, \*

Defendants. \*

**COMPLAINT**

S.P. Richards Company (“**SPR**”), by counsel, states as follows for its Complaint against Defendants, Solv-All Alliance Group, LLC d/b/a Solv-All (“**Solv-All**”) and Scott A. Marincek (“**Marincek**

**PARTIES**

1. SPR is a corporation duly organized in Georgia with its principal place of business in Atlanta, Georgia. It is in the business of wholesale distribution of, *inter alia*, cleaning supplies.

2. Solv-All purports to be an Ohio limited liability company with its principal place of business in Beachwood, Ohio.

3. Marincek is a resident of Ohio and the Chief Executive Officer of Solv-All.

### **JURISDICTION AND VENUE**

4. This Court has jurisdiction of this matter pursuant to 28 U.S.C. §1332, in that the parties are citizens of different states and the matter in controversy exceeds the sum of \$75,000.00.

5. Upon information and belief, to the extent Solv-All is a limited liability company, none of its members are residents of Georgia. Upon information and belief, Marincek, an Ohio resident, is the only member of Solv-All.

6. Defendants are subject to personal jurisdiction in Georgia because they have transacted substantial business in Georgia.

7. Venue is proper in this Court, pursuant to 28 U.S.C. §1391, because a substantial part of the events giving rise to the claims herein occurred within this district.

### **STATEMENT OF FACTS**

8. SPR is one of North America's largest independent wholesale distributors of janitorial and breakroom supplies, furniture, office supplies, and

business technology products. SPR provides its customers with inventory, logistics, sales, and marketing support.

9. In early Spring 2020, the rising COVID-19 pandemic led to a concomitant rise in demand for hand sanitizer from SPR's customers.

10. Seeking to meet the global rise in demand for hand sanitizer, SPR sought out suppliers. That search resulted in, among other things, an April 7, 2020 introduction to Solv-All and Marincek.

11. On April 9, 2020, Marincek executed, purportedly on behalf of Solv-All, an indemnity agreement ("**Indemnity Agreement**") and new vendor form. A copy of the Indemnity Agreement is attached hereto as **Exhibit 1**.

12. During early discussions about SPR's product needs, SPR made clear that it was seeking hand sanitizer that would meet all applicable industry standards, including FDA certification and safety testing results.

13. Initially, Marincek proposed an 8 oz. hand sanitizer produced by DiBar Labs in Mexico. Marincek provided documentation that the product was FDA certified and met all applicable safety testing results. Marincek also sent a video of the factory for SPR's approval. Further, the DiBar Labs products were certified as compliant by Global Product Compliance – an international specialist in product certification. Given this information, and the representations by

Defendants that DiBar Labs' product would meet SPR's requirements, SPR issued four purchase orders on April 15, 2020, to be shipped no later than May 3, 2020.

14. On April 21, 2020, SPR reached out for an update on the shipping. In response, Marincek proposed selling 16 oz. bottles of "Natural Moisturizing Hand Sanitizer by Solv-All" for \$7.45 per bottle (the "**Product**") as it would "reduce the lead time by a week," i.e. SPR would receive the product sooner. SPR requested the FDA registration information and the Product's "Safety Data Sheet," which, *inter alia*, lists the chemical components of the Product. Marincek assured SPR that both the FDA registration and the Product's "Safety Data Sheet" would be forthcoming.

15. Between April 22 and 23, 2020, SPR issued four new purchase orders, totaling approximately \$1.18 million for the Product, and cancelled its previous purchase orders. The purchase orders secured Solv-All's four truckloads of Product, but any purchase was still subject to Defendants providing adequate documentation regarding the Product's manufacturing location, the Product's FDA registration, and the Product's "Safety Data Sheet."

16. At the request of Marincek, SPR paid half of the new purchase orders as a deposit on April 28, 2020 in the amount of \$590,040.00.

17. On May 7, 2020, Marincek and SPR confirmed the details of the purchase being made pursuant to the purchase orders. Specifically, the parties agreed that the Product would be manufactured at a facility in Colorado (at the same plant that produces SmartWater); that the Product would come with a “pump-top;” and that the Product would be of a gel consistency. The “pump-top” and gel consistency are critical features to the consuming public, and, as such, were material terms to the parties’ agreement.

18. Following this confirmation, SPR placed an additional four purchase orders. In total, SPR’s eight purchase orders were for 316,800 bottles of Product and cost \$2,360,160.00 in aggregate.

19. Marincek followed up with images of the Product’s bottle to confirm the details of the agreement: showing a pump top bottle with “Made in the USA” on the label and a certification that “[t]his product and its label are in compliance with the regulations set forth by the FDA.” Finally, Marincek confirmed that shipment would occur by May 14, 2020.

20. On May 13th, Marincek reiterated the shipment date by email, stating “your truckloads of 16oz bottles will begin going out over the next coming days.”

21. Despite assurances regarding the timing of the shipment of the Product, Solv-All and Marincek failed to ship the Product by May 14, 2020.

Following Defendants' failure, SPR made multiple inquiries concerning the Product.

22. On May 15, 2020, Marincek responded to SPR's multiple inquiries that there was an issue with the bottle's pumps that required correction resulting in a shipping delay and that the orders will "definitely be out next week."

23. On May 20, 2020, bills of lading were sent for all shipments. Following this, on May 22, 2020, Marincek requested that SPR make the remaining payments required by the transaction documents. The remaining payments on the purchase orders were made on May 27, 2020 and May 29, 2020 in the total amount of \$1,770,120.00.

24. On May 28, 2020, the first shipment of Product was received in Denver, Colorado. The Product arrived without the promised pump-top, which was the purported cause of the delay. By email, Marincek confirmed that the Product was supposed to have a pump-top, but that the ones he ordered did not fit the bottle, so he shipped the Product anyways, without consulting SPR.

25. By June 10, 2020, SPR had received all 316,800 bottles of Product. But, the shipped Product did not conform to SPR's requirements or the parties' agreement. Indeed, the Product, which was supposed to have a gel-like consistency, was watery, and also lacked the promised pump-top lid. SPR noticed

these non-conforming characteristics when the Product did not sell, notwithstanding the high demand for hand sanitizer in the market.

26. On June 15, 2020, SPR emailed Solv-All and Marincek about the product not selling. Specifically pointing out the above-referenced deficiencies and requesting Solv-All participate in a markdown of the price, so that SPR could try and sell more product. Solv-All and Marincek declined to do so. SPR followed up on June 23, 2020, demanding by email that Solv-All either mark down the price or accept a return of the non-conforming Product.

27. Solv-All, through Marincek, sent its last communication to SPR where it offered additional product of unknown quality or origin to make up for the deficits, but otherwise declined to indemnify SPR.

28. On June 19, 2020, the Food and Drug Agency (“**FDA**”) issued a notice advising people to not purchase hand sanitizer from certain Mexican manufacturers. This notice was issued because imported products being tested contained dangerously high levels of methanol – a byproduct of ethanol production – and in some cases were comprised entirely of methanol. While identical in appearance and odor, methanol contains minimal antimicrobial properties and carries significant health risks, including blindness. This list continued to grow and eventually the FDA issued a country-wide import ban on all hand sanitizer

products from Mexico – the first time in its history the FDA has ever banned an entire category of products from a country. *See* <https://www.fda.gov/media/146178/download>.

29. When SPR’s customers inquired about the Product, SPR assured them that the Product was produced domestically, per its contract with Solv-All.

30. However, following customer complaints, SPR conducted a thorough review of its inventory of the Product that was completed on August 11, 2020. SPR’s review revealed that 104,728 bottles of the Product – approximately a third of the ordered Product (which cost \$780,223.60) – were produced in Mexico.

31. These products of Mexican origin were discovered at random throughout cases, requiring SPR to review every single bottle that it had received from Solv-All.

32. The “Made in Mexico” Product does not conform to the parties’ agreement (e.g., FDA certified and appropriately safety tested) and, per the FDA’s guidance, is neither merchantable nor fit for its intended purpose.

33. On February 4, 2021, SPR issued a formal demand to Solv-All for indemnity pursuant to the Indemnity Agreement.

34. Marincek and Solv-All failed to respond to SPR's demand for indemnity pursuant to the Indemnity Agreement. A true and accurate copy of this demand is attached hereto as **Exhibit 2**.

**COUNT I - Breach of Contract  
(All Defendants)**

35. SPR incorporates by reference the allegations in the foregoing paragraphs.

36. Marincek, on behalf of Solv-All, signed the Indemnity Agreement.

37. The Indemnity Agreement provides, among other things, that:

[Solv-All] will protect, defend and indemnify SPR, its parent company and affiliated business entities, and their respective employees, agents, officers, directors and customers who purchase the Products ... from and hold them harmless against all liability, losses, damages, costs or expenses of any nature, including without limitation, reasonable attorney's fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of ... (v) [Solv-All]'s negligence or willful misconduct in supplying the Products ....

Ex. 1, § 1.

38. Solv-All either negligently supplied products that failed to meet SPR's express contractual requirements or willfully misrepresented the type and nature of the product being provided. In short, Solv-All and SPR contracted for hand sanitizer: (i) meeting all applicable regulations, including FDA certification

and appropriate safety-testing; (ii) packaged in a bottle with a pump-top; (iii) of a gel-like consistency; and (iv) that it would be shipped by May 14, 2020.

39. Instead, Solv-All untimely shipped hand sanitizer that failed to have FDA certification or appropriate safety testing requirement (including a large portion that was produced in Mexico), and that had a liquid consistency, a ‘pour out’ spout, and shipped weeks later than the time agreed-upon by the parties.

40. Solv-All’s failure to indemnify SPR for this negligent or willful act is a breach of the Indemnity Agreement.

41. Further, contrary to its assertions in the Indemnity Agreement, Solv-All is not “an Ohio limited liability company.”<sup>1</sup> As the putative CEO of Solv-All, Marincek was aware of the non-incorporated status of Solv-All and still entered into contracts on its behalf. Therefore, Marincek is personally liable for the breach of the Indemnity Agreement.

42. SPR has been damaged by the breach of the Indemnity Agreement in the amount of \$1,707,629.40<sup>2</sup> insofar as it none of the bottles of hand sanitizer it received were conforming, i.e. 16 oz. bottles of hand sanitizer of a gel consistency, with a pump top, and shipped by May 14, 2020. Additionally, 104,728 of those

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<sup>1</sup> Like most states, Ohio’s government maintains an online database of registered companies, available at: <https://businesssearch.ohiosos.gov>.

<sup>2</sup> SPR currently has 229,212 bottles of Product remaining.

bottles of hand sanitizer were produced in Mexico and SPR is not legally able to sell them.

**COUNT II – Fraud in the Inducement  
(All Defendants)**

43. SPR incorporates by reference the allegations in the foregoing paragraphs.

44. Marincek, on behalf of Solv-All, made a number of material misrepresentations of existing fact to induce SPR to enter into multiple purchase orders and make payments on the same. Specifically, on May 7, 2020, Marincek represented to John Molidor of SPR that the Product would: (1) be produced in the United States; (2) ship with a pump-top; (3) be of a gel consistency; and (4) be shipped by May 14, 2020.

45. In reality, the Product conformed with none of those representations.

46. SPR reasonably relied upon the representations of Marincek as it had a preexisting relationship with him; he had signed an indemnity agreement on behalf of Solv-All; and he had sent samples of the products for approval. The circumstances of addressing the unprecedented need for hand sanitizer at the height of the COVID-19 pandemic further make SPR's reliance reasonable.

47. Upon information and belief, Marincek always intended for Solv-All to send Mexican-produced hand sanitizer to SPR, as Solv-All was otherwise unable to sell the foreign-manufactured goods.

48. As a result of Marincek's misrepresentations, made on behalf of Solv-All, SPR has been damaged in the amount of no less than \$780,223.60 insofar as it now has 104,728 of hand sanitizer produced in Mexico that it: (1) did not bargain for; and (2) cannot sell. Further, SPR has been damaged in an amount no less than \$1,707,629.40 as a result of the other misrepresentations – as there is no consumer demand for pour top, liquid hand sanitizer.

49. Marincek's representations, made on behalf of SPR, were made with knowledge of their falsity and were made willfully, wantonly, and with a conscious indifference to the rights of SPR. Therefore, punitive damages and attorneys' fees are warranted.

**Count III – Negligent Misrepresentation  
(Solv-All)**

50. SPR incorporates by reference the allegations in the foregoing paragraphs.

51. SPR alleges the following in the alternative to Count II.

52. Marincek, on behalf of Solv-All, made a number of material misrepresentations of existing fact to induce SPR to enter into multiple purchase

orders and make payments on the same. Specifically, on May 7, 2020, Marincek represented to John Molidor of SPR that the Product would: (1) be produced in the United States; (2) ship with a pump-top; (3) be of a gel consistency; and (4) be shipped by May 14, 2020.

53. In reality, the Product conformed with none of those representations. A significant portion of it was

54. SPR reasonably relied upon the representations of Marincek as it had a preexisting relationship with him; he had signed an indemnity agreement on behalf of Solv-All; and he had sent samples of the products for approval. The circumstances of addressing the unprecedented need for hand sanitizer at the height of the COVID-19 pandemic further make SPR's reliance reasonable.

55. As a result of Marincek's misrepresentations, made on behalf of Solv-All, SPR has been damaged in the amount of no less than \$780,223.60 insofar as it now has 104,728 of hand sanitizer produced in Mexico that it: (1) did not bargain for; and (2) cannot sell. Further, SPR has been damaged in an amount no less than \$1,707,629.40 as a result of the other misrepresentations – as there is no consumer demand for pour top, liquid hand sanitizer.

**Count IV – Breach of Express Warranty  
(Solv-All)**

56. SPR incorporates by reference the allegations in the foregoing paragraphs.

57. Through their negotiations regarding the specifications of the Product, Marincek, on behalf of Solv-All, made a number of affirmations of fact relating to the Product which served as the basis of SPR's purchase of the Product.

58. Specifically, on May 7, 2020, Marincek represented to John Molidor of SPR that the Product would: (1) be produced in the United States; (2) ship with a pump-top; (3) be of a gel consistency; and (4) be shipped by May 14, 2020.

59. In reality, the Product conformed with none of those representations.

60. As a result of Solv-All's breach of express warranty, SPR has been damaged. As a result of Marincek's misrepresentations, made on behalf of Solv-All, SPR has been damaged in the amount of no less than \$780,223.60 insofar as it now has 104,728 of hand sanitizer produced in Mexico that it: (1) did not bargain for; and (2) cannot sell. Further, SPR has been damaged in an amount no less than \$1,707,629.40 as a result of the other misrepresentations – as there is no consumer demand for pour top, liquid hand sanitizer.

**Count V – Breach of Implied Warranty  
(Solv-All)**

61. SPR incorporates by reference the allegations in the foregoing paragraphs.

62. As a merchant seller of goods in Georgia, Solv-All is subject to Georgia's adaptation of the Uniform Commercial Code. *See* O.C.G.A. § 11-1-101, *et seq.*

63. This includes the implied statutory warranty that the goods sold shall be merchantable and/or fit for SPR's particular purpose. O.C.G.A. §§ 11-2-314, 2-315.

64. The parties engaged in extensive discussion regarding SPR's particular purpose for the Product, i.e. reselling it to consumers at the outset of the global COVID-19 pandemic.

65. The Product as delivered was neither merchantable nor fit for SPR's particular purpose. Indeed, the Product did not match the contract requirements as did not meet all applicable regulatory standards, including FDA certification and appropriate safety testing; was of liquid consistency instead of a gel-like consistency, and came with a flip top, rather than a pump-top. Further, the Product was not labeled as required by the parties' contract.

66. There are no exclusions or modifiers to the common law warranties.

67. As a result of Solv-All's breach of implied warranty, SPR has been damaged. As a result of Marincek's misrepresentations, made on behalf of Solv-All, SPR has been damaged in the amount of no less than \$780,223.60 insofar as it now has 104,728 of hand sanitizer produced in Mexico that it: (1) did not bargain for; and (2) cannot sell. Further, SPR has been damaged in an amount no less than \$1,707,629.40 as a result of the other misrepresentations – as there is no consumer demand for pour top, liquid hand sanitizer.

**Count VI – Attorneys' Fees  
(All Defendants)**

68. SPR incorporates by reference the allegations in the foregoing paragraphs.

69. The Indemnity Agreement provides that “[i]n any litigation . . . by which one party either seeks to enforce its rights under this Indemnity Agreement . . . the prevailing party will be awarded reasonable attorney fees, together with any costs and expenses[.]” Ex. 1 at 2.

70. Therefore, in the event SPR is successful with respect to Count I, it is entitled to its attorneys' fees and costs in this matter.

71. Additionally, the Defendants' actions in defrauding Plaintiff and rejecting indemnification, as described herein, show that Defendants acted in bad faith, have been stubbornly litigious, and have caused Plaintiff unnecessary trouble

and expense, entitling Plaintiff to an award of attorneys' fees, expenses of litigation, and costs pursuant to O.C.G.A. § 13-6-11.

**Count VII – Punitive Damages  
(All Defendants)**

72. SPR incorporates by reference the allegations in the foregoing paragraphs.

73. As detailed above, Marincek made numerous misrepresentations with the intent to induce SPR to enter into a contract and prepay funds to him.

74. These fraudulent misrepresentations were made with malice, wantonness, and/or an entire want of care demonstrating a conscious indifference to consequences.

75. This is evident by the manner in which Marincek sought to conceal his actions. The Product was packaged in cases of bottles. Interspersed between domestically produced bottles were bottles produced in Mexico – some of which had been re-labeled with a label indicating they were produced domestically.

76. Put simply, Marincek attempted to hide his fraud by placing domestic bottles and foreign bottles within the same case.

77. Accordingly, Defendants' actions entitle Plaintiff to an award of punitive damages under O.C.G.A. § 51-12-5.1 and other applicable law.

WHEREFORE, this Court should enter judgment in favor of Plaintiff S.P. Richards Company and against Defendants Solv-All Alliance Group, LLC d/b/a Solv-All and Scott A. Marincek, jointly and severally, as follows:

- (1) Award damages in an amount no less than \$2,487,853;
- (2) Award punitive damages in an amount to be determined at trial;
- (3) Award SPR its attorney's fees and costs incurred herein;
- (4) Award prejudgment and post-judgment interest; and
- (5) Award such other relief as the Court deems necessary and proper.

Dated: May 28, 2021

S.P. RICHARDS COMPANY

By:                     /s/ Scott Sherman                    

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*Attorneys for Plaintiff S. P. Richards Company*

**CERTIFICATION OF COMPLIANCE**

The undersigned counsel certifies that the foregoing pleading has been prepared with 14-point Times New Roman font, which is one of the fonts and point selections approved by the Court in LR 5.1C, NDGa.

/s/ Scott Sherman

Scott N. Sherman

Georgia Bar No. 642090

# EXHIBIT 1

## INDEMNITY AGREEMENT



This INDEMNITY AGREEMENT (this "Indemnity Agreement") dated April 9, 2020 is made by and between **S.P. RICHARDS COMPANY**, a Georgia corporation (hereinafter "SPR") and, **SOLV-ALL ALLIANCE GROUP, LLC dba SOLV-ALL**, an Ohio limited liability company (hereinafter "SUPPLIER").

**WHEREAS**, SPR has purchased, or at some future time may purchase, goods and products (the "Products") from SUPPLIER; and

**WHEREAS**, SPR desires to be indemnified from, defended against, and held harmless from certain liability, losses, damages, costs, or expense which it may sustain or incur; and

**WHEREAS**, SUPPLIER has agreed to indemnify, defend, and hold SPR harmless as herein provided.

**NOW, THEREFORE**, for and in consideration of the purchase by SPR of goods and products from SUPPLIER and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending legally to be bound hereby, SUPPLIER and SPR hereby agree as follows:

### 1. INDEMNIFICATION

SUPPLIER will protect, defend and indemnify SPR, its parent company and affiliated business entities, and their respective employees, agents, officers, directors and customers who purchase the Products (together, the "Indemnified Parties") from and hold them harmless against all liability, losses, damages, costs or expenses of any nature, including without limitation, reasonable attorney's fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of (i) any claim that the Products are defective, negligently designed or manufactured in any manner, or otherwise determined to be the cause of injury or death to persons, or damage to property, or both; (ii) any claim that the Products or the manufacture, sale or labeling of the Products fails to comply with any governmental requirements, or the labeling on any Products, or on or within the packaging of any Products (including any instructions or warnings thereon), is inadequate in any manner; (iii) any claim that the Products should have been recalled pursuant to any governmental requirements; (iv) SUPPLIER's breach of the warranties and representations contained in this Indemnity Agreement; (v) SUPPLIER's negligence or willful misconduct in supplying the Products; or (vi) any claim, action, suit or proceeding by any person, firm, governmental agency or corporation resulting from or arising out of (i) through (v) above. This indemnification shall not apply to the extent that such injury, death or damage is directly caused solely by any of the following: (a) failure on the part of SPR to furnish instruction materials provided by SUPPLIER for inclusion in packages in which Products are sold; (b) sale of Products by SPR without packaging where packaging is provided by SUPPLIER and where such packaging contains the required labeling and instructions on the use of the Product; (c) alterations of any Products by SPR; or (d) gross negligence or willful misconduct of SPR.

### 2. INTELLECTUAL PROPERTY INFRINGEMENT

SUPPLIER will protect, indemnify, defend and hold the Indemnified Parties harmless from and against all liability, losses, damages, costs or expenses which they may at any time suffer, incur or be required to pay by reason of any claim, action, suit, or proceeding that may be brought for damages or injunctive relief based upon any actual or alleged violation or infringement of any patent, trademark, copyright or other intellectual property right by any Products sold by SUPPLIER to SPR. Should any Products become the subject of such a claim of infringement, SPR shall permit SUPPLIER, at its option and expense, either to procure for SPR the right to continue selling Products, to replace or modify Products so that they become non-infringing, or to require return of Products in exchange for full credit. SUPPLIER shall have no liability to SPR with respect to any claim of infringement of any such patent, trademark, copyright or other intellectual property right based solely upon (a) the combination by SPR of Products sold by SUPPLIER with equipment or devices not sold by SUPPLIER; (b) Products supplied according to a design other than that of SUPPLIER and which is required by SPR; or (c) the authorized use of trademarks owned by SPR on the Products and/or packaging.

## INDEMNITY AGREEMENT

### 3. LEGAL ACTION

SPR will give SUPPLIER prompt notice of any claims, actions, suits, or proceedings instituted against SPR with respect to the subject of the indemnity contained herein, and shall provide to SUPPLIER reasonable information and assistance in the defense thereof. SUPPLIER agrees at its own expense to defend against any such claims, actions, suits, or proceedings, rightfully or wrongfully instituted with legal counsel reasonably acceptable to SPR; provided, however, that SUPPLIER shall not settle any claim, action, suit or proceeding which imposes upon SPR any obligation, or in any way prejudices the rights of SPR, other than as set forth herein, without SPR's written consent. SUPPLIER agrees to satisfy any and all judgments covered under this Indemnity Agreement which may be rendered against the Indemnified Parties or SUPPLIER with respect thereto. Notwithstanding the foregoing, SPR shall have the option to employ attorneys, at the sole cost and expense of SUPPLIER, to defend any claim, action, suit, or proceeding in the event SUPPLIER fails to assume such defense. SUPPLIER agrees to extend the terms of this indemnity to claims made against any party who has acquired any of the Products in the course of normal commercial sales, whether or not SPR is the direct seller to such party.

### 4. REMEDIES

In the event SUPPLIER refuses to defend any claim, action, suit or proceeding, or refuses to satisfy any settlement or judgment as required herein, SPR shall be entitled to retain from payments otherwise due to SUPPLIER such amounts as shall be reasonably considered necessary to satisfy any claim, action, suit or proceeding for damages that fall within SUPPLIER's indemnity obligations set forth herein, until such claim, action, suit, or proceeding has been settled and satisfactory evidence to such effect has been furnished to SPR.

In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Indemnity Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Indemnity Agreement, the prevailing party will be awarded reasonable attorney fees, together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

### 5. LIABILITY INSURANCE

During the term of the business relationship between SUPPLIER and SPR, SUPPLIER will procure and maintain in full force and effect a product liability insurance policy or policies, naming SPR as an additional named insured, covering all goods and products supplied to SPR by SUPPLIER under this Indemnity Agreement. Such policy or policies shall be written by a reputable insurance company or companies in the amount of not less than \$5,000,000.00, or at the levels requested by SPR if warranted by the nature or scope of the business relationship of the parties, and shall be on an occurrence basis. Such policy shall contain a requirement that SPR will be notified of any proposed cancellation or modification at least thirty (30) days prior to the effective date of such cancellation or modification. Upon execution of this Indemnity Agreement, SUPPLIER shall furnish to SPR certificates of insurance evidencing compliance with the foregoing requirements. Maintenance of such insurance and the performance by SUPPLIER of its obligations under this paragraph shall not relieve SUPPLIER of liability under the indemnity set forth in this Indemnity Agreement.

### 6. BENEFIT

This Indemnity Agreement shall be binding upon and shall inure to the benefit of the parties, their legal representatives, successors and assigns.

### 7. TERM; TERMINATION

This Indemnity Agreement shall continue in full force and effect while SUPPLIER is selling any Products to SPR. This Indemnity Agreement may be terminated by any party upon ninety (90) days written notice; provided, however, that such termination shall only be effective upon the simultaneous termination of any supply agreement or other supply arrangement between SPR and SUPPLIER. Termination shall not relieve SUPPLIER from liability assumed hereunder prior to such termination.

**INDEMNITY AGREEMENT**

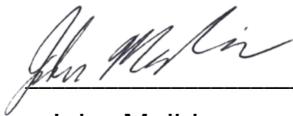
**8. MISCELLANEOUS**

This Indemnity Agreement constitutes the entire agreement of the parties with respect to the matters hereto. This Indemnity Agreement shall be governed by the laws of the State of Georgia, without regard to conflict of law principles. No amendment, waiver or modification of the provisions hereof shall be valid unless in writing and signed by the parties hereto and then only to the extent therein set forth. Each party agrees to perform all further acts and execute, acknowledge and deliver any documents reasonably necessary, appropriate or desirable, to carry out the provisions of this Indemnity Agreement. Every covenant, term and provision of this Indemnity Agreement shall be construed simply according to its fair meaning and not strictly for or against any party. If any one or more of the provisions of the Indemnity Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of the Indemnity Agreement will not in any way be affected or impaired thereby. If any provision of this Indemnity Agreement is unenforceable for any reason whatsoever, such provision shall be appropriately limited and given effect to the extent that it may be enforceable. This Indemnity Agreement may be signed via facsimile and in one or more counterparts, each of which when executed shall be deemed an original, and all of which taken together shall constitute one and the same document.

Each party represents that the person executing this Indemnity Agreement has the power and authority to bind such party to the obligations herein.

IN WITNESS WHEREOF, the parties hereto have executed this Indemnity Agreement the day and year first written above.

**S.P RICHARDS COMPANY**

By:  Signature  
Name: John Molidor  
Title: Merchandise Manager

(Corporate Seal)

**SOLV-ALL**

By: *Scott A. Marincek* Signature  
Name: Scott A. Marincek  
Title: Chief Executive Officer

(Corporate Seal)

# EXHIBIT 2

WHITEFORD, TAYLOR & PRESTON L.L.P.

STEPHEN M. FARACI, SR.  
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VIRGINIA  
[WWW.WTPLAW.COM](http://WWW.WTPLAW.COM)  
(800) 987-8705

February 4, 2021

**VIA FIRST CLASS MAIL AND E-MAIL: sm@solvall.com**

Scott A. Marincek, CEO  
Solv-All Alliance Group, LLC  
2000 Auburn Drive, Suite 200  
Beachwood, Ohio 44122

**Re: S.P. Richards Company – Country of Origin Dispute**

Dear Mr. Marincek:

My firm represents S.P. Richards Company ("**SPR**") with respect to its ongoing dispute with Solv-All Alliance Group, LLC dba Solv-All ("**Solv-All**"). Please direct all further correspondence related to this matter to my attention. If you retain counsel, please forward this letter to their attention and have them contact me.

As you are aware, SPR issued purchase orders in April 2020 in the amount of approximately \$1.7 million for your product "Natural Moisturizing Hand Sanitizer." The agreed upon product was to be FDA certified, made in the United States, and have a hand pump – as shown on the images you provided prior to the sale. As you are aware, Solv-All negligently and/or willfully failed to provide products that met each of these required conditions. Indeed, none of those bottles came with a pump, and 104,728 of the bottles were made in Mexico, instead of the United States. Solv-All's unilateral and unauthorized substitution of hand sanitizer made in Mexico, rather than the United States, was particularly troublesome, as the FDA has published warnings regarding hand sanitizer products produced in Mexico because of the presence of toxic substances.

SPR and Solv-All are parties to an April 9, 2020 Indemnity Agreement (the "Agreement"), a copy of which is attached as Exhibit 1. The Agreement provides, among other things:

[Solv-All] will protect, defend and indemnify SPR, its parent company and affiliated business entities, and their respective

Scott A. Marincek, CEO

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employees, agents, officers, directors and customers who purchase the Products ... from and hold them harmless against all liability, losses, damages, costs or expenses of any nature, including without limitation, reasonable attorney's fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of ... (v) [Solv-All]'s negligence or willful misconduct in supplying the Products

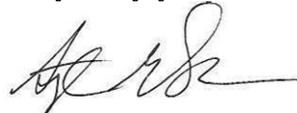
....

Here, Solv-All either negligently supplied products that failed to meet SPR's express contractual requirements or willfully misrepresented the type and nature of the product being provided. Either way, the failure to provide the agreed-upon product, has caused SPR actual damages, including the inability to sell \$780,224.00 of inventory, which are recoverable against Solv-All pursuant to the Agreement.

Please contact me no later than February 12, 2021 to arrange a return/refund authorization for the noncomplying product or if you have any questions. Should you fail to contact me within the time frame noted above, SPR will initiate legal proceedings to recover all damages incurred as a result of Solv-All's negligence and/or willful misconduct. Please also consider this letter a revocation in whole of the nonconforming products, to the extent my client's prior communications are not considered a rejection.

Further, please be advised that you are obligated to preserve any and all evidence, whether in hard copy or electronic form that may be relevant to the issues set forth herein. This includes, but is not limited to, information stored on company computers and company networks, personal computers, laptops, cellular phones, cloud data storage services such as Dropbox, Box, OneDrive, or Google Cloud, and any other form of electronic storage. Your failure to preserve evidence may result in severe sanctions being imposed by a court.

Very truly yours,



Stephen M. Faraci, Sr.

SMF/

Enclosure

cc: S.P. Richards Co., Inc. (with enclosure)  
John C. Selbach, Esquire (with enclosure)

**INDEMNITY AGREEMENT**

This INDEMNITY AGREEMENT (this "Indemnity Agreement") dated April 9, 2020 is made by and between **S.P. RICHARDS COMPANY**, a Georgia corporation (hereinafter "SPR") and, **SOLV-ALL ALLIANCE GROUP, LLC dba SOLV-ALL**, an Ohio limited liability company (hereinafter "SUPPLIER").

**WHEREAS**, SPR has purchased, or at some future time may purchase, goods and products (the "Products") from SUPPLIER; and

**WHEREAS**, SPR desires to be indemnified from, defended against, and held harmless from certain liability, losses, damages, costs, or expense which it may sustain or incur; and

**WHEREAS**, SUPPLIER has agreed to indemnify, defend, and hold SPR harmless as herein provided.

**NOW, THEREFORE**, for and in consideration of the purchase by SPR of goods and products from SUPPLIER and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending legally to be bound hereby, SUPPLIER and SPR hereby agree as follows:

**1. INDEMNIFICATION**

SUPPLIER will protect, defend and indemnify SPR, its parent company and affiliated business entities, and their respective employees, agents, officers, directors and customers who purchase the Products (together, the "Indemnified Parties") from and hold them harmless against all liability, losses, damages, costs or expenses of any nature, including without limitation, reasonable attorney's fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of (i) any claim that the Products are defective, negligently designed or manufactured in any manner, or otherwise determined to be the cause of injury or death to persons, or damage to property, or both; (ii) any claim that the Products or the manufacture, sale or labeling of the Products fails to comply with any governmental requirements, or the labeling on any Products, or on or within the packaging of any Products (including any instructions or warnings thereon), is inadequate in any manner; (iii) any claim that the Products should have been recalled pursuant to any governmental requirements; (iv) SUPPLIER's breach of the warranties and representations contained in this Indemnity Agreement; (v) SUPPLIER's negligence or willful misconduct in supplying the Products; or (vi) any claim, action, suit or proceeding by any person, firm, governmental agency or corporation resulting from or arising out of (i) through (v) above. This indemnification shall not apply to the extent that such injury, death or damage is directly caused solely by any of the following: (a) failure on the part of SPR to furnish instruction materials provided by SUPPLIER for inclusion in packages in which Products are sold; (b) sale of Products by SPR without packaging where packaging is provided by SUPPLIER and where such packaging contains the required labeling and instructions on the use of the Product; (c) alterations of any Products by SPR; or (d) gross negligence or willful misconduct of SPR.

**2. INTELLECTUAL PROPERTY INFRINGEMENT**

SUPPLIER will protect, indemnify, defend and hold the Indemnified Parties harmless from and against all liability, losses, damages, costs or expenses which they may at any time suffer, incur or be required to pay by reason of any claim, action, suit, or proceeding that may be brought for damages or injunctive relief based upon any actual or alleged violation or infringement of any patent, trademark, copyright or other intellectual property right by any Products sold by SUPPLIER to SPR. Should any Products become the subject of such a claim of infringement, SPR shall permit SUPPLIER, at its option and expense, either to procure for SPR the right to continue selling Products, to replace or modify Products so that they become non-infringing, or to require return of Products in exchange for full credit. SUPPLIER shall have no liability to SPR with respect to any claim of infringement of any such patent, trademark, copyright or other intellectual property right based solely upon (a) the combination by SPR of Products sold by SUPPLIER with equipment or devices not sold by SUPPLIER; (b) Products supplied according to a design other than that of SUPPLIER and which is required by SPR; or (c) the authorized use of trademarks owned by SPR on the Products and/or packaging.

**INDEMNITY AGREEMENT****3. LEGAL ACTION**

SPR will give SUPPLIER prompt notice of any claims, actions, suits, or proceedings instituted against SPR with respect to the subject of the indemnity contained herein, and shall provide to SUPPLIER reasonable information and assistance in the defense thereof. SUPPLIER agrees at its own expense to defend against any such claims, actions, suits, or proceedings, rightfully or wrongfully instituted with legal counsel reasonably acceptable to SPR; provided, however, that SUPPLIER shall not settle any claim, action, suit or proceeding which imposes upon SPR any obligation, or in any way prejudices the rights of SPR, other than as set forth herein, without SPR's written consent. SUPPLIER agrees to satisfy any and all judgments covered under this Indemnity Agreement which may be rendered against the Indemnified Parties or SUPPLIER with respect thereto. Notwithstanding the foregoing, SPR shall have the option to employ attorneys, at the sole cost and expense of SUPPLIER, to defend any claim, action, suit, or proceeding in the event SUPPLIER fails to assume such defense. SUPPLIER agrees to extend the terms of this indemnity to claims made against any party who has acquired any of the Products in the course of normal commercial sales, whether or not SPR is the direct seller to such party.

**4. REMEDIES**

In the event SUPPLIER refuses to defend any claim, action, suit or proceeding, or refuses to satisfy any settlement or judgment as required herein, SPR shall be entitled to retain from payments otherwise due to SUPPLIER such amounts as shall be reasonably considered necessary to satisfy any claim, action, suit or proceeding for damages that fall within SUPPLIER's indemnity obligations set forth herein, until such claim, action, suit, or proceeding has been settled and satisfactory evidence to such effect has been furnished to SPR.

In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Indemnity Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Indemnity Agreement, the prevailing party will be awarded reasonable attorney fees, together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

**5. LIABILITY INSURANCE**

During the term of the business relationship between SUPPLIER and SPR, SUPPLIER will procure and maintain in full force and effect a product liability insurance policy or policies, naming SPR as an additional named insured, covering all goods and products supplied to SPR by SUPPLIER under this Indemnity Agreement. Such policy or policies shall be written by a reputable insurance company or companies in the amount of not less than \$5,000,000.00, or at the levels requested by SPR if warranted by the nature or scope of the business relationship of the parties, and shall be on an occurrence basis. Such policy shall contain a requirement that SPR will be notified of any proposed cancellation or modification at least thirty (30) days prior to the effective date of such cancellation or modification. Upon execution of this Indemnity Agreement, SUPPLIER shall furnish to SPR certificates of insurance evidencing compliance with the foregoing requirements. Maintenance of such insurance and the performance by SUPPLIER of its obligations under this paragraph shall not relieve SUPPLIER of liability under the indemnity set forth in this Indemnity Agreement.

**6. BENEFIT**

This Indemnity Agreement shall be binding upon and shall inure to the benefit of the parties, their legal representatives, successors and assigns.

**7. TERM; TERMINATION**

This Indemnity Agreement shall continue in full force and effect while SUPPLIER is selling any Products to SPR. This Indemnity Agreement may be terminated by any party upon ninety (90) days written notice; provided, however, that such termination shall only be effective upon the simultaneous termination of any supply agreement or other supply arrangement between SPR and SUPPLIER. Termination shall not relieve SUPPLIER from liability assumed hereunder prior to such termination.

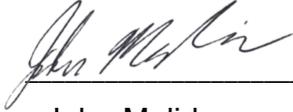
**INDEMNITY AGREEMENT****8. MISCELLANEOUS**

This Indemnity Agreement constitutes the entire agreement of the parties with respect to the matters hereto. This Indemnity Agreement shall be governed by the laws of the State of Georgia, without regard to conflict of law principles. No amendment, waiver or modification of the provisions hereof shall be valid unless in writing and signed by the parties hereto and then only to the extent therein set forth. Each party agrees to perform all further acts and execute, acknowledge and deliver any documents reasonably necessary, appropriate or desirable, to carry out the provisions of this Indemnity Agreement. Every covenant, term and provision of this Indemnity Agreement shall be construed simply according to its fair meaning and not strictly for or against any party. If any one or more of the provisions of the Indemnity Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of the Indemnity Agreement will not in any way be affected or impaired thereby. If any provision of this Indemnity Agreement is unenforceable for any reason whatsoever, such provision shall be appropriately limited and given effect to the extent that it may be enforceable. This Indemnity Agreement may be signed via facsimile and in one or more counterparts, each of which when executed shall be deemed an original, and all of which taken together shall constitute one and the same document.

Each party represents that the person executing this Indemnity Agreement has the power and authority to bind such party to the obligations herein.

IN WITNESS WHEREOF, the parties hereto have executed this Indemnity Agreement the day and year first written above.

**S.P RICHARDS COMPANY**

By:  Signature

Name:

John Molidor

Title:

Merchandise Manager

(Corporate Seal)

**SOLV-ALL**

By: *Scott A. Marincek* Signature

Name:

Scott A. Marincek

Title:

Chief Executive Officer

(Corporate Seal)