60-DAY NOTICE OF VIOLATION

SENT IN COMPLIANCE WITH CALIFORNIA HEALTH & SAFETY CODE § 25249.7(d)

DATE: July 25, 2018

To: Donald Guidi, President – Paper House Productions, Inc.

Steven Becker, Chief Executive Officer – Tuesday Morning Corporation

Steven Becker, Chief Executive Officer – Tuesday Morning, Inc.

California Attorney General's Office;

District Attorney's Office for 58 Counties; and

City Attorneys for San Francisco, San Diego, San Jose, Sacramento and Los Angeles

FROM: Laurence Vinocur

I. INTRODUCTION

My name is Laurence Vinocur. I am a citizen of the State of California acting in the interest of the general public. I seek to promote awareness of exposures to toxic chemicals in products sold in California and, if possible, to improve human health by reducing hazardous substances contained in such items. This Notice is provided to the public agencies listed above pursuant to California Health & Safety Code § 25249.6 *et seq.* ("Proposition 65"). As noted above, notice is also being provided to the alleged violators, Paper House Productions, Inc., Tuesday Morning Corporation and Tuesday Morning, Inc. (the "Violators"). The violations covered by this Notice consist of the product exposure, routes of exposure and types of harm potentially resulting from exposure to the toxic chemical ("Listed Chemical") identified below, as follows:

Product Exposure: See Section VII. Exhibit A

Listed Chemical: Di(2-ethylhexyl)phthalate ("DEHP")

Routes of Exposure: Ingestion, Dermal

Types of Harm: Birth Defects and Other Reproductive Harm

II. NATURE OF ALLEGED VIOLATION (PRODUCT EXPOSURE)

The specific type of product that is causing consumer exposures in violation of Proposition 65, and that is covered by this Notice, is listed under "Product Category/Type" in Exhibit A in Section VII. All products within the category covered by this Notice shall be referred to hereinafter as the "Products." Exposures to the Listed Chemical from the use of the Products have been occurring without the "clear and reasonable warning" required by Proposition 65, dating as far back as July 25, 2015. Without proper warnings regarding the toxic effects of exposures to the Listed Chemical resulting from contact with the Products, California citizens lack the information necessary to make informed decisions on whether and how to eliminate (or reduce) the risk of exposure to the Listed Chemical from the reasonably foreseeable use of the Products.

California citizens, through the act of buying, acquiring or utilizing the Products, are exposed to the Listed Chemical. By way of example, consumers and other individuals, including women of childbearing age, ingest the Listed Chemical when they, among other activities, touch the Products and transfer the Listed Chemical from the Products to their mouths through hand-to-mouth activities that may continue to occur for a significant period after contact with the Products stops. Additionally, consumers and other individuals, including women of childbearing age, are exposed to the Listed Chemical through direct dermal contact when they, among other activities, handle, touch or otherwise use the Products. The California State Plan for Occupational Safety and Health incorporates the provisions of Proposition 65, as approved by Federal OSHA on June 6, 1997. This approval specifically placed certain conditions with regard to occupational exposures on Proposition 65, including that it does not apply to the conduct of manufacturers occurring outside the State of California. The approval also provides that an employer may use the means of compliance in the general hazard communication requirements to comply with Proposition 65. It also requires that supplemental enforcement is subject to the supervision of the California Occupational Safety and Health Administration. Accordingly, any settlement, civil complaint, or substantive court orders in this matter must be submitted to the Attorney General.

III. CONTACT INFORMATION

Please direct all questions concerning this Notice to me through my counsel's office at the following address:

Laurence Vinocur c/o Clifford A. Chanler The Chanler Group Parker Plaza 2560 Ninth Street, Suite 214 Berkeley, CA 94710 Telephone: (510) 848-8880

IV. PROPOSITION 65 INFORMATION

For general information concerning the provisions of Proposition 65, please feel free to contact the Office of Environmental Health Hazard Assessment's ("OEHHA") Proposition 65 Implementation Office at (916) 445-6900. For the Violators' reference, I have attached a copy of "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary" which has been prepared by OEHHA.

V. RESOLUTION OF NOTICED CLAIMS

Based on the allegations set forth in this Notice, I intend to file a citizen enforcement lawsuit against the alleged Violators unless such Violators enter into a binding written agreement to: (1) recall Products already sold or undertake best efforts to ensure that the requisite health hazard warnings are provided to those who have received such Products; (2) provide "clear and reasonable warnings" for Products sold in the future or reformulate such Products to eliminate the DEHP exposures; and (3) pay an appropriate

civil penalty based on the factors enumerated in California Health & Safety Code § 25249.7(b). If the alleged Violators are interested in resolving this dispute without resorting to time-consuming and costly litigation, please feel free to contact my counsel identified in Section III. It should be noted that neither my counsel nor I can: (1) finalize any settlement until after the 60-day notice period has expired; nor (2) speak for the Attorney General or any district or city attorney who received this Notice. Therefore, while reaching an agreement with me will resolve my claims, such agreement may not satisfy the public prosecutors.

VI. ADDITIONAL NOTICE INFORMATION

Identified below is a specific example of a Product recently purchased and witnessed as being available for purchase or use in California that is within the category or type of offending Product covered by this Notice. Based on publicly available information, the retailers, distributors and/or manufacturers of the example within the category or type of Product are also provided below. I believe and allege that the sale of the offending Products has also occurred without the requisite Proposition 65 "clear and reasonable warning" at one or more locations and/or via other means including, but not limited to, transactions made over-the-counter, business-to-business, through the internet and/or via a catalog by the Violators and other distributors and retailers of the manufacturer.

Product*	Retailer(s)	Manufacturer(s)/Distributor(s)
Paper House 3D Sticky Pix Stickers, STP-0503, #1888697,	Tuesday Morning Corporation; Tuesday Morning, Inc. Los Angeles County, California	Paper House Productions, Inc.
UPC #7 67636 81736 4		

VII. EXHIBIT A

Product Category/Type	Such As*	Toxicant(s)
Vinyl Stickers	Paper House 3D Sticky Pix Stickers, STP-0503, #1888697, UPC #7 67636 81736 4	Di(2-ethylhexyl)phthalate

*The specifically identified example of the Products that is subject to this Notice is for the recipients' benefit to assist in their investigation of, among other things, the magnitude of potential exposures to the Listed Chemical from other items within the product category/type listed in Exhibit A. It is important to note that this example is not meant to be an exhaustive or comprehensive identification of each specific offending Product of the type listed under "Product Category/Type" in Exhibit A. Further, it is this citizen's position that the alleged Violators are obligated to continue to conduct in good faith an investigation into other specific Products within the type or category described above that may have been manufactured, distributed, sold, shipped, stored (or otherwise within the notice recipients' custody or control) during the relevant period so as to ensure that the requisite toxic warnings were and are provided to California citizens prior to purchase.

PROOF OF SERVICE

I, the undersigned, declare under penalty of perjury:

I am over the age of 18 years and not a party to the within action. I am employed in Alameda County, California. My business address is 2560 Ninth Street, Suite 214, Berkeley, CA 94710.

On July 25, 2018, I caused to be served the following documents:

60-DAY NOTICE OF VIOLATION SENT IN COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(d);

CERTIFICATE OF MERIT; AND

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY

XXXX **By First Class Certified Mail** through the United States Postal Service by placing true and correct copies of the above documents in a sealed envelope, addressed to each alleged violator listed below and providing such envelope to a United States Postal Service Representative.

Donald Guidi, President Paper House Productions, Inc. 160 Malden Turnpike Saugerties, NY 12477 Donald Guidi, President Paper House Productions, Inc. P.O. Box 259 Saugerties, NY 12477 Steven Becker, Chief Executive Officer Tuesday Morning Corporation 6250 Lyndon B. Johnson Freeway Dallas, TX 75240

Steven Becker, Chief Executive Officer Tuesday Morning, Inc. 6250 Lyndon B. Johnson Freeway Dallas, TX 75240

On July 25, 2018, I caused to be served the following documents:

60-DAY NOTICE OF VIOLATION SENT IN COMPLIANCE WITH HEALTH & SAFETY CODE $\S~25249.7(d);$ AND

CERTIFICATE OF MERIT

XXXX **By First Class Mail** through the United States Postal Service by placing true and correct copies of the above documents in a sealed envelope, addressed to each entity on the attached "Mail Service List" and providing such envelope to a United States Postal Service Representative, postage prepaid.

XXXX **By Electronic Mail** by sending true and correct copies of the above documents to the electronic notification (Email) address(es) on the attached "Email Service List".

On July 25, 2018, I caused to be served the following documents:

60-DAY NOTICE OF VIOLATION SENT IN COMPLIANCE WITH HEALTH & SAFETY CODE \S 25249.7(d);

CERTIFICATE OF MERIT; AND

CERTIFICATE OF MERIT ATTACHMENTS

XXXX **By Electronic Upload** by causing true and correct copies of the above documents to be uploaded to the California Attorney General's website at the web address on the attached "Electronic Upload Service List".

Executed on July 25, 2018, at Berkeley, California.

Caroline Liang

CERTIFICATE OF MERIT

Health and Safety Code Section 25249.7(d)

I, Clifford A. Chanler, hereby declare:

- 1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged that the parties identified in the notice have violated Health and Safety Code § 25249.6 by failing to provide clear and reasonable warnings;
- 2. I am the attorney for the noticing party;
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding the *alleged* exposure to the Listed Chemical that is the subject of this action;
- 4. Based on the information obtained through those consultations, and on all other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and the information did not prove that the alleged Violators will be able to establish any of the affirmative defenses set forth in the statute;
- 5. The copy of this Certificate of Merit served on the Attorney General attaches to it factual information sufficient to establish the basis for this certificate under Health and Safety Code § 25249.7(h)(2) including (i) the identity of the persons consulted with and relied on by the certifier, and (ii) certain facts, studies, or other data reviewed by those persons.

Dated: July 25, 2018

Clifford A. Chanler

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MAIL SERVICE LIST

The Honorable Nancy O'Malley Alameda County District Attorney 1225 Fallon Street, Room 900 Oakland, CA 94612

The Honorable Michael Atwell Alpine County District Attorney P.O. Box 248 Markleeville, CA 96120

The Honorable Todd Riebe Amador County District Attorney 708 Court Street Jackson, CA 95642

The Honorable Michael Ramsey Butte County District Attorney 25 County Center Drive, Suite 245 Oroville, CA 95965

The Honorable Barbara Yook Calaveras County District Attorney 891 Mountain Ranch Road San Andreas, CA 95249

The Honorable Matthew R. Beauchamp Colusa County District Attorney 346 Fifth Street, Suite 101 Colusa, CA 95932

The Honorable Diana Becton Contra Costa County District Attorney 900 Ward Street Martinez, CA 94553

Del Norte County District Attorney 450 H Street, Room 171 Crescent City, CA 95531

The Honorable Vern Pierson El Dorado County District Attorney 515 Main Street Placerville, CA 95667

The Honorable Lisa Smittcamp Fresno County District Attorney 2220 Tulare Street, Suite 1000 Fresno, CA 93721

The Honorable Dwayne Stewart Glenn County District Attorney P.O. Box 430 Willows, CA 95988

The Honorable Maggie Fleming Humboldt County District Attorney 825 5th Street, Fourth Floor Eureka, CA 95501

The Honorable Gilbert Otero Imperial County District Attorney 940 West Main Street, Suite 102 El Centro, CA 92243

The Honorable Thomas Hardy Inyo County District Attorney P.O. Box Drawer D Independence, CA 93526 The Honorable Lisa Green Kern County District Attorney 1215 Truxtun Avenue, 4th Floor Bakersfield, CA 93301

The Honorable Keith Fagundes Kings County District Attorney 1400 West Lacey Boulevard Hanford, CA 93230

The Honorable Donald Anderson Lake County District Attorney 255 North Forbes Street Lakeport, CA 95453

The Honorable Stacey Montgomery Lassen County District Attorney 2950 Riverside Drive, Suite 102 Susanville, CA 96130

The Honorable Jackie Lacey Los Angeles County District Attorney 211 West Temple Street, Suite 1200 Los Angeles, CA 90012

The Honorable David Linn Madera County District Attorney 209 West Yosemite Avenue Madera, CA 93637

The Honorable Edward Berberian Marin County District Attorney 3501 Civic Center Drive, Suite 145 San Rafael, CA 94903

The Honorable Thomas Cooke Mariposa County District Attorney P.O. Box 730 Mariposa, CA 95338

The Honorable C. David Eyster Mendocino County District Attorney P.O. Box 1000 Ukiah, CA 95482

The Honorable Larry Morse II Merced County District Attorney 550 W. Main Street Merced, CA 95340

The Honorable Jordan Funk Modoc County District Attorney 204 S. Court Street, Suite 202 Alturas, CA 96101

The Honorable Tim Kendall Mono County District Attorney P.O. Box 617 Bridgeport, CA 93517

The Honorable Clifford Newell Nevada County District Attorney 201 Commercial Street Nevada City, CA 95959

The Honorable Tony Rackauckas Orange County District Attorney 401 Civic Center Drive West Santa Ana, CA 92701 The Honorable R. Scott Owens Placer County District Attorney 10810 Justice Center Drive, Suite 240 Roseville, CA 95678

The Honorable David Hollister Plumas County District Attorney 520 Main Street, Room 404 Quincy, CA 95971

The Honorable Anne Marie Schubert Sacramento County District Attorney 901 G Street Sacramento, CA 95814

The Honorable Candice Hooper San Benito County District Attorney 419 4th Street Hollister, CA 95023

The Honorable Michael Ramos San Bernardino County District Attorney 303 West 3rd Street, 6th Floor San Bernardino, CA 92415-0502

The Honorable Summer Stephan San Diego County District Attorney 330 W. Broadway Street San Diego, CA 92101

The Honorable Tori Verber Salazar San Joaquin County District Attorney P.O. Box 990 Stockton, CA 95201

The Honorable Stephen Wagstaffe San Mateo County District Attorney 400 County Center Redwood City, CA 94063

The Honorable Jeffrey Rosen Santa Clara County District Attorney 70 West Hedding Street, West Wing San Jose, CA 95110

The Honorable Jeff Rosell Santa Cruz County District Attorney 701 Ocean Street, Room 200 Santa Cruz, CA 95060

The Honorable Stephanie Bridgett Shasta County District Attorney 1355 West Street Redding, CA 96001

The Honorable Lawrence Allen Sierra County District Attorney P.O. Box 886 Downieville, CA 95936

The Honorable James Kirk Andrus Siskiyou County District Attorney 311 4th Street Yreka, CA 96097

The Honorable Krishna Abrams Solano County District Attorney 675 Texas Street, Suite 4500 Fairfield, CA 94533 The Honorable Jill Ravitch Sonoma County District Attorney 600 Administration Drive, Room 212 J Santa Rosa, CA 95403

The Honorable Birgit Fladager Stanislaus County District Attorney 832 12th Street, Suite 300 Modesto, CA 95354

The Honorable Amanda Hopper Sutter County District Attorney 463 Second Street, Suite 102 Yuba City, CA 95991

The Honorable Gregg Cohen Tehama County District Attorney 444 Oak Street, Room L Red Bluff, CA 96080

The Honorable Megan D. Marshall Trinity County Acting District Attorney P.O. Box 310 Weaverville, CA 96093

The Honorable Tim Ward Tulare County District Attorney 221 South Mooney Boulevard, Rm 224 Visalia, CA 93291-4593

The Honorable Laura Krieg Tuolumne County District Attorney 423 North Washington Street Sonora, CA 95370

The Honorable Gregory Totten Ventura County District Attorney 800 South Victoria Avenue, Suite 314 Ventura, CA 93009

The Honorable Patrick McGrath Yuba County District Attorney 215 Fifth Street Marysville, CA 95901

The Honorable Mike Feuer Office of the City Attorney, Los Angeles James K. Hahn City Hall East 200 North Main Street, 8th Floor Los Angeles, CA 90012

The Honorable James Sanchez Office of the City Attorney, Sacramento 915 I Street, 4th Floor Sacramento, CA 95814

The Honorable Mara Elliott Office of the City Attorney, San Diego 1200 Third Avenue, Suite 1620 San Diego, CA 92101

The Honorable Dennis Herrera Office of the City Attorney, San Francisco City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

The Honorable Richard Doyle Office of the City Attorney, San Jose 200 East Santa Clara Street,16th Floor San Jose, CA 95113

EMAIL SERVICE LIST

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ELECTRONIC UPLOAD SERVICE LIST

Office of the California Attorney General Proposition 65 Enforcement Reporting ATTN: Prop 65 Coordinator P.O. Box 70550 Oakland, CA 94612-0550 https://oag.ca.gov/prop65/add-60-day-notice