60-DAY NOTICE OF VIOLATION

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

- DATE: March 26, 2014
- Chris Barnes, President B&B Acquisition, Inc. d.b.a. Candle Warmers Etc. Edward Scott Lampert, Chief Executive Officer – Sears Holdings Corporation 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: Paul Wozniak

I. INTRODUCTION

My name is Paul Wozniak. 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, B&B Acquisition, Inc. d.b.a. Candle Warmers Etc. and Sears Holdings Corporation (the "Violators"). The violations covered by this Notice consist of the product exposures, routes of exposure, and type 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: | Lead |
| 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 and occupational 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 below. 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 March 26, 2011. 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.

A. CONSUMER PRODUCT EXPOSURE

California consumers, through the act of buying, acquiring or utilizing the products, are exposed to the listed chemical. By way of example but not limitation, exposures occur when California citizens use, display, clean, repair, pack, unpack, arrange, store or otherwise handle the products. These tasks cause consumers to be exposed directly or indirectly through the routine touching of the parts or portions of the products containing readily available surface amounts of the listed chemical. Additionally, exposure can occur through the routine touching and ingesting of other materials that are contaminated with the listed chemical from the products as a result of these tasks. People likely to be exposed include adults.

B. OCCUPATIONAL EXPOSURE

Similarly, men and women in California use or otherwise handle the products as a part of their jobs and are, therefore, subject to occupational exposures to the listed chemical. Employees are exposed at any California business locations of the apparent manufacturer, distributor and retailer (and their agents, assigns and divisions) as well as all other California locations where the products, or the component parts thereof that include the listed chemical are, by way of example but not limitation, used, packed, unpacked, labeled, arranged, displayed, cleaned, stocked, stored, repaired or otherwise handled. These tasks cause employee exposure directly and/or indirectly to the listed chemical through the routine touching of the parts or portions of the products containing readily available amounts of the listed chemical on the surface. Additionally, exposure can occur through the routine touching and ingesting of other materials that are contaminated with the listed chemical from the products as a result of these tasks. These products are also used by sole proprietors and other persons in settings not covered by the federal Occupational Safety Health Act ("OSHA"). This Notice alleges the violation of Proposition 65 with respect to occupational exposure governed by the California State Plan for Occupational Safety and Health (the "State Plan"). The State Plan incorporates the provisions of Proposition 65, as approved by 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 contained in the general hazard communication requirement 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 California Attorney General.

III. CONTACT INFORMATION

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

Paul Wozniak c/o Josh Voorhees 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 "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 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 expensive litigation, please feel free to contact my counsel identified in Section III above. 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 products recently purchased and witnessed as being available for purchase or use in California that is within the category or type of offending products covered by this Notice. Based on publicly available information, the retailers, distributors and/or manufacturers of the example within the category or type of products are also provided below. I believe and allege that the sale of the offending products also has 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 retailers and distributors of the manufacturer.

| Product* | Retailer(s) | Manufacturer(s)/Distributor(s) |
|--|--|---|
| Ceramic Candle Warmer Crock, Item: CCLLL, #314193, UPC #8 33245 02608 1 | Sears Holdings Corporation; Kmart Corporation Sacramento County, Northern California | B&B Acquisition, Inc. d.b.a. Candle Warmers Etc. |
| | | |

VII. EXHIBIT A

| Product Category/Type | Such As* | Toxins |
|------------------------------|------------------------------|--------|
| Candle Warmers with Exterior | Ceramic Candle Warmer Crock, | Lead |
| Designs containing Lead | Item: CCLLL, #314193, | |
| | UPC #8 33245 02608 1 | |
| | | |

*The specifically identified example of the type of 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; my business address is Parker Plaza, 2560 Ninth Street, Suite 214, Berkeley, CA 94710.

On March 26, 2014, I served the following documents:

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

PROPOSITION 65: A SUMMARY;

CERTIFICATE OF MERIT; AND

CERTIFICATE OF MERIT ATTACHMENTS (SERVED ONLY ON THE ATTORNEY GENERAL)

on the entities listed below via First Class Certified Mail through the United States Postal Service by placing a true and correct copy in a sealed envelope, addressed to the entities listed below and providing each envelope to a United States Postal Service Representative:

Chris Barnes, President B&B Acquisition, Inc. d.b.a. Candle Warmers Etc. 1948 West 2425 South, Suite 2 Woods Cross, UT 84087 Chris Barnes, President B&B Acquisition, Inc. d.b.a. Candle Warmers Etc. P.O. Box 1024 Layton, UT 84041 Edward Scott Lampert, Chief Executive Officer Sears Holdings Corporation 3333 Beverly Road Hoffman Estates, IL 60179

as well as by providing copies of the above documents electronically uploaded to the public enforcers according to directions from their respective offices, and/or by placing a true and correct copy in a sealed envelope, addressed to each party listed below, and served as follows:

| Electronically Uploaded to the Attorney General's website, and sent 2 nd Day Air Service by placing such envelope in a Federal Express Drop-Off Box: | The Attorney General of the State of California; |
|--|--|
| By placing each envelope in a United States Postal Service mailbox, postage prepaid: | The District Attorney for Each of the 58 counties in California; and |
| | The City Attorney for Los Angeles, San Diego, San Jose, San Francisco and Sacramento |

A list of addresses for each of these recipients is attached.

Executed on March 26, 2014, at Berkeley, California.

Iln

Caroline Pak

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, including information identified in Health and Safety Code § 25249.7(h)(2) (*i.e.*, (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons).

Dated: March 26, 2014

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Clifford A. Chanler

SERVICE LIST

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

The Honorable Terese Drabec Alpine County District Attorney 270 Laramie Street, PO 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 Oroville, CA 95965

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

The Honorable John R. Poyner Colusa County District Attorney 346 Fifth Street Colusa, CA 95932

The Honorable Mark Peterson Contra Costa County District Attorney 900 Ward Street Martinez, CA 94553

The Honorable Jon Alexander Del Norte County District Attorney 450 H Street, Room 171 Crescent City, CA 95531

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

The Honorable Elizabeth Egan Fresno County District Attorney 2220 Tulare Street, #1000 Fresno, CA 93721

The Honorable Robert Maloney Glenn County District Attorney P.O. Box 430 Willows, CA 95988

The Honorable Paul Gallegos Humboldt County District Attorney 825 5th Street Eureka, CA 95501

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

The Honorable Arthur Maillet Inyo County District Attorney P.O. Drawer D Independence, CA 93526

The Honorable Lisa Green Kern County District Attorney 1215 Truxtun Avenue Bakersfield, CA 93301

The Honorable Greg Strickland 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 Robert Burns Lassen County District Attorney 220 S. Lassen Street, Ste. 8 Susanville, CA 96130

The Honorable Steve Cooley Los Angeles County District Attorney 210 West Temple Street, Suite 18000 Los Angeles, CA 90012

The Honorable Michael Keitz Madera County District Attorney 209 West Yosemite Avenue Madera, CA 93637

The Honorable Edward Berberian Marin County District Attorney 3501 Civic Center Drive, Room 130 San Rafael, CA 94903

The Honorable Robert Brown Mariposa County District Attorney 5101 Jones Street, 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 Gary Woolverton Modoc County District Attorney 204 S. Court Street, Room 202 Alturas, CA 96101

The Honorable George Booth Mono County District Attorney P.O. Box 617 Bridgeport, CA 93517

The Honorable Dean Flippo Monterey County District Attorney P.O. Box 1131 Salinas, CA 93902

The Honorable Gary Lieberstein Napa County District Attorney P.O. Box 720 Napa, CA 94559

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 Ronald 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 Paul Zellerbach Riverside County District Attorney 3960 Orange Street Riverside, CA 92501

The Honorable Jan Scully Sacramento County District Attorney 901 G Street Sacramento, CA 95814 The Honorable Candice Hooper San Benito County District Attorney 41.9 4th Street, Second Floor Hollister, CA 95203

The Honorable Michael Ramos San Bernardino County District Attorney 316 N. Mountain View Avenue San Bernardino, CA 92415

The Honorable Bonnie Dumanis San Diego County District Attorney 330 W. Broadway Street San Diego, CA 92101

The Honorable George Gascon San Francisco County District Attorney 850 Bryant Street, Room 322 San Francisco, CA 94103

The Honorable James Willett San Joaquin County District Attorney P.O. Box 990 Stockton, CA 95201

The Honorable Gerald Shea San Luis Oblspo County District Attorney 1035 Palm Street San Luis Oblspo, CA 93408

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

The Honorable Joyce Dudley Santa Barbara County District Attorney 1112 Santa Barbara Street Santa Barbara, CA 93101

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

The Honorable Bob Lee Santa Cruz County District Attorney 701 Ocean Street, Room 200 Santa Cruz, CA 95060

The Honorable Stephen Carlton Shasta County District Attorney 1355 West Street Redding, CA 96001

The Honorable Lawrence Alien Sierra County District Attorney 100 Courthouse Square, Second Floor Downieville, CA 95936

The Honorable James Kirk Andrus Siskiyou County District Attorney P.O. Box 986 Yreka, CA 96097

The Honorable Donald A. du Bain Solano County District Attorney 675 Texas Street, Suite 4500 Fairfield, CA 94533

The Honorable Jill Ravitch Sonoma County District Attorney 600 Administration Drive, Room 2123 Santa Rosa, CA 95403

The Honorable Birgit Fladager Stanislaus County District Attorney 832 1.2th Street, Suite 300 Modesto, CA 95354

The Honorable Carl Adams Sutter County District Attorney 446 Second Street Yuba City, CA 95991 The Honorable Gregg Cohen Tehama County District Attorney 444 Oak Street, Room L Red Bluff, CA 96080

The Honorable Michael B. Harper Trinity County District Attorney PO Box 310 Weaverville, CA 96093

The Honorable Phillip Cline Tulare County District Attorney 221 South Mooney Boulevard, Suite 224 Visalia, CA 93291

The Honorable Donald Segerstrom, Jr Tuolumne County District Attorney 423 North Washington Street Sonora, CA 95370

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

The Honorable Jeff Reisig Yolo County District Attorney 301 Second Street Woodland, CA 95695

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

The Honorable Carmen Trutanich Office of the City Attorney, Los Angeles 200 North Main Street Los Angeles, CA 90012

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

The Honorable Eileen M. Teichert Office of the City Attorney, Sacramento 915 I Street, 4th Floor Sacramento, CA 95814

The Honorable Dennis J. Herrera Office of the City Attorney, San Francisco City Hall, Room 234 San Francisco, CA 94102

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

Office of the California Attorney General Proposition 65 Enforcement Reporting ATTN: Prop 65 Coordinator 1515 Clay Street, Suite 2000 Oakland, CA 94612-0550