

NOTICE OF VIOLATION

California Safe Drinking Water and Toxic Enforcement Act

Lead In Gaming Chips

December 22, 2006

This Notice of Violation is provided to you pursuant to and in compliance with California Health and Safety Code Section 25249.7(d).

- For general information regarding the California Safe Drinking Water and Toxic Enforcement Act (Proposition 65), see the attached summary provided by the California EPA (copies not provided to public enforcement agencies).
- This Notice of Violation is provided by the Center for Environmental Health ("CEH"), 528 61st Street, Suite A, Oakland, CA 94609, (510) 594-9864. CEH is a nonprofit corporation dedicated to protecting the environment, improving human health and supporting environmentally sound practices. Michael Green is the Executive Director of and a responsible individual within CEH.

Description of Violation:

- The name and address of the violator is Blue Chip Company, LLC, 201 Commerce Park Ct., North Las Vegas, NV 89032.
- The violations have been occurring since at least December 22, 2003 and are continuing to this day.
- This Notice of Violation covers the "warning provision" of Proposition 65, which is found at California Health and Safety Code Section 25249.6.
- The names of the listed chemicals involved in these violations are lead and lead compounds ("Lead"). Exposures to Lead occur from use of the products identified in this Notice.
- The specific type of products causing these violations is gaming chips (also known as casino chips and poker chips). These gaming chips are used for various purposes, including but not limited to use as special tokens representing a fixed amount of money for individuals to make wagers in casinos and cardrooms throughout California. The Lead is contained in these products.
- Description of Exposure: Use of the products identified in this notice results in consumer exposures to Lead. Consumer exposures to Lead from the products take place when individuals use, touch or handle the products. The route of exposure for the violations is direct ingestion when individuals place the products in their mouths, ingestion via hand to mouth contact, dermal absorption directly through the skin, and inhalation of dust containing Lead as a result of individuals touching and handling the products. These exposures occur in California casinos and cardrooms, and in homes, workplaces, and everywhere else in California where the products are used, touched, or handled. No clear and reasonable warning is provided with these products regarding the carcinogenic or reproductive hazards of Lead.

Resolution of Noticed Claims:

- Based on the allegations set forth in this Notice, CEH intends to file a citizen enforcement lawsuit unless each of the alleged violators agrees in a binding written instrument to remedy the violations alleged herein and to pay an appropriate civil penalty based on the factors enumerated in California Health and Safety Code Section 25249.7(b). If you are interested in resolving this dispute without resort to expensive and time-consuming litigation, please feel free to contact CEH through its counsel identified below. It should be noted that CEH cannot: (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 CEH's 60-day Notice. Therefore, while reaching an agreement with CEH will resolve his claims, such agreement may not satisfy the public prosecutors.

Please direct any inquiries regarding this notice to counsel for CEH: Mark N. Todzo, Lexington Law Group, LLP, 1627 Irving Street, San Francisco, CA 94122, (415) 759-4111.

PROOF OF SERVICE BY MAIL

I declare that:

I am employed in San Francisco County, California. I am over the age of 18 years and not a party to the within cause; my business address is 1627 Irving Street, San Francisco, California 94122.

On December 22, 2006, I served true copies of the following documents:

NOTICE OF VIOLATION OF CALIFORNIA SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT;

CERTIFICATE OF MERIT; and

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY (only sent to those on service list marked with asterisks).

I placed a true copy of this paper in an envelope addressed to:

See Attached Service List.

I am readily familiar with my firm's practice for collection and processing of correspondence for mailing with the United States Postal Service, to wit, that correspondence will be deposited with the United States Postal Service this same day in the ordinary course of business. I placed the envelope containing the above-mentioned documents for collection and mailing on December 22, 2006, following the ordinary business practice.

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed on December 22, 2006, at San Francisco, California.

Signed:


Lindsay Fleece

SERVICE LIST

District Attorney of Alameda
County
1225 Fallon Street
Room 900
Oakland, CA 94612

District Attorney of Colusa
County
547 Market Street
Colusa, CA 95932

District Attorney of Contra
Costa County
725 Court Street, Room 402
Martinez, CA 94553

District Attorney of Alpine
County
P.O. Box 248
Markleeville, CA 96120

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

District Attorney of Amador
County
708 Court Street, #202
Jackson, CA 95642

District Attorney of Butte
County
25 County Center Drive
Oroville, CA 95965

District Attorney of El
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515 Main Street
Placerville, CA 95667

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Calaveras County
891 Mountain Ranch Road
San Andreas, CA 95249

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Hanford, CA 93230

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255 N. Forbes Street
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District Attorney of Imperial
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939 Main Street
El Centro, CA 92243

District Attorney of Lassen
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220 S. Lassen St., Ste 8
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District Attorney of Inyo
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210 W. Temple Street,
Room 345
Los Angeles, CA 90012

District Attorney of Madera
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209 West Yosemite Avenue
Madera, CA 93637

District Attorney of Kern
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1215 Truxtun Avenue
Bakersfield, CA 93301

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Room 183
San Rafael, CA 94903

District Attorney of Mono
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Bridgeport, CA 93517

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Napa, CA 94559

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Alturas, CA 96101-4020

District Attorney of Placer
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District Attorney of Plumas
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520 Main Street, Room 404
Quincy, CA 95971

District Attorney of San Diego County
330 West Broadway, Suite 1320
San Diego, CA 92112

District Attorney of Riverside County
4075 Main Street, 1st Floor
Riverside, CA 92501

District Attorney of Sacramento County
901 AG@ Street
Sacramento, CA 95814

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P.O. Box 990
Stockton, CA 95201

District Attorney of San Luis Obispo County
1050 Monterey St, Room 450
San Luis Obispo, CA 93408

District Attorney of San Benito County
419 Fourth Street, 2nd Floor
Hollister, CA 95023

District Attorney of San Mateo County
400 County Ctr, 3rd Fl
Redwood City, CA 94063

District Attorney of Sierra County
Courthouse, P.O. Box 457
Downieville, CA 95936

District Attorney of Santa Barbara County
1105 Santa Barbara Street
Santa Barbara, CA 93101

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Yreka, CA 96097

District Attorney of Solano County
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San Jose, CA 95110

District Attorney of Santa Cruz County
701 Ocean Street, Room 200
Santa Cruz, CA 95061

District Attorney of San Francisco County
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San Francisco, CA 94103

District Attorney of Sonoma County
600 Administration Drive, Room 212J
Santa Rosa, CA 95403

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District Attorney of Stanislaus County
800 11th Street, Room 200
Modesto, CA 95353

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District Attorney of Yuba County
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221 S. Mooney Ave, Room 224
Visalia, CA 93291

District Attorney of Tuolumne County
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Sonora, CA 95370

San Jose City Attorney's Office
151 West Mission Street
San Jose, CA 95110

Los Angeles City Attorney's Office
Room 1800, City Hall East
200 N. Main Street
Los Angeles, CA 90012

San Diego City Attorney's Office
1200 3rd Avenue, 12th Floor
San Diego, CA 92101

San Francisco City Attorney's Office
City Hall, Room 234
San Francisco, CA 94102

Ed Weil, Deputy Attorney General
California Attorney General's Office
1515 Clay Street
Oakland, CA 94612

Michael Endy, Partner*
Blue Chip Company, LLC
201 Commerce Park Ct.
North Las Vegas, NV 89032

CERTIFICATE OF MERIT
Health & Safety Code §25249.7(d)

I, Mark N. Todzo, 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 & Safety Code §25249.6 by failing to provide clear and reasonable warnings.

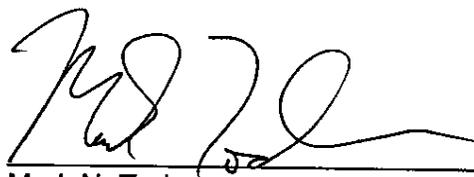
2. I am an attorney with the Lexington Law Group, LLP, and I represent the noticing party, the Center for Environmental Health.

3. Members of my firm and 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 exposures to the listed chemical that is the subject of the action.

4. Based on the information obtained through those consultations, and on 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 the Certificate of Merit served on the Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in Health & 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: December 22, 2006



Mark N. Todzo
Attorney for CEH