The Carrick Law Group P.C.
350 South Grand Avenue, Suite 2930
Los Angeles, California 90071

APRIL 13, 2007

REVISED

NOTICE OF VIOLATION OF THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986
(California Health and Safety Code §25249.5 *et seq.*)

• AMERICAN INTERNATIONAL INDUSTRIES

By Certified Mail – Return Receipt Requested

American International Industries
2220 Gaspar Avenue
Los Angeles, CA 90040

Re: Facial, Skin and Hair Treatment Consumer Products

Dear Sir or Madam:

Vicky Hamilton (the "Noticing Party") serves this Notice of Violation ("Notice") upon American International Industries ("Noticed Company") pursuant to and in compliance with California Health and Safety Code ("H&S Code") §25249.7(d) and 22 California Code of Regulations ("CCR") §12903. This Notice satisfies a prerequisite for Noticing Party to commence an action against the Noticed Company to enforce the Safe Drinking Water and Toxic Enforcement Act of 1986. The violations addressed by this Notice occur in every county and city in California. This Notice is being served upon each violator, the California Attorney General, the district attorney of every California county and the city attorney of every California city with a population (according to the most recent decennial census) of over 750,000. If the Noticed Company has a current registration with the California Secretary of State that identifies a Chief Executive Officer, President, or General Counsel, this Notice is being addressed to, and served upon, one of those persons.

Attached as Exhibit A to this Notice is a copy of "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary." The attached Summary was prepared by the California EPA and provides general information about the Safe Drinking Water and Toxic Enforcement Act of 1986. Copies of the Summary are not required to be, and are not being, provided to the public enforcement agencies.

Description of the Noticing Party, the Alleged Violator, and the Alleged Violations Addressed by this Notice:

- This Notice is provided by Vicky Hamilton. Ms. Hamilton is an individual who resides in Los Angeles county. Ms. Hamilton is acting in the public interest pursuant to H&S Code §25249.7(d), and is acting to protect the environment, improve human health and support environmentally sound practices.

- The violator's name and address is:

  - American International Industries
    2220 Gaspar Avenue
    Los Angeles, CA 90040

- The violations addressed by this Notice began on or after February 27, 1988, have occurred on numerous occasions each and every day since February 27, 1988, and are ongoing and continuing.

- This Notice of Violation covers the "warning provision" of Proposition 65, which is found at H&S Code §25249.6.

- The name of each chemical that is listed pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986 involved in the violations addressed by this Notice is Lead (reproductive); and Lead and lead compounds (cancer); (the "Listed Chemicals"). The Listed Chemicals are listed (and have been so listed for more than twelve months) by the Governor of the State of California as being a chemical known to the State of California to cause cancer or reproductive toxicity, or both cancer and reproductive toxicity. See Exhibit B attached hereto.

- The routes of exposure for the violations addressed by this Notice are dermal due to direct contact with the skin, ingestion via hand-to-mouth touching, and inhalation during use of the facial, skin and hair treatment consumer products manufactured and/or distributed by the Noticed Company.

- The type of consumer products causing the exposures addressed by this Notice are facial, skin and hair treatment consumer products ("Products"), including but not limited to the following illustrative Products manufactured and/or distributed by the Noticed Company:

TABLE A	
SKU NO.	**PRODUCT DESCRIPTION**
259586000	RAW® Multi Glitter - Temporary Hair Color Spray
276447000	RAW® Pitch Black Color - brilliant demi-permanent hair color
269119000	RAW® Funky Fushcia Color - brilliant demi-permanent hair color
278602000	RAW® Pitch Black Spiking Gel - Temporary Color Spiking Gel
231510000	RAW® Black Cherry Permanent Hair Color (Powder)

- There are numerous sources of the exposures addressed in this Notice. These exposures occur in homes, the workplace and everywhere else in California where these Products are consumed. These exposures occur principally off the property of the Noticed Company.

- In the course of doing business, the Noticed Company knowingly and intentionally have exposed, and continues to expose, individuals (especially pregnant and post-partum women) to the Listed Chemicals in these Products. No clear and reasonable warning is or has been provided by the Noticed Company to individuals regarding this exposure to the Listed Chemicals or regarding the fact that the Listed Chemicals are known to the State of California to be a carcinogen and/or reproductive toxin.

- These exposures have gone on from 1988 and are ongoing and continuing as Ms. Hamilton believes and so alleges that the Noticed Company has tolled the statute of limitations by fraudulent concealment of the constituents of the ingredients in its Products from those persons that required a warning in the stores where the Company's Products are sold for consumer use in California. The labels on these Products are further absent any warning that would meet the definition delineated at Title 22 CCR §12601(b)(1)(A), nor do they comply with section (b)(3) and (b)(4)(B) of that regulation.

- The carcinogen and/or reproductive toxin, contained in the ingredients of the Products, and subject to the warning requirements of H&S Code §25249.6 and more specifically 22 CCR §12601(b) *et seq.*, is listed below:

  1. Lead (reproductive); and 2. Lead and lead compounds (cancer)

- The aforementioned carcinogen is on the Governor's list (Prop 65 List) as expressed at 22 CCR §12000. This chemical is known to the State of California to cause carcinogenic harm to humans requiring special warning labels and care in handling and use. The concentrations of these toxins in the subject Product exceed the No Significant Risk Level ("NSRL") threshold of 0.5 microgram per day and require a warning of the existence of this chemical danger by the manufacturer.

- The principal route of exposure is through a "consumer products exposure" via dermal due to direct contact with the skin, ingestion via hand-to-mouth touching, and inhalation during use of the Products. These exposures have gone on since February 27, 1988, and are ongoing and continuing at every place in California that the Products listed in TABLE A are offered for sale and use. All references to "exposure" in this notice shall be understood to be exposures to the Products, including but not limited to the specific Product lines in said TABLE and the ingredients of those Products. The sale of these Products constitutes a transfer of a known reproductive and/or carcinogenic chemical into the populous and the normal use of the Products by the purchaser or others will cause the exposure without a clear and reasonable warning.

- The location of these alleged exposures are many and varied while occurring within the 58 counties of the state of California as evidenced by the District Attorneys addressed in the enclosed distribution list. Ms. Hamilton believes and so alleges that at least one of the jurisdictions identified had the Noticed Company's Products sold within that county by the Noticed Company wholesale or retail distributor and that sale caused the utilization of the Products and subsequent exposure. Further that usage caused exposures in that jurisdiction to the constituents of the Products as identified herein, and those exposures by the Noticed Company were allowed to take place without the prerequisite warnings as delineated by the applicable statutes specified in this notice.

Please direct any inquiries regarding this notice or any communication for the noticing party, Vicky Hamilton to:

Roger Lane Carrick, Esq.
The Carrick Law Group, P.C.
350 S. Grand Avenue, Suite 2930
Los Angeles, CA 90071
Tel.: (213) 346-7930 / Fax: (213) 346-7931

EXHIBIT A
OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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

The following summary has been prepared by the Office of Environmental Health Hazard Assessment, the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and its implementing regulations (see citations below) for further information.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 22 of the California Code of Regulations, Sections 12000 through 14000.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer, or birth defects or other reproductive harm. This list must be updated at least once a year. Over 550 chemicals have been listed as of May 1, 1996. Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release, or otherwise engage in activities involving those chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical. The warning given must be "clear and reasonable." This means that the warning must:(1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm; and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Exposures are exempt from the warning requirement if they occur less than twelve months after the date of listing of the chemical.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Discharges are exempt from this requirement if they occur less than twenty months after the date of listing of the chemical.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. The law exempts:

Governmental agencies and public water utilities. All agencies of the federal, State or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "no significant risk" levels for more than 250 listed carcinogens.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause birth defects or other reproductive harm ("reproductive toxicants"), a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level (NOEL), "divided by a 1,000-fold safety or uncertainty factor. The "no observable effect level" is the highest dose level that has not been associated with an observable adverse reproductive or developmental effect.

Discharge that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the list chemical has not, does not, or will not enter any drinking water source, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" or "no observable effect" test if an individual were exposed to such an amount in drinking water.

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys (those in cities with a population exceeding 750,000). Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. A notice must comply with the information and procedural requirements specified in regulations (Title 22, California Code of Regulations, Section 12903). A private party may not pursue an enforcement action directly under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to $2,500 per day for each violation. In addition, the business may be ordered by a court of law to stop committing the violation.

FOR FURTHER INFORMATION

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900.

EXHIBIT B

NOTICED PARTY:

• AMERICAN INTERNATIONAL INDUSTRIES

List Of Chemicals Contained In The Attached 60-Day Notice of Violation That Are Listed By The Governor Of The State Of California As Being Known To The State Of California To Cause Cancer Or Reproductive Toxicity

REPRODUCTIVE TOXINS

Chemical	CAS No.	Date Added to List
Lead	---	February 27, 1987

CARCINOGENS

Chemical	CAS No.	Date Added to List
Lead and lead compounds	---	October 1, 1992

REVISED CERTIFICATE OF MERIT

HEALTH AND SAFETY CODE SECTION 25249.7(d)

- **LEAD**
- **LEAD AND LEAD COMPOUNDS**

NOTICED PARTY:

- **AMERICAN INTERNATIONAL INDUSTRIES**

I, Roger Lane Carrick, on behalf of Vicky Hamilton hereby declare:

1. This Certificate of Merit accompanies the attached sixty-day notice(s) in which it is alleged that the parties identified in the notices have violated California 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 exposure to the listed chemical(s) that is the subject of this action.

4. Based upon the information obtained through those consultations, and 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 private action" means that the information provides a credible basis that all the elements of the plaintiffs' case can be established and the information did not prove that the alleged violator 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 the information identified in California Health and Safety Code §24249.7(h)(2), *i.e.*, (1) the identity of the person consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Date: April 13, 2007

ROGER LANE CARRICK
THE CARRICK LAW GROUP, P.C.
ATTORNEYS FOR
VICKY HAMILTON

CERTIFICATE OF SERVICE

I am over the age of 18 and not a party to this case. I am a resident of or employed in the county where the mailing occurred. My business address is 350 S. Grand Avenue, Suite 2930, Los Angeles, CA 90071-3406.

On April 13, 2007, I served copies of the documents listed immediately hereafter by first class mail by placing same in sealed envelopes, fully preparing postage thereon, and depositing said envelopes in the U.S. Mail at Los Angeles, California. Said envelopes were addressed as follows:

SEE ATTACHED DISTRIBUTION LIST
(sent via certified mail with applicable postage to those parties listed with an asterisk)

Documents mailed:

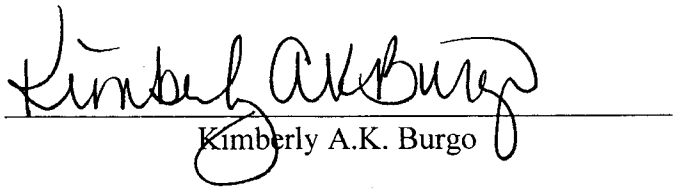
1. **REVISED NOTICE OF VIOLATION OF THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (California Health and Safety Code §25249.5 et seq.)**

NOTICED PARTY:

- **AMERICAN INTERNATIONAL INDUSTRIES**
  2220 GASPAR AVENUE
  LOS ÁNGELES, CA 90040

2. **Exhibit A - THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY (only sent to those parties listed with an asterisk)**
3. **Exhibit B - Details of Relevant Proposition 65 Chemical Listing**
4. **REVISED CERTIFICATE OF MERIT – (attachments only sent to California Attorney General's Office)**

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct, and that this declaration was executed on April 13, 2007, at Los Angeles, California.



Kimberly A.K. Burgo

DISTRIBUTION LIST – NOTICED PARTIES

***By Certified Mail – Return Receipt Requested**
60-Day Notice of Violation; Exhibit A - Summary of Prop. 65;
Exhibit B - Details of Relevant Proposition 65 Chemical Listing;
Certificate of Merit; and Certificate of Service

Jeffrey B. Margulies, Esq.
Partner
Fulbright & Jaworski L.L.P.
555 South Flower Street, 41st Floor
Los Angeles, CA 90071

Courtesy Copy – By Regular Mail

*Zvi Ryzman, President & CEO
American International Industries
2220 Gaspar Avenue
Los Angeles, CA 90040

By Certified Mail – Return Receipt Requested

DISTRIBUTION LIST – GOVERNMENT ENTITIES

60-Day Notice of Violation; Exhibit B - Details of Relevant Proposition 65
Chemical Listing; Certificate of Merit (w/atts. AG's office only); and Certificate of Service

CALIFORNIA ATTORNEY GENERAL
CA Department of Justice
PROP. 65 ENFORCEMENT REPORTING
Attn: Prop 65 Coordinator
1515 Clay Street, Suite 2000
Post Office Box 70550
Oakland, CA 94612-0550

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

San Diego City Attorney's Office
Civic Center Plaza
1200 Third Avenue, 3rd Floor
San Diego, CA 92101

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

San Jose City Attorney's Office
200 East Santa Clara Street
San Jose, CA 95113

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

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

Office of the District Attorney of
Amador County
708 Court Street, Room 202
Jackson, CA 95642

Office of the District Attorney of
Butte County
Administration Building
25 County Center Drive
Oroville, CA 95965

Office of the District Attorney of
Calaveras County
County Government Center
891 Mountain Ranch Road
San Andreas, CA 95249

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

Office of the District Attorney of
Contra Costa County
PO Box 670
Martinez, CA 94553

Office of the District Attorney of
Del Norte County
County Courthouse
450 H Street, Suite 171
Crescent City, CA 95531

Office of the District Attorney of
El Dorado County
515 Main Street
Placerville, CA 95667

Office of the District Attorney of
Fresno County
2220 Tulare Street, Suite 1000
Fresno, CA 93721

Office of the District Attorney of
Glenn County
P.O. Box 430
Willows, CA 95988

Office of the District Attorney of
Humboldt County
825 Fifth Street
Eureka, CA 95501

Office of the District Attorney of
Kern County
1215 Truxtun Avenue, 4th Floor
Bakersfield, CA 93301

Office of the District Attorney of
Lassen County
County Courthouse
220 S. Lassen Street, Ste. 8
Susanville, CA 96130

Office of the District Attorney of
Marin County
3501 Civic Center Drive, Room 130
San Rafael, CA 94903

Office of the District Attorney of
Merced County
2222 "M" Street
Merced, CA 95340

Office of the District Attorney of
Monterey County
240 Church Street, Room 101
Salinas, CA 93902

Office of the District Attorney of
Orange County
401 Civic Center Drive West
Santa Ana, CA 92701

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

Office of the District Attorney of
San Bernardino County
316 N. Mountain View Avenue
San Bernardino, CA 92415-0004

Office of the District Attorney of
San Joaquin County
222 E. Weber, Room 202
P.O. Box 990
Stockton, CA 95201

Office of the District Attorney of
Imperial County
County Courthouse, Rm. 202
939 W. Main Street
El Centro, CA 92243

Office of the District Attorney of
Kings County
Government Center
1400 West Lacey Boulevard
Hanford, CA 93230

Office of the District Attorney of
Los Angeles County
18000 Criminal Courts Building
210 W. Temple Street
Los Angeles, CA 90012

Office of the District Attorney of
Mariposa County
5089 Bullion Street
P.O. Box 730
Mariposa, CA 95338

Office of the District Attorney of
Modoc County
County Courthouse
204 S. Court Street, Room 202
Alturas, CA 96101

Office of the District Attorney of
Napa County
931 Parkway Mall
Napa, CA 94559

Office of the District Attorney of
Placer County
11562 "B" Avenue, DeWitt Center
Auburn, CA 95603

Office of the District Attorney of
Sacramento County
901 "G" Street
P.O. Box 749
Sacramento, CA 95814

Office of the District Attorney of
San Diego County
330 West Broadway, Ste. 1320
San Diego, CA 92101

Office of the District Attorney of
San Luis Obispo County
1050 Monterey Street, Room 450
San Luis Obispo, CA 93408

Office of the District Attorney of
Inyo County
168 N. Edwards Street
P.O. Drawer D
Independence, CA 93526

Office of the District Attorney of
Lake County
255 N. Forbes Street, Ste. 424
Lakeport, CA 95453

Office of the District Attorney of
Madera County
209 W. Yosemite Avenue
Madera, CA 93637

Office of the District Attorney of
Mendocino County
County Courthouse
P.O. Box 1000
Ukiah, CA 95482

Office of the District Attorney of
Mono County
County Courthouse
P.O. Box 617
Bridgeport, CA 93517

Office of the District Attorney of
Nevada County
Courthouse Annex
201 Church Street, Suite 8
Nevada City, CA 95959-2504

Office of the District Attorney of
Plumas County
520 Main Street, Room 404
P.O. Box 10716
Quincy, CA 95971

Office of the District Attorney of
San Benito County
419 4th Street, 2nd Floor
Hollister, CA 95023-3801

Office of the District Attorney of
San Francisco County
Hall of Justice
880 Bryant Street, Room 325
San Francisco, CA 94103

Office of the District Attorney of
San Mateo County
400 County Center, 3rd Floor
Redwood City, CA 94063

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

Office of the District Attorney of
Santa Clara County
70 West Hedding Street, West Wing
San Jose, CA 95110

Office of the District Attorney of
Santa Cruz County
701 Ocean Street, Ste. 200
Santa Cruz, CA 95060

Office of the District Attorney of
Shasta County
1525 Court Street, Third Floor
P.O. Box 1320
Redding, CA 96001-1632

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

Office of the District Attorney of
Siskiyou County
P.O. Box 986
Yreka, CA 96097

Office of the District Attorney of
Solano County
675 Texas Street
Fairfield, CA 94533

Office of the District Attorney of
Sonoma County
Hall of Justice
600 Administration Drive, Room 212-J
Santa Rosa, CA 95403

Office of the District Attorney of
Stanislaus County
800 11th Street, Room 200
P.O. Box 442
Modesto, CA 95354

Office of the District Attorney of
Sutter County
Courthouse Annex Box 1555
446 Second Street
Yuba City, CA 95991

Office of the District Attorney of
Tehama County
County Courthouse
P.O. Box 519
Red Bluff, CA 96080-0519

Office of the District Attorney of
Trinity County
P.O. Box 1310
Weaverville, CA 96093

Office of the District Attorney of
Tulare County
County Civic Center
221 S. Mooney Boulevard, Room 224
Visalia, CA 93291

Office of the District Attorney of
Tuolumne County
423 N. Washington Street
Sonora, CA 95370

Office of the District Attorney of
Ventura County
800 South Victoria Avenue, Rm. 314
Ventura, CA 93009

Office of the District Attorney of
Yolo County
301 Second Street
Woodland, CA 95695

Office of the District Attorney of
Yuba County
County Courthouse
215 Fifth Street
Marysville, CA 95901