

NOTICE OF VIOLATION

California Safe Drinking Water and Toxic Enforcement Act

Re: Lead in Painted Toy Figures

September 13, 2007

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, 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 Kmart Corporation, 3100 W. Big Beaver Road, Troy, Michigan, 48084.
- The violations have been occurring since at least September 13, 2004 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 this violation 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 this violation are painted toy figures. The painted toy figures contain and are decorated with paint containing Lead. A non-exclusive example of this specific type of product is the Just Kidz Derby Stable Painted Toy Figures, UPC #0-72000-82406-1.
- Description of Exposure: Use of the products identified in this notice results in human exposures to Lead. Lead is contained in the painted toy figures, and in the paint decorating the exterior of the painted toy figures. The routes of exposure for the violation include ingestion via hand to mouth contact after consumers, including children, touch or handle the product; direct ingestion when consumers, including children, place the product in their mouths; and dermal absorption directly through the skin when consumers, including children, touch or handle the product. These exposures occur in homes, workplaces and everywhere else throughout California where the products are handled or used. No clear and reasonable warning is provided with this product 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 against the violator named herein unless the alleged violator

enters into a binding written agreement to remedy the violations alleged herein by: (1) recalling products already sold; (2) providing a clear and reasonable warning for products sold in the future or reformulating such products to eliminate the Lead exposure; and (3) paying an appropriate civil penalty based on the factors enumerated in California Health and Safety Code Section 25249.7(b). If the alleged violator is interested in resolving this dispute without resort to 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 its claims, such agreement may not satisfy the public prosecutors.

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

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 party identified in the notice have violated Health & Safety Code §25249.6 by failing to provide clear and reasonable warnings.

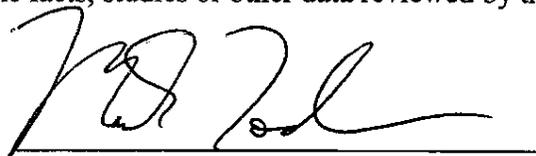
2. I am an attorney with the Lexington Law Group, LLP, and I represent the noticing party, the Center for Environmental Health.

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.

September 13, 2007



Mark N. Todzo
Attorney for CENTER FOR
ENVIRONMENTAL HEALTH

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 September 13, 2007, 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 an 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 September 13, 2007, 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 September 13, 2007, 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 Dorado
County
515 Main Street
Placerville, CA 95667

District Attorney of Calaveras
County
891 Mountain Ranch Road
San Andreas, CA 95249

District Attorney of Fresno County
2220 Tulare Street, #1000
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District Attorney of Glenn County
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District Attorney of Kings County
1400 West Lacey
Hanford, CA 93230

District Attorney of Lake County
255 N. Forbes Street
Lakeport, CA 95453

District Attorney of Humboldt
County
825 5th Street
Eureka, CA 95501

District Attorney of Imperial County
939 W. Main Street
El Centro, CA 92243

District Attorney of Lassen County
220 S. Lassen St., Ste 8
Susanville, CA 96130

District Attorney of Inyo County
P.O. Drawer D
Independence, CA 93526

District Attorney of Los Angeles
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210 W. Temple Street, Room 345
Los Angeles, CA 90012

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

District Attorney of Kern County
1215 Truxtun Avenue
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District Attorney of Mono County
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Mariposa, CA 95338

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PO Box 1131
Salinas, CA 93902

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

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

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

District Attorney of Nevada County
201 Church St., Suite 8
Nevada City, CA 95959

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401 Civic Ctr Drive West
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520 Main Street, Room 404
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330 West Broadway, Suite 1320
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850 Bryant Street, Rm 325
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419 Fourth Street, 2nd Floor
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District Attorney of San Mateo
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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 Yuba County
215 Fifth Street
Marysville, CA 95901

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

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221 S. Mooney Ave, Room 224
Visalia, CA 93291

District Attorney of Siskiyou County
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District Attorney of Tuolumne County
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600 Union Avenue
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151 West Mission Street
San Jose, CA 95110

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San Jose, CA 95110

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Room 1800, City Hall East
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Los Angeles, CA 90012

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Santa Cruz, CA 95061

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1200 3rd Avenue, Suite 1620
San Diego, CA 92101

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

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

District Attorney of Shasta County
1525 Court Street, Third Floor
Redding, CA 96001-1632

California Attorney General's Office
Attention: Proposition 65 Coordinator
1515 Clay Street, Suite 2000
P.O. Box 7550
Oakland, CA 94612

District Attorney of Stanislaus
County
800 11th Street, Room 200
Modesto, CA 95354

Aylwin B. Lewis*
Chief Executive Officer
Kmart Corporation
3100 W. Big Beaver Road
Troy, MI 48084

District Attorney of Sutter County
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Ventura, CA 93009

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