60-DAY NOTICE OF VIOLATION

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

Date: July 10, 2008

To: Michael Fallas, President – National Stores, Inc.
Michael Fallas, President – Factory 2-U
Peter Woo, President – P.C. Woo, Inc., a California corporation dba Megatoys
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: Whitney R. Leeman, Ph. D.

I. INTRODUCTION

My name is Whitney R. Leeman. I hold a Doctor of Philosophy degree in Environmental Engineering. 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 found 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 parties listed above pursuant to California Health & Safety Code §25249.6 *et seq.* ("Proposition 65"). As noted above, notice is being provided to the violators, National Stores, Inc., Factory 2-U and P.C. Woo, Inc., a California corporation dba Megatoys (the "Violators"). The violations covered by this Notice consist of the product exposures, routes of exposures and types of harm potentially resulting from exposure to the toxic chemical ("listed chemical") identified below, as follows:

Product Exposure:	See Section VI. Exhibit A
Listed Chemical:	Lead
Routes of Exposure:	Inhalation, Ingestion, Dermal, Ocular
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 VI below. The Violators' sale of these products dating as far back as July 10, 2007 is subject to this notice. As a result of the sales of these products, exposures to the listed chemical have been occurring without clear and reasonable warnings as required by Proposition 65. Without proper warnings regarding the toxic effects of exposures to the listed chemical resulting from use of 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 toxic chemical from the reasonably foreseeable use of the products.

A. CONSUMER PRODUCT EXPOSURE

California consumers who purchase or acquire the products are exposed to the listed chemical contained in the products. By way of example, but not limitation, exposures occur when California citizens sample, apply, wear, smooth, smear, blot, or utilize the cosmetic components (such as eye shadows, and/or lipsticks (or lip glosses)) of the products on the face, lips, and/or eyelids of themselves or others. These tasks cause consumers to be exposed directly to the listed chemical in the products. Additionally, exposures can occur indirectly through the routine touching of facial features (*i.e.* the lips and eyes) with hands and fingers that become contaminated with the listed chemical, which is then transferred to the mouth through hand to mouth contact, including fingernail biting, eating, drinking and other frequent activities, resulting in ingestion. People likely to be exposed include both children and adults.

B. OCCUPATIONAL EXPOSURE

Similarly, California citizens 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, modeled, demonstrated, applied, arranged, displayed, cleaned, 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. Additionally, exposure can occur through the routine touching of facial features (*i.e.* the lips and eyes) with hands and fingers that become contaminated with the listed chemical, which is then transferred to the mouth through hand to mouth contact, including nail biting, eating, and other frequent activities, resulting in ingestion. These products are also used by sole proprietors and other persons in settings not covered by the Occupational Safety Health Act ("OSH Act"). 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 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 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 at the following address:

Whitney R. Leeman, Ph. D.
c/o Laralei Paras
Hirst & Chanler LLP
2560 Ninth Street
Parker Plaza, 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. ADDITIONAL NOTICE INFORMATION

THIS INFORMATION IS NOT REQUIRED TO BE PROVIDED UNDER CAL. CODE REGS., TITLE 22 §12903(b)(4).

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 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 also has occurred without the requisite Proposition 65 "clear and reasonable warnings 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)*
Pretty Miss High Cosmetic Series (#0 13253 89188 2)	National Stores, Inc.; Factory 2-U Alameda County, Northern California	Megatoys, Inc.; P.C. Woo, Inc., a California corporation dba Megatoys

VI. EXHIBIT A

Product Category/Type	*Such As**	*Toxins*
Cosmetic Kits containing a combination of eye shadow and/or lipstick (or lip gloss) containing lead	Pretty Miss High Cosmetic Series (#0 13253 89188 2)	Lead

*The specifically identified example of the type of products which are subject to this Notice is for the recipients' benefit to assist in their investigation of, among other things, the magnitude of potential exposure to the listed chemical from other items within the product category 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 are provided to California citizens prior to purchase.

PROOF OF SERVICE

I, the undersigned, declare under penalty of perjury:

I am a citizen of the United States, over the age of 18 years, and not a party to the within action; my business address is 2560 Ninth Street, Parker Plaza, Suite 214, Berkeley, CA 94710.

On July 10, 2008, 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 Violators 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 each Violator and providing each envelope to a United States Postal Service Representative:

Michael Fallas, President
National Stores, Inc.
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, President
Factory 2-U
15001 S. Figueroa Street
Gardena, CA 90248

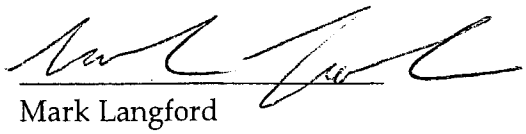
Peter Woo, President
P.C. Woo, Inc. a California corporation dba Megatoys
905 E. 2nd Street
Los Angeles, CA 90012

as well as providing copies of the notice to the public enforcers by placing a true and correct copy in a sealed envelope, addressed to each party listed below, and served as follows:

Via 2nd 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, first class 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 July 10, 2008, at Berkeley, California.



Mark Langford

CERTIFICATE OF MERIT

Health and Safety Code Section 25249.7(d)

I, Laralei Paras, hereby declare:

1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged 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: July 10, 2008

Laralei Paras

SERVICE LIST

The Honorable Tom Orloff
Alameda County District Attorney
1225 Fallon Street, Room 900
Oakland, CA 94612

The Honorable William Richmond
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,
Administration Building
Oroville, CA 95965

The Honorable Jeffrey Tuttle
Calaveras County District Attorney
891 Mountain Ranch Road
San Andreas, CA 95249

The Honorable John R. Poyner
Colusa County District Attorney
547 Market Street, Suite 102
Colusa, CA 95932

The Honorable Robert J. Kochly
Contra Costa County District Attorney
725 Court Street, 4th Floor, Rm. 402
Martinez, CA 94553

The Honorable Michael Riese
Del Norte County District Attorney
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Crescent City, CA 95531

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El Dorado County District Attorney
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Placerville, CA 95667

The Honorable Elizabeth Egan
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Glenn County District Attorney
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Willows, CA 95988

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

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

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

The Honorable Edward R. Jagels
Kern County District Attorney
1215 Truxtun Avenue
Bakersfield, CA 93301

The Honorable Ronald Calhoun
Kings County District Attorney
1400 West Lacey Boulevard
Hanford, CA 93230

The Honorable Jon E. Hopkins
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
Los Angeles, CA 90012

The Honorable Ernest LiCalsi
Madera County District Attorney
209 West Yosemite Avenue
Madera, CA 93637

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The Honorable Robert Brown
Mariposa County District Attorney
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Mariposa, CA 95338

The Honorable Meredith J. Lintott
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Ukiah, CA 95482

The Honorable Larry Morse II
Merced County District Attorney
2222 M 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
Old Court House, Main Street
Bridgeport, CA 93517

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Monterey County District Attorney
240 Church Street, #101
Salinas, CA 93901

The Honorable Gary Lieberstein
Napa County District Attorney
931 Parkway Mall
Napa, CA 94559

The Honorable Clifford Newell
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201 Church Street, Suite 8
Nevada City, CA 95959

The Honorable Tony Rackauckas
Orange County District Attorney
401 Civic Center Drive West
Santa Ana, CA 92701

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Quincy, CA 95971

The Honorable Rodric Pacheco
Riverside County District Attorney
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Riverside, CA 92501

The Honorable Jan Scully
Sacramento County District Attorney
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Sacramento, CA 95814

The Honorable Candice Hooper
San Benito County District Attorney
419 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
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330 W. Broadway Street, Suite 1320
San Diego, CA 92101

The Honorable Kamala Harris
San Francisco County District Attorney
850 Bryant Street, Room 325
San Francisco, CA 94103

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San Joaquin County District Attorney
222 E. Weber Avenue, 2nd Floor, Room 202
Stockton, CA 95201

The Honorable Gerald Shea
San Luis Obispo County District Attorney
1050 Monterey Street, Room 450
San Luis Obispo, CA 93408

The Honorable James Fox
San Mateo County District Attorney
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Santa Barbara County District Attorney
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Santa Barbara, CA 93101

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San Jose, CA 95110

The Honorable Bob Lee
Santa Cruz County District Attorney
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Santa Cruz, CA 95060

The Honorable Gerald Benito
Shasta County District Attorney
1525 Court Street, Third Floor
Redding, CA 96001

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

The Honorable James Andrus
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Yreka, CA 96097

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Fairfield, CA 94533

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The Honorable Birgit Fladager
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Modesto, CA 95354

The Honorable Carl Adams
Sutter County District Attorney
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Yuba City, CA 95991

The Honorable Gregg Cohen
Tehama County District Attorney
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Red Bluff, CA 96080

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

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Visalia, CA 93291

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Sonora, CA 95370

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Ventura, CA 93009

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Woodland, CA 95695

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1200 Third Avenue, Suite 1620
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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