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April 20, 2015

Edward S. Lampert, CEO Or Current President/CEO Sears Holdings Management Corporation c/o The Corporation Trust Company Corporation trust Center 1209 Orange Street Wilmington, DE 19801	Edward S. Lampert, CEO Or Current President/CEO Sears Holdings Management Corporation c/o CT Corporation System 818 West Seventh Street, 2 nd Floor Los Angeles, CA 90017
President/CEO Sears Holdings, Inc. c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	President/CEO Sears Holdings Corporation c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801
President/CEO Sears Corporation c/o Corporation Service Company 2711 Centerville Road, Suite 400 Wilmington, DE 19808	President/CEO Sears Brands Management Corporation c/o The Corporation Trust Center 1209 Orange Street Wilmington, DE 19801

AND THE PUBLIC PROSECUTORS LISTED ON THE DISTRIBUTION LIST ACCOMPANYING THE ATTACHED CERTIFICATE OF SERVICE

Re: Notice of Violation of California Health & Safety Code §25249.5, *et seq.*

To Whom It May Concern:

Brodsky & Smith, LLC (“Brodsky Smith”) represents Martha Velarde (“Velarde”), a citizen of the State of California acting in the interest of the general public to promote awareness of exposures to toxic chemicals in products sold in California and to improve human health by reducing hazardous substances contained in such items.

With respect to the product identified below, Ms. Velarde has identified a violation of California’s Safe Drinking Water and Toxic Enforcement Act of 1986 (“Proposition 65”), which is codified at Cal. Health & Safety Code §25249.5, *et seq.* This violation has occurred and continues to occur because the alleged Violator(s) identified below failed to provide required clear and reasonable warnings with this product. Section 25249.6 of the statute provides that “[n]o person in the course of doing business shall knowingly and intentionally expose any individual to a chemical known to the State to cause cancer or reproductive toxicity without first providing a clear and reasonable warning to such individual ...” Without proper warnings regarding the toxic effects of exposures to this listed chemical that results from contact with this product, California citizens lack the information necessary to make an informed decision on

whether and/or how to eliminate (or reduce) their risk of exposure to the listed chemical from the reasonably foreseeable use of the product.

Please allow this letter to serve as notice of this violation to the alleged Violators and the appropriate public enforcement agencies. Pursuant to Section 25249.7(d) of the statute, Brodsky Smith intends to file a private enforcement action on behalf of Ms. Velarde sixty (60) days after effective service of this notice unless the public enforcement agencies¹ have commenced and are earnestly prosecuting an action to redress these violations.

Alleged Violator(s): The name of the company's covered by this notice that Violated Proposition 65 (hereinafter "the Violators") are:

Sears Brands Management Corporation
Sears Corporation
Sears Holdings Corporation
Sears Holdings, Inc.
Sears Holdings Management Corporation

Consumer Product: The products that are the subject of this notice and the chemicals in these products identified as exceeding allowable levels are:

<i>Product</i>	<i>Retailer(s)</i>	<i>Manufacturer(s)/Distributor(s)</i>
Craftsman 12" Large Mouth Tool Bag Color: black w/red accents UPC#7 21415 81027 4	Sears a/k/a Sears Holdings Management Corporation, Sears Holdings, Inc., Sears Holdings Corporation, Sears Corporation	Sears Brands Management Corporation
Craftsman Heavy Duty Air Hose 50 Ft. x 3/8" Color: red UPC# 0 92329 34014 1	Sears a/k/a Sears Holdings Management Corporation, Sears Holdings, Inc., Sears Holdings Corporation, Sears Corporation	Sears Brands Management Corporation

Listed Chemicals: This violation involves exposure to the chemicals Diisononyl phthalate (DINP) and Di-isodecyl phthalate (DIDP). On December 20, 2013, the State of California listed Diisononyl phthalate (DINP) as a chemical known to cause cancer. On April 20, 2007 the State of California listed Di-isodecyl phthalate (DIDP) as a chemical known to cause reproductive toxicity.

Violations: The alleged Violators knowingly and intentionally have exposed and continue to knowingly and intentionally expose consumers within the State of California to DINP and DIDP at levels that, upon reasonable use of the product, exceed the No Significant Risk Level without providing clear and reasonable warning of this exposure. In particular, the products do not warn that they contain chemicals known to the State of California to cause reproductive toxicity for the developmental endpoints and/or cancer.

Route of Exposure: The exposures that are the subject of this notice with respect to Craftsman Large Mouth Tool Bag result from the purchase, acquisition, handling and recommended use of the product. Consequently, the primary route of exposure to DINP is through dermal absorption through direct contact with the black plastic webbing of the Craftsman Large Mouth Tool Bag, dermal absorption from tools that have been in direct contact with the black plastic webbing, and ingestion of construction dust that can be contaminated with DINP due to the black plastic webbing. Another route of dermal exposure to DINP is to chemical that has leached onto tools or other items that are in contact with the black

¹ The public enforcement agencies that have been served with copies of this notice of violations are identified in the attached distribution list accompanying the Certificate of Service.

plastic webbing and then are grasped by the user's bare hand. If the tool bag is used in a construction setting, fine construction dust (e.g. sheetrock, sawdust) in contact with the black plastic webbing can absorb DINP and this dust can potentially be resuspended in the air and ingested. Finally, while mouthing of the product does not seem likely, some amount of exposure through ingestion can occur by handling the product with subsequent touching of the users hand to mouth.

The exposures that are the subject of this notice with respect to the Craftsman Heavy Duty Air Hose result from the purchase, acquisition, handling and recommended use of the product. Consequently, the primary route of exposure to these chemicals is through skin exposure through the user's hands is likely to occur when the user manipulates the hose. Exposure is also possible through leaching of DIDP into the compressed air within the hose. Vapor phase DIDP from the hose that has leached into the compressed air line can be discharged when a pneumatic tool is actuated or when the air line from the tool is disconnected. This discharged DIDP vapor can be ingested by the user. Finally, while mouthing of the product does not seem likely, some amount of exposure through ingestion can occur by handling the product with the subsequent touching of the users hand to mouth.

Duration of the Violations: Each of these ongoing violations with respect to Craftsman Large Mouth Tool Bag has occurred on every day since at least April 1, 2015; as well as every day since the product was introduced to the California marketplace and following the one-year anniversary date of the listing at issue; and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until this known toxic chemical is removed from the product.

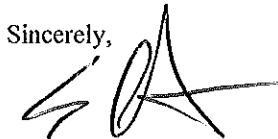
Each of these ongoing violations with respect to the Craftsman Heavy Duty Air Hose has occurred on every day since at least March 24, 2015; as well as every day since the product was introduced to the California marketplace and following the one-year anniversary date of the listing at issue; and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until this known toxic chemical is removed from the product.

Pursuant to Title 11, C.C.R. §3100, a certificate of merit is attached hereto. Pursuant to Title 27, C.C.R. §25903(b), a copy of "The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary" is also enclosed.

Consistent with the public interest goals of Proposition 65 and desire to have these ongoing violations of California law quickly rectified, Ms. Velarde is interested in seeking a constructive resolution of this matter without engaging in costly and protracted litigation.

Ms. Velarde has retained me as legal counsel in connection with this matter. Please direct all communications regarding this Notice of Violations to my attention at the law office address and telephone number indicated on the letterhead.

Sincerely,



Evan J. Smith

Attachments

Certificate of Merit

Certificate of Service

The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary

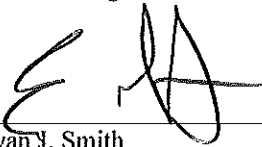
CERTIFICATE OF MERIT
Health & Safety Code Section 25249.7(d)

I, Evan J. Smith, 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 & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- (2) I am the attorney for the noticing party, Martha Velarde
- (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 chemicals that are the subject of the action.
- (4) Based on the information obtained through these 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 private action" means that the information provides a credible basis that all elements of plaintiff's case can be established and the information did not prove that the alleged violator(s) will be able to establish any of the affirmative defenses set forth in the statute.
- (5) We have had the Craftsman Large Mouth Tool Bag tested by SGS and have found that the DINP content contained in the product exceeds allowable levels of DINP pursuant to the statute. With respect to the Craftsman 12" Large Mouth Tool Bag, UPC# 7 21415 81027 4 testing by SGS demonstrated the presence of DINP in the tool bag at a concentration of 119,000 parts per million (ppm). In addition, we have also consulted with Dr. Anthony Lagalante, Ph.D. of Main Line Environmental, LLC, who has advised that the concentration of DINP in the product is known to be and can be harmful to people. Mr. Lagalante has advised that the primary route of exposure of the chemicals in this product is through skin exposure.

We have had the Craftsman Heavy Duty Air Hose tested by St. Louis Testing Laboratories and have found that the DIDP content contained in the product exceeds allowable levels of DIDP pursuant to the statute. With respect to the Heavy Duty Air Hose, 50 Ft. x 3/8", UPC#0 92329 340141 testing by St. Louis Testing Laboratories demonstrated the presence of DIDP in the hose at a concentration of 27,600 parts per million (ppm). In addition, we have also consulted with Dr. Anthony Lagalante, Ph.D. of Main Line Environmental, LLC, who has advised that the concentration of DIDP in the product is known to be and can be harmful to people. Mr. Lagalante has advised that the primary route of exposure of the chemicals in this product is through dermal absorption.

Dated: April 20, 2015



Evan J. Smith
Attorney for Martha Velarde

CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

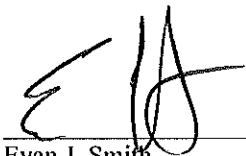
I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within action. My business address is 2 Bala Plaza, Suite 510, Bala Cynwyd, Pennsylvania. I am employed in Montgomery County where the mailing occurred.

On April 20, 2015, I served the following documents: **Notice of Violation of California Health & Safety Code §25249.5, et seq.; Certificate of Merit; The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary** on the following entities and individuals listed below by placing a true and correct copy thereof in a sealed envelope, addressed to the person or entity listed below and depositing it in a US Postal Service Office with postage fully prepaid for delivery by Certified Mail:

President/CEO Sears Brands Management Corporation c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801	President/CEO Sears Holdings, Inc. c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801
Edward S. Lampert, CEO Or Current President/CEO Sears Holdings Management Corporation The Corporation Trust Company Corporation trust Center 1209 Orange Street Wilmington, DE 19801	President/CEO Sears Holdings Corporation c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, DE 19801
Edward S. Lampert, CEO Or Current President/CEO Sears Holdings Management Corporation c/o CT Corporation System 818 West Seventh Street, 2 nd Floor Los Angeles, CA 90017	President/CEO Sears Corporation c/o Corporation Service Company 2711 Centerville Road, Suite 400 Wilmington, DE 19808

On April 20, 2015, I served the following documents: **Notice of Violation of California Health & Safety Code §25249.5, et seq.; Certificate of Merit; The Safe Drinking Water and Toxic Enforcement Action of 1986 (Proposition 65): A Summary** on each of the individuals on the service list attached hereto as Appendix B by placing a true and correct copy thereof in a sealed envelope, addressed to the person or entity listed below and depositing it in a US Postal Service Office with postage fully prepaid for delivery by Priority Mail.

Executed on April 20, 2015, in Bala Cynwyd, Pennsylvania.



Evan J. Smith

SERVICE LIST

The Honorable Tom Hardy, District Attorney INYO COUNTY PO Box D Independence, CA 93526	The Honorable Terese Drabec, District Attorney ALPINE COUNTY 270 Laramie Street, P.O. Box 248 Markleeville, CA 96120
The Honorable Birgit Fladager, District Attorney STANISLAUS COUNTY 832 12th Street, Suite 300 Modesto, CA 95354	The Honorable Bob Lee, District Attorney SANTA CRUZ COUNTY 701 Ocean Street, Room 200 Santa Cruz, CA 95060
The Honorable Bonnie Dumanis, District Attorney SAN DIEGO COUNTY 330 West Broadway, Suite 1300 San Diego, CA 92101	The Honorable Ronald Scott Owens, District Atty. PLACER COUNTY 10810 Justice Center Drive, Suite #240 Roseville, CA 95678
The Honorable Candice Hooper-Mancino, District Attorney SAN BENITO COUNTY 419 4th Street Hollister, CA 95023-3801	The Honorable Carl Adams, District Attorney SUTTER COUNTY 446 2nd Street Yuba City, CA 95991
The Honorable Joyce E. Dudley, District Attorney SANTA BARBARA COUNTY 1112 Santa Barbara Street Santa Barbara, CA 93101	The Honorable Clifford Newell, District Attorney NEVADA COUNTY 110 Union Street Nevada City, CA 95959
The Honorable Donald A. du Bain, District Atty. SOLANO COUNTY 675 Texas Street, Suite 4500 Fairfield, CA 94533	The Honorable Dean Flippo, District Attorney MONTBREY COUNTY P.O. Box 1131 Salinas, CA 93902
The Honorable Dennis J. Herrera, Office of the City Attorney SAN FRANCISCO COUNTY City Hall, Room 234, 1 Dr. Carlton B. Godlett Place San Francisco, CA 94102	The Honorable Jeffrey F. Rosen, District Attorney SANTA CLARA COUNTY 70 West Hedding Street, West Wing San Jose, CA 95110
The Honorable Michael Knowles, Acting District Attorney TUOLUMNE COUNTY 423 North Washington Street Sonora, CA 95370	The Honorable Edward Berberian, District Attorney MARIN COUNTY 3501 Civic Center Drive, Room 130 San Rafael, CA 94903
The Honorable Lisa Green, District Attorney KERN COUNTY 1215 Truxtun Avenue, Fourth Floor Bakersfield, CA 93301	The Honorable Elizabeth Egan, District Attorney FRESNO COUNTY 2220 Tulare Street, Suite 1000 Fresno, CA 93721

The Honorable Michael R. Keitz, District Attorney
MADERA COUNTY
209 West Yosemite Avenue
Madera, CA 93637

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

The Honorable Jordan Funk, Interim Dist. Atty.
MODOC COUNTY
204 South Court Street, Room 202
Alturas, CA 96101

The Honorable Tim Kendall, District Attorney
MONO COUNTY
P.O. Box 2053
Mammoth Lakes, CA 93546

The Honorable Stephen Carlton, District Attorney
SHASTA COUNTY
1355 West Street
Redding, CA 96001

The Honorable Gerald Shea, District Attorney
SAN LUIS OBISPO COUNTY
1035 Palm Street
San Luis Obispo, CA 93408

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

The Honorable Gregg Cohen, District Attorney
TEHAMA COUNTY
444 Oak Street, Room L
Red Bluff, CA 96080

The Honorable Gregory Totten, District Attorney
VENTURA COUNTY
800 South Victoria Avenue, Suite 314
Ventura, CA 93009

The Honorable Stephen M. Wagstaffe, District Atty.
SAN MATEO COUNTY
400 County Center, Third Floor
Redwood City, CA 94063

The Honorable James Kirk Andrus, District Atty.
SISKIYOU COUNTY
P.O. BOX 986
Yreka, CA 96097

The Honorable James Willett, District Attorney
SAN JOAQUIN COUNTY
P.O. BOX 990
Stockton, CA 95202

The Honorable Jan Goldsmith, Office of the
City Attorney
SAN DIEGO
1200 Third Ave., Suite 1620
San Diego, CA 92101

The Honorable Jan Scully, District Attorney
SACRAMENTO COUNTY
901 G Street
Sacramento, CA 95814

The Honorable David Hollister, District Attorney
PLUMAS COUNTY
520 Main Street, Room 404
Quincy, CA 95971

The Honorable Jeff Reisig, District Attorney
YOLO COUNTY
301 Second Street
Woodland, CA 95695

The Honorable Barbara Yook, District Attorney
CALAVERAS COUNTY
891 Mountain Ranch Road
San Andreas, CA 95249

The Honorable John Poyner, District Attorney
COLUSA COUNTY
346 Fifth Street, Suite 101
Colusa, CA 95932

The Honorable Donald Anderson, District Attorney
LAKE COUNTY
255 North Forbes Street
Lakeport, CA 95453

The Honorable George Gascon, District Attorney
SAN FRANCISCO COUNTY
850 Bryant Street, Room 325
San Francisco, CA 94103

The Honorable Larry Morse II, District Attorney
MERCED COUNTY
550 West Main Street
Merced, CA 95340

The Honorable Lawrence Allen, District Attorney
SIERRA COUNTY
100 Courthouse Square, Second Floor - PO Box 457
Downieville, CA 95936

The Honorable C. David Eyster, District Attorney
MENDOCINO COUNTY
P.O. Box 1000
Ukiah, CA 95482

The Honorable Michael Ramos, District Attorney
SAN BERNARDINO COUNTY
303 West Third Street, 6th Floor
San Bernardino, CA 92415

The Honorable Jon Alexander, District Attorney
DEL NORTE COUNTY
450 H Street, Room 171
Crescent City, CA 95531

The Honorable Paul Gallegos, District Attorney
HUMBOLDT COUNTY
825 5th Street, 4th Floor
Eureka, CA 95501

The Honorable Richard Doyle, Office of the
City Attorney
City of San Jose
200 East Santa Clara Street, 16th Floor
San Jose, CA 95113-1905

The Honorable Robert Burns, District Attorney
LASSEN COUNTY
220 South Lassen Street, Suite 8
Susanville, CA 96130

The Honorable Mark A. Peterson, District Attorney
CONTRA COSTA COUNTY
900 Ward Street
Martinez, CA 94553

The Honorable Paul Zellerbach, District Attorney
RIVERSIDE COUNTY
3960 Orange Street
Riverside, CA 92501

The Honorable Jill Ravitch, District Attorney
SONOMA COUNTY
600 Administration Drive, Room 212J
Santa Rosa, CA 95403

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

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

The Honorable Michael Harper, District Attorney
TRINITY COUNTY
P.O. Box 310
Weaverville, CA 96093

The Honorable Michael Ramsey, District Attorney
BUTTE COUNTY
25 County Center Drive, Administration Building
Oroville, CA 95965

The Honorable Patrick McGrath, District Attorney
YUBA COUNTY
215 Fifth Street, Suite 152
Marysville, CA 95901

The Honorable Tim Ward, District Attorney
TULARE COUNTY
221 South Mooney Blvd., Suite 224
Visalia, CA 93291

The Honorable Thomas K. Cooke, District Attorney
MARIPOSA COUNTY
5101 Jones Street, P.O. Box 730
Mariposa, CA 95338

The Honorable Robert J. Maloney, District Attorney
GLENN COUNTY
P.O. Box 430
Willows, CA 95988

The Honorable Mike Feuer, City Attorney
City of Los Angeles
800 City Hall East, 200 N. Main Street
Los Angeles, CA 90012

The Honorable Greg Strickland, District Attorney
KINGS COUNTY
1400 West Lacey Blvd.
Hanford, CA 93230

The Honorable Jackie Lacey, District Atty's Office
LOS ANGELES COUNTY
210 West Temple Street, Suite 1800
Los Angeles, CA 90012-3210

The Honorable Todd Riebe, District Attorney
AMADOR COUNTY
708 Court Street #202
Jackson, CA 95642

The Honorable Vernon Pierson, District Attorney
EL DORADO COUNTY
515 Main Street
Placerville, CA 95667

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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

The following summary has been prepared by the California Office of Environmental Health Hazard Assessment (OEHHA), 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. Please refer to ~~The reader is directed to~~ the statute and OEHHA's implementing regulations (see citations below) for further information.

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

~~The text of Proposition 65 (appears in California law as Health and Safety Code Sections 25249.5 through 25249.13). The statute is available online at:~~ <http://oehha.ca.gov/prop65/law/P65law72003.html>. 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 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: <http://oehha.ca.gov/prop65/law/P65Regs.html>.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Proposition 65 Governor's List." Under Proposition 65, requires the lead agency (OEHHA) Governor to publishes a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. C~~This means that chemicals are~~

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: <http://www.oehha.ca.gov/prop65/law/index.html>.

placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as damage to female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at: http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under Proposition 65~~this law~~. Businesses that produce, use, release or otherwise engage in activities involving listed these 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 unless an exemption applies; ~~for example, when exposures are sufficiently low (see below).~~ The warning given must be “clear and reasonable.” This means that the warning must: (1) clearly ~~say~~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 to that chemical. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

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. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (<http://www.oehha.ca.gov/prop65/law/index.html>) to determine all applicable exemptions, the most common of which are the following:

Grace Periods. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

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. This includes all full and part-time employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed under Proposition 65 as known to the State to cause cancer (“carcinogens”), a warning is not required if the business causing the exposure 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” (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA’s website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of NSRLs, and Section 25701 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business causing the exposure 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” divided by 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA’s website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of MADLs, and Section 25801 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in a Food. Certain exposures to chemicals that naturally occur in foods naturally (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges 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 listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, 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” level for chemicals that cause cancer or that is 1,000 times below the “no observable effect”

² See Section 25501(a)(4)

level for chemicals that cause reproductive toxicity, if an individual were exposed to that 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. 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. The notice must comply with the information and procedural requirements specified in Section 25903 of Title 27 ~~the regulations~~ and in Title 11, sections 3100-3103 of Title 11. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an enforcement 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.

A private party may not file an enforcement action based on certain exposures if the alleged violator meets specific conditions. For the following types of exposures, the Act provides an opportunity for the business to correct the alleged violation:

- An exposure to alcoholic beverages that are consumed on the alleged violator's premises to the extent onsite consumption is permitted by law;
- An exposure to a Proposition 65 listed chemical in a food or beverage prepared and sold on the alleged violator's premises that is primarily intended for immediate consumption on- or off-premises. This only applies if the chemical was not intentionally added to the food, and was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination;
- An exposure to environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises;
- An exposure to listed chemicals in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking non-commercial vehicles.

If a private party alleges that a violation occurred based on one of the exposures described above, the private party must first provide the alleged violator a notice of special compliance procedure and proof of compliance form.

A private party may not file an action against the alleged violator for these exposures, or recover in a settlement any payment in lieu of penalties or any reimbursement for costs and attorney's fees, if the notice of violation was served on or after October 5, 2013, and the alleged violator has done all of the following within 14 days of being served notice:

- Corrected the alleged violation;
- Agreed to pay a civil penalty of \$500 (subject to change as noted below) to the private party within 30 days; and
- Notified the private party serving the notice in writing that the violation has been corrected.

The written notification to the private-party must include a notice of special compliance procedure and proof of compliance form completed by the alleged violator as directed in the notice. On April 1, 2019, and every five years thereafter, the dollar amount of the civil penalty will be adjusted by the Judicial Council based on the change in the annual California Consumer Price Index. The Judicial Council will publish the dollar amount of the adjusted civil penalty at each five-year interval, together with the date of the next scheduled adjustment.

An alleged violator may satisfy these conditions only one time for a violation arising from the same exposure in the same facility or on the same premises. The satisfaction of these conditions does not prevent the Attorney General, a district attorney, a city attorney of a city greater than 750,000 in population, or any full-time city prosecutor with the consent of the district attorney, from filing an enforcement action against an alleged violator. The amount of any civil penalty for a violation shall be reduced to reflect any payment made by the alleged violator for the same alleged violation to a private-party.

A copy of the notice of special compliance procedure and proof of compliance form is included with this notice and can be downloaded from OEHHA's website at: <http://oehha.ca.gov/prop65/law/p65law72003.html>. The notice is reproduced here:

Date:

Page 1

Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

SPECIAL COMPLIANCE PROCEDURE
PROOF OF COMPLIANCE

You are receiving this form because the Noticing Party listed above has alleged that you are violating California Health and Safety Code §25249.6 (Prop. 65).

The Noticing Party may not bring any legal proceedings against you for the alleged violation checked below if:

1. You have actually taken the corrective steps that you have certified in this form.
2. The Noticing Party has received this form at the address shown above, accurately completed by you, postmarked within 14 days of your receiving this notice.
3. The Noticing Party receives the required \$500 penalty payment from you at the address shown above postmarked within 30 days of your receiving this notice.
4. This is the first time you have submitted a Proof of Compliance for a violation arising from the same exposure in the same facility on the same premises.

PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE NOTICING PARTY

The alleged violation is for an exposure to: (check one)

Alcoholic beverages that are consumed on the alleged violator's premises to the extent on-site consumption is permitted by law.

A chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises for immediate consumption on or off premises to the extent: (1) the chemical was not intentionally added; and (2) the chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

Environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

Chemicals known to the State to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

IMPORTANT NOTES:

1. You have no potential liability under California Health and Safety Code §25249.6 if your business has nine (9) or fewer employees.
2. Using this form will NOT prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action

over the same alleged violations, and that in any such action, the amount of civil penalty shall be reduced to reflect any payment made at this time.

Date :

Page 2

Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED REPRESENTATIVE

Certification of Compliance

Accurate completion of this form will demonstrate that you are now in compliance with California Health and Safety Code §25249.6 for the alleged violation listed above. You must complete and submit the form below to the Noticing Party at the address shown above, postmarked within 14 days of you receiving this notice.

I hereby agree to pay, within 30 days of completion of this notice, a civil penalty of \$500 to the Noticing Party only and certify that I have complied with Health and Safety Code §25249.6 by (check only one of the following):

- Posting a warning or warnings about the alleged exposure that complies with the law, and attaching a copy of that warning and a photograph accurately showing its placement on my premises;
- Posting the warning or warnings demanded in writing by the Noticing Party, and attaching a copy of that warning and a photograph accurately showing its placement on my premises; OR
- Eliminating the alleged exposure, and attaching a statement accurately describing how the alleged exposure has been eliminated.

Certification

My statements on this form, and on any attachments to it, are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I have carefully read the instructions to complete this form. I understand that if I make a false statement on this form, I may be subject to additional penalties under the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).

Signature of alleged violator or authorized representative Date

Name and title of signatory

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at P65Public.Comments@oehha.ca.gov.

Revised: May 2014

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.7, 25249.9, 25249.10 and 25249.11, Health and Safety Code.