

SIXTY-DAY NOTICE OF INTENT TO SUE FOR VIOLATION OF THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986

(*Cal. Health & Safety Code § 25249.5, et seq.*) (“Proposition 65”)

August 3, 2017

This Sixty-Day Notice Of Intent To Sue For Violation Of The Safe Drinking Water And Toxic Enforcement Act Of 1986 is addressed to:

Michael Fallas, President
Or Current President / CEO
National Stores, Inc. dba Fallas,
Fallas Paredes, Fallas Discount
Stores, Factory 2-U, Factory 2-U
Stores Inc., Factory 2 U, Anna’s
Linen’s by Fallas, M M & J
Ventures, Michael/Moses/Joseph
Fallas
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
FP Stores Inc., dba Fallas and
Fallas Kids
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J and M Sales Inc., dba Fallas,
Factory 2 U, Factory 2U
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
Michael/Moses/Joseph Fallas, dba
M M & J Ventures
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J&M Properties I, LLC
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
National Stores, Inc., dba
Michael/Moses/Joseph Fallas
6633 Van Nuys Blvd
Van Nuys, CA 91405

Michael Fallas, CEO
Or Current President/CEO
J & M Sales Inc. dba La Moda For
Kids Inc.
15001 S. Figueroa Street
Gardena, CA 90248

Joseph Fallas, CEO
Or Current President/CEO
Fallas Management, Inc.
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J&M Properties One, LLC
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
Michael/Moses/Joseph Fallas,
DBA M M & J Ventures
6633 Van Nuys Blvd
Van Nuys, CA 91405

Michael Fallas, CEO or
Current President/CEO
J & M Sales Corporation
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
Fallas Capital Holdings, LLC
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J&M Sales of Texas, LLC
15001 S Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J & M Sales Corporation, c/o
United States Corporation
Company
2711 Centerville Road Suite 400
Wilmington, DE 19808

Michael Fallas, CEO
Or Current President/CEO
J&M Sales of Texas, LLC, c/o
Paracorp Incorporated
2140 S Dupont Hwy
Camden, DE 19934

Michael Fallas, CEO
Or Current President/CEO
Fallas Capital Holdings, LLC, c/o
Cogency Global Inc.
321 W. Winnielane #104
Carson City, NV 89703

Michael Fallas, CEO
Or Current President/CEO
FP Stores, Inc., c/o
Paracorp Incorporated
318 N Carson St #208
Carson City, NV 89701

Michael Fallas, CEO or
Current President/CEO
J&M Properties I, LLC, dba
JMFP Properties, LLC, c/o
Paracorp Incorporated
3610-2 N. Josey Lane, Suite 223
Carrollton, TX 75007

Michael Fallas, CEO
Or Current President/CEO
J&M Properties One, LLC, dba
MFP Properties, LLC, c/o
Paracorp Incorporated
3610-2 N Josey Lane, Suite 223
Carrollton, TX 75007

Michael Fallas, CEO
Or Current President/CEO
J&M Sales Inc., dba
La Moda For Kids Inc.
308 E San Antonio Ave
El Paso, TX 79901

Michael Fallas, CEO
Or Current President/CEO
J&M Sales of Texas, LLC, c/o
Paracorp Incorporated
3610-2 N. Josey Lane, Suite 223
Carrollton, TX 75007

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

Re: Violations of Proposition 65 concerning **Plastic Shopping Bags Containing Lead and Lead Compounds**

To whom this may concern:

Consumer Advocacy Group, Inc. (“CAG”), the noticing entity, located at 9903 Santa Monica Boulevard #225, Beverly Hills, California 90212, serves this Notice of Violation (“Notice”) on the addressees listed above (“Violators”) pursuant to and in compliance with Proposition 65. Violators may contact CAG concerning this Notice through its designated person within the entity, its attorney, Reuben Yeroushalmi 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212, telephone no. (310) 623-1926, facsimile no. (310) 623-1930. This Notice satisfies a prerequisite for CAG to commence an action against Violators in any Superior Court of California to enforce Proposition 65. The violations addressed by this Notice occurred at numerous locations in each county in California as reflected in the district attorney addresses listed in the attached distribution list. CAG is serving this Notice upon each person or entity responsible for the alleged violations, the California Attorney General, the district attorney for each county where alleged violations occurred, and the City Attorney for each city with a population (according to the most recent decennial census) of over 750,000 located within counties where the alleged violations occurred.

- CAG is an organization based in California. CAG is an entity dedicated to protecting the consumer environment, improving human health, and supporting environmentally sound commercial practices. By sending this Notice, CAG is acting “in the public interest” pursuant to Proposition 65.

- This Notice concerns violations of the warning prong of Proposition 65, which states 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 giving clear and reasonable warning to such individual . . .” *Cal. Health & Safety Code* § 25249.6.
- CAG has discovered **Plastic Shopping Bags**, specifically, **Orange Plastic “Fallas” Shopping Bags (“Bags”)** containing **Lead and Lead Compounds, (“Lead”)**, which is known to the State of California to cause both cancer and reproductive toxicity, female, male. On February 27, 1987, the Governor of California added lead and lead compounds to the list of chemicals known to the State to cause reproductive toxicity, reproductive, female, male; and on October 1, 1992, the Governor added lead to the list of chemicals known to the State to cause cancer. Both additions took place more than twenty (20) months before CAG served this Notice.
 - Exemplars of the violations caused by **Bags** containing **Lead** include but are not limited to:
 1. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “10.2016,” approximate size 17.5” x 29”.
 2. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “11.2016,” approximate size 17.5” x 29”.
 3. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “12.2016,” approximate size 17.5” x 29”.
 4. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “11.2016,” approximate size 13.5” x 24”.
 5. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “12.2016,” approximate size 13.5” x 24”.
 6. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “01.2017,” approximate size 13.5” x 24”.
 7. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “02.2017,” approximate size 13.5” x 24”.
 8. Orange Plastic “Fallas” Shopping Bags, with identifying marks “FALLAS,” “FIRST PLACE TO SHOP FIRST PLACE TO SAVE,” “www.fallasstores.com,” “Please Reuse or Recycle This Bag,” “MADE IN INDIA,” “06.2016,” approximate size 7.75” x 14.75”.
- This Notice addresses consumer products exposures. A “[c]onsumer products exposure’ is an exposure which results from a person’s acquisition, purchase, storage, consumption, or other reasonably foreseeable

use of a consumer good, or any exposure that results from receiving a consumer service.” *Cal. Code Regs.* 27 tit. § 25602(b).

Violators caused consumer product exposures in violation of Proposition 65 by producing or making available **Bags** for handing and distribution by Violators’ employees and subsequent distribution to Violators’ consumers and/or customers. The surfaces of the **Bags** contain no Proposition 65-complaint warnings. Violators did not provide any Proposition 65 compliant warnings with any packaging that accompanied the **Bags** (meaning any label or other written, printed or graphic matter affixed to or accompanying the product or its container or wrapper). Nor did Violators, with regard to the **Bags**, provide a system of signs, public advertising identifying the system and toll-free information services, or any other system, which provided clear and reasonable warnings. Nor did Violators, with regard to the **Bags**, provide identification of the product at retail outlets in a manner that provided a warning through shelf labeling, signs, menus, or a combination thereof. The **Bags** are designed for transporting products and goods to and from Violators’ stores. The **Bags** additionally and intentionally inform consumers to “Please Reuse or Recycle This Bag.” On information and belief, CAG believes the **Bags** are used in more than 200 stores, all owned and operated by Violators, throughout the State of California. **Bags** may be individually purchased by consumers at said stores.

- This Notice also concerns occupational exposures. An “[o]ccupational exposure” means an exposure to any employee in his or her employer’s workplace.” *Cal. Code Regs.* 25 § 25602(f).

Violators caused occupational exposures in violation of Proposition 65 by allowing employees to handle the **Bags** while packaging products sold to consumers at Violators’ in-store check-out stations, while placing quantities of the **Bags** on in-store checkout station dispenser racks for **Bags**, on in-store checkout station shelving, and on in-store checkout station vertical standing walls; without having first given clear and reasonable warnings to said employees that by handling **Bags**, said employees would suffer exposures to Lead. Violators’ employees were exposed to lead by touching and handling **Bags** with their bare skin at Violators’ premises, including but not limited to:

Store Name	Store Number	Address	City	State	ZIP
Anna's Linens	#0470	928 N San Fernando Blvd	Burbank	CA	91504
Fallas	#0113	1837 La Cienega Blvd	Los Angeles	CA	90035
Fallas	#0102	6719 Pacific Blvd	Huntington Park	CA	90255
Fallas	#0170	5060 Rodeo Rd	Los Angeles	CA	90016
Fallas	#0177	2870 W Imperial Hwy	Inglewood	CA	90303
Fallas	#0421	7500 S Alameda St	Walnut Park	CA	90255
Factory 2-U	#0637	1645 S Western Ave	Los Angeles	CA	90006
Factory 2-U	#0638	10801 Long Beach Blvd	Lynwood	CA	90262
Fallas	#0106	6633 Van Nuys Blvd	Van Nuys	CA	91405
Fallas	#0464	10310 Sepulveda Blvd	Mission Hills	CA	91345
Factory 2-U	#0613	9035 Woodman Ave	Arleta	CA	91331
Fallas	#0426	13119 Hawthorne Blvd	Hawthorne	CA	90250
Factory 2-U	#0633	3210 W Century Blvd	Inglewood	CA	90303
Fallas	#0101	449 S Broadway	Los Angeles	CA	90013
Fallas	#0115	1533 N Vermont Ave	Los Angeles	CA	90027
Fallas	#0437	840 S Alvarado St	Los Angeles	CA	90057
Fallas	#0100	15001 S Figueroa St	Gardena	CA	90248
Fallas	#0136	956 Sepulveda Blvd	Harbor City	CA	90710
Fallas	#0430	909 N Avalon Blvd	Wilmington	CA	90744
Fallas	#0107	14027 Pioneer Blvd	Norwalk	CA	90650

Fallas	#0118	9060 Firestone Blvd	Downey	CA	90241
Fallas	#0461	10851 Imperial Hwy	Norwalk	CA	90650
Fallas	#0104	4771 Whittier Blvd	East Los Angeles	CA	90022
Fallas	#0184	23805 Sunnymead Boulevard	Moreno Valley	CA	92553
Fallas	#0422	16805 Valley Blvd	Fontana	CA	92335
Fallas	#0468	2022 S Atlantic Blvd	Monterey Park	CA	91754
Fallas	#0472	12530 Day St	Moreno Valley	CA	92553
Fallas	#0652	260 E Baseline Rd	Rialto	CA	92376
Factory 2-U	#0660	330 W Base Line St	San Bernardino	CA	92410
Fallas	#0113	1837 La Cienega Blvd	Los Angeles	CA	90035
Factory 2-U	#0629	9691 Chapman Ave	Garden Grove	CA	92841

These store locations are among dozens of other store locations where these activities take place. On information and belief, CAG alleges that consumer exposures and occupational exposures occurred at dozens of other Violators' store locations in California. Violators did not provide any Proposition 65-compliant warnings on either the **Bags** themselves, or provide any warning signs or system of warning signs in the workplace.

This notice alleges the violation of Proposition 65 with respect to occupational exposures 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 (a) the conduct of manufacturers occurring outside the State of California; and (b) employers with less than ten (10) employees. The approval also provides that an employer may use any means of compliance in the general hazard communication requirements to comply with Proposition 65. It also requires that supplemental enforcement be 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.

These violations occurred each day between August 3, 2014, and August 3, 2017, and are ever continuing thereafter.

The principal routes of exposure are through dermal contact and ingestion. Persons sustain exposures by handling or using **Bags** without wearing gloves or any other personal protective equipment, and subsequently touching bare skin or mucous membranes after handling **Bags**. Persons sustain exposures by handling or using **Bags** while wearing gloves, and subsequently touching gloves to bare skin or mucous membranes after handling **Bags**. Exposures also take place through hand to mouth and hand to mucous membrane contact. Persons may also reuse the **Bags** for a number of reasons thereby increasing exposure, including reuse for transport of food (ie. lunch bag) and would be exposed to lead transferred from the **Bags** to the food placed in the **Bags**. Persons exposed include small children who play with the **Bags**, touching the same with their bare skin, and putting their hands or easily dislodged pieces of **Bags** in their mouths after having handled the **Bags**. Small children may fully ingest small pieces of **Bags**.

Proposition 65 requires that notice of intent to sue be given to the violator(s) sixty (60) days before the suit is filed. *Cal. Health & Safety Code* § 25249.7(d)(1). With this letter, CAG gives notice of the alleged violations to Violators and the appropriate governmental authorities. In absence of any action by the appropriate governmental authorities within sixty (60) calendar days of the sending of this notice (plus ten (10) calendar

days because the place of address is beyond the State of California but within the United States), CAG may file suit. *See Cal. Code Civ. Proc.* § 1013; *Cal. Health & Safety Code* § 25249.7(d)(1); and *Cal. Code Regs.* tit. 27 § 25903(d)(1). CAG remains open and willing to discussing the possibility of resolving its grievances short of formal litigation.

With the copy of this notice submitted to the Violators, a copy of the following is attached: The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary.

Dated: 8-4-17



Reuben Yeroushalmi
Yeroushalmi & Yeroushalmi
Attorneys for Consumer Advocacy Group, Inc.

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 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.

Proposition 65 Health and Safety Code Sections 25249.5 through 25249.13 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 List." Under Proposition 65, the lead agency (OEHHA) publishes a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. Chemicals are 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. Businesses that produce, use, release or otherwise engage in activities involving listed 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. The warning given must be "clear and reasonable." This means that the warning must: (1) clearly say 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:

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>.

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, 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 (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 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" level for chemicals that cause reproductive toxicity, if an individual were exposed to that 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 and 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 to stop committing the violation.

² See Section 25501(a)(4)

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:
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:
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.

Plastic Shopping Bags containing Lead

CERTIFICATE OF MERIT

Health and Safety Code Section 25249.7(d)

I, Reuben Yeroushalmi, hereby declare:

1. This Certificate of Merit accompanies the attached sixty-day notice(s) in which it is alleged the party(s) identified in the notice(s) has violated Health and Safety Code section 25249.6 by failing to provide clear and reasonable warnings.
2. I am the attorney for the noticing party.
3. I have consulted with at least one person with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the 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 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 Health and Safety Code section 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.
- 6.

Dated:

August 3, 17

By:

Reuben Yeroushalmi

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 9100 Wilshire Boulevard, Suite 240W, Beverly Hills, CA 90212.

ON THE DATE SHOWN BELOW, I SERVED THE FOLLOWING:

- 1) 60-Day Notice of Intent to Sue Under Health & Safety Code Section 25249.6
- 2) Certificate of Merit: Health and Safety Code Section 25249.7(d)
- 3) Certificate of Merit (Attorney General Copy): Factual information sufficient to establish the basis of the certificate of merit (*only sent to Attorney General*)
- 4) The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary

by enclosing copies of the same in a sealed envelope, along with an unsigned copy of this declaration, addressed to each person shown below and depositing the envelope in the U.S. mail with the postage fully prepaid. Place of Mailing: Beverly Hills, CA

Name and address of each party to whom documents were mailed:

Michael Fallas, President
Or Current President / CEO
National Stores, Inc. dba Fallas,
Fallas Paredes, Fallas Discount
Stores, Factory 2-U, Factory 2-U
Stores Inc., Factory 2 U, Anna's
Linen's by Fallas, M M & J
Ventures, Michael/Moses/Joseph
Fallas
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
FP Stores Inc., dba Fallas and
Fallas Kids
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J and M Sales Inc., dba Fallas,
Factory 2 U, Factory 2U
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
National Stores, Inc., dba
Michael/Moses/Joseph Fallas
6633 Van Nuys Blvd
Van Nuys, CA 91405

Michael Fallas, CEO
Or Current President/CEO
J & M Sales Inc. dba La Moda For
Kids Inc.
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
Michael/Moses/Joseph Fallas,
DBA M M & J Ventures
6633 Van Nuys Blvd
Van Nuys, CA 91405

Michael Fallas, CEO or
Current President/CEO
J & M Sales Corporation
15001 S. Figueroa Street
Gardena, CA 90248

Distribution List

Michael Fallas, CEO or
Current President/CEO
Michael/Moses/Joseph Fallas, dba
M M & J Ventures
15001 S. Figueroa Street
Gardena, CA 90248

Joseph Fallas, CEO
Or Current President/CEO
Fallas Management, Inc.
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO or
Current President/CEO
Fallas Capital Holdings, LLC
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J&M Properties I, LLC
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J&M Properties One, LLC
15001 S. Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J&M Sales of Texas, LLC
15001 S Figueroa Street
Gardena, CA 90248

Michael Fallas, CEO
Or Current President/CEO
J & M Sales Corporation, c/o
United States Corporation
Company
2711 Centerville Road Suite 400
Wilmington, DE 19808

Michael Fallas, CEO
Or Current President/CEO
J&M Sales of Texas, LLC, c/o
Paracorp Incorporated
2140 S Dupont Hwy
Camden, DE 19934

Michael Fallas, CEO
Or Current President/CEO
Fallas Capital Holdings, LLC, c/o
Cogency Global Inc.
321 W. Winnielane #104
Carson City, NV 89703

Michael Fallas, CEO
Or Current President/CEO
FP Stores, Inc., c/o
Paracorp Incorporated
318 N Carson St #208
Carson City, NV 89701

Michael Fallas, CEO or
Current President/CEO
J&M Properties I, LLC, dba
JMFP Properties, LLC, c/o
Paracorp Incorporated
3610-2 N. Josey Lane, Suite 223
Carrollton, TX 75007

Michael Fallas, CEO
Or Current President/CEO
J&M Properties One, LLC, dba
MFP Properties, LLC, c/o
Paracorp Incorporated
3610-2 N Josey Lane, Suite 223
Carrollton, TX 75007

Michael Fallas, CEO
Or Current President/CEO
J&M Sales Inc., dba
La Moda For Kids Inc.
308 E San Antonio Ave
El Paso, TX 79901

Michael Fallas, CEO
Or Current President/CEO
J&M Sales of Texas, LLC, c/o
Paracorp Incorporated
3610-2 N. Josey Lane, Suite 223
Carrollton, TX 75007

Name and address of each public prosecutor to whom documents were mailed:

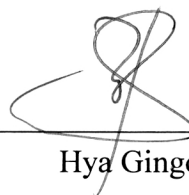
See Distribution List

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date of Mailing:

8-4-2017

By:



Hya Gingoyan

Distribution List

Alameda County District Attorney 1225 Fallon St. Room 900 Oakland, CA 94612	Los Angeles County District Attorney 210 W Temple St. 18th Floor Los Angeles, CA 90012	Mono County District Attorney PO Box 617 Bridgeport, CA 93517
Alpine County District Attorney PO Box 248 Markleeville, CA 96120	Madera County District Attorney 209 W Yosemite Ave Madera, CA 93637	San Joaquin County District Attorney PO Box 990 Stockton, CA 95201 -0990
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Butte County District Attorney 25 County Center Dr. Oroville, CA 95965-3385	Marin County District Attorney 3501 Civic Center Drive, #130 San Rafael, CA 94903	San Diego County District Attorney 330 W. Broadway, Ste 1300 San Diego, CA 92101-3803
Calaveras County District Attorney 891 Mountain Ranch Road San Andreas, CA 95249	Mendocino County District Attorney P.O. Box 1000 Ukiah, CA 95482	San Bernardino County District Attorney 316 N Mountain View Ave San Bernardino, CA 92415-0004
Office of the Attorney General P.O. Box 70550 Oakland, CA 94612-0550	Los Angeles City Attorney 200 N Main St Ste 1800 Los Angeles CA 90012	San Francisco City Attorney # 1 Dr. Carlton B. Goodlett Place, Suite 234 San Francisco, CA 94102
Colusa County District Attorney 346 5th Street, Suite 101 Colusa, CA 95932	Inyo County District Attorney P.O. Drawer D Independence, CA 93526	Placer County District Attorney 10810 Justice Center Drive Suite 240 Roseville, CA 95678-6231
Contra Costa County District Attorney 725 Court St., Room 402 Martinez, CA 94553	Orange County District Attorney PO Box 808 Santa Ana, CA 92702	Merced County District Attorney 550 West Main Street Merced, CA 95340
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Glenn County District Attorney PO Box 430 Willows, CA 95988	San Luis Obispo County District Attorney County Government Center, Rm 450 San Luis Obispo, CA 93408	Siskiyou County District Attorney PO Box 986 Yreka, CA 96097
Humboldt County District Attorney 825 5th St., 4th Floor Eureka, CA 95501	San Mateo County District Attorney 400 County Center Redwood City, CA 94063	Solano County District Attorney 600 Union Ave Fairfield, CA 94533
Imperial County District Attorney 939 W. Main St., 2nd Floor El Centro, CA 92243-2860	Santa Barbara County District Attorney 1112 Santa Barbara St. Santa Barbara, CA 93101	Sonoma County District Attorney 600 Administration Dr., Rm 212-J Santa Rosa, CA 95403
Kern County District Attorney 1215 Truxtun Ave. Bakersfield, CA 93301	Santa Clara County District Attorney 70 W Hedding St. San Jose, CA 95110	Shasta County District Attorney 1355 West Street Redding, CA 96001
Kings County District Attorney Gov't Ctr, 1400 W Lacey Blvd Hanford, CA 93230	Santa Cruz County District Attorney 701 Ocean Street, Rm. 200 Santa Cruz, CA 95060	Sierra County District Attorney PO Box 457 Downieville, CA 95936-0457
Lake County District Attorney 255 N Forbes St Lakeport, CA 95453-4790	Stanislaus County District Attorney PO Box 442 Modesto, CA 95353	Trinity County District Attorney PO Box 310 Weaverville, CA 96093
Modoc County District Attorney 204 S. Court Street Alturas, CA 96101-4020	Sutter County District Attorney 446 Second Street Yuba City, CA 95991	Yuba County District Attorney 215 5th St Marysville, CA 95901
San Diego City Attorney City Center Plaza 1200 3rd Ave # 1100 San Diego, CA 92101	Lassen County District Attorney 200 S Lassen St, Suite 8 Susanville, CA 96130	Monterey County District Attorney PO Box 1131 Salinas, CA 93902
Tuolumne County District Attorney 2 S Green St Sonora, CA 95370	Tulare County District Attorney County Civic Center, Rm 224 Visalia, CA 93291	Yolo County District Attorney 310 Second St Woodland, CA 95695
Ventura County District Attorney 800 S Victoria Ave Ventura, CA 93009	Tehama County District Attorney P.O. Box 519 Red Bluff, CA 96080	San Jose City Attorney 151 W. Mission St. San Jose, CA 95110