60-DAY NOTICE OF VIOLATION OF CALIFORNIA HEALTH & SAFETY CODE § 25249.7(d) (PROPOSITION 65)

Date: September 19, 2022

To: David Eisenstein, CEO, American International Industries, Inc.

California Attorney General's Office;

District Attorney's Office for 58 Counties; and

City Attorneys for San Francisco, San Diego, San Jose, Sacramento & Los Angeles

From: Center for Advanced Public Awareness

I. INTRODUCTION

Center for Advanced Public Awareness ("CAPA") is a non-profit organization in the State of California acting in the interest of the general public, pursuant to California Health & Safety Code § 25249.7(d). CAPA seeks to further: the elimination of toxic chemicals in the manufacture of consumer products; the improvement of human health through increased public awareness of toxic chemicals in consumer products; and the promotion of environmentally sound practices and corporate responsibility.

This 60-Day Notice of Violation ("Notice") is being provided to the alleged violator, American International Industries, Inc. ("Notice Recipient"), as well as the California Attorney General's Office, the District Attorney's Offices for 58 Counties, and City Attorneys for San Francisco, San Diego, San Jose, Sacramento and Los Angeles.

CAPA provides this Notice after identifying violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, codified at California Health & Safety Code § 25249.5 et seq. ("Proposition 65"), based on the failure to provide a clear and reasonable health hazard warning in connection with the sale or use of the products, listed below, in the State of California. The Notice Recipient is hereby given notice they violated and continue to violate Proposition 65 with respect to the warning requirement, codified at California's Health & Safety Code § 25249.6: "No 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 a clear and reasonable warning to such individual." Without proper warnings about the toxic effects of exposures to listed chemicals, citizens in California lack the information necessary to make an informed decision as to whether or how to eliminate or reduce their risk of exposure from the reasonably foreseeable use of products containing listed chemicals.

II. NATURE OF ALLEGED VIOLATIONS

Product. The specific type or category of products ("**Products**") that are the subject of this Notice are as follows:

| Exemplar Product | Category/Type | Retailer | Manufacturer/Distributor |
|--------------------------|---------------------|-------------|--------------------------|
| China Glaze Nail Lacquer | Glass Bottle with | Ulta Beauty | American International |
| with Hardeners, 1749 | Exterior Decoration | | Industries, Inc. |
| Tangerine Heat, #85001 | | | |
| UPC 0 19965 85001 8 | | | |

Identified above is a specific example of Products recently purchased and witnessed as being available for sale or use in the State of California, within the *category* of offending products

covered by this Notice. The identified retailers, manufacturers and/or distributors of the Products are based on publicly available information.

The Exemplar Product is identified for the Notice Recipient's benefit to assist in its investigation into the alleged violations that are the subject of this Notice. The specific identified Exemplar Product is not intended to be an exhaustive list of all such products potentially in violation of Proposition 65. It is CAPA's position the Notice Recipient is obligated to conduct a good faith investigation into other products within the category or of the type, identified above, that were manufactured, imported, sold or distributed for sale, or that have otherwise been in the Notice Recipient's custody or control during the relevant period, identified below, to ensure the requisite health hazard warnings are provided to individuals in California prior to purchase.

<u>Listed Chemical.</u> The chemical that is the subject of this Notice is the heavy metal, Lead. The State of California listed Lead as a chemical known to cause developmental toxicity, male reproductive toxicity, and female reproductive toxicity on February 27, 1987, and as a chemical known to cause cancer on October 1,1992.

Routes of Exposure. The exposures that are the subject of this Notice result from the purchase, acquisition and handling of Products containing Lead. Exposures occur when individuals, including children and women of childbearing age, handle, touch or otherwise utilize glass bottles with exterior decoration containing Lead in accordance with the Products' reasonably foreseeable and intended uses, resulting in exposures through ingestion and dermal absorption. Individuals ingest Lead when they touch or handle the Products, transferring the chemical from their fingers or hands to their mouths. Dermal absorption of Lead occurs when individuals handle, touch, or otherwise utilize the Products in accordance with their reasonably foreseeable and intended uses.

The California State Plan for Occupational Safety and Health 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 in the general hazard communication requirements 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 Attorney General.

<u>Violations and Time Period of Exposure.</u> CAPA alleges the Notice Recipient knowingly and intentionally exposed, and continue to knowingly and intentionally expose, individuals within the State of California to Lead, without first providing a clear and reasonable health hazard warning regarding the chemical's toxic effects, as required by Proposition 65

Exposures caused by the use of the Products have occurred each day since the Products were introduced into the California marketplace, but, at a minimum, since September 19, 2021, and, potentially, as far back as September 19, 2019. Because the Products lack clear and reasonable warnings regarding the toxic effects of exposures to Lead, each Product sold during this period and not accompanied by a warning constitutes a violation by the Notice Recipient and/or other sellers of the Products whether sold directly, through retailers located in, or with locations in, California, via the internet, or through catalog purchases to customers and individuals located in California. Moreover, these exposures are ongoing and will continue either until clear and

reasonable warnings are provided to protect consumers and users or until this known toxic chemical is removed from the Products or reduced to allowable levels.

III. RESOLUTION OF NOTICED CLAIMS

Consistent with the public interest goals of Proposition 65, CAPA seeks to pursue a constructive resolution of this matter to quickly rectify ongoing violations of California law. To that end, based on the allegations set forth in this Notice and pursuant to Health & Safety Code § 25249.7(d), CAPA intends to file a private enforcement action in the public interest sixty (60) days after effective service of this Notice, unless the appropriate public enforcement agencies have commenced and are diligently prosecuting an action to rectify these allegations. If the Notice Recipient seeks to resolve the claims alleged in this Notice without litigation, they may contact CAPA's counsel at the address listed below.

It should be noted neither CAPA nor its counsel can: (1) finalize any settlement until after the expiration of the 60-day Notice period; or (2) speak for the California Attorney General or any District or City attorney in receipt of this Notice. Therefore, while reaching an agreement with CAPA will satisfy its claims, the agreement may not satisfy any public prosecutors.

IV. GENERAL INFORMATION AND SUMMARY OF PROPOSITION 65

A copy of a summary of Proposition 65's provisions, prepared by the Office of Environmental Health Hazard Assessment ("**OEHHA**") is enclosed with the copy of the Notice served on the Notice Recipient for its reference. For further general information concerning Proposition 65, contact OEHHA's Proposition 65 Implementation Office at (916) 445-6900.

V. CERTIFICATE OF MERIT

Pursuant to Health & Safety Code § 25249.7(d) and Cal. Code. Regs. tit 11, § 3100, a Certificate of Merit is attached hereto. A copy of the Notice and Certificate of Merit is served on the California Attorney General and marked "Attorney General Copy: Contains Official Information Pursuant to Evidence Code Section 1040" with all supporting documentation, as required by Cal. Code. Regs. tit 11, § 3102, attached thereto.

VI. CONTACT INFORMATION

Please direct all questions, issues or communications regarding this 60-Day Notice of Violation and its potential resolution to CAPA's counsel at the following address:

Center for Advanced Public Awareness c/o Laralei S. Paras, Esq. Seven Hills LLP 4 Embarcadero Center, Suite 1400 San Francisco, California 94111 Telephone: (415) 926-7247

<u>Attachments:</u> Certificate of Merit; Proof of Service; The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary (to Violator only); and Additional Confidential Supporting Information for Certificate of Merit (to AG only.)

CERTIFICATE OF MERIT

Health and Safety Code § 25249.7(d)

Re: Center for Advanced Public Awareness' Notice of Proposition 65 Violations

- I, Laralei S. Paras, hereby declare and certify:
- 1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the parties identified in the notice violated California Health & Safety Code § 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies or other data regarding the alleged exposure to the listed chemical that is the subject of this notice.
- 4. Based on the information obtained through those consultations and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the noticing party's case can be established and the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. The copy of this Certificate of Merit served on the Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code § 25249.7(h)(2), i.e., 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: September 19, 2022

Laraiei S. Paras

PROOF OF SERVICE

I, the undersigned, declare under penalty of perjury:

I am over the age of 18 years of age and not a party to this case. Seven Hills LLP business address is 4 Embarcadero Center, Suite 1400, San Francisco, CA 94111.

On September 19, 2022, I caused to be served the following:

60-DAY NOTICE OF VIOLATION SENT IN COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(d);

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

CERTIFICATE OF MERIT

XXXX by **Certified First Class Mail** through the United States Postal Service by placing true and correct copies of the above documents in a sealed envelope, individually addressed to each alleged violator listed below and providing such envelope to a United States Postal Service Representative:

David Eisenstein, CEO

American International Industries, Inc.

David Eisenstein, Agt. of service for American International Industries, Inc.

2220 Gaspar Avenue 344 Valley Vista Drive Los Angeles, CA 90040 Camarillo, CA 93012

On September 19, 2022, I caused to be served true and correct copies of the following documents:

60-DAY NOTICE OF VIOLATION SENT IN COMPLIANCE WITH HEALTH & SAFETY CODE \S 25249.7(d); and

CERTIFICATE OF MERIT

XXXX by **First Class Mail** through the United States Postal Service by placing copies of the above documents in a sealed envelope, addressed to each entity on the attached "Service List" and providing such envelope to a United States Postal Representative, with correct postage.

XXXX via **Electronic Mail**, by sending copies of the above documents, addressed individually, to the Recipient listed on the attached "Electronic Mail Service List".

On September 19, 2022, I caused to be served true and correct copies of the following documents:

60-DAY NOTICE OF VIOLATION SENT IN COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(d);

CERTIFICATE OF MERIT; and

CERTIFICATE OF MERIT ATTACHMENTS

XXXX via **Electronic Mail**, by uploading the documents, addressed to California Attorney General at their website address, listed under the "Electronic Upload Service List".

Executed on September 19, 2022, at Folsom, California.

Wing-Yee Mercier

SERVICE LIST

| The Honorable Michael Atwell | The Honorable Jackie Lacey | The Honorable Todd Riebe |
|-------------------------------------|--|------------------------------------|
| Alpine County District Attorney | | Amador County District Attorney |
| P.O. Box 248 | | 708 Court Street, #202 |
| Markleeville, CA 96120 | | Jackson, CA 95642 |
| The Honorable Michael Ramsey | | Del Norte County District Attorney |
| Butte County District Attorney | | 450 H street, Room 171 |
| 25 County Center Drive, Suite 245 | | Crescent City, CA 95531 |
| Oroville, CA 95965 | Colusa, CA 95932 | 3,7 |
| The Honorable Vern Pierson | The Honorable Gilbert Otero | The Honorable Dwayne Stewart |
| El Dorado County District Attorney | Imperial County District Attorney | Glenn County District Attorney |
| 778 Pacific Street | | P.O. Box 430 |
| Placerville, CA 95667 | El Centro, CA 92243 | Willows CA 95988 |
| The Honorable Maggie Fleming | The Honorable Donald Anderson | The Honorable Lisa Green |
| Humboldt County District Attorney | | Kern County District Attorney |
| 825 5th Street, 4th Floor | | 1215 Truxtun Avenue |
| Eureka, CA 95501 | | Bakersfield, CA 93301 |
| The Honorable Keith Fagundes | 1 . | The Honorable David Linn |
| Kings County District Attorney 1400 | Office of the City Attorney, Los Angeles | |
| West Lacey Blvd. | | 209 West Yosemite Avenue |
| Hanford, CA 93230 | | Madera, CA 93637 |
| Trainord, CA 75250 | Los Angeles, CA 90012 | Widdera, CA 95057 |
| The Honorable Edward Berberian | The Honorable Todd Spitzer | The Honorable C. David Eyster |
| Marin County District Attorney | Orange County District Attorney | Mendocino County District Attorney |
| 3501 Civic Center Drive, Room 130 | | P.O. Box 1000 |
| San Rafael, CA 94903 | Santa Ana, CA 92703 | Ukiah, CA 9548 |
| The Honorable Birgit Fladager | The Honorable Candace Hooper | The Honorable Tim Kendall |
| Stanislaus County District Attorney | | Mono County District Attorney |
| 832 12th street, Suite 300 | Ţ | P.O. Box 2053 |
| Modesto, CA 95353 | Hollister, CA 95023 | Mammoth Lakes, CA 93546 |
| The Honorable Stephen Wagstaffe | The Honorable Michael Ramos | The Honorable Stephanie Bridgett |
| San Mateo County District Attorney | San Bernardino County District Attorney | |
| 400 County Center, Third Floor | 303 W. Third Street | 1355 West Street |
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| The Honorable James Kirk Andrus | The Honorable Krishna Abrams | The Honorable Amanda Hopper |
| Siskiyou County District Attorney | | Sutter County District Attorney |
| P.O. Box 986 | | 446 Second Street, Suite 102 |
| Redding, CA 96097 | Fairfield, CA 94533 | Yuba City, CA 95991 |
| The Honorable Laura Krieg | | The Honorable Eric Heryford |
| Tuolumne County District Attorney | Office of the City Attorney, Sacramento | |
| 423 N. Washington Street | | P.O. Box 310 |
| Sonora, CA 95370 | | Weaverville, CA 96093 |
| The Honorable Lawrence Allen | The Honorable Gregg Cohen | The Honorable Patrick McGrath |
| Sierra County District Attorney | | Yuba County District Attorney |
| 100 Courthouse Square | , | 215 Fifth street, Suite 152 |
| Downieville, CA 95936 | | Marysville, CA 95901 |
| The Honorable Jordan Funk | Italii, CA 70000 | wim ysvino, OA 75701 |
| Modoc County District Attorney | | |
| 204 S. Court Street Room 202 | | |
| | | |
| Alturas, CA 96101 | | |

ELECTRONIC MAIL SERVICE LIST

| T1 II 11 N O'M 11 | T I 11 T 'V 1 C 1 | II 11 A M ' C 1 1 4 |
|---------------------------------------|--|-------------------------------------|
| The Honorable Nancy O'Malley | The Honorable Tori Verber Salzar | Honorable Anne Marie Schubert |
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| The Honorable Gregory D. Totten, | The Honorable Barbara Yook | Valerie Lopez, Deputy City Attorney |
| Ventura County District Attorney | Calaveras County District Attorney | Office of the City Attorney |
| 800 S Victoria Avenue | 891 Mountain Ranch Road | 1390 Market Street, 7th Floor |
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| Stacey Grassini | Eric J. Dobroth | Jeannine M. Pacioni |
| Deputy District Attorney | Deputy District Attorney | Deputy District Attorney |
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| Martinez, CA 94553 | San Luis Obispo, CA 93408 | Monterey, CA 93940 |
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| The Honorable Thomas Hardy | The Honorable Phillip J. Cline | The Honorable Clifford Newell |
| Inyo County District Attorney | Tulare County District Attorney | Nevada County District Attorney |
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| The Honorable Paul E. Zellerbach | The Honorable Stephan Passalacqua | The Honorable David Hollister |
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| The Honorable Walter W. Wall | The Honorable Kimberly Lewis | The Honorable Morgan Briggs Gire |
| Mariposa County District Attorney | Merced County District Attorney | Placer County District Attorney |
| P.O. Box 730 | 550 West Main Street | 10810 Justice Center Drive |
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| Nora V. Frimann, City Attorney | Lisa A. Smittcamp, District Attorney | proposicipiacer.ea.gov |
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| | 2100 Tulare Street | |
| San Jose, CA 96113 | Fresno, CA 93721 | |
| Proposition65notices@sanjoseca.gov | consumerprotection@fresnocountyca.gov | |

ELECTRONIC UPLOAD SERVICE LIST

Office of the California Attorney General
Proposition 65 Enforcement Reporting
ATTN: Prop 65 Coordinator
P.O. Box 70550
Oakland, CA 94612-0550
https://oag.ca.gov/prop65/add-60-day-notice