

FULBRIGHT & JAWORSKI L.L.P.

A REGISTERED LIMITED LIABILITY PARTNERSHIP

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July 1, 2010

Fashion Accessory Supplier

Re: Notice Re: Court Ordered Lead Requirements for Fashion Accessories

Dear Fashion Accessory Supplier:

This letter conveys important information concerning the content of lead in certain Fashion Accessories that you supply to: A.I.J.J. Enterprises, Inc., Rainbow USA, Inc., Rainbow Apparel Distribution Center Corp., The New 5-7-9 and Beyond, Inc., Kohl's Department Stores, Inc., Macy's, Inc., Macy's Department Stores, Inc., Bloomingdale's, Inc., Target Corporation, The TJX Companies, Inc., and T.J. Maxx of CA, LLC ("the Retailers"), as required by a court-approved settlement of legal actions brought under Proposition 65 by the Center for Environmental Health ("Plaintiff").¹ It is important that you read and follow the instructions contained in this letter.

In these legal actions, Plaintiff claims that certain Fashion Accessories contain lead, and that users are exposed to lead when they handle the Fashion Accessories. Lead is a chemical known to the State of California to cause birth defects or other reproductive harm, and the Plaintiff claims that manufacturers, distributors, and retailers of these products are legally required to provide consumers with a clear and reasonable warning of this exposure to lead. The Retailers and the other companies sued by the Plaintiff dispute these claims, and believe their products are safe, but have agreed to take various actions to settle the case Fashion Accessories without admitting any violation of Proposition 65.

Under the settlement agreement, which is contained in a Consent Judgment entered by the Court on June 1, 2010, **the Settling Defendants have agreed that private label Fashion Accessories they purchase will comply with certain lead content limits for Accessible Components.** For purposes of this settlement, Fashion Accessories are wallets, handbags, purses, clutches, belts, and footwear. An Accessible Component is a component of a Fashion Accessory that could be touched by a person during normal and reasonably foreseeable use

¹ *Center for Environmental Health v. Lu Lu NYC, LLC, et al.*, Alameda Superior Court No. RG09-459448 (consolidated with *Center for Environmental Health v. Ashley Stewart, Ltd.*, RG10-494289, *Center for Environmental Health v. Zappos.com, Inc., et al*, RG10-494513, and *Center for Environmental Health v. Bag Bazaar, Ltd., et al*, RG10-494517).

(excluding crystal, cubic zirconia, glass, and rhinestones). You may obtain a copy of the Consent Judgment at <http://www.lexlawgroup.com/lulu/index.html>.

Any private label Fashion Accessories you supply to the Retailers must comply with the lead content limits below, starting **December 1, 2010**, unless a Retailer has specified an earlier compliance date. All private label Fashion Accessories must comply with these limits, and the Retailers will not segregate goods sold in California from those sold elsewhere.

ACCESSIBLE COMPONENT	LEAD LEVEL	COMPLIANCE DATE FOR HANDBAGS, PURSES, CLUTCHES, WALLETS	COMPLIANCE DATE FOR BELTS/FOOTWEAR
Surface Coatings	90 ppm	12/1/10	12/1/11
Leather	600 ppm 300 ppm	12/1/10 12/1/11	12/1/11 12/1/12
PVC	300 ppm 200 ppm	12/1/10 12/1/11	12/1/11 12/1/12
Metal and all Other Components	300 ppm	12/1/10	12/1/11

The Retailers ask that you use best commercial efforts to provide compliant products as soon as possible. Under the terms of the settlement, the Retailers further request that *all* Fashion Accessories that you sell to them comply with these provisions for, regardless of brand.

If the Fashion Accessories you provide do not meet the lead content standards, you risk further legal action in which monetary penalties and other remedies could be sought. You also risk legal action by the Retailers for breach of the applicable terms and conditions of their Purchase Order and/or other agreements under which the Fashion Accessories are purchased, if a Retailers' compliance is challenged based on sale of your products.

Please note that the Consent Judgment allows companies that manufacture, distribute, or sell Fashion Accessories to "opt-in" to the settlement and participate directly. Our settlement does not release any of our suppliers from liability, but a supplier that participates as an opt-in defendant will obtain a release of liability for all of its Fashion Accessories and for all of its customers. The Consent Judgment also contains expedited and monetarily-capped enforcement provisions in case of inadvertent future violations. The time to participate as an opt-in defendant expires on July 16, and we strongly encourage you to consider participating. Further information on the opt-in program can be found at <http://www.lexlawgroup.com/lulu/index.html>.

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If you would like details on the opt-in program, or have questions regarding this letter, you may contact my associate William L. Troutman at (213) 892-9286 or wtroutman@fulbright.com.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jeffrey B. Margulies". The signature is fluid and cursive, with a prominent flourish at the end.

Jeffrey B. Margulies