

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

THE PEOPLE OF THE STATE OF NEW YORK,
by BARBARA UNDERWOOD, Attorney General
of the State of New York,

Petitioners,

- against -

TARGET CORPORATION, WALMART INC.,
and LAROSE INDUSTRIES LLC,

Respondents.

Index No. _____-2018
VERIFIED PETITION

The People of the State of New York (the State), by their attorney, Barbara D. Underwood, Attorney General of the State of New York, respectfully allege upon information and belief:

PRELIMINARY STATEMENT

1. The State brings this special proceeding pursuant to Executive Law § 63(12) to protect children in New York from toys containing lead and to enforce the State’s laws governing the safety and marketing of toys. With this Verified Petition, the State seeks injunctive relief and penalties against the importers and retailers of a children’s toy that contained high levels of lead. Lead is a toxic heavy metal that, among other harms, impairs neurological development and physical growth in children.

2. Respondents LaRose Industries LLC (LaRose) and Target Corporation (Target) imported and distributed thousands of children’s “Cra-Z-Jewelz” jewelry-making kits (Kits) that included bracelets containing high levels of lead. Target as well as respondent Walmart Inc. (Walmart) distributed, sold, and held the Kits for sale. Respondents also marketed the toys as suitable for children when in fact the toys presented a significant lead exposure risk to children.

3. The Kits have now been recalled, but respondents have failed to take affirmative measures sufficient to ensure that they do not again import, distribute, and sell toys that place New York children at risk of adverse health consequences from lead exposure.

4. As more fully set forth below, the respondents have engaged in repeated illegality and fraud under Executive Law § 63(12) by committing thousands of violations of: (1) General Business Law (GBL) § 396-k, which prohibits the importation, distribution, and sale of hazardous toys; (2) GBL § 349, which prohibits deceiving consumers; (3) GBL § 350, which prohibits false advertising; and (4) Executive Law § 63(12), which prohibits fraud. The State seeks statutory penalties and injunctive relief to protect children from further risk of lead exposure from hazardous toys.

I. PARTIES AND JURISDICTION

5. Petitioners are the People of the State of New York, by their attorney, Barbara D. Underwood, Attorney General of the State of New York.

6. Respondent Target Corporation is a retailer incorporated and headquartered in Minnesota. Target operates dozens of retail stores in New York, including in Albany County, and offers merchandise online for sale and shipment to New York consumers. Target imported, distributed, sold, and/or held for sale at least 3,397 Kits in New York.

7. Respondent Walmart Inc. is a retailer incorporated in Delaware and headquartered in Arkansas. Walmart operates dozens of retail stores in New York, including in Albany County, and offers merchandise online for sale and shipment to New York consumers. Walmart distributed, sold, and/or held for sale at least 1,239 Kits in New York.

8. Respondent LaRose Industries LLC is a toy and stationery company incorporated and based in New Jersey. LaRose develops and designs children's products under the brand "Cra-Z-Art," most of which are manufactured by contractors overseas and imported by LaRose for distribution to retailers, who then sell the products to consumers in New York and elsewhere. LaRose imported for sale and/or distributed in New York at least 9,296 Kits.

9. At all relevant times, the respondents have purposefully availed themselves of this forum.

10. This Court has jurisdiction over this proceeding pursuant to Executive Law § 63(12), which authorizes the Attorney General to commence a special proceeding for injunctive relief, damages, and other relief, including statutory

penalties, against any person or business entity that has engaged in repeated or persistent fraud or illegality in the conduct of business.

11. This Court also has jurisdiction pursuant to GBL § 396-k(2), which authorizes the Attorney General to seek injunctive relief and penalties for the importation, distribution, sale, and holding for sale of hazardous toys or other articles intended for use by children.

12. This Court also has jurisdiction pursuant to GBL § 349(b), which authorizes the Attorney General to enjoin deceptive acts and practices in the conduct of business, and pursuant to GBL § 350-d, which authorizes the Attorney General to seek civil penalties, up to \$5,000 per violation, for violations of Sections 349 and 350.

13. The State has timely served the respondents with a pre-litigation notice pursuant to General Business Law §§ 396-k(3), 349(c), and 350-c.

14. Venue is proper in Albany County pursuant to CPLR §§ 503(a) and 506(a) because the State has offices in Albany County and because a substantial part of the events giving rise to the claim occurred in Albany County, where a substantial number of the Kits were distributed, sold, and offered for sale.

II. STATUTORY BACKGROUND

A. Section 396-k of the General Business Law Prohibits the Importation, Distribution, Sale and Holding for Sale of Hazardous Toys.

15. Section 396-k of the General Business Law, titled “Hazardous toys and other articles primarily for use by children; prohibition and enforcement,”¹ makes it unlawful to import, distribute, sell, or hold for sale any “toy or other article intended for use by a child which presents an electrical, mechanical or thermal hazard.” GBL § 396-k(1).

16. The statute defines “child” as any person under fourteen years of age. GBL § 396-k(1)(a).

17. A toy presents a mechanical hazard if any aspect of the toy’s “design or manufacture presents an unreasonable risk of personal injury or illness,” including but not limited to hazards arising: from the toy’s “surfaces”; “because the article or any part or accessory thereof may be aspirated or ingested”; or “from stuffing material which is not free of dangerous or harmful substances.” Such risks may arise either “in normal use” or when the toy is “subjected to reasonably foreseeable damage or abuse.” GBL § 396-k(1)(c).

18. The federal Consumer Product Safety Act prohibits lead in any part of a children’s product in excess of 100 parts per million (ppm). 15 U.S.C. § 1278a(a)(2)(C).

¹ There is a separate, unrelated enactment also codified as General Business Law § 396-k, titled “Sale of certain motor vehicles damaged by the ravages of natural disaster.”

19. A toy’s design or manufacture “presents an unreasonable risk of personal injury or illness” to a child under Section 396-k of the General Business Law if it contains lead in excess of 100 ppm.

20. A toy “presents” a “mechanical hazard” under Section 396-k if it contains lead in excess of 100 ppm.

21. The Attorney General may enforce Section 396-k in an action seeking injunctive relief and/or civil penalties. GBL § 396-k(2). The maximum penalty per violation is \$4,000 for a knowing and willful violation, and \$1,000 otherwise. *Id.*

B. GBL §§ 349 and 350 Prohibit Deceptive Acts and Practices and False Advertising.

22. GBL § 349(a) prohibits “[d]eceptive acts or practices in the conduct of any business, trade or commerce.”

23. GBL § 350 prohibits “[f]alse advertising in the conduct of any business, trade or commerce.”

24. GBL § 350-a defines false advertising as advertising which is “misleading in a material respect.” In determining whether advertising is misleading, GBL § 350-a provides that the court must take “into account (among other things) not only representations made by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity . . . to which the advertising relates under the conditions prescribed in said advertisement, or under such conditions as are customary and usual.”

25. GBL § 350-d authorizes the Attorney General to seek penalties in an

amount up to \$5,000 per violation of Sections 349 and 350. GBL § 349(b) also authorizes the Attorney General to seek injunctive relief.

C. Executive Law § 63(12) Authorizes the Attorney General to Bring a Special Proceeding to Enjoin Repeated or Persistent Fraud or Illegality in the Transaction of Business.

26. Executive Law § 63(12) authorizes the Attorney General to bring a special proceeding to enjoin “repeated fraudulent or illegal acts” and “persistent fraud or illegality” in “the carrying on, conducting or transaction of business.”

27. “Illegal” conduct under Executive Law § 63(12) includes the violation of any state, federal, or local law or regulation.

28. “Fraud” and “fraudulent” refer to “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

29. The test of fraudulent conduct under § 63(12) is whether the act or practice has the capacity or tendency to deceive, or creates an atmosphere conducive to fraud.

30. “Repeated” fraud or illegality under Executive Law § 63(12) includes the “repetition of any separate and distinct fraudulent or illegal act, or conduct which affects more than one person,” and “persistent” fraud or illegality includes “continuance or carrying on of any fraudulent or illegal act or conduct.”

31. In an action or proceeding pursuant to Executive Law § 63(12) to enjoin repeated or persistent illegality, the Attorney General may also seek penalties for underlying statutory violations.

32. In any action or proceeding pursuant to Executive Law § 63(12) or GBL §§ 349, 350, or 350-d, pursuant to CPLR § 8303(a)(6), the Attorney General is entitled to recover an additional allowance of \$2,000 against each defendant, whether or not other costs have been awarded.

III. FACTS

A. Lead Is Toxic, Especially to Children.

33. Lead is a known neurotoxin that can cause significant harm to human health. Lead can affect almost every organ and system in the body. Children are especially vulnerable to these and other health risks posed by exposure to lead. Even low levels of lead in the blood of children can result in behavior and learning problems, lower IQ, hyperactivity, slowed growth, hearing problems and anemia.

34. The presence of lead in toys may poison children through multiple pathways, especially through oral contact, including hand-to-mouth contact. In particular, lead is added to plastic material in toys in order to soften it and make it more flexible, among other reasons. However, exposure to sunlight, air, and cleaners causes the bond between lead and plastic to break down into dust, which children can then ingest by placing lead-containing toys in their mouths, or by handling the toys and then placing their fingers in their mouths.

35. No amount of lead is safe for children. Any incremental exposure may contribute to the health risks described above.

36. A toy containing lead presents an unreasonable risk of personal injury or illness to a child because even small or incremental amounts of lead may

contribute to health issues such as impaired neurological development and physical growth.

B. The Respondents Imported, Distributed, Sold, and/or Held for Sale Lead-Containing Kits in New York.

LaRose's development of the Kits

37. As part of its Cra-Z-Art line of children's craft toys, LaRose developed the "Shimmer 'n Sparkle Ultimate Gem Machine" (Shimmer 'n Sparkle Base Kits). The Shimmer 'n Sparkle Base Kit included a "gem machine" that allowed a child to create pieces of jewelry. The Base Kit also included a plastic, fake leather band, which LaRose called a "slider bracelet," with holes and a buckle that resembled a watchband, with a tan underside that lies next to the child's skin and a colored material on the top side. The child attached colored "gems" to the slider bracelet to create a jewelry item. A photograph of a "slider bracelet" is below.



38. To supplement the Base Kit, LaRose created the "Shimmer 'n Sparkle Gem Charm and Slider Bracelets" (Shimmer 'n Sparkle Refill Kits) which contained four slider bracelets and additional gems.

39. LaRose also produced Base Kits branded “My Look Ultimate Gem Machine” (My Look Base Kits) for sale exclusively by Target.² The contents of the My Look Base Kits were identical to the Shimmer ’n Sparkle Base Kits in all material respects. LaRose did not produce and Target did not sell “My Look” branded Refill Kits.

40. LaRose contracted with Fairland Toy, a company located in China, to manufacture the Kits: the Shimmer ’n Sparkle Base Kit, the My Look Base Kit (which was identical in all material respects to the Shimmer ’n Sparkle Base Kit), and the Shimmer ’n Sparkle Refill Kit (which contained additional slider bracelets and gems). Fairland is one of LaRose’s primary vendors.

41. Fairland began producing the Kits on or around July 10, 2015.

42. The packaging of each Kit depicted a smiling child wearing jewelry produced using the Kit, along with pictures of the Kit components. The upper right corner on the front face of each Kit’s box contained a printed age designation indicating “6+”. The photographs below show the packaging of each type of Kit.

² The three related Cra-Z-Jewelz Gem Creations products at issue here—the Shimmer ’n Sparkle Base Kits, the My Look Base Kits, and the Shimmer ’n Sparkle Refill Kits—are referred to collectively herein as the “Kits.”



“Shimmer ‘n Sparkle” Base Kit sold by retailers other than Target



“My Look” Base Kit sold by Target



“Shimmer ’n Sparkle” Refill Kit sold by some retailers

Importation and sale of the Kits

43. LaRose served as the importer of record for the Shimmer ’n Sparkle Base Kits and Refill Kits.

44. Target served as the importer of record for all or most of the My Look Base Kits. LaRose may have also served as the importer of components for My Look Base Kits that were fully assembled into Kits by LaRose in the United States prior to distribution to Target.

45. The federal Consumer Product Safety Act and implementing regulations promulgated by the Consumer Product Safety Commission (CPSC) require an importer of a children’s product to ensure and certify that the product is tested for compliance with the federal 100 ppm lead limit, among other safety requirements. See 15 U.S.C. § 2063(a); 16 C.F.R. §§ 1107.20–1107.26. Before

importing the product into the United States, the importer must issue a “certificate of compliance” verifying that the product has been tested for, and complies with, the federal 100 ppm lead limit and other safety requirements. The certificate of compliance must then “accompany” the product and a copy must be “furnished” to each distributor and retailer. 15 U.S.C. § 2063(a), (g).

46. In or around August 2015, LaRose arranged for one Shimmer ’n Sparkle Base Kit and one My Look Base Kit to be tested by SGS, a CPSC-accepted laboratory in Hong Kong. LaRose did not select the samples to be tested itself; rather, its practice was to request that its manufacturer in China select sample toys to be tested for safety compliance. The Shimmer ’n Sparkle Base Kit that was tested for compliance with federal regulations had been manufactured on July 13, 2015. The My Look Base Kit that was tested for compliance with federal regulations had been manufactured on July 30, 2015.

47. SGS issued the lead content testing results for the Shimmer ’n Sparkle Base Kit on September 14, 2015, and for the My Look Base Kit on September 2, 2015. According to the test results, the two Kits complied with the federal 100 ppm lead limit, but the laboratory did not report individual test results for the tan underside of the slider bracelet.

48. LaRose first shipped Kits to New York on approximately August 6, 2015.

49. From approximately August 2015 through April 2016, LaRose imported for sale in New York and/or distributed in New York at least 9,296 Kits, with most of the Kits being imported by mid-November 2015.

50. LaRose distributed Shimmer 'n Sparkle Kits (both Base Kits and Refill Kits) to distribution centers operated by Walmart, among other retailers but not Target.

51. From approximately October 2015 through April 2016, Walmart distributed, sold, and/or held for sale at least 1,239 Shimmer 'n Sparkle Kits in New York.

52. As a general matter, LaRose did not create a certificate of compliance to accompany an imported product; instead, it created the certificates only if and when a customer requested it.

53. In the case of the Kits, LaRose did not create the certificates until April 26 and May 2, 2016, in response to requests from the retailers after they were notified of the Attorney General's investigation.

54. As a result, a certificate of compliance did not accompany Kits when they were imported by LaRose and were not furnished to the retailers, as required by federal law.

55. From approximately October 2015 through April 2016, Walmart distributed, sold, and/or held for sale at least 1,239 Shimmer 'n Sparkle Kits in New York.

56. Target does not track which, if any, My Look Base Kits were imported by LaRose rather than Target itself, though LaRose has indicated that it imported and distributed some My Look Kits for Target.

57. Target distributed, sold, and/or held for sale in New York at least 3,397 My Look Kits, beginning in August 2015 through April 2015.

58. Target did not issue a certificate of compliance for the My Look Kits until September 9, 2015.

59. Walmart and Target sold the Kits in the toy aisles of their stores, or in other sections or aisles of their stores stocked primarily with children's products, and/or they sold the Kits in the toy sections of their websites and listed them as appropriate for children.

60. Walmart's website listed the Shimmer 'n Sparkle Base Kits under the category "Toys / Arts & Crafts for Kids / Craft Kits," with a listed "Age Range" of "5 to 7 Years" and a listed "Age Group" of "Child."

C. The Attorney General Discovers High Lead Levels in the Kits and Prompts Their Recall.

61. Between October 2015 and February 2016, as part of an investigation into lead in children's toys, the Attorney General purchased ten Kits, including Shimmer 'n Sparkle Base Kits, My Look Base Kits, and Shimmer 'n Sparkle Refill Kits, from different retailers at different locations around New York State, and submitted those Kits for testing at a CPSC-accepted laboratory, ANSECO.

62. The Attorney General asked ANSECO to individually test the tan underside of each slider bracelet. The test results showed that the tan underside of

each slider bracelet in each of the tested Kits contained lead at levels between 470 and 1,000 ppm or more, depending on the particular slider bracelet. These lead levels were nearly five to ten times more than the federal 100 ppm lead limit.

63. Four of the toys the Attorney General tested were manufactured on July 13, 2015, the same day as the Shimmer 'n Sparkle Base Kit that LaRose had tested in 2015.

64. In April 2016, the Attorney General informed the respondents and the CPSC of its findings.

65. In response to the Attorney General's investigation, and at the request of the CPSC, LaRose submitted twelve additional Kits for testing by an SGS laboratory in the United States. LaRose requested that the laboratory individually test the tan underside of each slider bracelet. The results showed that the tan material in each slider bracelet in each of the tested Kits contained lead at levels between 518 and 1,220 ppm, or roughly five to twelve times the 100 ppm limit.

66. On April 26, 2016, LaRose also received the test results for a sample Shimmer 'n Sparkle Refill Kit from MTS, another laboratory in Hong Kong. The purpose of testing this sample Refill Kit is unclear, because LaRose submitted the Refill Kit to MTS in late 2015 or early 2016, after the majority of the Kits had been imported, and this test was not the basis for any certificate of compliance. In addition, although the test results indicate that the Refill Kit tested by MTS complied with the federal 100 ppm lead limit, the tan undersides of the two slider bracelets sampled were not individually tested.

67. The CPSC also tested three additional Kits. The CPSC tests showed that the tan underside of each slider bracelet tested contained lead at levels between 574 and 1,001 ppm, or more than five to ten times the 100 ppm limit.

68. As a result of LaRose's and the CPSC's independent confirmations of the Attorney General's test results, LaRose recalled all the Kits on a nationwide basis on June 2, 2015.

69. The Attorney General subsequently obtained twenty additional My Look Base Kits from Target that had been held for sale in New York and tested those Kits. The tan underside of each slider bracelet in each of these Kits failed, with lead levels ranging from 870 ppm to 1000 ppm—more than eight to ten times the 100 ppm limit. One of the toys the Attorney General had tested was manufactured on the same day, July 30, 2015, as the My Look Base Kit that LaRose had tested in 2015.

70. All together, the Attorney General tested thirty Kits that were distributed, held for sale, or sold in New York, all of which showed lead levels far in excess of 100 ppm in the tan underside of every slider bracelet tested.

71. LaRose and CPSC tested a total of fifteen Kits, not including the three Kits LaRose had tested in Hong Kong, all of which also showed lead levels far in excess of 100 ppm in the tan underside of every slider bracelet tested.

72. Statistical analysis based on available test results shows, with 95% confidence, that at least 96% of Kits imported, distributed, sold, or held for sale in

New York had one or more slider bracelets with tan undersides containing lead in excess of 100 ppm.

73. This statistical estimate, that at least 96% of the Kits would fail, is supported regardless of whether it is based on: (1) the thirty Kits tested by the Attorney General, all of which are known to have been sold or held for sale in New York; (2) the Attorney General's thirty Kits plus the fifteen Kits tested by LaRose and the CPSC after the Attorney General notified them of its test results; (3) the Attorney General's thirty Kits plus the three Kits submitted for testing by LaRose before it learned about the Attorney General's investigation; or (4) all of the tested Kits.

74. These analyses of different groupings of Kits indicate that there was nothing anomalous about the toys distributed, sold, or held for sale in New York versus Kits distributed, sold, or held for sale elsewhere. They further demonstrate that the test results for the three Kits initially submitted for testing by LaRose do not materially change the likelihood that virtually all of the toys sold in New York contained lead in excess of 100 ppm.

75. Using this statistical extrapolation of 96%, the following are conservative estimates of the number of Kits imported, distributed, held for sale, or sold by each respondent in New York that violated the 100 ppm lead standard:

- LaRose: 8,924 (96% of the 9,296 or more Kits that LaRose imported for sale in New York and/or distributed in New York)

- Target: 3,261 (96% of the 3,397 or more Kits that Target imported for sale, distributed, sold, and/or held for sale in New York)
- Walmart: 1,189 (96% of the 1,239 or more Kits that Walmart distributed, sold, and/or held for sale in New York)

76. Kits with slider bracelet bands containing lead in excess of 100 ppm are not suitable for use by children due to the lead exposure hazard presented by the high lead content of the slider bracelets.

FIRST CAUSE OF ACTION
REPEATED ILLEGALITY PURSUANT TO EXECUTIVE LAW § 63(12)
and GBL § 396-k (Hazardous Toys)

77. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

78. Under Executive Law § 63(12), the Attorney General of New York may bring a special proceeding pursuant to Article 4 of the Civil Practice Law and Rules to seek injunctive and monetary relief against any person “engage[d] in repeated . . . illegal acts . . . in the carrying on, conducting or transaction of business.”

79. Respondents are persons engaged in carrying on, conducting, or transaction of business for purposes of Executive Law § 63(12).

80. Under the GBL, it is unlawful for any “person, firm, corporation, association or agent or employee thereof” to import, distribute, sell, or hold for sale any “toy or other article intended for use by a child which presents an electrical, mechanical or thermal hazard.” GBL § 396-k(1).

81. The Kits were “toys or other articles” intended for use by a child within the meaning of Section 396-k(1).

82. A toy presents a mechanical hazard if any aspect of that toy’s “design or manufacture presents an unreasonable risk of personal injury or illness.” GBL § 396-k(1)(c).

83. The federal Consumer Product Safety Act prohibits lead in children’s products in excess of 100 ppm. 15 U.S.C. § 1278a(a)(2)(C).

84. A toy’s “design or manufacture presents an unreasonable risk of personal injury or illness” to a child within the meaning Section 396-k(1)(c) if it contains lead in excess of 100 ppm.

85. A toy “presents” a “mechanical hazard” under Section 396-k(1) if it contains lead in excess of 100 ppm.

86. Respondents are persons, firms, and/or corporations for purposes of GBL § 396-k(1).

87. LaRose violated GBL § 396-k at least 8,924 times by importing and/or distributing at least 8,924 Kits in New York that presented a mechanical hazard.

88. Target violated GBL § 396-k at least 3,261 times by importing, distributing, selling, and/or holding for sale at least 3,261 Kits in New York that presented a mechanical hazard.

89. Walmart violated GBL § 396-k at least 1,189 times by distributing, selling, and/or holding for sale at least 1,189 Kits in New York that presented a mechanical hazard.

90. By way of the foregoing, each of the respondents engaged in repeated illegality under Executive Law § 63(12).

SECOND CAUSE OF ACTION
REPEATED ILLEGALITY PURSUANT TO EXECUTIVE LAW § 63(12)
and GBL § 349 (Deceptive Acts and Practices)

91. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

92. Under Executive Law § 63(12), the Attorney General of New York may bring a special proceeding pursuant to Article 4 of the Civil Practice Law and Rules to seek injunctive and monetary relief against any person “engage[d] in repeated . . . illegal acts . . . in the carrying on, conducting or transaction of business.”

93. Respondents are persons engaged in carrying on, conducting, or transaction of business for purposes of Executive Law § 63(12).

94. Section 349 of the General Business Law prohibits “[d]eceptive acts or practices in the conduct of any business, trade or commerce.” GBL § 349(a).

95. Respondents are persons engaged in business, trade, or commerce for purposes of GBL § 349.

96. By labeling, importing, and distributing Kits into New York with packaging that depicted a child and that displayed a “6+” age label, LaRose and Target represented to consumers that the Kits were suitable for use by children, and specifically, children as young as six.

97. By selling, displaying, and holding for sale Kits in New York bearing the above-described packaging in the toy aisle or equivalent sections of their retail

stores and websites, Target and Walmart represented to consumers that the Kits were suitable for use by children, and specifically, children as young as six.

98. Respondents' above-described conduct represented to consumers that the Kits were suitable for children.

99. The Kits were not suitable for children because they presented a lead exposure risk to children.

100. It is a violation of GBL § 349 where a representation or omission by the offending party is likely to mislead a reasonable consumer acting reasonably under the circumstances.

101. Respondents' representations that the Kits were suitable for children—and their omission to represent otherwise—were likely to mislead reasonable consumers because the Kits in fact presented a lead exposure risk to children.

102. By deceptively marketing each of the Kits it imported and/or distributed in New York as suitable for children, LaRose violated GBL § 349 at least 9,296 times.

103. By deceptively marketing each of the Kits it imported, distributed, sold, and/or held for sale in New York as suitable for children, Target violated GBL § 349 at least 3,397 times.

104. By deceptively marketing each of the Kits it distributed, sold, and/or held for sale in New York as suitable for children, Walmart violated GBL § 349 at least 1,239 times.

105. By way of the foregoing, each of the respondents engaged in repeated illegality under Executive Law § 63(12).

THIRD CAUSE OF ACTION
REPEATED ILLEGALITY PURSUANT TO EXECUTIVE LAW § 63(12)
and GBL § 350 (False Advertising)

106. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

107. Under Executive Law § 63(12), the Attorney General of New York may bring a special proceeding pursuant to Article 4 of the Civil Practice Law and Rules to seek injunctive and monetary relief against any person “engage[d] in repeated . . . illegal acts . . . in the carrying on, conducting or transaction of business.”

108. Respondents are persons engaged in carrying on, conducting, or transaction of business for purposes of Executive Law § 63(12).

109. Section 350 of the General Business Law prohibits “[f]alse advertising in the conduct of any business, trade or commerce.” GBL § 350.

110. Respondents are persons engaged in business, trade, or commerce for purposes of GBL § 350.

111. “Advertising” explicitly includes “labeling” and, more broadly, “representations made by statement, word, design, device, sound or any combination thereof.” GBL § 350-a(1).

112. False advertising under Section 350 is advertising that is “misleading in a material respect.” GBL § 350-a(1).

113. LaRose and Target engaged in advertising within the meaning of GBL § 350 by “labeling” the Kits with a “6+” age label and with depictions of children using the Kits.

114. Target and Walmart engaged in advertising within the meaning of GBL § 350 through “representations made by . . . device” by displaying the Kits with the above-described packaging on their store shelves and websites, specifically in sections of their stores and websites designated for toys and children’s products.

115. Respondents’ above-described advertising represented that the Kits were suitable for children.

116. The Kits were not suitable for children because they presented a lead exposure risk to children.

117. Respondents’ above-described advertising, which represented that the Kits were suitable for children, was false because the Kits presented a toxicity risk to children due to the high lead levels in the slider bracelets.

118. By falsely advertising each of the Kits it imported and/or distributed in New York as suitable for children, LaRose violated GBL § 350 at least 9,296 times.

119. By falsely advertising each of the Kits it imported, distributed, sold, and/or held for sale in New York as suitable for children, Target violated GBL § 350 at least 3,397 times.

120. By falsely advertising each of the Kits it distributed, sold, and/or held for sale in New York as suitable for children, Walmart violated GBL § 350 at least 1,239 times.

121. By way of the foregoing, each of the respondents engaged in repeated illegality under Executive Law § 63(12).

FOURTH CAUSE OF ACTION
REPEATED FRAUD PURSUANT TO EXECUTIVE LAW § 63(12)

122. The State repeats and realleges each of the foregoing paragraphs as if fully set forth herein.

123. Under Executive Law § 63(12), the Attorney General of New York may bring a special proceeding pursuant to Article 4 of the Civil Practice Law and Rules to seek injunctive relief against any person “engage[d] in repeated fraudulent . . . acts . . . in the carrying on, conducting or transaction of business.”

124. Respondents are persons engaged in carrying on, conducting, or transaction of business for purposes of Executive Law § 63(12).

125. The terms “fraud” and “fraudulent” in Section 63(12) refer to “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

126. Fraudulent acts under Section 63(12) are acts that have the capacity or tendency to deceive, or that create an atmosphere conducive to fraud.

127. By labeling, importing, and distributing Kits into New York with packaging that depicted a child and that displayed a “6+” age label, LaRose and Target represented to consumers that the Kits were suitable for use by children.

128. By selling, displaying, and holding for sale Kits in New York bearing the above-described packaging in the toy aisle or equivalent sections of their retail

stores and websites, Target and Walmart represented to consumers that the Kits were suitable for use by children.

129. Respondents' above-described conduct represented to consumers that the Kits were suitable for children.

130. The Kits were not suitable for children because they presented a lead exposure risk to children.

131. Respondents' representations had the capacity or tendency to deceive consumers because the Kits were hazardous to children due to the high lead levels in the slider bracelets.

132. By misrepresenting each of the Kits they imported, distributed, sold, or held for sale in New York as suitable for children, the respondents repeatedly engaged in fraudulent acts under Executive Law § 63(12).

PRAYER FOR RELIEF

WHEREFORE, the State respectfully requests that a judgment and order be issued:

1. Permanently enjoining all respondents from engaging in fraud and illegality under Executive Law § 63(12) and from violating GBL §§ 396-k, 349, and 350;

2. Directing LaRose and Target, when it acts as an importer, within 90 days of this Court's order, to implement a quality control program that includes or maintains:

- a) A Director of Quality Control (or a similar title) whose responsibilities include supervising quality control in overseas manufacturing operations; evaluating vendors and sub-vendors, including those who provide components and raw materials;
 - b) Requiring vendors of finished products to obtain components and raw materials from pre-approved suppliers and to test samples of incoming components and raw materials;
 - c) A testing program pursuant to which the importer or a third-party, but not the manufacturer, randomly selects the toys to be tested for compliance with the permissible lead limit by a CPSC-accepted laboratory;
 - d) Unannounced quality control audits of vendors;
 - e) Timely issuance of certificates of compliance in accordance with 15 U.S.C. § 2063;
 - f) A written quality control manual that includes all of the above elements (a)–(e).
3. Directing Walmart and Target, when it acts as a retailer, to:
- a) Confirm that a valid certificate of compliance exists for each toy it receives from an importer for distribution and sale in New York;
 - b) Within 90 days of this Court’s order, develop and implement a program to randomly select three percent (3%) of the toys it receives from an importer for sale in New York to be tested for lead

by a CPSC-approved laboratory. Such testing will be done during the retailers' four (4) highest sales periods per year. The retailers shall provide the testing results to the Attorney General's office; and

c) Maintain the above testing program for a period of three years.

4. Directing LaRose to pay a civil penalty of up to \$1,000.00, and at least \$37.50, to the State for each Kit that it imported and/or distributed in violation of GBL § 396-k;

5. Directing Target to pay a civil penalty of up to \$1,000.00, and at least \$37.50, to the State for each Kit that it distributed, sold, and/or held for sale in violation of GBL § 396-k;

6. Directing Walmart to pay a civil penalty of up to \$1,000.00, and at least \$25.00, to the State for each Kit that it imported, distributed, sold, and/or held for sale in violation of GBL § 396-k;

7. Directing LaRose to pay a civil penalty of up to \$5,000.00, and at least \$37.50, to the State for each Kit that it marketed in violation of GBL §§ 349 and 350, pursuant to GBL § 350-d;

8. Directing Target to pay a civil penalty of up to \$5,000.00, and at least \$37.50, to the State for each Kit that it marketed in violation of GBL §§ 349 and 350, pursuant to GBL § 350-d;

9. Directing Walmart to pay a civil penalty of up to \$5,000.00, and at least \$25.00, to the State for each Kit that it marketed in violation of GBL §§ 349 and 350, pursuant to GBL § 350-d;

10. Ordering that no respondent may pay any penalty fixed by the Court in this action on behalf of another respondent;


11. Awarding the State costs plus an additional allowance of \$2,000 against each respondent pursuant to CPLR § 8303(a)(6); and

12. Granting such other relief as is just and proper.

Dated: December 13, 2018
New York, New York

BARBARA D. UNDERWOOD
Attorney General of the State of New York
Attorney for Petitioners

By:


Channing Wistar-Jones
Assistant Attorney General
Environmental Protection Bureau
28 Liberty Street
New York, New York 10005
212-416-8446

VERIFICATION

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.:

CHANNING WISTAR-JONES, being duly sworn, deposes and says:

1. I am an Assistant Attorney General in the office of Barbara D.

Underwood, Attorney General of the State of New York, and I am duly authorized to make this verification.

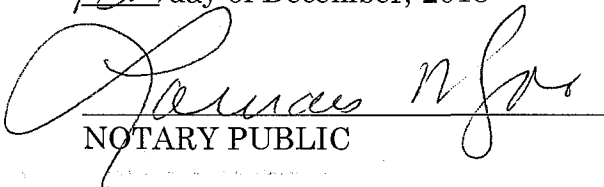
2. The Attorney General is the statutory representative of petitioners the People of the State of New York.

3. I have read the foregoing petition and assert, based upon personal knowledge and information and belief, that the contents thereof are true. The sources of my personal knowledge, information, and belief are my involvement in this matter for the Office of the Attorney General since in or about October 2016, and my review of the Attorney General's files concerning the allegations contained in this petition.



CHANNING WISTAR-JONES

Sworn to before me this
13th day of December, 2018



NOTARY PUBLIC

ANDRES M. COTO
NOTARY PUBLIC OF THE STATE OF NY
NO. 01504612108
COMMISSION EXPIRES 10/16/2022

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PRELIMINARY STATEMENT

The Attorney General of the State of New York (the State), brings this proceeding pursuant to Executive Law § 63(12) to protect children in New York from toys containing lead and to enforce the State's laws governing the safety and marketing of toys. Respondents LaRose Industries LLC (LaRose) and Target Corporation (Target) imported and distributed thousands of children's "Cra-Z-Jewelz" jewelry-making kits (Kits) that included a bracelet that contained high levels of lead. Lead is a toxic heavy metal that, among other harms, impairs neurological development and physical growth in children. Target and respondent Walmart Inc. (Walmart) distributed, sold, and held the Kits for sale. All respondents also marketed the toys as suitable for children despite their high levels of lead. Although the Kits have been recalled, respondents have failed to take measures sufficient to ensure that they do not again place children at risk of lead exposure.

Respondents have engaged in repeated illegality and fraud under Executive Law § 63(12) by committing thousands of violations of: (1) General Business Law (GBL) § 396-k, which prohibits the importation, distribution, and sale of hazardous toys; (2) GBL § 349, which prohibits deceiving consumers; (3) GBL § 350, which prohibits false advertising; and (4) Section 63(12) itself, which prohibits fraud. The State seeks statutory penalties and injunctive relief to protect children from further risk of lead exposure from hazardous toys.

STATUTORY BACKGROUND

A. General Business Law § 396-k Prohibits the Importation and Sale of Hazardous Toys.

Section 396-k of the GBL, titled “Hazardous toys and other articles primarily for use by children; prohibition and enforcement,” makes it unlawful to import, distribute, sell, or hold for sale any “toy or other article intended for use by a child which presents an electrical, mechanical or thermal hazard.” GBL § 396-k(1). A “child” is any person under fourteen years of age. *Id.* § 396-k(1)(a). A toy presents a “mechanical” hazard if:

[I]n normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness:

- (1) from fracture, fragmentation or disassembly of the article;
- (2) from propulsion of the article or any part or accessory thereof;
- (3) from points or other protrusions, surfaces, edges, openings or closures;
- (4) from moving parts;
- (5) from lack or insufficiency of controls to reduce or stop motion;
- (6) as a result of self-adhering characteristics of the article;
- (7) because the article or any part or accessory thereof may be aspirated or ingested;
- (8) because of instability;
- (9) from stuffing material which is not free of dangerous or harmful substances; or
- (10) because of any other aspect of the article’s design or manufacture.

Id. § 396-k(1)(c). This expansive definition encompasses hazards caused by, among other things, toxic substances present in toys to which a child may be exposed,

including: where “surfaces” of the article contain hazardous substances, *id.* § 396-k(1)(c)(3); where toxic particles “may be aspirated or ingested,” *id.* § 396-k(1)(c)(7); where “stuffing” material contains “harmful substances,” *id.* § 396-k(1)(c)(9); and where “any other aspect of the article’s design or manufacture” presents a toxicity hazard, *id.* § 396-k(1)(c)(10).

GBL § 396-k does not establish a maximum acceptable level of lead in toys, but makes it unlawful to distribute or sell a toy that presents “*any* unreasonable risk of personal injury or illness” (emphasis added). The federal Consumer Product Safety Act (Act), administered by the U.S. Consumer Product Safety Commission (CPSC), sets a maximum acceptable level of 100 parts per million (ppm) for lead in children’s products, including any “part” of a children’s product. 15 U.S.C. §§ 2068(a)(1)–(2), 1278a(a)(2)(C); 16 C.F.R. §§ 1200.2, 1500.91(a); 76 Fed. Reg. 44,463, 44,464 (July 26, 2011). The Act also provides that state attorneys general may enforce a state requirement only to the extent that it is “identical” to the federal standard. 15 U.S.C. § 2075(a); *see also id.* § 2073(b)(4). Accordingly, the State is enforcing GBL § 396-k only with respect to toys that contain lead in excess of 100 ppm.

GBL § 396-k imposes strict liability, as evidenced by the provision’s penalty structure. The two-tier penalty structure in GBL § 396-k(2) imposes a maximum penalty per violation of \$4,000 for a “knowing and willful violation,” and \$1,000 for other violations, *i.e.*, unintentional violations.

B. GBL §§ 349 and 350 Prohibit Deceptive Acts and Practices and False Advertising.

GBL § 349(a) prohibits “[d]eceptive acts or practices in the conduct of any business, trade or commerce.” GBL § 350 prohibits “[f]alse advertising in the conduct of any business, trade or commerce.” False advertising is “advertising, including *labeling*, of a commodity . . . if such advertising is misleading in a material respect.” GBL § 350-a(1) (emphasis added). Misleading advertising includes “not only representations made by statement, word, [or] design . . . but also the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity . . . to which the advertising relates[.]” *Id.*

GBL § 350-d authorizes the Attorney General to seek penalties in an amount up to \$5,000 per violation of Sections 349 and 350. GBL § 349(b) authorizes the Attorney General to seek injunctive relief.

C. Executive Law § 63(12) Authorizes the Attorney General to Bring a Special Proceeding to Enjoin Repeated or Persistent Fraud or Illegality in the Transaction of Business.

Executive Law § 63(12) authorizes the Attorney General to bring a proceeding to enjoin “repeated fraudulent or illegal acts” and “persistent fraud or illegality” in “the carrying on, conducting or transaction of business.” “Illegal” conduct under Executive Law § 63(12) includes the violation of any state, federal, or local law or regulation. *See, e.g., People v. World Interactive Gaming Corp.*, 185 Misc. 2d 852, 856 (Sup. Ct. N.Y. Cty. 1999). “Fraud” and “fraudulent” refer to “any device, scheme or artifice to defraud and any deception, misrepresentation,

concealment, suppression, false pretense, false promise or unconscionable contractual provisions.” “Repeated” fraud or illegality under Executive Law § 63(12) includes the “repetition of any separate and distinct fraudulent or illegal act, or conduct which affects more than one person,” and “persistent” fraud or illegality includes “continuance or carrying on of any fraudulent or illegal act or conduct.”

In an action or proceeding pursuant to Executive Law § 63(12) to enjoin repeated or persistent illegality, the Attorney General may also seek penalties for underlying statutory violations. *See, e.g., People v. Apple Health & Sports Club, Ltd.*, 80 N.Y.2d 803, 807 (1992); *People v. Empyre Inground Pools*, 227 A.D.2d 731 (3d Dep’t 1996).

FACTS

A. Lead Is Toxic to Children.

“Lead is a poison that affects virtually every system in the body and is particularly harmful to brain and nervous system development. Even low levels of blood lead have been linked to diminished intelligence, decreased stature or growth and loss of hearing acuity.” *N.Y.C. Coal. to End Lead Poisoning, Inc. v. Vallone*, 100 N.Y.2d 337, 342–43 (2003) (citations and internal quotation marks omitted).

Children are especially vulnerable to health risks posed by exposure to lead, and even low levels of lead in the blood of children can result in behavior and learning

problems, lower IQ, hyperactivity, slowed growth, hearing problems, and anemia. See <https://www.epa.gov/lead/learn-about-lead#> (last visited Dec. 10, 2018).

The presence of lead in toys may poison children through oral contact, including hand-to-mouth contact. See <https://www.cdc.gov/nceh/lead/tips/toys.htm> (last visited Dec. 13, 2018). In particular, lead is added to plastic material in toys to soften it and make it more flexible. However, exposure to sunlight, air, and cleaners causes the lead to break down into dust, which children can then ingest by placing lead-containing toys in their mouths, or by handling the toys and then placing their fingers in their mouths. See *id.* No amount of lead is safe for children. <https://www.cdc.gov/nceh/lead> (last visited Dec. 13, 2018).

B. Respondents Imported, Distributed, Sold, and Held for Sale Lead-Containing Kits in New York.

LaRose is a toy and stationery company that develops children’s products under the brand “Cra-Z-Art.” See <http://www.cra-z-art.com> (last visited Dec. 3, 2018). Most Cra-Z-Art products are manufactured by contractors overseas and imported by LaRose. See Transcript of Testimony of June Daddea (Daddea Tr.) 12–13, 22–23, 25–27, Affidavit of Jodi Feld (Feld Aff.) Ex. A.

Target and Walmart are major retailers that each operate dozens of stores in New York and offer merchandise online for sale and shipment to New York consumers. Both have offered Cra-Z-Art products for sale at their retail locations and online. Target has arranged with LaRose to brand Cra-Z-Art items with the private label “My Look” and, in some cases, for Target to import these products. See *id.* at 35–42.

LaRose developed a Cra-Z-Art jewelry-making kit called the “Shimmer ’n Sparkle Ultimate Gem Machine” (Shimmer ’n Sparkle Base Kits). *See* Daddea Tr. 25–27. The Shimmer ’n Sparkle Base Kit included a plastic, fake leather band, which LaRose called a “slider bracelet,” with holes and a buckle that resembled a watchband, with a tan underside that lies next to the child’s skin and a colored material on the top side.



See also L003792, Feld Aff. Ex. G (photograph of Kit components). The child used the Gem Machine to attached colored “gems” to the slider bracelet. LaRose also created the “Shimmer ’n Sparkle Gem Charm and Slider Bracelets” (Shimmer ’n Sparkle Refill Kits) which contained additional slider bracelets and gems. *See* Daddea Tr. 116.

LaRose also produced Base Kits branded “My Look Ultimate Gem Machine” (My Look Base Kits) for sale exclusively by Target.¹ The My Look Base Kits were

¹ The Shimmer ’n Sparkle Base Kits, the My Look Base Kits, and the Shimmer ’n Sparkle Refill Kits are referred to collectively as “Kits.”

identical to the Shimmer 'n Sparkle Base Kits in all material respects. *See id.* at 35–42, 136.

LaRose contracted with Fairland Toy, a company located in China, to manufacture the Kits.² The packaging of each Kit had “6+” in the upper right corner and showed a smiling child wearing jewelry made with the Kit. *See* <https://www.cpsc.gov/node/29904> (last visited Dec. 5, 2018) (CPSC Recall Notice). The photographs below, taken from the CPSC website, *see id.*, show the packaging of each type of Kit.



Shimmer 'n Sparkle Base Kit

² *See* Feld Aff. Exs. B, D (summary tables of tested Kits showing July 10, 2015 as earliest manufacture date).



My Look Base Kit



Shimmer 'n Sparkle Refill Kit

LaRose was the importer of record for the Shimmer 'n Sparkle Base Kits and Refill Kits. *See* Feld Aff. Ex. K. Target served as the importer of record for all or most of the My Look Base Kits. Feld Aff. ¶¶ 28, 35.

The federal Act and its implementing regulations require an importer of a children's product to certify that the product is tested for compliance with the federal 100 ppm lead limit, among other safety requirements. *See* 15 U.S.C. § 2063(a); 16 C.F.R. §§ 1107.20–1107.26. Before importing the product into the United States, the importer must issue a “certificate of compliance” verifying that the product complies with the 100 ppm limit and other safety requirements. The certificate of compliance must then “accompany” the product, and a copy must be “furnished” to each distributor and retailer. 15 U.S.C. § 2063(a), (g).

In or around August 2015, LaRose arranged for one Shimmer 'n Sparkle Base Kit and one My Look Base Kit to be tested by SGS, a CPSC-accepted laboratory. *See* Feld Aff. Ex. H (testing results). LaRose did not itself select the samples to be tested; rather, it directed its manufacturer to select the toys to be tested. *Daddea Tr.* 98. The Shimmer 'n Sparkle Base Kit that was tested for compliance with federal regulations had been manufactured on July 13, 2015. *See* L000073, Feld Aff. Ex. H; *Daddea Tr.* 32–33 (explaining how to determine a Kit's manufacture date). The My Look Base Kit that was tested for compliance with federal regulations had been manufactured on July 30, 2015. *See* TAR-FIG-0000251, Feld Aff. Ex. O (Target certificate of compliance). According to SGS's test results, the two Kits complied with the federal 100 ppm lead limit, but the laboratory did not

report individual test results for the tan underside of the slider bracelet.³ *See* L000186, L000305–06, Feld Aff. Eh. H; *see also* Feld Aff. ¶ 25.

From approximately August 2015 through April 2016, LaRose imported for sale in New York and/or distributed in New York at least 9,296 Kits. Feld Aff. ¶ 34; Ex. J (LaRose spreadsheet showing New York shipments).⁴ Those Kits included Shimmer 'n Sparkle Kits Base Kits and Refill Kits that were distributed to distribution centers operated by Walmart, among other retailers, but not Target. Daddea Tr. 144. From approximately October 2015 through April 2016, Walmart distributed, sold, and/or held for sale at least 1,239 Shimmer 'n Sparkle Kits in New York. *See* Feld Aff. ¶ 29.

As a general matter, LaRose did not create a certificate of compliance to accompany an imported product; instead, it created the certificates only if and when a customer requested it. *See* Daddea Tr. 110. In the case of the Kits, LaRose did not create the certificates until April 26 and May 2, 2016, in response to requests from the retailers after the State notified them of its investigation. *See* L000018, Feld Aff. Ex. O (Shimmer 'n Sparkle Base Kit certificate); *id.* at L000020 (Shimmer

³ In late 2015 or early 2016, LaRose also submitted a Refill Kit for testing. The circumstances are unclear because LaRose did not receive the test results until April 26, 2016, *after* it had imported most or all of the Kits. *See* L000003, Feld Aff. Ex. H. Although the Kit appeared to comply with the federal lead limit, the tan undersides of the slider bracelets sampled were not individually tested. *See id.* at L000004–05; Feld Aff. ¶ 26.

⁴ Many of these documents were marked “Confidential” by respondents when they produced them to the Attorney General’s office, although the office did not take a position on the documents’ confidentiality at that time. In order to provide respondents with the opportunity to seek judicial intervention to prevent publication of these documents, we are withholding from public filing all documents marked “Confidential” except test results that were provided to the CPSC and certificates of compliance for the Kits. These documents are not confidential under Part 216 of the Uniform Court rules or Pub. Off. L. § 87(2)(d).

'n Sparkle Refill Kit certificate); *id.* at L004060 (e-mail from LaRose's counsel explaining company's practice); *see also* Daddea Tr. 110–12. As a result, a certificate of compliance did not accompany Kits when they were imported by LaRose and were not furnished to the retailers, as required by federal law.

Although the exact number of Kits that Target imported is unclear,⁵ Target distributed, sold, and/or held for sale in New York at least 3,397 My Look Kits from August 2015 through April 2015. *See* Feld Aff. ¶ 28. Target did not issue a certificate of compliance for the My Look Kits until September 9, 2015. *See* TAR-FIG-0000251, Feld Aff. Ex. O.

Walmart and Target sold the Kits in the toy sections of their stores and/or websites and listed them as appropriate for children. *See* Feld Aff. ¶ 8; Affidavit of Jennifer Nalbone ¶ 5; <https://www.walmart.com/ip/Cra-Z-Art-Shimmer-n-Sparkle-Cra-Z-Jewelz-Ultimate-Gem-Machine/45005166> (last visited Dec. 10, 2018).

Walmart's website listed the Shimmer 'n Sparkle Base Kits under the category "Toys/Arts & Crafts for Kids/Craft Kits," with a listed "Age Range" of "5 to 7 Years" and a listed "Age Group" of "Child."

C. The Attorney General Discovers High Lead Levels in the Kits and Prompts Their Recall.

Between October 2015 and February 2016, the Attorney General purchased ten Kits, including Shimmer 'n Sparkle Base Kits, My Look Base Kits, and Shimmer 'n Sparkle Refill Kits from different retailers at different locations around

⁵ *Compare* Daddea Tr. 118–19 (LaRose imported some My Look Kits for Target) *and* Feld Aff. Ex. J (identifying My Look Kits that LaRose distributed to Target), *with* Feld Aff. Ex. K (only identifying Target as importer of My Look Kits).

New York State and had them tested by ANSECO, a CPSC-accepted laboratory. Feld Aff. ¶¶ 5–19. The Attorney General asked ANSECO to individually test the tan underside of each slider bracelet.

The test results showed that the tan underside of each slider bracelet in each of the tested Kits contained lead at levels between 470 and 1,000 ppm or more, well over the federal 100 ppm lead limit. Four of the toys the Attorney General tested were manufactured on July 13, 2015, the same day as the Shimmer 'n Sparkle Base Kit that LaRose had tested for compliance with federal regulations in 2015. *Id.* ¶¶ 20–21; Exs. B, C.

In April 2016, the Attorney General informed respondents and the CPSC of these findings. Feld Aff. ¶ 22. LaRose then had twelve additional Kits tested and requested that the laboratory individually test the tan underside of each slider bracelet. The results showed that the tan material in each slider bracelet in each of the tested Kits contained lead between 518 and 1,220 ppm, also far over the 100 ppm limit. *Id.* ¶ 23; Exs. D, E.

The CPSC also tested three additional Kits. Those tests showed that the tan underside of each slider bracelet tested contained lead between 574 and 1,001 ppm. *See* Feld Aff. Exs. F, G. As a result of LaRose's and the CPSC's independent confirmations of the Attorney General's test results, LaRose recalled all three types of Kits on a nationwide basis on June 2, 2015. *See* CPSC Recall Notice.

The Attorney General subsequently obtained and tested twenty additional My Look Base Kits from Target that had been held for sale in New York. The slider

bracelet from each Kit failed, with lead levels ranging from 870 ppm to 1000 ppm. One of the toys the Attorney General tested was manufactured on the same day, July 30, 2015, as the My Look Base Kit that LaRose had tested in 2015. *See* Feld Aff. ¶ 11; Exs. B, C.

D. At Least 96% of All Kits Imported, Distributed, Sold, and Held for Sale in New York Violated the Lead Standard.

Statistical extrapolation from the test results shows, with 95% confidence, that at least 96% of all Kits imported, distributed, sold, and held for sale in New York had one or more slider bracelets containing lead above 100 ppm. *See* Affidavit of Philip E. Goodrum, Ph.D. (Goodrum Aff.), ¶ 22. This estimate is a conservative one, based on an analysis of multiple data groupings to ensure that no particular factor is skewing the results. *Id.* ¶¶ 20–21.

The estimate that at least 96% of the Kits would fail holds regardless of whether it is based on:

- (1) the thirty Kits tested by the Attorney General;
- (2) the Attorney General’s thirty Kits plus the fifteen Kits tested by LaRose and the CPSC after the Attorney General notified them of its test results;
- (3) the Attorney General’s thirty Kits plus the three Kits submitted for testing by LaRose before it learned about the Attorney General’s investigation; or
- (4) all of the tested Kits.

Id. ¶¶ 22–23. The most conservative estimate—based on the Attorney General’s thirty Kits, plus the three Kits previously submitted for testing by LaRose—is that

at least 96% of Kits in New York included a slider bracelet with the underside exceeding the permissible lead limit, with 95% certainty. *Id.* ¶ 22.

Using this statistical extrapolation of 96%, the following are conservative estimates of the number of Kits attributable to each respondent that violated the 100 ppm lead standard:

- **LaRose: 8,924** (96% of 9,296 Kits);
- **Target: 3,261** (96% of 3,397 Kits);
- **Walmart: 1,189** (96% of 1,239 Kits).

See also Feld Aff. ¶¶ 28–34 (explaining that Kits are likely under counted).

ARGUMENT

In a special proceeding under CPLR § 409, judgment for the petitioner is proper “where the petition and supporting papers contain sufficient allegations of fact to merit the relief requested and respondents have raised no triable issues of fact by an evidentiary showing.” *State v. Daro Chartours, Inc.*, 72 A.D.2d 872, 872 (3d Dep’t 1979) (citation omitted); *see also State v. McMillen*, 57 A.D.2d 979, 979 (3d Dep’t 1977).

POINT I

RESPONDENTS ENGAGED IN REPEATED ILLEGALITY BY IMPORTING, DISTRIBUTING, AND SELLING THOUSANDS OF HAZARDOUS TOYS IN VIOLATION OF GBL § 396-k

GBL § 396-k was enacted to protect children in New York by making it unlawful, in relevant part, to import, distribute, sell, or hold for sale any “toy or other article intended for use by a child which presents a[] . . . mechanical . . .

hazard.” GBL § 396-k(1). Remedial statutes like GBL § 396-k “should be construed broadly so as to effectuate their purpose” and to avoid “unreasonable and potentially unjust consequences.” *Scanlan v. Buffalo Pub. Sch. Sys.*, 90 N.Y.2d 662, 676–77 (1997) (internal quotation marks omitted). For example, statutes “to protect the public health . . . should be given an extremely liberal construction so as to further the accomplishment of their objectives.” *Drug Purchase, Inc. v. Bd. of Regents*, 65 A.D.2d 829, 830 (3d Dep’t 1978) (internal quotation marks omitted); *see also Texaco, Inc. v. Flacke*, 114 Misc. 2d 660, 661 (Sup. Ct. Alb. Cty. 1982).

It is beyond dispute that the Cra-Z-Jewelz Kits are “toy[s] or other article[s] intended for use by a child” within the meaning of Section 396-k. A “child” is any person under fourteen years old. *Id.* § 396-k(1)(a). Respondents cannot dispute that the Kits say “6+” and show a child wearing jewelry made with the Kit. Nor can respondents dispute that the Kits were sold by Target and Walmart in the sections of their stores and websites for children’s products.

The Kits also presented a “mechanical” hazard within the meaning of Section 396-k. A toy presents a “mechanical” hazard if, “in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness” due to any “aspect of the article’s design or manufacture.” *Id.* § 396-k(1)(c). That includes hazards from “surfaces”; “because the article or any part . . . thereof may be aspirated or ingested”; and “from stuffing material which is not free of dangerous or harmful substances.” *Id.* The facts establish that (1) the lead in the slider bracelets presented an unreasonable

risk of personal injury or illness; (2) normal use or reasonably foreseeable damage or abuse of the bracelet presented that unreasonable risk to children; and (3) the lead was “an aspect of the [bracelet’s] design or manufacture.”

First, there can be no dispute that the high levels of lead found in the tested slider bracelets presented “an unreasonable risk of personal injury or illness.” The test results for the thirty toys tested by the Attorney General, the twelve toys tested by LaRose after learning of the State’s investigation, and the three toys tested by the CPSC all showed that each toy contained at least one component with lead between 470 and 1220 ppm. *See* Feld Aff. Exs. C–G. As explained above, statistical analysis based on these results—even considering the three Kits LaRose had previously submitted for testing, which appeared to have passed the test for lead—shows that at least 96% of Kits in New York had one or more slider bracelets with lead in excess of 100 ppm. *See* pp. 14–15 above; Goodrum Aff. ¶ 20.

Second, children could be exposed to those high levels of lead by handling or wearing a slider bracelet in the course of “normal use” —or handling a broken bracelet as a result of “reasonably foreseeable damage”—by “ingestion” of or other exposure to lead-containing surfaces or particles via hand-to-mouth contact. *See* pp. 5–6 above. Further, a child could be exposed to lead by subjecting a slider bracelet to “reasonably foreseeable . . . abuse” by placing the bracelet directly in his or her mouth.

Third, the presence of lead in the slider bracelets was an “aspect of the [Kits’] design or manufacture” because lead was present on the inner “surfaces” of the bracelets and inside the bracelets’ substrate material.

Therefore, each respondent violated GBL § 396-k each time it imported, distributed, sold, or held for sale a Kit containing lead in excess of 100 ppm in New York. Because respondents each did so thousands of times, each engaged in “repeated” illegality in the conduct of business within the meaning of Executive Law § 63(12). “Respondents’ conduct is therefore properly the subject of a special proceeding under Executive Law § 63(12).

POINT II

RESPONDENTS ENGAGED IN REPEATED FRAUD AND ILLEGALITY BY MARKETING HAZARDOUS TOYS AS SUITABLE FOR CHILDREN IN VIOLATION OF GBL §§ 349 AND 350 AND EXECUTIVE LAW § 63(12)

GBL § 349(a) prohibits “[d]eceptive acts or practices in the conduct of any business, trade or commerce.” A claim under Section 349 must show that a representation or omission by the offending party is likely to mislead a reasonable consumer acting reasonably under the circumstances. *People v. Applied Card Sys., Inc.*, 27 A.D.3d 104, 106–07 (3d Dep’t 2005). The conduct need not rise to the level of common law fraud to be actionable, and no proof of intent to defraud or justifiable reliance by a consumer is required. *Gaidon v Guardian Life Ins. Co. of Am.*, 94 N.Y.2d 330, 343 (1999).

It is undisputable that LaRose and Target labeled, imported, and distributed Kits with packaging showing a “6+” age label and a child wearing jewels made from

the Kit. Further, Target and Walmart displayed and held the Kits for sale in the toy sections of their New York retail stores and websites. This conduct represented to consumers that the Kits were suitable for children as young as six. However, these representations were misleading because the Kits in fact were not suitable for children because they contained lead far in excess of the allowable limit.

Respondents' marketing of the Kits was therefore misleading and deceptive to consumers in violation of GBL § 349.

Similarly, GBL § 350 prohibits “[f]alse advertising in the conduct of any business, trade or commerce.” “Advertising” explicitly includes “labeling” and, more broadly, “representations made by statement, word, design, device, sound or any combination thereof.” GBL § 350-a(1). Advertising is false under Section 350 if it “is misleading in a material respect.” *Id.* Misleading advertising includes “not only representations” but also “the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity[.]” *Id.* Under Section 350, statements or omissions need not rise to the level of common law fraud, but need only be likely to mislead a reasonable consumer acting reasonably under the circumstances. *See Applied Card Sys.*, 27 A.D.3d at 106–07.

Here, there is no question that LaRose and Target advertised the Kits as suitable for children by “labeling” the Kits with a “6+” age label and pictures of children using the Kits. Meanwhile, Walmart and Target also advertised the Kits as suitable for children by displaying the Kits with this packaging on their store shelves and websites, specifically in sections of their stores and websites designated

for toys and children's products. Respondents' advertising of the Kits as suitable for children was misleading because the Kits contained slider bracelets with lead in excess of the allowable limit.

Respondents' marketing also constituted fraud under Executive Law § 63(12). Under Section 63(12), "fraud" and "fraudulent" refer to "any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions." It is not necessary to establish the elements of common law fraud, such as intent to deceive. *See, e.g., State v. Ford Motor Co.*, 136 A.D.2d 154, 158 (3d Dep't 1988), *aff'd*, 74 N.Y.2d 495 (1989); *Lefkowitz v. Bull Inv. Group*, 46 A.D.2d 25, 28 (3d Dep't 1974), *aff'd*, 35 N.Y.2d 647 (1975). The test of fraudulent conduct is simply whether the act or practice has the capacity or tendency to deceive, or creates an atmosphere conducive to fraud. *Applied Card Sys.*, 27 A.D.3d at 106. For the same reasons that respondents' marketing of the Kits violated GBL §§ 349 and 350, it also violated Section 63(12).

These violations constituted "repeated" illegality and fraud in the conduct of business within the meaning of Executive Law § 63(12) because respondents' marketing of the Kits was illegal or fraudulent under GBL §§ 349 and 350 and Section 63(12) and thousands of Kits were deceptively packaged, labeled, placed for sale, or sold. Respondents' conduct is therefore repeated illegality and fraud that is properly the subject of a special proceeding under Executive Law § 63(12).

POINT III

THE STATE IS ENTITLED TO PENALTIES AND INJUNCTIVE RELIEF

A. The Court Should Order Respondents to Pay Civil Penalties.

Section 63(12) entitles the Attorney General to recover penalties provided for under the statute she seeks to enforce. *See, e.g., Apple Health*, 80 N.Y.2d at 807; *Empyre Inground Pools*, 227 A.D.2d 731. The State is entitled to penalties under GBL § 396-k(2), which provides for the assessment of a civil penalty of up to \$4,000 for each knowing and willful violation of its prohibition on hazardous toys and \$1,000 per violation otherwise, and GBL § 350-d, which provides for a civil penalty of up to \$5,000 for each violation of Sections 349 and 350's prohibitions on deceptive acts and false advertising.

Each Kit with a slider bracelet containing lead in excess of the 100 ppm standard that was imported, distributed, sold, or held for sale by a given respondent constitutes a separate violation of GBL § 396-k. *Cf. United States v. Shelton Wholesale, Inc.*, 34 F. Supp. 2d 1147, 1164–65 (W.D. Mo. 1999) (assessing penalties per device failing CPSC standards). For GBL §§ 349 and 350, each Kit that was imported, distributed, sold, or held for sale by a given respondent constitutes an additional and separate violation. *See People v. Lipsitz*, 174 Misc. 2d 571, 584 (Sup. Ct. N.Y. Cty. 1997) (assessing penalties for violations of GBL §§ 349 and 350 per improper advertisement and consumer transaction); *People v. Applied Card Sys., Inc.*, 2006 N.Y. Misc. LEXIS 9527, at *23, *31 (Sup. Ct. Alb Cty. Jan. 19, 2006)

(citing *Lipsitz*). Therefore, respondents are liable for at least the following numbers of violations of GBL §§ 396-k and 349–350:

	§ 396-k	§§ 349, 350
LaRose	8,924 (96% of 9296)	9,296
Target	3,261 (96% of 3397)	3,397
Walmart	1,189 (96% of 1239)	1,239

See pp. 11–12, 14–15 above.

The principles governing the appropriate amount of a penalty for violation of a consumer protection statute are set forth in *Meyers Bros. Parking Systems v. Sherman*, 87 A.D.2d 562, 563 (1st Dep’t 1982), *aff’d*, 57 N.Y.2d 653 (1982), where the court held that the penalty for violation of a consumer protection statute should not be so small as to represent merely the “cost of doing business” but should be large enough to serve as a warning. Thus, in assessing a per-Kit penalty for each respondent’s violations, the Court should fix amounts that are fair and that will serve as a warning to discourage this kind of wrongful conduct.

Because LaRose, as the importer, was responsible for the Kits’ testing and certification, it should pay a higher penalty for its violations of GBL § 396-k. The Court should assess a penalty of up to the statutory maximum of \$1,000 for each violation, but at least equal to the approximate retail price of a Base Kit (\$25.00) plus a 50% additional penalty (\$12.50). Similarly, because LaRose was responsible for designing and developing the Kits’ packaging, as well as ensuring that the Kits complied with applicable safety requirements, the Court should assess a per-Kit

penalty under GBL §§ 349 and 350 of up to the statutory maximum of \$5,000 apiece, but at least equal to the approximate retail price of a Base Kit (\$25.00) plus a 50% additional penalty (\$12.50).

Target was the importer of most or all of the My Look Kits, making it responsible for their proper testing and certification, and it also sold all the My Look Kits. Target should therefore also be liable for a higher penalty. The Court should assess a GBL § 396-k penalty of up to the statutory maximum of \$1,000 for each violation, but at least equal to the approximate retail price of a Base Kit (\$25.00) plus a 50% additional penalty (\$12.50). Similarly, because Target was responsible for the My Look Kits' packaging and directly marketed and displayed the My Look Kits to consumers, while also having a responsibility for the Kits' underlying safety, Target should likewise be liable for a higher penalty under GBL §§ 349 and 350. The Court should fix a per-Kit penalty of up to the statutory maximum of \$5,000, but at least equal to the approximate retail price of a Base Kit (\$25.00) plus a 50% additional penalty (\$12.50).

Walmart failed to confirm that the Kits were safe to sell to children in New York. As discussed above, Walmart did not hold, or request from LaRose, a certificate of compliance for the Kits until *after* being notified of the Attorney General's investigation. Therefore, the Court should fix a penalty under GBL § 396-k up to the statutory maximum of \$1,000 for each violation, but at least equal to the approximate retail price of a Base Kit (\$25.00). Similarly, Walmart is responsible for deceiving consumers by marketing, promoting, and displaying the Kits for

children in its stores and online. Therefore, the Court should fix a per-Kit penalty up to the statutory maximum of \$5,000 for violations of GBL §§ 349 and 350, but at least equal to the approximate retail price of a Base Kit (\$25.00).

Based on those penalties per violation multiplied by the number of violations, the Court should assess *at least* these penalty amounts against respondents:

	§ 396-k	§§ 349, 350
LaRose	\$334,650.00	\$348,600.00
Target	\$122,287.50	\$127,387.50
Walmart	\$29,725.00	\$30,975.00

In the event that any of the respondents are party to a contract that indemnifies them against the payment of the penalties sought here, this Court should order that no respondent may pay any penalty on behalf of another respondent. Where “fines or similar penalties [are] imposed, civil or criminal, public policy considerations preclude either indemnification or contribution for the consequences of the illegal acts.” *Elican Holdings, Inc. v. Hudson Oil Ref. Corp.*, 466 N.Y.S.2d 22, 23 (1st Dep’t 1983) (distinguishing fines and penalties from “clean-up costs and other similar expenses,” for which “contribution or indemnity may be obtained”). As the Court of Appeals has explained in denying insurance indemnification for punitive damages awards, “the purpose of punitive damages . . . is to punish and to deter others from acting similarly.” *Cf. Home Ins. Co. v. Am. Home Prods. Corp.*, 75 N.Y.2d 196, 200 (1990); *see also Biondi v. Beekman Hill*

House Apartment Corp., 94 N.Y.2d 659, 663–67 (2000) (extending *Home Ins. Co.* to an indemnification agreement outside the insurance context).

Any indemnity agreement among the respondents here would violate public policy by undermining the deterrent effect of the civil penalty provisions of GBL §§ 396-k, 349, and 350. Therefore, in fixing penalties in this action, the Court should use its equitable authority to proscribe any respondent from indemnifying or otherwise reimbursing any other respondent for such penalties. *See S.E.C. v. Tourre*, 4 F. Supp. 3d 579, 597–98 (S.D.N.Y. 2014) (ordering that defendant could not be reimbursed for penalties by co-violator).

Finally, in any action or proceeding pursuant to Executive Law § 63(12) or GBL §§ 349 or 350, pursuant to CPLR § 8303(a)(6), the Attorney General is entitled to recover an additional \$2,000 against each defendant. The Court should award this additional allowance here.

B. The Court Should Grant Injunctive Relief to Protect Against Future Harm to Children in New York.

Executive Law § 63(12) authorizes the Court to grant injunctive relief for repeated or persistent fraudulent or illegal conduct. GBL §§ 396-k(2) and 349(b) also explicitly authorize such relief. Where, as here, the record establishes repeated fraud and illegality in the conduct of business, courts routinely grant ongoing injunctive relief in proceedings brought pursuant to Executive Law § 63(12). *See, e.g., State v. Princess Prestige Co.*, 42 N.Y.2d 104, 107 (1977). In addition to enjoining future illegal or fraudulent practices, courts can fashion whatever relief is

necessary to protect consumers. *See, e.g., State v. Cohen*, 473 N.Y.S.2d 98 (Sup. Ct. N.Y. Cty. 1983).

Injunctive relief is not moot if the conduct at issue has been discontinued but is capable of repetition, because such discontinuance is no guarantee that the conduct will not be resumed at a later date. The voluntary undertaking of remedial measures does not assure continuing compliance. *See, e.g., Applied Card Sys.*, 27 A.D.3d at 109; *People of the State of New York v. Gen. Elec. Co.*, 302 A.D.2d 314, 316 (1st Dep't 2003).

Although the Attorney General's investigation prompted a recall of the Kits, and LaRose has made certain changes to its consumer product safety practices, there is no guarantee that LaRose will maintain those practices. Moreover, the other respondents have thus far failed to take any measures to protect against future incidents in which toys containing hazardous substances are imported and sold and marketed to consumers as suitable for children. Permanent injunctive relief is thus warranted here to require respondents to take and maintain such measures.

This Court should permanently enjoin respondents from violating GBL §§ 396-k, 349, and 350 and Executive Law § 63(12). In addition, the Court should award relief to protect against future exposure of children in New York to hazardous toys imported and sold by respondents. Specifically, the Court should direct LaRose and Target (in its capacity as an importer) to adopt within six months a quality control program with the following components:

- a) A Director of Quality Control (or a similar title) whose responsibilities include supervising quality control in overseas manufacturing operations; and evaluating vendors and sub-vendors, including those who provide components and raw materials;
- b) A requirement that vendors of finished products obtain components and raw materials from pre-approved suppliers and test samples of incoming components and raw materials;
- c) A testing program pursuant to which the importer or a third-party, but not the manufacturer, randomly selects the toys to be tested for compliance with the permissible lead limit by a CPSC-accepted laboratory;
- d) Unannounced quality control audits of vendors;
- e) Timely issuance of certificates of compliance in accordance with 15 U.S.C. § 2063;
- f) A written quality control manual that includes all of the above elements (a)–(e).

These requirements are tailored to address the deficiencies in LaRose's and Target's practices that the Attorney General found in her investigation. One deficiency is that LaRose's manufacturers chose the Kits that were tested for compliance with federal regulations. While the Kits chosen by LaRose's manufacturer passed, every single subsequent, randomly chosen Kit failed. Indeed,

the Attorney General tested Kits that had been manufactured on the same day as the ones LaRose initially tested, but while the LaRose Kits passed, the Attorney General's Kits failed. These facts support directing the importer or a third-party (such as the testing laboratory) to select the toys to be tested, rather than allowing the manufacturer to choose. Obtaining components and raw materials from pre-approved suppliers and testing samples of those components and raw materials before they go into finished products provide an additional layer of safety, as do unannounced quality control audits of vendors.

Similarly, testimony from a LaRose employee revealed that LaRose did not timely create the certificates of compliance required under 15 U.S.C. § 2063. The statute states that certificates "shall accompany the applicable product or shipment of products covered by the same certificate and a copy of the certificate shall be furnished to each distributor or retailer of the product." 15 U.S.C. § 2063(g)(3). LaRose, however, did not create the certificate until it was requested by the customer. *Daddea Tr.* 109–10.

Testimony from LaRose also indicated that at the time the Kits were being manufactured and imported, the summer and fall of 2015, LaRose did not have a director of quality control or a written quality control manual. *Daddea Tr.* 52–55, 76. Written quality control procedures and requiring a manager to be responsible for implementing those procedures are likewise requirements designed to ensure that employees and vendors are familiar with and follow the applicable product safety requirements.

The Court should also direct Walmart and Target (in its capacity as a retailer) each to:

- a. Confirm that a valid certificate of compliance exists for each toy it receives from an importer for sale in New York;
- b. Within 90 days of this Court's order, engage an outside auditor to develop and implement a program to randomly select three percent of the toys it receives from an importer for sale in New York to be tested for lead by a CPSC-approved laboratory. Such testing will be done during the retailers' four highest sales periods per year. The retailers shall provide the testing results to the Attorney General's office; and
- c. Maintain the above testing program in (b) for a period of three years.


These measures will require Walmart and Target to confirm that the toys they sell in New York are safe for children.

CONCLUSION

For the reasons set forth in this memorandum, the Court should make a summary determination in the State's favor and grant injunctive relief and civil penalties.

Dated: December 13, 2018
New York, New York

BARBARA D. UNDERWOOD
Attorney General of the State of New York
Attorney for Plaintiffs


By: 
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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

THE PEOPLE OF THE STATE OF NEW YORK,	:	
by BARBARA UNDERWOOD, Attorney General	:	
of the State of New York,	:	
	:	Index No. 907519-18
Petitioners,	:	RJI No. 01-18-130331
	:	Assigned Judge: Richard Platkin
- against -	:	
	:	<u>WORD COUNT</u>
TARGET CORPORATION, WALMART INC.,	:	<u>CERTIFICATION</u>
and LAROSE INDUSTRIES LLC,	:	
	:	
Respondents.	:	

Channing Wistar-Jones, an attorney in the Office of the Attorney General of the State of New York, hereby certifies that according to the word count feature of the word processing program used to prepare the Memorandum of Law in Support Verified Petition, the memorandum contains 6,928 words and complies with Rule 17 of the Rules of the Commercial Division.

Dated: December 13, 2018
New York, New York


Channing Wistar-Jones
Assistant Attorney General
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New York, New York 10005
212-416-8082

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

-----X
THE PEOPLE OF THE STATE OF NEW YORK,
by BARBARA D. UNDERWOOD, Attorney
General of the State of New York,

AFFIDAVIT OF JODI FELD

Petitioners,

- against -

INDEX NO. 907519-18
RJI NO. 01-18-130331

TARGET CORPORATION, WALMART INC., and
LAROSE INDUSTRIES LLC,

Assigned Judge:
Richard Platkin

Respondents.

-----X

State of New York

ss.:

County of New York

Jodi Feld, being duly sworn deposes and says:

I. Background and Credentials

1. I am the Chief Environmental Scientist in the New York City office of the State of New York Office of the Attorney General’s (Attorney General) Environmental Protection Bureau. My responsibilities include the conduct of research and scientific analysis to support the office’s litigation, legislative initiatives, and policy positions. I also review and analyze legal and scientific documents, and prepare scientific reports and supervise other Attorney General scientists who conduct similar activities.

2. I received a Bachelor of Arts degree in Environmental Science from the State University of New York at Binghamton and a Master of Science degree in

Water Resources Management from the University of Wisconsin at Madison.

3. I submit this affidavit in support of the Attorney General's verified petition for injunctive relief and penalties against the respondents for importing, distributing, selling, and holding for sale toys that contain more than the 100 part per million (ppm) of lead permitted by law (permissible lead limit). This affidavit is based on my personal knowledge and my review of the files maintained by the Attorney General.

II. The Attorney General's Purchase and Analysis of Cra-Z-Art Cra-Z-Jewelz Gem Creations Kits

4. Lead is a potent toxin that, among other harms, can impair neurological development and physical growth in children. Even low levels of lead in children's bloodstream can result in behavior and learning problems, lower IQ, hyperactivity, slowed growth, hearing problems and anemia. *See, e.g.,* <https://www.epa.gov/lead/learn-about-lead#>.

5. In 2015, the Attorney General began an investigation into lead in children's toys. As part of that investigation, the Attorney General purchased and analyzed Cra-Z-Jewelz Gem Creations kits (Kits), which were imported and distributed by LaRose Industries LLC (LaRose), from the retailers Target, Kmart and Toys "R" Us, among others. The Kits that Target sold were labeled My Look Ultimate Gem Machine (My Look Base Kits). *See* Transcript of hearing of June Daddea, March 8, 2017 (Daddea Tr.) at 36:5.¹ Other retailers sold kits that were

¹ A complete copy of the Daddea transcript is included as Exhibit A in the Appendix accompanying the Verified Petition.

labeled Shimmer 'n Sparkle Ultimate Gem Machine (Shimmer 'n Sparkle Base Kits), which were materially identical to the My Look Base Kits.

6. Each Base Kit contained a component which LaRose refers to as a “slider bracelet” (some of the test results refer to this component as a “band,” “strap,” “tan material” or other similar designations), which is a plastic, fake leather band that resembled a watchband, with holes and a buckle. Each slider bracelet had a tan underside that lies next to the child’s skin, and a colored material on the top side. The child could attach colored “gems” to the slider bracelet to create a “jewelry” item.

7. LaRose also imported the Shimmer 'n Sparkle Gem Charm and Slider Bracelets (Refill Kits) which supplemented the Base Kits with four additional slider bracelets and additional gems. The Attorney General found and purchased the Refill Kits only from Toys “R” Us.

Target

8. On October 15, 2015, I visited the Target store located at 999 Corporate Drive, Westbury, NY 11590 and purchased a My Look Base Kit having UPC Code 884920466340 and Batch # BCH006213A10-0715. The Kit was held and displayed for sale in the toy section of the store.

9. On February 8, 2016, at my request, staff in the Attorney General’s Buffalo regional office purchased another My Look Base Kit at the Target located at 2626 Delaware Avenue, Buffalo, NY 14216, having UPC Code 884920466340 and Batch # BCHTAR741A28-1015. *See* Affidavit of Jennifer Nalbhone dated December

5, 2018 at ¶5. (Nalbone Aff.).

10. On February 10, 2016, at my request, an intern in the Attorney General's Syracuse Regional Office purchased another My Look Base Kit at the Target located at 340 Towne Drive, Fayetteville, NY 13066, having UPC Code 884920466340 and Batch # BCHTAR742A28-1015.

11. On February 21, 2017, Target, in response to a request of from Yueh-Ru Chu, an attorney in the Attorney General's Environmental Protection Bureau, sent 20 additional My Look Base Kits to the Attorney General from Target store inventories in New York.

Kmart

12. On November 17, 2015, I visited the Kmart store at One Penn Plaza, NY 10119 and purchased a Shimmer 'n Sparkle Base Kit having UPC Code 884920174504 and Batch # BCH006178A13-0715. The Kit was held and displayed for sale in the toy section of the store.

13. On February 8, 2016, at my request, staff in the Attorney General's Buffalo regional office purchased another Shimmer 'n Sparkle Base Kit at the Kmart located at 2055 Walden Avenue, Cheektowaga, NY 14225 having UPC Code 884920174504 and Batch # BCH006178A13-0715. *See* Nalbone Aff. at ¶6.

14. On February 10, 2016, at my request an intern in the Attorney General's Syracuse Regional Office, purchased another Shimmer 'n Sparkle Base Kit at the Kmart located at 8007 Oswego Road, Liverpool, NY 13090 having UPC Code 884920174504 and Batch # BCH006178A13-0715.

Toys “R” Us

15. On November 13, 2015, I visited the Toys “R” Us store at 117 Old Country Road, Carle Place, NY 11514 and purchased a Shimmer ’n Sparkle Base Kit having UPC Code 884920174504 and Batch # BCH006178A13-0715.

16. On November 13, 2015, I visited the Toys “R” Us store at 117 Old Country Road, Carle Place, NY 11514 and purchased a Shimmer ’n Sparkle Refill Kit having UPC Code 884920174849 and Batch # BCH006431A28-0715.

17. On February 14, 2016, at my request, an intern in the Attorney General’s Syracuse Regional Office purchased another Shimmer ’n Sparkle Refill Kit at the Toys “R” Us located at 4155 NY-31 Great Northern Mall, Clay, NY 13041 having UPC Code 884920174849 and Batch # BCH006254A10-0815.

18. On February 8, 2016, at my request, staff in the Attorney General’s Buffalo regional office purchased another Shimmer ’n Sparkle Base Kit at the Toys “R” Us located at 3030 Sheridan Drive, Amherst, NY 14226 having UPC Code 884920174504 and Batch # BCH006431A28-0815. *See* Nalbone Aff. at ¶7.

19. All Kits were securely stored at our offices located at 120 Broadway, New York, NY 10271 until they were sent to a testing lab for analysis for compliance with the Consumer Product Safety Act requirement for lead in substrate, which specifies a permissible lead limit of 100 parts per million (ppm).²

² *See* 15 U.S.C. § 1278a(a)(2)(C); 16 C.F.R. §§ 1200.2, 1500.91(a); 76 Fed. Reg. 44,463 (July 26, 2011) (permissible lead limit).

III. Analysis of Kits by the Attorney General

20. I sent all Kits to be tested to ANSECO Group, LLC, located at 4455 Genesee Street, Buffalo, NY 14225 (ANSECO). ANSECO is accepted by the federal Consumer Product Safety Commission (CPSC) to test for lead in children's products. See <https://www.cpsc.gov/cgi-bin/labsearch> (listing CPSC-accepted testing laboratories).

21. ANSECO tested the jewelry-making slider bracelets in each Kit for compliance with the permissible lead limit. The tan underside of every slider bracelet in the 23 Kits obtained from Target, the 3 Kits obtained from Kmart and the 4 Kits obtained from Toys "R" Us contained lead in excess of the 100 ppm permissible lead limit. A table summarizing all of the ANSECO test results is included as Exhibit B in the Appendix. The ANSECO analytical reports, identified by Bates numbers OAG 000001 to OAG 000036, were produced to the respondents by the Attorney General and are included as Exhibit C in the Appendix.

IV. Analysis of Kits by LaRose and CPSC

22. In April 2016, the Attorney General notified CPSC, LaRose, and the retailers named here as respondents, as well as Kmart and Toys "R" Us, of the lead testing results discussed above. In response, LaRose tested 12 additional Base and Refill Kits (14 observations of the tan material on the underside of the slider bracelets) for compliance with the permissible lead limit and reported the results to CPSC. SGS North America Inc., located at 291 Fairfield Ave, Fairfield, NJ 07004 (SGS), a CPSC-accepted testing lab, conducted the testing for LaRose.

23. Every slider bracelet tested by SGS on behalf of LaRose contained lead in excess of the 100 ppm permissible lead limit.³ A table summarizing all of the SGS test results is included as Exhibit D in the Appendix. The SGS analytical reports, which were produced by LaRose and identified by Bates numbers L000010 to L000017 and L000023 to L000044, are included as Exhibit E in the Appendix.

24. Furthermore, in April 2016, CPSC tested 3 additional Kits (7 observations) using X-Ray Fluorescence Spectroscopy. Again, every slider bracelet tested by CPSC contained lead in excess of the 100 ppm permissible lead limit. A table summarizing all of the CPSC test results is included as Exhibit F in the Appendix. The CPSC analytical reports, which were produced by LaRose and identified by Bates numbers L003786 to L003804, are included as Exhibit G in the Appendix.

V. LaRose's Consumer Product Safety Act Compliance Testing

25. LaRose provided the Attorney General with copies of analytical reports prepared by SGS Labs in Hong Kong on behalf of LaRose and Target, dated around the time LaRose and Target began importing the Kits. These documents, which were produced by LaRose and identified by Bates numbers L000069 to L00075, L000175-L000192, and L000302-L000313, are included as Exhibit H in the Appendix. Specifically, LaRose submitted one Shimmer 'n Sparkle Base Kit and, on

³ In addition, these SGS reports indicated that some of the Kits tested also had lead concentrations exceeding the permissible limit of 90 ppm for lead in paint/surface coatings. 15 U.S.C. § 1278a(f)(1). The Attorney General is not including this data in our analysis because we did not test for lead in paint/surface coatings.

Target's behalf, one My Look Base Kit, to be tested for compliance with the permissible lead limit as well as other CPSC safety requirements. The reports do not clearly indicate that SGS tested the tan underside of the slider bracelets except, possibly, as samples that were a composite of the tan and colored slider bracelet materials and/or other parts in the Kits. See Exhibit H at L000179, L00186, L000306 (referring to "Light brown foam sheet w/ light brown woven backing (Strap)", tested together with "White woven band w/ silvery plastic strip (Elastic band)" and/or "Dark pink surfaced white foam sheet w/ white mesh backing (Strap)").

26. LaRose also produced to the Attorney General a test report issued April 26, 2016 showing that MTS Hong Kong, another CPSC-accepted laboratory, tested the components of a Refill Kit for compliance with the permissible lead limit. This document, which was produced by LaRose and identified by Bates numbers L000003 to L000008, is also included in Exhibit H of the Appendix. It is unclear when or why LaRose had this Refill Kit tested. The test report indicates the "Date of Submission" as "Nov 25, 2015/Dec 17, 2015/Jan 19, 2016," and the "Test Performance Date" as "Nov 25, 2015- Apr 26, 2016." The results from this test report do not appear to have been used by LaRose in support of the CPSC-required compliance testing before importation, because it was not issued until after the Refill Kits had been imported. However, since the report indicates that testing was performed for the permissible lead limit, which is at issue here, we are including this test result in our analysis. The report does not clearly indicate that MTS tested

the tan underside of the slider bracelets except, possibly, as samples that were a composite of the tan and colored slider bracelet materials. *See* L000004, Exhibit H (referring to test items described as “Pink/Brown Printed Plastic (Strap)” and “Pink/Light Brown Printed Plastic (Strap)”).

27. LaRose and Target also produced documents to the Attorney General certifying the Kits’ compliance with federal consumer product safety requirements. These documents, which are identified by the Bates numbers L000018 to L000021 and TAR-FIG-0000251 to TAR-FIG-0000252, are included in Exhibit O in the Appendix. Exhibit O also includes an email produced by LaRose, identified by the Bates numbers L004060 to L00004061, that explains the date of issuance which appears on the LaRose certificate for the Shimmer ’n Sparkle Base Kits.

VI. The Number of Toys Attributable to Each Respondent

28. Based on documents produced by Target to the Attorney General in response to an Exec. Law § 63(12) subpoena, Target imported, distributed, sold, and/or held for sale at least 3397 Kits in New York from August 2015 to April 2016. These documents are identified by the Bates numbers shown in the table below and are included as Exhibit I in the Appendix. This number is broken down as follows:

	Description	Source
2528	Kits sold in NY stores and online to NY customers	TAR-SCU-00000004 (shipments to NY customers) TAR-SCU-00000008 (in-store sales in NY)
644	Kits remaining in Target distribution centers in NY as of March 2016, but not delivered to stores	TAR-SCU-00000013
225	Kits remaining in Target stores in NY as of April 2016, but not sold to customers	TAR-SCU-00000014
TOTAL 3397		

This 3397 total may undercount the total number of toys that Target imported, distributed, sold, and/or held for sale in New York, because it does not include Base Kits that may have been sent to a distribution center in New York, but sold or held for sale in a neighboring state. Documents that LaRose and Target submitted to the CPSC also indicated that Target was the importer of the above-counted My Look Kits. These documents are identified by the Bates numbers L003809 to L003812, and are included as Exhibit K in the Appendix. However, testimony provided to the Attorney General by a LaRose representative suggests that LaRose may have imported and/or distributed some of the My Look Kits for Target. *See* Daddea Tr. at 40:8-41:4. A document produced by LaRose to the Attorney General also indicates that LaRose distributed some of the My Look Kits to Target, though it is unclear who the importer of record was for these Kits. This

document is identified by Bates Number L000002 and is included as Exhibit J in the Appendix.

29. Based on documents produced by Walmart to the Attorney General in response to an Exec. Law § 63(12) subpoena, Walmart distributed, sold, and/or held for sale at least 1239 Base Kits in New York from October 9, 2015 to April 21, 2016. These documents are identified by the Bates numbers shown in the table below and are included as Exhibit L in the Appendix. This number is broken down as follows:

	Description	Source
1120	Kits sold in NY stores and online to NY customers	WM-2016010510C0000033 (shipments to NY customers) WM-2016010510C0000034 (in-store sales in NY)
119	Recalled from NY stores	WM-2016010510C0000048
TOTAL 1239		

This 1239 total may undercount the total number of toys that Walmart distributed, sold, or held for sale in New York because it does not include Base Kits that may have been sent to a distribution center in New York, but were sold or held for sale in a neighboring state. The above documents indicate that most of these Kits were Base Kits, with a small number of Refill Kits. All Kits sold by Walmart were branded “Shimmer ’n Sparkle.”

30. Based on documents produced by Kmart to the Attorney General in response to an Exec. Law § 63(12) subpoena, Kmart distributed, sold, and/or held for sale at least 427 Kits in New York from late 2015 to late April 2016. These

documents are identified by the Bates numbers shown in the table below and are included as Exhibit M in the Appendix. This number is broken down as follows:

	Description	Source
301	Kits sold in NY stores and shipments to NY customers	K000001 (in-store sales in NY) K000014 (shipments to NY customers)
126	Held in NY stores as of 4/21/16	Response to Request for Information
TOTAL 427		

This 427 total may undercount the total number of toys that Kmart distributed, sold, or held for sale in New York because it does not include Base Kits that may have been sent to a distribution center in New York, but were sold or held for sale in a neighboring state. All Kits sold by Kmart were Base Kits branded “Shimmer ’n Sparkle.”

31. Although Kmart Corporation filed for bankruptcy in October 2018 and therefore is not named as a respondent here, the number of toys it sold in New York is relevant for the purpose of determining the total number of toys imported and distributed by LaRose for sale in New York.

32. Based on documents produced by Toys “R” Us to the Attorney General in response to an Exec. Law § 63(12) subpoena, Toys “R” Us distributed, sold, and/or held for sale at least 5134 Kits in New York. These documents are identified by the Bates numbers shown in the table below and are included as Exhibit N in the Appendix. This number is broken down as follows:

	Description	Source
4689	Kits sold in NY stores and shipments to NY customers	TRU_000001
445	Kits remaining in NY stores on 4/22/16	TRU_000002
TOTAL 5134		

This 5134 total may undercount the total number of toys that Toys “R” Us distributed, sold, or held for sale in New York, in that it does not include additional Kits that may have been distributed in New York, but sold or held for sale in neighboring states. The above documents indicate that a majority of these Kits were Base Kits, with some Refill Kits. All Kits sold by Toys “R” Us were branded “Shimmer ’n Sparkle.”

33. Although Toys “R” Us filed for bankruptcy in September 2017 and therefore is not named as a respondent here, the number of toys it sold in New York is relevant for the purpose of determining the total number of toys imported and distributed by LaRose for sale in New York.

34. Based on the documents produced by the respondents, as well as Kmart and Toys “R” Us, to the Attorney General in response to Exec. Law § 63(12) subpoenas, LaRose imported and distributed at least 9296 Kits into New York. *See* Ex. J (L000002). This number is broken down as follows:

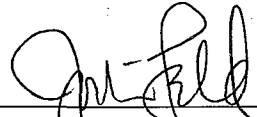
	Description	Source
6800	Shimmer 'n Sparkle Kits imported for sale in NY	Sum of all Kits sold and held for sale by Walmart, Kmart and Toys "R" Us (see above)
2496	My Look Kits distributed to Target distribution centers in NY	L000002 (note: each "unit" holds 4 toys)
TOTAL 9296		

This 9296 total undercounts the total number of toys imported by LaRose and distributed or sold in New York in that it does not include "Shimmer 'n Sparkle" Kits imported by LaRose and sold or held for sale by retailers in New York other than Walmart, Kmart, or Toys "R" Us; "Shimmer 'n Sparkle" Kits imported by LaRose and distributed, but not sold or held for sale, in New York; and "My Look" Kits imported and/or distributed by LaRose and sold or held for sale by Target in New York, but not distributed through a New York distribution center.

35. LaRose imported and distributed all Shimmer 'n Sparkle Kits sold or held for sale in New York. June Daddea, a LaRose employee, testified that LaRose acted as the importer of record for some of the My Look branded Kits, while Target was the importer of record for others. Daddea Tr. at 40:8-41:4; 41:20-42:11. Documents that LaRose and Target sent to CPSC indicate that Target was the importer for My Look Kits. See Exhibit K at L003811 and at TAR-MOR-0000173. For the purposes of this accounting, we have attributed to LaRose only those My

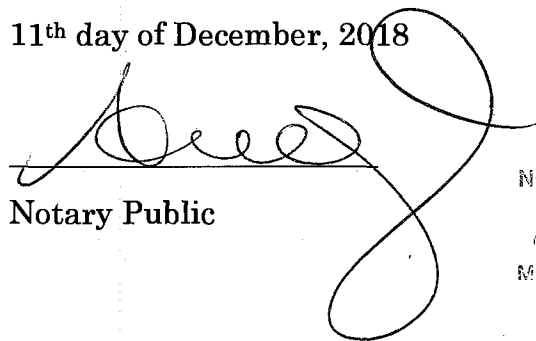
Look Kits that LaRose records clearly indicate it distributed to Target distribution centers in New York. See Exhibit J.

WHEREFORE, I respectfully request that the Court grant the relief sought.



JODI FELD

Sworn to before me this
11th day of December, 2018



Notary Public

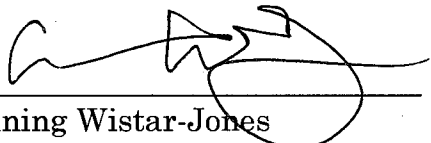
AMANDA M. MOODY
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MO6185665
Qualified in Westchester County
My Commission Expires 4-21-20

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

THE PEOPLE OF THE STATE OF NEW YORK,	:	
by BARBARA UNDERWOOD, Attorney General	:	
of the State of New York,	:	
	:	Index No. 907519-18
Petitioners,	:	RJI No. 01-18-130331
	:	Assigned Judge: Richard Platkin
- against -	:	
	:	<u>WORD COUNT</u>
TARGET CORPORATION, WALMART INC.,	:	<u>CERTIFICATION</u>
and LAROSE INDUSTRIES LLC,	:	
	:	
Respondents.	:	

Channing Wistar-Jones, an attorney in the Office of the Attorney General of the State of New York, hereby certifies that according to the word count feature of the word processing program used to prepare the Affidavit of Jodi Feld, the affidavit contains 3,277 words and complies with Rule 17 of the Rules of the Commercial Division.

Dated: December 13, 2018
New York, New York



Channing Wistar-Jones
Assistant Attorney General
Environmental Protection Bureau
28 Liberty Street, 19th Floor
New York, New York 10005
212-416-8082

Appendix to Feld Affidavit
EXHIBIT LIST

Bates numbers included where applicable

- A. Transcript of Testimony of June Daddea, March 8, 2017
- B. Summary of ANSECO Test Results
- C. ANSECO Test Results
 - OAG 000001 – OAG 000036
- D. Summary of SGS North America Test Results
- E. SGS North America Test Results
 - L000010 – L000017
 - L000023 – L000044
- F. Summary of CPSC Test Results
- G. CPSC Test Results
 - L003786 – L003804
- H. Results for Kits Submitted for Testing by Respondents Prior to Learning about Attorney General's Investigation
 - L000069 – L000075
 - L000175 – L000192
 - L000302 – L000313
 - L000003 – L000008
- I. Target Distribution, Sales, and Inventory Data
 - TAR-SCU-00000004*
 - TAR-SCU-00000008*
 - TAR-SCU-00000013 – TAR-SCU-00000016*
- J. LaRose Distribution Data
 - L000002*

K. Submissions by LaRose and Target to CPSC

- L003809 – L003812*
- TAR-MOR-0000173 – TAR-MOR-0000178*

L. Walmart Sales and Recall Data

- WM-2016010510C0000033*
- WM-2016010510C0000034*
- WM-2016010510C0000048*

M. Kmart Sales Data and Recall/Inventory Information

- Kmart_000001*
- Kmart_000014*
- Kmart Response to Attorney General's Requests for Information*

N. Toys "R" Us Sales and Inventory Data

- TRU_000001*
- TRU_000002*

O. LaRose and Target Certificates of Compliance

- L000018 – L000021
- L004060 – L004061*
- TAR-FIG-0000251 – TAR-FIG-0000252

* Withheld in public filing: As explained in the memorandum of law accompanying the verified petition, many documents were marked "Confidential" by respondents when they produced them to the Attorney General's office, although the office did not take a position on the documents' confidentiality at that time. In order to provide respondents with the opportunity to seek judicial intervention to prevent publication of these documents, we are withholding from public filing all documents marked "Confidential" except test results that were provided to the CPSC and certificates of compliance for the Kits. These documents are not confidential under Part 216 of the Uniform Court rules or Pub. Off. L. § 87(2)(d).

EXHIBIT A

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STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
ENVIRONMENTAL PROTECTION BUREAU

-----X

IN THE MATTER OF THE INVESTIGATION BY ERIC T.
SCHNEIDERMAN, ATTORNEY GENERAL OF THE STATE
OF NEW YORK OF

LAROSE TOYS

-----X

120 Broadway
New York, New York
March 8, 2017
10:45 a.m.

CONFIDENTIAL INVESTIGATION OF JUNE DADDEA, the
Witness, pursuant to Subpoena, taken at the above
place, date and time, before MARIA ACOCELLA, a
Notary Public within and for the State of New York.

1 A P P E A R A N C E S:

2

MOSES & SINGER, L.L.P.

3

Attorneys for LAROSE TOYS

and THE WITNESS

4

The Chrysler Building

405 Lexington Avenue

5

New York, New York 10174-1299

BY: ROBERT S. WOLF, ESQ.

6

ROBERT D. ARGEN, ESQ.

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8

9

10 STATE OF NEW YORK

11 OFFICE OF THE ATTORNEY GENERAL

12 ERIC T. SCHNEIDERMAN

13 120 Broadway - 26th Floor

14 New York, New York 10271-0332

15 BY: YUEH-RU CHU, ESQ.,

16 Assistant Attorney General

17 Environmental Protection Bureau

18

19

20 ALSO PRESENT: Jodi Feld, Chief Scientist, Office

21 of the Attorney General, Environmental Protection

22 Bureau,

23

24 Natalie Bump Vena, Volunteer Attorney, Office of

25 the Attorney General

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June Daddea

J U N E D A D D E A, the Witness herein,
having been first duly sworn by a Notary
Public within and for the State of New York,
was examined and testified as follows:

EXAMINATION BY

MR. CHU:

Q. Will you state your name and
business address for the record, please.

A. June Daddea, 1578 Sussex
Turnpike, Randolph, New Jersey 07869.

Q. Good morning, Ms. Daddea.

A. Good morning.

Q. Thanks for coming in.

A. You're welcome.

Q. So now you understand that you
have just taken an oath and sworn to tell the
truth.

And I am going to be asking you a
series of question if you don't understand my
question or you get distracted just let me
know and I will repeat my question. I want
to make sure you understand them. If I ask
you a question and you answer I will assume
that you understood my question. Also, I see

1 June Daddea

2 that you are nodding. But since the Court
3 Reporter can't transcribe your nods you just
4 need to verbalize your answers --

5 A. Yes.

6 Q. -- and say yes or no. If you
7 would like to take a break let me know. I
8 just ask that you answer any pending question
9 before you take that break.

10 A. Yes.

11 Q. Do you have any illness or
12 condition that prevents you from testifying
13 truthfully or accurately today?

14 A. No, I don't.

15 Q. Have you taken any medication or
16 anything else that might prevent you from
17 testifying truthfully and accurately today?

18 A. No.

19 Q. Is there any reason you are
20 unable to testify truthfully and accurately
21 today?

22 A. No.

23 Q. Ms. Daddea, how long have you
24 worked at LaRose?

25 A. I worked there for eight years.

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June Daddea

Q. And what is your current title?

A. Director of human resources and
administration.

Q. Thank you.

And you always held that position
in your at eight years at LaRose?

A. Yes.

Q. What are your responsibilities in
your current position?

A. My responsibilities are
everything relating to human resources and
other administrative areas such as some
finance areas, accounting, insurance.

Q. And what were your
responsibilities with regard to the recall of
Cra-Z-Art Shimmer and Sparkle Gem Machine and
Slider bracelets, if you had any?

A. Yes. I collected all of the --
well, as soon as we found out we learned
about the noncompliant product I notified our
attorney and then we discussed --

MR. WOLF: Let me stop you.

Don't share any communications with
counsel in your answer. Only if you can

1 June Daddea

2 confine your answers, if you can, if you
3 have difficulty you can ask to take a
4 break and I will discuss it with you.
5 To what you did in response but don't
6 include, you know, any communications
7 with counsel.

8 THE WITNESS: All right.

9 MR. WOLF: You can indicate that
10 you spoke with counsel.

11 Q. Right.

12 MR. WOLF: But don't go further
13 than that. And I know there is no
14 intention to try to trick you but
15 sometimes witnesses move in that
16 direction.

17 MS. CHU: Understood.

18 MR. WOLF: So, please.

19 A. I spoke with counsel. And then I
20 spoke with the upper management and we worked
21 together with the CPSE. And we decided to do
22 the recall and I collected the documents
23 whatever the CPSE required. I gathered that
24 information and then I send them a monthly
25 progress report and handled the

1 June Daddea
2 communications with the consumers. Guided
3 somebody actually to respond to them and what
4 to do with the product.

5 Q. Thank you, Ms. Daddea.

6 Now when you said you
7 communicated with counsel, do you mean
8 Mr. Wolf who is sitting here today or someone
9 else?

10 A. No, no. Mr. David Callet.

11 Q. And is Mr. Callet retained by
12 LaRose?

13 A. No.

14 Q. In any capacity?

15 A. No. We have used him before. We
16 are familiar with him because he works
17 closely with the CPSE.

18 MR. WOLF: I don't want you to be
19 confused when June says regularly
20 retained. I don't know if -- I don't
21 know if the question really meant that
22 is on permanent retainer.

23 THE WITNESS: That is what I
24 thought.

25 MR. WOLF: You can correct if me

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June Daddea

I am wrong. Generally counsel to the LaRose on matters like there.

THE WITNESS: Yes.

MS. CHU: Why don't I ask a different question.

MR. WOLF: That is fine.

Q. Does LaRose retain Mr. Callet to work with the company on recall issues?

A. Yes.

Q. Does LaRose use Mr. Callet on company business that is not related to recalls?

A. Yes.

Q. And what would those other areas be?

A. It was a -- there was a shipment that --

MR. WOLF: She means just general areas of why Mr. Callet's firm is used by the company.

A. Any time we have any questions with a product I will contact Mr. Callet.

Q. And is Mr. Callet on retainer with the firm to deal with questions of

1 June Daddea

2 recalls and other product questions as you
3 described them?

4 A. Well, when you say retainer we
5 don't --

6 Q. Do you pay him a standard fee
7 every month in return for --

8 A. No.

9 Q. Do you pay him per transaction?

10 A. Per case. Per transaction.

11 Q. So can you describe some of the
12 questions with products where you have
13 consulted Mr. Callet? Let's limit it to say
14 the last three to five years.

15 MR. WOLF: Don't share
16 communications.

17 MS. CHU: Mr. Wolf, I am just
18 asking her to describe generally her
19 questions. I am not asking her to tell
20 me how Mr. Callet responded to her.
21 Simply what was the issue that she went
22 to Mr. Callet for.

23 A. I believe it was -- it wasn't
24 that.

25 Q. You mentioned a shipment of

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June Daddea

something before?

A. Right. Right. There was a shipment that did not have certificate of compliance.

Q. Had the testing been done the underlying testing that is required?

A. Yes.

Q. Do you remember what toy was involved or product?

A. It was components of a girl's Lite Brix product.

Q. Has LaRose had problems like this before in addition to this particular shipment that you just described for me in the time you have been at the firm?

A. No.

Q. So, Ms. Daddea, you are aware that you are here today pursuant to a subpoena issued by the Attorney General's office?

A. Yes, I am.

MS. CHU: I am going to ask the Court Reporter to mark as Exhibit 1, a subpoena for production of documents and

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June Daddea

testimony issued by the People of the State of New York, the Office of the Attorney General. It's addressed to Lauren Rosen, CEO and it is dated -- it should be dated May -- yes, it is dated May 7th.

(Whereupon, a multipage document was received and marked as Exhibit 1 for identification, as of this date.)

Q. Ms. Daddea, the Court Reporter has handed you the subpoena which has been marked as Exhibit 1. If you can just take a few moments to look through it and let me know when you are done.

(Witness is perusing the exhibit.)

Q. Thank you, Ms. Daddea.

A. Okay.

Q. Have you ever seen this document before?

A. Yes, I have.

Q. And in what context?

A. It was given to me so that I knew what documents you required.

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June Daddea

Q. So were you the person who was in charge of collecting documents to respond to the subpoena?

A. I was.

Q. Did anyone help you?

A. Well, they did not help me collect the documents. They provided some documents to me. But I was the one that collected them to send to the attorney.

Q. Okay. Thank you very much, Ms. Daddea.

If you look at the subpoena on page seven, instruction 13 asks that an affidavit of compliance be provided. Did you fill out the affidavit of compliance or do you know if anyone at LaRose filled out that affidavit of compliance?

A. I don't remember filling this out.

Q. Okay. What is your relationship between LaRose and Cra-Z-Art Corporation?

A. Cra-Z-Art is a brand.

Q. And what is LaRose's business?

A. LaRose is an importer and

1 June Daddea

2 distributor of children arts and crafts and
3 activities and stationery products.

4 Q. Does LaRose itself manufacture
5 any products?

6 A. No, we don't.

7 Q. So you always have a contract
8 with an outside manufacture?

9 A. Yes, we do.

10 Q. Does LaRose develop or create any
11 of the toys or products that it distributes?

12 A. Yes.

13 Q. Can you take a guess as to the
14 percentage most of them, some of them, only a
15 few?

16 A. That we develop and create?

17 Q. Right.

18 A. I would say most of them.

19 Q. Okay. Thank you.

20 And are all of the manufacturers
21 the company deals with are they all overseas?

22 A. No.

23 Q. So are some domestic?

24 A. Yes.

25 Q. Can you give me a rough breakdown

1 June Daddea

2 as to what percentage of manufacturers are
3 overseas and what percentage are domestic?

4 A. So 90 percent overseas.

5 Q. Are there any particular toys
6 that are manufactured domestically? I am
7 just wondering if there is some particular
8 reason that it makes more sense to
9 manufacture a particular toy or line of toys,
10 children products that domestically rather
11 than overseas.

12 A. We have an easel.

13 Q. That is manufactured?

14 A. That is manufactured here.

15 MS. CHU: Now, if the Court
16 Reporter would just mark this document
17 which is called LaRose Industry, LLC
18 organization chart as Exhibit 2.

19 (Whereupon, a one-page document
20 was received and marked as Exhibit 2 for
21 identification, as of this date.)

22 Q. Ms. Daddea, does this
23 organization chart which I will represent to
24 you was provided to me by Mr. Wolf an
25 accurate representation of LaRose's structure

1 June Daddea

2 as far as positions and reporting structure?

3 A. Yes.

4 Q. Even if some of the names have
5 changed?

6 A. Yes.

7 Q. And have any of the names
8 changed? I don't know when this chart was --
9 as of what date it was created.

10 A. None of the names have changed.

11 Q. Are there more employees who are
12 below this last blue line of people?

13 A. Yes.

14 Q. About how many people overall
15 work for LaRose in Randolph? Did you say
16 Randolph?

17 A. In Randolph, New Jersey, yes.
18 We have approximately 50 people.

19 Q. Thank you.

20 Now, who on this chart, if
21 anyone, would be responsible for placing an
22 order to manufacture a particular toy or if
23 there is more than one person?

24 A. Placing the order?

25 Q. Yes.

1 June Daddea

2 A. Placing an order they are not on
3 this list. They would be the buyers.

4 Q. And if you were to add the buyers
5 onto this organization chart where would they
6 go?

7 A. They would fall under -- they
8 would still report to Nellie Mahabir.

9 Q. Okay.

10 A. They would just be on a lower
11 level.

12 Q. So would they report directly to
13 Ms. Mahabir --

14 A. Yes.

15 Q. -- or would they report to
16 someone else would then reports to
17 Ms. Mahabir?

18 A. No. They report directly to
19 Ms. Mahabir.

20 Q. And about how many buyers are
21 there?

22 A. Three.

23 Q. Now, do you have an office other
24 than the one in Randolph?

25 A. Yes, we do.

1 June Daddea

2 Q. And where is that office?

3 A. That is Fayette, Ohio, Fayette.

4 Q. And about how many people in
5 Fayette, Ohio?

6 A. Approximately 80 people.

7 Q. Is the office in Randolph the
8 corporate headquarters?

9 A. Yes.

10 Q. And what is the office in
11 Fayette, Ohio responsible for, what do they
12 do there?

13 A. Fayette, Ohio they manufacture
14 paint. Children's paint.

15 Q. To go with the easel?

16 A. To go with the easel, yes. And
17 they also manufacture the plastic bottles
18 that the --

19 Q. Paint goes in?

20 A. That the paint goes in.

21 Q. So is the Fayette office really a
22 manufacturing plant rather than an office,
23 per se?

24 A. Yes, it is.

25 Q. Does LaRose use any of the

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June Daddea

products that are manufactured in Fayette,
Ohio in any of the toys that it imports from
overseas?

A. I am not sure.

Q. Do you have an office in Hong
Kong?

A. Yes, we do.

Q. And how many people are in that
office?

A. Three people.

Q. And what are their names?

A. Alan Tam.

Q. Is that T-a-m?

A. T-a-m. Victor Pan, P-a-n. And
Kenny Chan, C-h-a-n.

Q. And what are the responsibilities
of the people you just named?

A. Alan overseas the Hong Kong
office and he will work with vendors make
sure they are shipping on time. He is the
liaison between our office and vendors. And
then Kenny and Victor are the QC people over
there.

Q. How long has Mr. Pan worked for

1 June Daddea

2 LaRose?

3 A. Approximately six years.

4 Q. And you said he is one of the QC
5 people by QC you mean quality control?

6 A. Yes.

7 Q. What is his training or
8 experience in QC?

9 A. He has worked in the toy industry
10 for many years.

11 Q. Do you know how long
12 approximately? It sounds like you mean he
13 worked in the toy industry before he came to
14 work for LaRose?

15 A. Oh, yes. Yes. I am not sure how
16 long.

17 Q. Do you know what his educational
18 background is?

19 A. No, I don't.

20 Q. Do you know if he has any
21 training in terms of courses with regard to
22 QC?

23 A. I am not aware of that.

24 Q. When you say you are not aware,
25 do you mean you don't know whether he has

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June Daddea

taken any courses?

A. I don't know.

Q. How about Mr. -- actually --

A. Chan.

Q. I was going to ask one for question about Mr. Pan. Do you know how old he is, approximately?

A. I would say mid forties.

Q. And Mr. Chan how long has he worked at LaRose?

A. He has worked the same amount of time about six years.

Q. Do you know what his education or training as in QC?

A. No, I don't.

Q. Do you know if he has a college degree?

A. I don't.

Q. Do you know if Mr. Pan has a college degree?

A. I don't know.

Q. Do you know what type of experience in QC Mr. Chan has?

A. Mr. Chan also has toy experience.

1 June Daddea

2 Q. Do you know how long he has
3 worked in the toy industry?

4 A. I don't know.

5 Q. Do you know about how old
6 Mr. Chan is?

7 A. The same. Around the same age
8 mid forties.

9 Q. And how about Mr. Tam, does he
10 oversee the QC process? I take that back.
11 Let me withdraw that question.

12 Does Mr. Tam have any QC
13 responsibilities?

14 A. No.

15 Q. Since only Mr. Pan and Mr. Chan
16 have QC responsibilities, do they have QC
17 responsibilities for all of your overseas
18 manufacturers?

19 A. Yes.

20 Q. Do you know do they work together
21 or do they each individually have QC
22 responsibilities with different
23 manufacturers?

24 A. They worked together.

25 Q. And so when you say Mr. Pan and

1 June Daddea

2 Mr. Chan have QC, what are the QC
3 responsibilities for specifically?

4 A. They are responsible for working
5 with the lab to make sure that the testing is
6 done and if they need further samples.

7 Q. One of them would go and get the
8 samples?

9 A. I am sorry?

10 Q. Do you mean that one of them
11 either Mr. Pan or Mr. Chan would go and get
12 the samples if more samples are needed?

13 A. They would tell the vendor to
14 send more samples.

15 Q. Do they have other QC
16 responsibilities?

17 A. Not that I am aware of.

18 Q. How does LaRose decide which
19 manufacturers to use to make its toys?

20 A. Well, they base it on the history
21 that we have had with the manufacturers and
22 we know what the manufacturers are capable of
23 producing.

24 Q. Do you have a list either an
25 informal list or formal list of preferred

1 June Daddea

2 manufacturers that you use?

3 A. I don't have a list.

4 Q. But does the company tend to use
5 the same group of manufacturers?

6 A. Yes.

7 Q. And is Fairland Toy one of those
8 manufacturers?

9 A. Yes, it is.

10 Q. And about how many others?

11 A. There are about 30 others.

12 Q. Who are the ones you use most
13 often, say the top three or so if there is a
14 top three?

15 A. Fairland Toy, Champion and
16 Runlong, R-u-n-l-o-n-g.

17 Q. Any others that you use very
18 frequently or the ones you use most often?

19 A. A company by the name of WTO. I
20 am sorry that is pencils. So I don't think
21 you really --

22 Q. Any of products that LaRose
23 imports.

24 A. We have a company Yudo, Y-u-d-o.

25 Q. Are all of these companies -- are

1 June Daddea

2 all of these manufacturers located in
3 mainland China?

4 A. Yes. Fairland Toy has an office
5 in Hong Kong but their factory is mainland
6 China.

7 Q. Let me be more specific then.
8 Do all of these companies of
9 factories in mainland China?

10 A. Yes.

11 Q. Do they also have offices in Hong
12 Kong?

13 A. Not all of them.

14 Q. Some of them?

15 A. Yes.

16 Q. Does Fairland have an office in
17 Hong Kong?

18 A. Yes.

19 Q. And how long has LaRose worked
20 with Fairland Toy?

21 A. Eight years.

22 Q. Okay.

23 MS. CHU: I am going to ask the
24 Court Reporter to mark for
25 identification as Exhibit 3 a Cra-Z-Art

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June Daddea

Shimmer and Sparkle Ultimate Gem
Machine.

(Whereupon, a toy was received
and marked as Exhibit 3 for
identification, as of this date.)

Q. As you can see we have many of
them but they all have individual numbers so
I am sure you can share.

So, Ms. Daddea, you are familiar
with this toy the Cra-Z-Art Shimmer and
Sparkle, I am just to call it the Gem
Machine?

A. Gem machine yes.

Q. And LaRose imported this toy, is
that right?

A. Yes.

Q. And Fairland manufactured this
toy?

A. Yes.

Q. Did LaRose design this toy?

A. Yes.

Can I consult with my attorney?

Q. Sure.

(Whereupon, the witness is

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June Daddea

conferring with Mr. Wolf.)

MR. WOLF: It is not necessarily designed by LaRose but LaRose -- and you can ask questions, has someone that invented this and that person designed it and they have a license. I don't know what agreements they have. It is an outside inventor I guess or designer.

THE WITNESS: Yes.

MR. WOLF: Who contracts with LaRose at least in this particular instance. And feel free to ask.

MS. CHU: So, Mr. Wolf, I appreciate your clarification. I understand we are trying to clarify things and move the whole proceeding along. But I would appreciate it if you would let Ms. Daddea testify since she is the witness here to testify. Just as a general I understand that you are simply trying to provide clarification in the most efficient way possible.

MR. WOLF: Thank you.

Q. So, Ms. Daddea, who at LaRose

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June Daddea

would have been responsible for producing this product on the United States side of things on the LaRose side before sending it to be manufactured?

A. Not producing.

MS. CHU: Why don't I withdraw that question.

Q. Can you describe for me the process by which LaRose had the gem machine manufactured.

A. Well, we had an inventor brought this gem machine, the gem maker to our attention. So we have a contract with that vendor.

Q. I see. Okay.

A. With the inventor. And he is paid royalties as a licensed product the concept of it. Then we in-house developed it further the coloring and the different components.

Q. I see. It is that development aspect that I want to ask you about now.

Who at LaRose worked on developing the product further prior to its

1 June Daddea

2 manufacturing?

3 A. That would be Parviz Daftavi, our
4 vice president of engineering and the product
5 manager, Dawn Gross, G-r-o-s-s.

6 Q. Is Ms. Gross on the --

7 A. No. No, she is not.

8 MR. WOLF: I only bring eager
9 cooperative witnesses.

10 MS. CHU: Mr. Wolf, I subpoena
11 more of witnesses.

12 Q. Who on the organizational chart
13 would Ms. Gross report to?

14 A. Nellie Mahabir.

15 Q. Would she report directly to
16 Ms. Mahabir?

17 A. Yes, she would.

18 Q. And so what exactly -- did
19 Ms. Gross have a team that worked with her or
20 reported to her? By team I mean anywhere
21 from one person to many more people.

22 A. She would use an outside
23 designing firm.

24 Q. What did Ms. Gross and her team,
25 I will just call them a team, how did they

1 June Daddea

2 further develop the product prior to having
3 it manufactured.

4 A. Well, they decided which arms to
5 use, bracelets, you know any of the
6 components. They put this together so that
7 it would be attractive. An attractive
8 product to consumers.

9 Q. And after Ms. Gross and her team
10 were satisfied that the product would be
11 attractive to I am guessing young girls who
12 like pink and purple, what is the next step?

13 A. Then it is brought to Fairland
14 Toy. We decide if Fairland Toy would be the
15 best vendor to manufacture this.

16 Q. And why did you decide Fairland
17 would be the best manufacturer?

18 A. I don't know that.

19 Q. And how does LaRose decide how
20 many of these to manufacture at least
21 initially?

22 A. Based on a forecast from our
23 retailers.

24 Q. So did you have particular
25 retailers in mind to whom you were going to

1 June Daddea

2 sell this product before you sent it to
3 Fairland?

4 A. Yes.

5 Q. And how did LaRose come to have
6 those retailers in mind, are there retailers
7 who you typically sold products to?

8 A. Yes. Yes. And we introduced --
9 when we have an idea like this we will
10 introduce it to the buyers and they will
11 express an interest.

12 Q. I see. So does the buyer get an
13 estimate of how many toys a particular
14 retailer would buy?

15 A. Yes.

16 Q. And is that estimate how LaRose
17 decides how many toys to have Fairland
18 manufacture?

19 A. Yes.

20 Q. Do you know how many toys LaRose
21 initially asked Fairland to manufacture?

22 A. I am not sure of the total that
23 we asked them to manufacture.

24 Q. Just so that we are both clear.
25 I am not asking you how many of these toys

1 June Daddea

2 were manufactured overall. But simply the
3 very first order that was placed for these
4 toys, do you know approximately how many?

5 A. 66,000 was the initial order.

6 Q. Do you know when that initial
7 order was placed?

8 A. Early 2015.

9 Q. Ms. Daddea, from the time the
10 factory starts manufacturing a toy, this toy
11 about how long does it take from the start of
12 manufacture to the toys actually arriving in
13 the United States to be distributed to
14 retailers?

15 A. That would depend on the
16 complexity of the product. And then the
17 transport time which would be a month.

18 Q. Is that typically how long it
19 takes to get from Hong Kong to --

20 A. From Hong Kong to this area, yes.
21 The east coast.

22 Q. You told me generally. How about
23 for the gem machine specifically about how
24 long would it take? Well, you told me it
25 takes about a month to ship the toy.

1 June Daddea

2 A. To ship it. Prior to that I can
3 only guess how long it would take.

4 Q. Since your guess would be far
5 more educated than mine why don't you just
6 take a guess. A range is fine two --

7 A. I would say a month.

8 Q. Now, Ms. Daddea, if you can take
9 a look at the bottom of this toy.

10 A. I am sorry?

11 Q. Bottom of the gem machine that
12 has been marked as Exhibit 3. I believe
13 there is a number here under the UPC that is
14 BCH006178A13-0715, is that right?

15 A. Yes.

16 Q. What does the BCH stand for?

17 A. That is the code for Fairland.
18 For the factory.

19 Q. And what does the rest of that
20 number mean?

21 A. 006178 is our purchase order
22 number to Fairland Toy. A, is the -- it was
23 manufactured on the first shift on July 13,
24 2015.

25 Q. Well, I never would have guessed

1 June Daddea

2 that.

3 MR. WOLF: Me either.

4 Q. You are the most knowledgeable
5 person in the room.

6 MR. WOLF: When they say a lot of
7 thought went into that I guess a lot of
8 thought did go into that.

9 Q. So the BCH will always stand for
10 Fairland?

11 A. Yes.

12 Q. And the six digit number after
13 that refers to the purchase order number?

14 A. Correct.

15 Q. Is that purchase order number in
16 any way related to a date?

17 A. No.

18 Q. It is a random collection of
19 numbers?

20 A. Sequential.

21 Q. Sequential. Otherwise random
22 collection of numbers?

23 A. Yes.

24 Q. What does first ship mean?

25 A. It was manufactured on Fairland

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June Daddea

-- during Fairland's first shift of the day.

Q. I see. Do you know about how many shifts Fairland has?

A. I don't know.

Q. I am guessing there are at least two if they distinguish between the first one and another one?

A. I would say so. They work around the clock over there.

Q. That is what I would have thought. Okay.

MR. WOLF: It is in one of those other boxes I am curious if it is sequentially if you have any other numbers.

Q. So is it possible that a toy could have the same purchase order number but then be manufactured on a different day?

A. Yes.

Q. Because the purchase order could for a very large number of toys --

A. Yes.

Q. -- that would require multiple days to manufacture?

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June Daddea

A. Yes.

MS. CHU: Well, as you can see we do have many other toys but now that Ms. Daddea has explained to us how to read these numbers this will be very quick.

May I ask the Court Reporter to mark this My Look Crazy Jewels -- actually, you know, I take that back.

I am going to ask the Court Reporter to mark this My Look Toy which is also a Cra-Z-Art Gem Creation Ultimate Gem Machine and just to distinguish from the other toy it has a blue sticker with the number 29 on it which is an internal Attorney General edification number.

(Whereupon, a toy was received and marked as Exhibit 4 for identification, as of this date.)

Q. So, Ms. Daddea, this toy the gem machine that we marked as Exhibit Number 4 is very similar to the gem machine we looked at before. But it says My Look up in the

1 June Daddea

2 corner.

3 And what is the significance of
4 the My Look on this toy?

5 A. My Look is a Target exclusive.

6 Q. Is this gem machine different in
7 any way from the shimmer and sparkle gem
8 machine?

9 A. No, it is not.

10 Q. So it is essentially the same toy
11 but it has a Target exclusive brand on it
12 which is My Look?

13 A. I am sorry?

14 Q. It is essentially the same toy
15 but it is branded My Look which is a Target
16 exclusive brand?

17 A. That is correct.

18 Q. So assuming then that you cannot
19 manufacture branded My Look Toys for anyone
20 else other than Target?

21 A. That is correct.

22 Q. When you manufacture the My Look
23 Toys, are they manufactured in their own lots
24 or production runs?

25 A. Yes.

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June Daddea

Q. And does Fairland manufacture the My Look Toys for LaRose?

A. Yes.

Q. The entire process none of it is outsourced?

A. Correct.

Q. So because of My Look Toys are separately branded are they produced in lots by themselves?

A. Yes. Now, when I say Fairland Toy manufactures the product and this is both My Look and the shimmer and sparkle Fairland Toy has some vendors that will make these components.

Q. I see. Thank you for that clarification.

I think what I was wondering is perhaps whether Fairland manufactured the toy and then someone else boxed it?

A. No. The Fairland boxed it, yes. They get the components. Fairland manufactured the gem maker. And they took that with the components and then they assembly it.

1 June Daddea

2 Q. And so they also manufacture the
3 differently branded box or especially Target
4 branded box and put the components in the
5 box?

6 A. Yes.

7 Q. So if you look at the bottom of
8 the box and now that, Ms. Daddea, now that
9 you have explained to us how to read these
10 mysterious numbers. So the BCH is again the
11 code for Fairland. I am going to take a leap
12 here the T-A-R for target?

13 A. No TAR on here.

14 Q. Oh, no. Then I have different
15 question.

16 So since this toy is branded My
17 Look it was obviously produced for Target?

18 A. Correct.

19 Q. Can you just read the numbers on
20 the bottom start the WCH and just walk us
21 through it again.

22 A. BCH006213A10-0715.

23 Q. So then again the 006213 is the
24 LaRose purchase order number?

25 A. Correct. A, is the first shift.

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June Daddea

And it was manufactured on July 10, 2015.

Q. Now I think there is also a lot number sticker on this toy, right?

A. I am not familiar with that. I see here 230715.

Q. Yes. Lot number (indicating).

So for the record, on the bottom of the Exhibit 4 there is a small white sticker that says lot number sign and then a number and that number again, Ms. Daddea, is?

A. I am not familiar with that number.

Q. But I am just asking you to read it to me.

A. I am sorry?

Q. I am just asking you to read it.

A. I am sorry. Lot number 230715.

Q. And so you just said you don't know what this lot number means?

A. I don't know.

Q. Is this something that Target may have put on the box based on you knowledge of the toy industry and how it works?

A. Could be.

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June Daddea

Q. Do you have any other educated guesses as to what this lot number sticker might mean? And again I understand you don't know. Since you know a lot more about the toy industry than I do.

A. No, I don't know.

Q. So now in the case of My Look Toys who would be the importer of record for the My Look Toys?

A. The importer of record would be either Target or LaRose.

Q. So either one of you, either LaRose or Target would be the importer of record?

A. Correct.

Q. Is there a particular -- is it generally LaRose or Target or is it random as to who --

A. For the My Look?

Q. For the My Look Toys specifically.

A. It is generally either one of us LaRose or Target.

Q. And how is that decision made as

1 June Daddea

2 to who will be the importer of record?

3 A. Target decides that. What they
4 want to import directly.

5 MS. CHU: I am going to ask the
6 Court Reporter to mark for
7 identification as Exhibit 5 My Look
8 Crazy Jewels Ultimate Gem Machine that
9 has an internal Attorney General number
10 of 129A.

11 (Whereupon, a toy was received
12 and marked as Exhibit 5 for
13 identification, as of this date.)

14 Q. Ms. Daddea, I actually just have
15 a few more questions about the Target and the
16 My Look Toys.

17 Was Target at all involved in the
18 manufacture of the My Look Toys?

19 A. No.

20 Q. LaRose arranges for the
21 manufacturing and it is just a question of
22 whether Target takes possession in Hong Kong
23 or the United States?

24 A. Correct.

25 Q. And is that the difference

1 June Daddea

2 between being the importer of record if you
3 were the importer of record and would take
4 possession of I assume a shipping container
5 or partial container of toys in Hong Kong
6 rather than the United States?

7 A. I am sorry, repeat that.

8 Q. If you are the importer of record
9 for the toys, the retailer would take
10 possession of the toys overseas?

11 A. Yes.

12 Q. Now, even though LaRose
13 manufactured the My Look Toys for Target, did
14 Target purchase any shimmer and sparkle gem
15 machines the non-Targeted branded toys from
16 LaRose?

17 A. No.

18 Q. So let's look at Exhibit 5. Now,
19 I think this one the bottom again the UPC
20 code so now this one should have a BCH TAR
21 number.

22 A. Yes.

23 Q. Does the TAR stand for Target?

24 A. Yes.

25 Q. And then the 741 is a purchase

June Daddea

1
2 number?

3 A. Yes.

4 Q. And then again the A is the first
5 shift?

6 A. The shift.

7 Q. And then the 28-1015 would mean
8 that it was manufactured on October 28, 2015?

9 A. Correct.

10 Q. You have given us the key to
11 deciphering these numbers.

12 Now how do you refer to all the
13 toys that have the same BCH number, is that a
14 lot, a batch, a run, you know, what is the
15 term for that in your industry?

16 A. It is referred to either as a
17 date code or a batch code.

18 Q. So all the toys that have the
19 same batch code would you just call that a
20 batch?

21 A. Yes.

22 MS. CHU: I am going to ask the
23 Court Reporter to mark for
24 identification a My Look Crazy Jewels
25 Ultimate Gem Machine which has an

1 June Daddea
2 internal Attorney General number of 134.
3 (Whereupon, a document was
4 received and marked as Exhibit 6 for
5 identification, as of this date.)

6 Q. So, Ms. Daddea, looking at the
7 bottom of this box you will see this one
8 doesn't have a batch code, right?

9 A. Correct.

10 Q. Do you know what happened to it?

11 A. No, I don't know.

12 Q. This is the one that got away.

13 A. I don't know why this doesn't
14 have a batch code.

15 Q. Just a factory error?

16 A. It could be or a printing error.

17 Q. Is the printing done at the
18 factory?

19 A. That I am not sure. I am not
20 sure of that.

21 Q. Is it possible that the toys are
22 definitely manufactured at Fairland. They
23 are put into a box and then the boxes are
24 sent somewhere else to have the batch code
25 printed on?

1 June Daddea

2 A. No. The boxes are preprinted.

3 Q. Oh, I see. I see. They are
4 preprinted somewhere else and come to the
5 factory?

6 MR. WOLF: Do you know?

7 A. Yes. They are preprinted
8 somewhere else.

9 Q. Do you know or do you have a
10 guess as to whether the absence of a batch
11 code on this toy is limited to only this toy
12 or whether there is a batch of toys without a
13 batch code?

14 A. I have no idea.

15 Q. Fair enough. You know how things
16 are supposed to work not necessarily why they
17 don't.

18 A. Yes. Things happen.

19 Q. They do.

20 MS. CHU: So I am going to ask
21 the Court Reporter to mark our next
22 document which is a two-page but
23 four-sided document. That has the
24 Cra-Z-Art logo at the top and says
25 vendor agreement.

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(Whereupon, a two-page double-sided document was received and marked as Exhibit 7 for identification, as of this date.)

MR. WOLF: Can we take a two-minute break after this question.

MS. CHU: Why don't we take a two-minute break now.

(Whereupon, a short recess was taken.)

Q. Ms. Daddea, if you can take a look at Exhibit 4 and 5 which I think are over here.

So, Ms. Dadde4a, can you take a look at Exhibit 4 and 5. These are both My Look Gem Machines, right?

A. Yes.

Q. But Exhibit 4 -- I am sorry, Exhibit 5 has a batch number that starts BCH TAR, the TAR is for Target. And Exhibit 4 has a BCH without the TAR for Target.

Although it was obviously manufactured for Target since it has My Look on it.

Do you know why that is?

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June Daddea

A. Well, the 6213 our purchase order to Fairland so, they manufactured this for us. And they knew that it should go into the My Look packaging this may have been a batch number and I don't like to speculate.

MR. WOLF: So don't.

THE WITNESS: All right.

Q. Well, I certainly don't want you to speculate.

Do you have an educated guess as to why it might have happened? And I will take your answering knowing full well that you don't know but you are just hypothesizing.

MR. WOLF: If you can.

A. We issued a purchase order to Fairland Toy.

Q. Right.

A. To send the components and the flat boxes to Randolph.

Q. I see.

A. And we would assembly it there and ship it directly to Target.

Q. Oh, I see. So, in other words,

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June Daddea

you would put the complete toy together
yourself --

A. Correct.

Q. -- in the United States?
Why would LaRose do that?

A. Time constraints.

Q. I see. To your knowledge, has
LaRose done this before not necessarily for
the My Look Toys but for any other toy?

A. I am not aware. I don't know.

Q. So now turning to Exhibit 7 which
we marked before the break. Did you have a
chance to review Exhibit 7 the vendor
agreement before the break, Ms. Daddea?

A. No.

Q. Well, if you can do that now and
then let me know when you are done.

A. Yes.

(Witness is perusing the
exhibit.)

MR. WOLF: Off the record.

(Discussion off the record.)

A. All right. I have read it.

Q. Thank you, Ms. Daddea.

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So are you familiar with this vendor agreement?

A. I have seen this recently. Prior to that I was not familiar with it.

Q. Do you know who drafted this vendor agreement?

A. I don't know.

Q. Do you know is this a standard vendor agreement that LaRose has with all of its vendors or is it specific to Fairland?

A. I don't know.

Q. This agreement is dated on page four May 12, 2010, is that when LaRose started working with Fairland?

A. No. We started prior to that.

Q. Do you know -- I am sorry?

A. I am sorry. We started with them 2009.

Q. Do you know whether LaRose and Fairland had a relationship without a contract or whether there was a contract that predates this one?

A. I don't know.

Q. Do you know about how often does

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June Daddea

Fairland manufacture toys for LaRose?

And just to clarify that a little more is Fairland almost always in the process of manufacturing a toy for LaRose or does Fairland just manufacture a few toys a year? I am trying to get a sense of how much work LaRose giving Fairland.

A. Fairland Toy almost always manufactures toys for LaRose.

Q. Do you know whether they at the same time manufacture toys for other companies or do you pretty much take up all of their available resources?

A. They do have other customers besides us.

Q. Do you know if LaRose is one of Fairland's major customers?

A. I don't know.

Q. So looking at page one of the vendor agreement you will see there are two boxes. The first box, second row from the bottom it says MFG ID number which I assume means manufacturing ID number.

What is the manufacturing ID

1 June Daddea

2 number?

3 A. I am not familiar with that
4 number.

5 Q. Do you know if it is a number
6 given out by some sort of government agency
7 or trade group?

8 A. I don't know.

9 Q. And then moving down to the
10 second box about halfway down there is a row
11 that says last audit by independent
12 organization and then in capital letters ITS.

13 Do you know what ITS stands for?

14 A. I don't know what ITS stands for
15 but I know that they audit factories.

16 Q. Okay. Do you know if it is a
17 governmental agency or some other
18 nongovernmental group?

19 A. That I don't know.

20 Q. Turning to page two of the vendor
21 agreement under product quality and safety
22 responsibility. The first line says

23 Cra-Z-Art Corp., considers that all of its
24 partner suppliers are responsible for
25 manufacturing products that conform to our

1 June Daddea

2 quality expectations and meet or exceed all
3 the regulatory safety requirements. And then
4 the very end of that paragraph refers to
5 quote a thorough understanding of the
6 applicable USA International safety
7 requirements. And then the last sentence of
8 the second paragraph says, therefore, the
9 partner suppliers are considered responsible
10 for manufacturing products to meet all of the
11 requirements.

12 So now who at LaRose is in charge
13 of ensuring that the manufacturer is capable
14 of meeting or exceeding all of the regulatory
15 safety requirements that are referred to here
16 in this vendor agreement?

17 A. At the time it would have been --
18 well past or present? Because we have had a
19 change.

20 Q. Well, why don't you just --

21 MR. WOLF: Wait you asked a
22 question that Yeuh-Ru was going to give
23 you an answer.

24 Q. What why don't you tell me what
25 it used to be and tell me what it is now.

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2 A. Used to be a gentle man by the
3 name of Uday, U-d-a-y, Patel, P-a-t-e-l.

4 Q. Was he based in Randolph?

5 A. Yes, he was.

6 Q. And did he have a position that
7 corresponds with the position on the
8 organization chart that is Exhibit 2?

9 A. No. Mr. Patel was a vice
10 president of costing and purchasing. And
11 Mr. Patel passed away last April. And since
12 then the only one here that replaces some of
13 his functions is Dennis Yung, Y-u-n-g, second
14 to the bottom row.

15 Q. Director of sourcing and
16 compliance.

17 A. Yes.

18 Q. So did Mr. Yung take over some of
19 Mr. Patel's duties as of last April?

20 A. Yes.

21 Q. What duties did he take over?

22 A. He took over the sourcing and the
23 compliance. Quality control.

24 Q. And so what were Mr. Patel's
25 duties with regard to sourcing and

1 June Daddea

2 compliance?

3 A. Mr. Patel visited China. He
4 would visit the vendors. Visit the factories
5 and talk to them. Determine which vendors
6 could produce our products. And he was in
7 charge of the testing. The Hong Kong QC
8 employees Victor Pan and Kenny Chan reported
9 to Uday. Now they report to Dennis.

10 Q. Okay. And are Mr. Yung's duties
11 the same as Mr. Patel's?

12 A. Relating -- regarding sourcing
13 and compliance, yes. But Mr. Patel did had
14 other duties.

15 Q. So Mr. Yung now also visits China
16 and visits the vendors, talks to the vendors,
17 decides which vendors can produce LaRose
18 products, is that right?

19 A. Yes. Yes. Mr. Yung spends more
20 time in China.

21 Q. Than Mr. Patel?

22 A. Than Mr. Patel did, yes.

23 Q. Do you know why he spends more
24 time there than his predecessor?

25 A. Well, because we are improving

1 June Daddea

2 and expanding our quality control team and
3 procedures. So now Mr. Yung will visit the
4 subvendors.

5 Q. I see. So that is one of the
6 ways in which LaRose is expanding its QC team
7 and procedures?

8 A. Oh, yes. Yes.

9 Q. And is it expanding its QC
10 procedures in other ways?

11 A. I am sorry?

12 Q. Is LaRose expanding its QC
13 procedures in other ways?

14 A. Yes.

15 Q. What are those? Can you describe
16 those for me?

17 A. Yes. Now what Mr. Yung has the
18 vendors doing is the vendors will send the
19 components or the samples let's say, the
20 samples to the lab directly. Prior to that
21 the vendors were sending the samples to the
22 Hong Kong office. Kenny and Victor would
23 then turn around and send it to the lab.
24 Vendors are sending it directly. And what
25 they are doing is Dennis is asking for a bill

1 June Daddea

2 of material for each product. In addition to
3 the subvendor, the name of the subvendor and
4 the vendor can only use subvendors that
5 Mr. Yung approves.

6 Q. So, in other words, the vendors
7 now have an approved subvendor?

8 A. They have an approved subvendor.

9 Q. An approved subvendor is one that
10 Mr. Yung has approved?

11 A. Correct.

12 Q. And what is a bill of materials?

13 A. A bill of materials is a list of
14 all the components. I call it a recipe card
15 it will have the list of every component that
16 is in here. They will send that to the lab
17 and then what they do they will send the
18 components preproduction they wouldn't wait
19 until they have the finished product they
20 will send them to the lab. If we don't have
21 all the components at one time they will send
22 two different batches of components. And
23 then they will send the packaging so that the
24 lab can test all of the requirements
25 according to the packaging called for that

1 June Daddea

2 product.

3 Q. The inks that have been used on
4 the packages?

5 A. Yes.

6 Q. When you said the lab tested the
7 components, does that mean the lab tests each
8 and every item in the box, for example, it
9 will test every components part in this gem
10 machine box?

11 A. Yes. Yes.

12 Q. I ask because I have looked
13 inside and there are many, many pieces in
14 this box.

15 A. Uh-huh.

16 Q. So you said Mr. Yung visits
17 subvendors. Vendors send samples to the lab
18 directly.

19 Are there any other changes that
20 LaRose has made?

21 A. Yes. We required our vendors to
22 -- the major vendors to get the, I believe it
23 is an XRF machine that will detect up to 16
24 metals. So we have -- there is one in place
25 at Fairland, Champion, Runlong and our own

1 June Daddea

2 factory in China.

3 Q. LaRose has its own factory in
4 China?

5 A. Yes.

6 Q. Is it just called LaRose?

7 A. No. It is Cra-Z-Art Dong,
8 D-o-n-g, Guan, G-u-a-n.

9 Q. And so it has an XRF machine and
10 what are the vendors supposed to do with the
11 XRF machine?

12 A. The vendors will test every
13 component coming into their factory for lead.
14 So everything runs through the XRF machine
15 first and then when they send it to the lab
16 it is tested again.

17 Q. I see.

18 A. Also what Dennis is doing is he
19 cross checks the machines. So he will take a
20 sample that Fairland has tested on their
21 machine. The inspector will take that
22 sample, bring it over to Champion, test it on
23 their machine possibly bring it to our
24 factory test it on our machine to make sure
25 all the machines are working properly.

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A. A few. Two or three.

Q. Is the idea that the inspectors will be dedicated to particular factories?

A. I don't know what Dennis has in mind.

Q. When did all of these changes go into place, approximately?

A. Dennis started -- he started working for the firm in May of 2016 shortly after that. I would say by the summer 2016 August maybe.

Q. Now, before the changes that you just described for me were instituted by Mr. Yung how did LaRose ensure that its vendors were able to meet and I am quoting here from the vendor agreement applicable USA and International safety requirements quote?

A. Uday Patel would visit them. He would inspect the factory. And also they go through this annual audit.

Q. Oh, I see. So is that every factory that LaRose contracts with goes through an annual audit?

A. Yes.

1 June Daddea

2 Q. So did Mr. Patel visit and
3 inspect Fairland's factory before LaRose
4 started placing orders to manufacture toys?

5 A. I believe he did.

6 Q. So looking again at page two of
7 the product quality safety responsibility
8 section. The first sentence of the fourth
9 paragraph says, quote Cra-Z-Art will usually
10 have local representatives frequently
11 visiting the partner supplier's factory
12 performing inspections during the production
13 processes and on finished goods.

14 So prior to Mr. Yung starting who
15 would inspect your factories or who would
16 inspect Fairland?

17 A. Well, we had the three
18 inspectors.

19 Q. Okay.

20 A. We had Al Johnson, Ken Wu, W-u,
21 and Alan Yeung, Y-e-u-n-g.

22 Q. And where are they based?

23 A. In our China factory.

24 Q. Your China factory?

25 A. Yes.

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Q. And are these the same inspectors who you referred to before one of whom will be assigned to just Fairland and one who will be assigned to North China?

A. Yes. I am sorry in addition to that we hired another inspector who is assigned to North China.

Q. Who is that?

A. That is George Gao, G-a-o. Now, Mr. Alan Yeung recently passed away.

Q. So now how long have these inspectors worked for LaRose? Let's start with Al Johnson.

A. I would say 2009. That is when we started selling.

Q. That is when you started selling toys, children's toys?

A. Yes.

Q. I thought LaRose had been selling children toys for much longer?

A. No. LaRose has only been in existence since 2008.

Q. Okay. So Mr. Johnson started in 2009. And Mr. Wu?

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June Daddea

A. Around the same period of time.
That is when we started up the factory.

Q. That is when you started the
factory, okay.

And Alan Yeung?

A. Same thing.

Q. Until he passed away?

A. Yes.

Q. Mr. Gao was just hired?

A. He was hired in last year 2016.

Q. What were their responsibilities
with respect to visiting let's focus on
Fairland?

A. I don't know the specifics.

Q. Do you know approximately how
many times a year they would visit Fairland
or was it every month or every week?

A. Oh, it was every week.

Q. And who was responsible for
Fairland which of these inspectors?

A. That was Johnson.

Q. Does is continue to be the
inspector who is dedicated to Fairland?

A. Yes. Now he is the sole

1 June Daddea
2 inspector for Fairland. He is there every
3 day.

4 Q. And do you know generally
5 speaking what he does when he is there every
6 day?

7 A. No, I don't. I know that he will
8 take production samples and run it through
9 the XRF machine and then that is when he will
10 spot check them and take them to another
11 factory test it on Champion's machine, our
12 machine. He also looks at the -- they keep a
13 report of components coming in and when they
14 are passed through the machine the readings.
15 So he reviews those readings.

16 Q. What is Mr. Johnson's background
17 in quality control?

18 A. I am sorry, I don't know.

19 Q. Do you know for Ken Wu?

20 A. I don't.

21 Q. Alan Yeung?

22 A. I don't know.

23 Q. George Gao?

24 A. He has a degree. A lot of
25 experience. But details I really don't know.

1 June Daddea

2 Q. Would you like some water,
3 Ms. Daddea?

4 A. Water that might be good.

5 Q. I am just going to look it over
6 to see if it makes sense to break now or
7 whether I can finish up.

8 Are you okay, Ms. Daddea?

9 A. Yes. Thank you.

10 Q. So going back to something you
11 testified before you said that LaRose now
12 essentially has a list of approved subvendors
13 which are approved by Mr. Yung, by Dennis
14 Yung?

15 A. Yes.

16 Q. Now, before Mr. Yung approved
17 your list of subvendors, did manufacturers
18 like Fairland have approved list of
19 subvendors or not?

20 A. No, they didn't.

21 Q. And so how were subvendors
22 chosen, was it just left up to the
23 manufacturer?

24 A. It was left up to the
25 manufacturer. And the manufacturer in many

1 June Daddea

2 cases used what they called a trading agent
3 who will go out and they will find the
4 subvendors.

5 Q. I see. And you said this entity
6 is called a trading agent?

7 A. Trading agent.

8 Q. So the trading agent is like a
9 broker who connects the manufacturer with a
10 subvendor of say component parts?

11 A. Yes. Uh-huh.

12 Q. And before Mr. Yung came on board
13 and implemented these various changes, did
14 manufacturers have a bill of materials?

15 A. No.

16 Q. And just so I am clear, it is the
17 subvendors who produces the bill of
18 materials?

19 A. No.

20 Q. Or the vendor?

21 A. The vendor.

22 Q. But it sounds like the bill of
23 materials has to be created based on
24 components that are provided by the
25 subvendor?

1 June Daddea

2 A. Correct.

3 Q. But it is the vendor who actually
4 creates the bill of materials?

5 A. They create the bill of
6 materials, yes.

7 Q. The bill of materials is a new
8 system?

9 A. Sending the bill of material with
10 the samples is a new system to the lab.

11 Q. I see. But creating the bill of
12 materials by itself is not new?

13 A. Correct. It is not -- that is
14 not new.

15 Q. So has Fairland always created a
16 bill of materials for its toys?

17 A. Yes.

18 Q. I just want to make sure I
19 understand that.

20 And it also sounds like XRF is a
21 new requirement?

22 A. Yes.

23 Q. Prior to Mr. Yung implementing
24 these new changes who would chose the samples
25 that got sent for testing?

1 June Daddea

2 A. The vendor.

3 Q. And how would they be sent to the
4 lab?

5 A. The vendor would send it to the
6 Hong Kong office. Who in turn would send it
7 to a lab.

8 Q. And did the Hong Kong office have
9 other responsibilities other than sending it
10 onto the lab, for example, were the samples
11 supposed to come in a sealed container and
12 the Hong Kong office had to make sure the
13 seals were not broken, anything like that?

14 A. No.

15 Q. Did the samples have to come inn
16 a sealed container?

17 A. I don't believe so.

18 Q. Prior to Mr. Johnson being
19 dedicated to Fairland, do you know how often
20 he would visit Fairland?

21 A. I don't know exactly how long.
22 It would be several times a week.

23 Q. Okay.

24 MS. CHU: It is 1:00 why don't we
25 take a break for lunch.

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June Daddea

(Whereupon, a lunch recess was taken.)

Q. So, Ms. Daddea, I just have a few follow-up questions for you this morning.

Could Fairland manufacture the shimmer and sparkle gem machine and the My Look Gem Machine on the same day?

A. Yes.

Q. And so then what would happen to each batch or lot of toys?

A. It would have the same date but different -- a different purchase order number.

Q. And then the My Look Toys would presumably have a BCH TAR number on them?

A. Yes.

Q. And then I assume they would then be boxed differently and the toys would come off the conveyor belt or whatever it is they come off and one group would be boxed in shimmer and sparkle box and one would be boxed in the My Look box?

A. Correct.

Q. So now changing subjects. Do you

1 June Daddea

2 know Mr. Yung's educational background?

3 A. I don't know what he holds a
4 degree in. But he does have a degree I
5 believe he has a masters.

6 Q. Do you know if it is in
7 engineering or industrial relations,
8 something like that?

9 A. I am sorry, I really don't
10 recall.

11 Q. That is okay.

12 Now, before we broke for lunch
13 you were describing for me the expanded I
14 will call it enhanced QA, QC procedures that
15 LaRose has put into place.

16 Are those enhanced procedures
17 written down anywhere? Are they memorialized
18 in the policy?

19 A. Yes, they will be. Dennis is
20 putting something together.

21 Q. QA, QC manual something like
22 that?

23 A. Yes.

24 Q. So now let's look at Exhibit 7,
25 which is the vendor agreement between the

1 June Daddea

2 LaRose and Fairland. And turning to page
3 three the first section is labeled quality
4 control. And the first sentence is the
5 factory must have a good QC organization.

6 Are you familiar with what
7 Fairland's QC organization was before the
8 changes that Dennis Yung has implemented?

9 A. I don't know everything about the
10 QC organization. But I do know that now they
11 have that machine. The XRF machine. And
12 they are testing every batch of components
13 that come into factory.

14 Q. The subject of testing the
15 components can you explain what you mean when
16 you say testing the components? I just want
17 to make sure that we don't mean different
18 things. In fact, why don't we get one of the
19 toys and you can explain what you mean by
20 component. I am going to show you Exhibit 6
21 which is the My Look Gem Machine it has an
22 internal ID number of 134.

23 A. All right. Well, from the
24 subvendor depending how it is packaged you
25 could have these straps, the bracelets, they

1 June Daddea

2 could come in individually wrapped I guess
3 like a plastic bag. Maybe there are three in
4 a plastic bag I don't know how they come into
5 the factory. But there would be a case of
6 them.

7 Q. I see.

8 A. So a case of maybe 500 of these
9 bracelets.

10 Q. I see. So I guess for the
11 record, we are looking at Exhibit 6 so there
12 is a purple looks like a watch strap on the
13 front strap with holes and a little buckle.

14 A. Oh, here yeah.

15 Q. And so you would get a case or
16 Fairland would get a case of 500 of those?

17 A. Uh-huh.

18 Q. In other words, the straps are
19 precut?

20 A. Yes.

21 Q. They are precut. The holes are
22 already in them and the buckles are already
23 on them?

24 A. Yes. Uh-huh.

25 Q. Fairland is not actually getting

1 June Daddea

2 a big sheet of material and cutting the
3 bracelets out of them?

4 A. Correct.

5 Q. And so what about these -- so in
6 other words, the subvendor is the one who is
7 getting a big sheet of material and then
8 cutting the bracelets?

9 A. Yes.

10 Q. Or otherwise creating the
11 bracelets however they do it?

12 A. Yes.

13 Q. So now on the front of the box
14 also these various metallic looking charms
15 with color gems in them, does Fairland make
16 those itself or do these little charms like
17 eight butterflies, for example, do they come
18 to the factory?

19 A. I am not sure about these in
20 particular. If they would be a component or
21 Fairland themselves would make it.

22 Q. Okay. Based on your knowledge of
23 Fairland, what is Fairland's manufacturing
24 capability can it make sort of these metallic
25 looking charms that we see on the front of

1 June Daddea

2 the box?

3 A. I believe they can. They have
4 the tooling. They can do plastic molding.

5 Q. Okay. So now when you say
6 components what do you mean by components
7 take the bracelet, for example, is a
8 component?

9 A. Correct. This necklace, like the
10 chain for the necklace.

11 Q. I see. The chain at the top that
12 has a little --

13 A. Yes.

14 Q. -- places where the child can
15 insert color gems?

16 A. Yes. And there are other silver
17 bracelets.

18 Q. Right.

19 A. On the side here. And possibly
20 even some of the or all of the charms and
21 gems. So they are all individual components.
22 I don't know which pieces Fairland may make
23 themselves or purchase from subvendors. But
24 any components that come in would be subject
25 to this machine. They run the case by the

1 June Daddea

2 machine.

3 Q. Okay. Thank you, Ms. Daddea.

4 If Fairland were to actually
5 manufacture, for example, the ring and the
6 necklace, the little butterfly charm then
7 what they what would be delivered to the
8 factory would be some sort of raw material?

9 A. That is correct.

10 Q. And then they would -- are these
11 played out of plastic, for example, the
12 butterfly, the ring and other charms that the
13 child can hang off the bracelets?

14 A. I am not sure what the component
15 is.

16 Q. Well, it doesn't actually matter
17 that much.

18 Whatever that is made out of that
19 raw material would be delivered to the
20 factory and then Fairland would create these
21 different pieces out of that raw material?

22 A. Yes.

23 Q. So it gets both -- it may get raw
24 materials and it may get parts, components
25 that do not then need to be made into

1 June Daddea

2 something else but are part -- but they are
 3 assembled as part of the whole toy at the
 4 end?

5 A. Yes.

6 Q. Thank you. I just wanted to make
 7 sure we are talking about the same thing.

8 And just so that I am clear, the
 9 procedure now is that Fairland will use the
 10 XRF machine on all component parts such as
 11 the bracelets as well as on any raw
 12 materials?

13 A. Yes.

14 Q. It will also put raw materials
 15 through the XRF machine to make sure that the
 16 material passes whatever relevant test
 17 before?

18 A. Yes.

19 Q. Before turning it into whatever
 20 the toy part is?

21 A. Yes. Any container coming into
 22 the plant.

23 Q. Got it.

24 So returning to the vendor
 25 agreement and the first paragraph, the second

1 June Daddea

2 sentence of the first paragraph, the factory
3 must have an adequate number of QC inspectors
4 in every production area and inspectors must
5 be properly trained.

6 Does that refer to the Fairland
7 inspectors or the LaRose inspectors?

8 A. Sounds as though here they are
9 referring to their own inspections.

10 Q. Do you know whether Fairland has
11 its own QC inspectors for inspecting?

12 A. I am sorry?

13 Q. Do you know whether Fairland has
14 its own QC inspectors for its factory?

15 A. I believe they do, yes.

16 Q. Do you know approximately how
17 many?

18 A. No, I don't.

19 Q. Do you know what kind of training
20 Fairland QC inspectors have?

21 A. No, I don't know.

22 Q. So the second paragraph refers to
23 control samples, what are control samples?

24 A. I don't know what they mean by
25 that by control samples. Must be readily

1 June Daddea

2 available in all areas of the factory. I
3 don't know what they could mean by that.

4 Q. Okay. Have you ever heard the
5 term control samples before?

6 A. No.

7 Q. This is the first time?

8 A. Yes.

9 Q. And this is the first time you
10 are hearing it not just with regard to
11 Fairland but in general?

12 A. In general.

13 Q. All right. Then going to the
14 third paragraph, the factory must perform
15 incoming QC for all components purchased from
16 outside prior to them being used online.

17 Do you know what Fairland
18 incoming QC was before the new protocols that
19 Mr. Yung has instituted?

20 A. No, I don't know.

21 Q. Do you know if there were any?

22 A. I don't know.

23 Q. In the last paragraph says, the
24 factory QC must keep records of inspected
25 slash rejected lots and must make the records

1 June Daddea

2 available to Cra-Z-Art upon request.

3 Do you know whether Fairland does
4 that keep records of inspected and rejected
5 lots before the protocol that Mr. Yung
6 instituted?

7 A. No, I don't know.

8 Q. Do you know whether they keep
9 records now after Mr. Yung instituted the new
10 protocols?

11 A. Well, I know that they have to
12 make their records available as to that XRF
13 machine. Testing all of the components. I
14 don't know the details about keeping lots
15 separate or on the records for the lots
16 separate for us.

17 Q. Do you know whether anyone from
18 LaRose ever asked to see the records of
19 inspected and rejected lots?

20 A. I don't know.

21 Q. Who at LaRose would have done
22 that would have requested records and
23 reviewed them?

24 A. That would have been one of our
25 inspectors. Johnson, Alan or Ken.

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Q. And you may have answered this question already. Do you know if they ever did, if they ever requested records to review?

A. I am not aware of that.

Q. Now the next section which is entitled final pre-shipment inspections. The first paragraph says, all merchandise is supplied to Cra-Z-Art by its vendors are subjected to a final pre-shipping inspection performed by authorized company inspectors.

Does company refer to LaRose?

A. Yes.

Q. And what is a final pre-shipping inspection?

A. One of our inspectors would have to go out and he would do a final inspection as required even on our purchase orders we would require that before they ship it.

Q. And what does the inspection consist of?

A. That I don't know.

Q. Does the inspector open random boxes and take out the toy and look at it or

1 June Daddea

2 something else?

3 A. I really don't know the details.

4 Q. Again, I apologize if I asked you
5 this already.

6 Do you remember when Fairland
7 started manufacturing the gem machine both
8 the shimmer and sparkle and the My Look when
9 it started manufacturing it was?

10 A. Would have been in the beginning
11 of 2015.

12 Q. Do you know when the toys were
13 first shipped to the U.S.?

14 A. August 2015. I am sorry, could
15 have been July. July or August 2015.

16 MS. CHU: I am going to ask the
17 Court Reporter to mark as Exhibit 8 a
18 one page document entitled Cra-Z-Art
19 Corp. testing sampling procedure.

20 (Whereupon, a one-page document
21 was received and marked as Exhibit 8 for
22 identification, as of this date.)

23 Q. Have you had a chance to look
24 this document over, Ms. Daddea?

25 (Witness is perusing the

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exhibit.)

A. I have never seen this before.

Q. Well, then you already answered my first question.

Based on your knowledge of LaRose and Fairland, do you know whether this a LaRose document or a Fairland document?

A. I wouldn't know.

Q. Could this be a document produced by LaRose for Fairland for Fairland's use?

A. It could be.

MR. WOLF: You finished with your answer?

THE WITNESS: Yes.

Q. Do you know who would know where this document came from and what its use is? What it is for?

A. Someone in our China office one of the inspectors may know.

Q. So when you say China office you mean the factory not the Hong Kong office?

A. Correct. The inspectors are based in China.

Q. So your mainland China office?

1 June Daddea

2 A. Mainland, yes.

3 Q. Do you think anyone in your Hong
4 Kong office might know anything about this
5 document?

6 A. I don't know.

7 Q. Okay.

8 So I am going to ask the Court
9 Reporter to mark the document which is
10 an e-mail bearing a three-page document
11 starting with Bates number L003389.

12 (Whereupon, a three-page document
13 was received and marked as Exhibit 9 for
14 identification, as of this date.)

15 Q. So if you can, Ms. Daddea, take a
16 few moments to look this over and let me know
17 when you are done.

18 (Witness is perusing the
19 exhibit.)

20 A. All right. I am finished.

21 Q. Have you ever seen this e-mail or
22 a draft of this e-mail before?

23 A. I have reviewed it. It was in
24 the -- when I was looking at some of the
25 documents it was in there.

1 June Daddea

2 Q. I see. So you have seen this
3 e-mail before?

4 A. Yes.

5 Q. Going on the first page 3389, the
6 second e-mail in this they had from David
7 Callet to Stephanie Symoffski (phonetic) and
8 then there is a paragraph with a bunch of
9 bullet points. And there is a second
10 paragraph with a bunch of circle bullet
11 points. The first circle say samples from
12 products from initial product runs are
13 submitted to accredited third-party for
14 product safety testing.

15 What was the initial product run
16 for the gem machine? How do you define
17 initial product run?

18 A. It would be samples from the
19 first product run.

20 Q. So how big was the first product
21 run for the gem machine?

22 A. I am not sure of the first
23 product run.

24 Q. Do you have an estimate say a
25 1,000, 5,000, 10,000?

1 June Daddea

2 A. No, that I don't.

3 Q. Would this be the 66,000 toys you
4 referred to this morning?

5 A. That would be the first purchase
6 order. But not necessarily the first
7 production run.

8 Q. Okay. What is a production run
9 just generally speaking?

10 A. Production run is the run for
11 that particular day and time. They set up
12 the production line with the components and
13 they run the batch through.

14 Q. And so that would be the very
15 first time that they create or assembly,
16 whatever verb you want to use, this toy?

17 A. Yes.

18 Q. And it is from that production
19 run that samples are taken to be tested?

20 A. Yes.

21 Q. Okay. Is there a typical size
22 for an initial production run?

23 A. I don't know. I am not aware of
24 that.

25 Q. And was it the case where the gem

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machine that LaRose took samples from the initial production run of the gem machine and took samples and submitted those samples for testing?

A. Taking the samples from the initial run?

Q. Yes.

A. And sending them to the lab?

Q. Yes.

A. Yes.

Q. Now, according to this e-mail from Mr. Callet the second circled bullet point asks the question, are new products tested more than once. This is the bottom of page 3389. And Mr. Callet answers, not normally. However, given the events that resulted in this product recall, LaRose enhanced its efforts and the answer goes on.

Is LaRose planning to test products more than once now?

A. Yes.

Q. And how often does LaRose intend to test products now?

A. Randomly our inspectors can go in

1 June Daddea

2 there and pull a sample.

3 Q. Do you have particular criteria
4 depending -- do you have a particular
5 criteria for how often that sampling should
6 be done?

7 A. No, I don't have that.

8 Q. Do you know if it is on a time
9 basis once a month, every six weeks?

10 A. I don't -- I am not sure. I
11 don't know what Dennis has set up yet.
12 Dennis is in the process of documenting
13 everything.

14 Q. Or it could be on a per toy like
15 every 1,000 toys or something?

16 A. It could be. It could be once a
17 week.

18 Q. But you just don't know what
19 criteria he is planning to --

20 A. I personally don't know.

21 Q. Now the top of page 3390 which is
22 the next page. The middle of the first line
23 a new sentence starts, LaRose has made it
24 clear to all of its vendors that they are
25 required to test and document every batch of

1 June Daddea

2 raw material components, packaging materials
3 and printing ink all are fully compliant with
4 all product safety standards and goes on to
5 list to describe some more changes that
6 LaRose is instituting.

7 Is Mr. Callet describing the
8 expanded QC procedures that you described to
9 me before we broke for lunch?

10 MR. WOLF: Can you repeat that
11 question again?

12 MS. CHU: Are the additional QC
13 procedures that Mr. Callet is describing
14 in his e-mail as specifically at the top
15 of page 3390, are those the same
16 procedures that Ms. Daddea was
17 describing before we broke for lunch?
18 Ms. Daddea, describe from what I recall
19 enhanced QA, QC that Mr. Yung is
20 implementing and will be implementing.

21 Q. And I wanted to know are those
22 the same procedure or do you think those are
23 the same procedures that Mr. Callet is
24 describing here in this e-mail?

25 A. Some of them are. All of our

1 June Daddea

2 vendors were aware that they had to be fully
3 compliant with all product safety standards
4 as was mentioned in this vendor agreement.

5 Q. Is there anything that Mr. Callet
6 is describing in this e-mail that you are
7 aware of that you have not already described
8 in terms of LaRose's enhanced QA, QC
9 procedures?

10 A. No, this is everything. This
11 doesn't include those on the XRF machine.

12 Q. Now, when Mr. Callet refers to
13 quote every batch of raw material components
14 unquote.

15 What is a batch? Is there is a
16 particular meaning to the term batch?

17 A. Well, batch is every time you
18 bring as I mentioned before they bring in a
19 case of components, that would be a batch.

20 Q. Okay.

21 A. If we run out of those components
22 bring in another carton of components that is
23 another batch.

24 Q. So whatever package of components
25 arrives, okay.

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MS. CHU: I am going to ask the Court Reporter to mark as Exhibit 10, a test report from SGS which starts with Bates number L003499.

(Whereupon, a multipage document was received and marked as Exhibit 10 for identification, as of this date.)

MR. WOLF: Off the record.

(Discussion off the record.)

A. All right. I have read it.

Q. First some general questions. To whom at LaRose are reports like this usually sent to?

A. They are sent to our chemist Daniel Khakshoor.

Q. Does Mr. Khakshoor always get a copy of tests like this?

A. He should.

Q. He is supposed to?

A. He is supposed to, yes. As well as Victor Pan and Kenny Chan.

Q. What are Mr. Khakshoor's responsibilities with respect to complying with the CPSA guidelines generally?

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A. He reviews every test report and if the item hasn't passed then he will instruct the QCs to submit another sample. Get another sample from the vendor and submit that.

Q. And what about Mr. Pan and Mr. Chan, what are their responsibilities with regard to complying with the United States safety guidelines or requirements?

A. They are just responsible for making sure that the testing is being done trying to get it done in a reasonable amount of time.

Q. Who picks the laboratory that the samples are sent to?

A. We pick the labs.

Q. Would that be Mr. Khakshoor?

A. That would be Mr. Khakshoor and Uday at the time.

Q. And so now would it be Mr. Yung?

A. Yes.

Q. And Mr. Khakshoor?

A. Now it is just Mr. Yung.

Q. Does Fairland -- do your

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manufacturers have any role in choosing the lab?

A. No.

Q. Have the manufacturers ever had a role in choosing which lab the samples are sent to?

A. Not that I am aware of.

Q. And how are the samples picked and sent to the lab?

A. The vendors will take the -- before they would take the samples from the production line send them to our Hong Kong office, who in turn would send them to the lab.

Q. And who decided how many samples they would take?

A. I believe it is our requirement that six samples are sent.

Q. Is that a LaRose policy for all your manufacturers that six samples are taken?

A. I believe it is.

Q. Now, looking at Exhibit 10, are you generally familiar with test reports like

1 June Daddea

2 this?

3 A. No. I am not generally familiar
4 with them.

5 Q. Have you ever seen them before?

6 A. I have seen them, yes.

7 Q. So now the first page says sample
8 receiving date August 3, 2015. I am guessing
9 that means that is the date that the lab got
10 the sample; is that correct?

11 A. Yes.

12 Q. So then testing period says
13 August 3, 2015 to September 14, 2015, what is
14 the testing period?

15 A. Well they were testing the
16 product from August from that -- during that
17 date range August 3, 2015 to September 14,
18 2015.

19 Q. So the lab needs several weeks
20 here to test the samples?

21 A. They took several weeks.

22 Q. They took several weeks they may
23 not need several but they took several?

24 A. Right.

25 Q. And who decides what particular

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tests the laboratory needs to perform?

A. Well, that would be again a part of our testing procedures which used to be required by Uday Patel. Now it is Dennis Yung. He is keeping basically the same procedures and again it is based on a Wal-Mart protocol.

Q. Mr. Patel he decided what tests would be done?

A. Yes.

Q. And that decision was based on the Wal-Mart protocol?

A. Yes.

Q. Do you happen to know some of the tests that were required?

A. Well definitely lead. Otherwise could be a drop test for certain toys to make sure they don't break and shatter. Small parts testing, you know, and then other chemical tests.

MR. WOLF: Excuse me, one second.

(Whereupon, Mr. Wolf is conferring with the witness.)

Q. Ms. Daddea, you had said just now

1 June Daddea

2 six samples are taken and tested, does that
3 mean the lab produces one report for each
4 sample so there should be six test reports?

5 A. I am not sure how that works.

6 Q. Looking at this test report which
7 is Exhibit 10, is there anyway to tell what
8 the batch number is for the toys that were
9 tested?

10 A. There is a sample photo on the
11 last page but it does not show the batch
12 number.

13 Q. Right.

14 A. There is no way of telling which
15 batch it came from.

16 Q. So how soon after whatever batch
17 of toys this sample this test report is for.
18 How soon after this testing could these toys
19 be on the shelves for sale in the United
20 States?

21 A. It would be the next day as long
22 as we know it passed.

23 Q. So you mean it could be ready for
24 sale on September 15th?

25 A. Well, the testing period is

1 June Daddea

2 August 3rd through September 14th. The test
3 report was finished on the 14th.

4 Q. I see. But are the toys still in
5 Hong Kong at that point or are they already
6 in the United States?

7 A. They could be here.

8 Q. Okay. Are toys shipped to the
9 United States before they are tested or
10 before LaRose gets the test results?

11 A. They could be.

12 Q. Is there a usual practice or
13 policy with regard to that?

14 A. No, no, no.

15 Q. So in other words, let's say this
16 test report is for samples that came from
17 batch one as soon as batch one rolled off the
18 factory floor they could be put into a
19 container and shipped to the United States
20 and while that is happening the samples are
21 sent to the lab to be tests? In other words,
22 these things happened simultaneously not
23 sequentially?

24 MR. WOLF: Is that a question?

25 MS. CHU: It is a question. It

1 June Daddea

2 is a long question.

3 MR. WOLF: Do you understand the
4 question?

5 THE WITNESS: I believe I do.

6 A. If the toy was --

7 MR. WOLF: Are they shipped
8 before the testing is --

9 Q. Before LaRose gets the tests
10 results.

11 MR. WOLF: Not hypothetically
12 before when could they be sold is
13 actually the question. Are they
14 actually shipped before, you know, out
15 of China or wherever they are before the
16 test results are received.

17 MS. CHU: Why don't I ask the
18 question one more time so we have a
19 clear record.

20 MR. WOLF: Only because your
21 first question which seemed to be a
22 hypothetical, when could they be sold
23 and she said the next day and then that
24 began a geographical question after. So
25 you said Hong Kong.

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MS. CHU: I believe I lost track of exactly what I asked. I think I should just ask it again.

MR. WOLF: Thank you very much. I appreciate it.

Q. So once a batch of toys is manufactured is it then -- actually let me rephrase that question.

Once the initial production run of toys is manufactured is it then immediately shipped to the United States before LaRose gets the test report?

A. No.

Q. When are those toys from the initial production run shipped to the United States?

A. Once we have word from the lab that it passed.

Q. So this test report is dated September 14, 2015 how soon after September 14, 2015 could the toys, the batch that is represented by this test result be sold in the United States? Be in the United States on shelves to be sold?

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2 A. Again, the test report was issued
3 on the 14th. But the testing period was
4 August 3rd through September 14th.

5 Q. Right.

6 A. So it is possible that we knew
7 that it passed before September 14th.

8 Q. Okay. But didn't you just tell
9 me that LaRose waits until it gets the test
10 results back before the toys ship?

11 A. Yes, the test results. Not the
12 physical report.

13 Q. Oh, I see. So are you saying
14 then at any point between August 3rd and
15 September 14th if LaRose found out that the
16 toys had passed they would say okay, you can
17 ship the toys?

18 A. Yes.

19 Q. Okay. Do you know when the toys
20 represented by this test report or the batch
21 of toys represented by this test report were,
22 in fact, shipped to the United States?

23 A. No, I don't know.

24 Q. About how long would it take from
25 whatever date?

1 June Daddea

2 MR. WOLF: How long once they say
3 ship them?

4 MS. CHU: Yes.

5 Q. Once they okay to ship those out
6 how long would it take for the toys to get to
7 the United States and then to a retailer's
8 shelves?

9 A. If it is shipped by air it would
10 be the next day. If it is shipped by vessel
11 to the east coast it would be 30 days. To
12 the west coast it would be two weeks.

13 Q. And do you know how long did it
14 take to manufacture the gem machine just the
15 manufacturing part of the process?

16 A. No, I don't know.

17 Q. Ms. Daddea, are you familiar
18 enough with these tests to be able to
19 identify where in the test it indicates that
20 the bands passed the relevant tests?

21 (Witness is perusing the
22 exhibit.)

23 MR. WOLF: After this answer I
24 would like to take a break.

25 MS. CHU: Yeah. I would like to

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2 keep it short since we started late.

3 MR. WOLF: Okay.

4 A. I can't identify that particular
5 band. They have different bands. Shiny
6 silver coating plastic that is the gem. Plus
7 dark pink coating on form sheet. That looks
8 like it is one of the gems.

9 (Witness is perusing the
10 exhibit.)

11 Q. Ms. Daddea, is it part of your
12 job responsibilities to review test results
13 such as Exhibit 10?

14 A. No.

15 Q. And I think you testified you
16 don't know where in the test report it
17 indicates that the band passed, are you
18 having a hard time doing?

19 A. I am sorry?

20 Q. You are having a hard time
21 finding where in the test report it shows
22 where the band passed?

23 A. Yes. Because I am not that
24 familiar with the test reports. I know they
25 list all of the components I am just trying

1 June Daddea

2 to match up.

3 Q. Okay.

4 A. Because they pull them apart.

5 Q. Right. Okay. Well if you are
6 not really familiar with the tests, if you
7 are not familiar with the test report then.
8 And you are looking because you are looking
9 not because you actually know --

10 A. Exactly.

11 Q. So you don't need to look any
12 more is what I am saying.

13 MS. CHU: So why don't we take a
14 five-minute break.

15 MR. WOLF: Sure.

16 MS. CHU: Be back at 3:25.

17 MR. WOLF: That is fine.

18 (Whereupon, a short recess was
19 taken.)

20 MS. CHU: So in an effort to make
21 things go a little faster I am going to
22 give the Court Reporter two documents to
23 marked. The first is a one page
24 two-sided document with the Bates stamp
25 L000018. And the second one is a

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another one page two-sided document with the Bates stamp L 000020.

(Whereupon, two documents were received and marked as Exhibits 11 and 12 for identification, as of this date.)

Q. Have you had a chance to look at these?

(Witness is perusing the exhibit.)

A. Yes, I have seen these.

Q. As part of your job responsibilities are you generally familiar with certificates of compliance?

A. I am familiar with them. Not part of my job responsibilities.

Q. But you are familiar with them?

A. Yes.

Q. Who prepares the certification of compliance?

A. Daniel Khakshoor.

Q. And can you describe how that process works?

A. Once he receives a test report from the lab he uploads that into our

1 June Daddea

2 database.

3 Q. And then what happens?

4 A. He can create the certificate of
5 compliance from that database.

6 Q. And do you know whether he
7 maintains these certificates of compliance in
8 hard copy?

9 A. I don't believe so.

10 Q. So he typically maintains the
11 certificates of compliance in digital format
12 as an electronic copy?

13 A. Yes.

14 Q. And do you know whether he
15 creates the certificate of compliance the day
16 -- does he give it the date of he gets the
17 test report or the date of test report?

18 A. No. He will create this when it
19 is requested by the customer.

20 Q. So look at Exhibit 11 which is
21 Bates stamp L000018, certification of
22 compliance up in the right-hand corner it
23 says date of issue 4/26/16. Now if you look
24 over on the flip side which is Bates stamped
25 000019, number six it says date and place

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2 where these products were tested for
3 compliance with the regulations stated above
4 date September 14, 2015. Gives a test report
5 and the place is Hong Kong, China.

6 Is the reason you just gave why
7 the test report is dated September 14, 2015
8 but the date of issue is April 26, 2016 which
9 is over seven months the date of issue of the
10 certificate of compliance is more than seven
11 months after the these test results and the
12 date on the test report?

13 A. Yes. This is the date that the
14 certificate was printed date of issue. So he
15 generated this.

16 Q. Okay. So before April 26, 2016
17 there was no certificate of compliance for
18 the particular toy covered by the
19 certificate?

20 A. Correct.

21 Q. If you can take a look at
22 Exhibit 12. So again, if you look at the
23 second side which has a Bates stamp of
24 L000021 it actually has three test report
25 dates. 8/21/15, 9/14/15 and then 12/5/15 but

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the date of is 5/12/2016 -- I am sorry
5/2/16.

So again, is the reason that the
date of issue of the certificate is
substantially after the first two test dates
that the certificate was not created by
Mr. Khakshoor until it was requested by a
customer or someone else?

A. Correct. Yes.

Q. And, in fact, on the first it
says L000020, small print underneath the
boxes some of which have X's it say GCC
provided on the item number 17450 tested on
9/14/15. And then item 46634 gem machine
tested on 8/21/15.

So again both of these toys were
tested significantly several months before
the date of issue of the certificate, is that
right?

A. Yes.

MS. CHU: So I am going to ask
the Court Reporter to mark a multipage
document. The top of which is a letter
from David P. Callet to the CPSC. It

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2 starts at Bates number L003815 and it
3 goes through L003912. And for the
4 record, the letter references various
5 test reports all of which are separately
6 stapled and annexed to the letter.

7 (Whereupon, a multipage document
8 was received and marked as Exhibit 13
9 for identification, as of this date.)

10 MS. CHU: You have done that
11 several times that is coaching the
12 witness. I am not sure that is proper
13 since it is pursuant to section 63 (12).
14 I think it is my understanding that the
15 witness actually isn't entitled to have
16 a lawyer present. If you can stop doing
17 that I would appreciate that.

18 MR. WOLF: Let the record reflect
19 there is no coaching going on here. You
20 didn't have a question pending. She has
21 counsel present, counsel is present for
22 a purpose to have the ability to consult
23 with a client and to advise the client.
24 That is my professional responsibility
25 not to just sit here as an observer. I

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2 am not interfering. I am not objecting.
3 She is answering every question. I
4 don't consult with her when there is a
5 question pending nor will I. I am
6 certainly entitled to consult with my
7 client. Obviously there is no coaching
8 going on. I don't even know what that
9 means. It sounds like it is improper
10 and I don't think you really meant that.
11 I am not here to interfere. We have
12 been fully cooperative and will remain
13 so. I am not here to disrupt nor do I
14 believe I have disrupted. To the extent
15 I said anything on the record I believe
16 it was just for clarification.

17 MS. CHU: I am not taking issue
18 with anything.

19 MR. WOLF: And I will only do
20 that for that purpose. But ultimately,
21 you know, and not for very long. But
22 enough said so...

23 I do it here so I don't have to
24 ask to take a break and lose time on the
25 record. I certainly can consult with

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her quietly before you ask your question.

Q. Ms. Daddea, can you please turn to the third page of the letter from Mr. Callet which is on the page that is Bates stamped L003817.

A. Right.

Q. Actually, the box I am thinking starts on the bottom of the previous page L003816. And this refers to the shimmer and sparkle Cra-Z-Art crazy jewel gem charm and slider bracelets. And over in test under the column that says test report number it says note this product is replace materials for the product number 884920174504 above and uses the same materials used in product number 884920174504. So I think that actually what Mr. Callet is indicating here in this letter is that the gem charm and slider bracelets were not actually separately tested on their own but yet the certification was, in fact, based on the test result for the gem machine the larger gem machine kit.

A. That is correct.

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2 Q. So in other words, when I asked
3 you before whether the certificate of
4 compliance with the Bates stamped L 000020
5 through 21, which is Exhibit 12 indicated
6 that the gem charm and slider bracelets were
7 based on tests the certificate was not
8 actually based on a test of the individual
9 charm and slider bracelet, is that right?
10 Rather it was based on tests of the gem
11 machine toy?

12 A. Correct.

13 Q. So in other words, the gem charm
14 and slider bracelets as a separate toy were
15 never actually tested or at least not back in
16 August or September of 2015?

17 A. They are the same components only
18 put into a separate box to be sold as refill.

19 Q. Okay. Thank you for clarifying
20 that. And while we are looking at Exhibit 13
21 can you tell me who at LaRose helped
22 Mr. Callet respond to this CPSC or help
23 Mr. Callet prepare this is 15B response to
24 the CPSC?

25 A. The 15B response? I am sorry,

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which one?

Q. That is Exhibit 13. The letter from David P. Callet that e-mail to section 15.

A. Oh, the initial report?

Q. Yes.

MR. WOLF: I am sorry for my clarification. The question who helped him prepare the letter or the entire submission from LaRose?

Q. The entire submission from LaRose who provided information to Mr. Callet so that he could prepare this response?

A. Both Daniel Khakshoor and myself.

Q. And what did -- what was Mr. Khakshoor's role, what aid did he provide?

A. He provided the test reports.

Q. Did he do anything else?

A. No.

Q. And what was your role, Ms. Daddea?

A. My role was to answer any other questions other than the test reports.

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June Daddea

Q. What were the general areas for which you provided information? What topics did you provide information?

A. That would be sales. Who we sold the product to the retailers. As well as the consumers. And gathering all of the data how many items we received. How many we sold to retailers. How many we all still have on hand.

Q. Thank you. Was there anything else?

A. No. No, not really.

Q. So looking again at his 15B report page L0038817 the second table it says in support of the record for the above listed products are as follows. And under My Look it says the import of record is Target Corporation.

So I believe you testified earlier that both Target and LaRose were importers of record for the toys branded My Look, do you know which one is accurate?

A. I don't know. I know Target imported this item but I believe we also

1 June Daddea

2 prepared some of them in our plant.

3 Initially they were supposed to be imported
4 by Target. We assembled some of them in our
5 plant.

6 Q. When you say our plant where is
7 the plant located?

8 A. In New Jersey.

9 Q. So if you assembled the toys in
10 New Jersey would LaRose have been the
11 importer of record?

12 A. Yes.

13 Q. But you were importing the
14 component parts?

15 A. Yes.

16 Q. Once they were assembled in the
17 United States then they would be sent to
18 Target?

19 A. Correct. But the finished
20 product was imported by Target.

21 Q. Okay. Thank you for clarifying
22 that. I am sure it all gets very confusing.

23 So only Target imported finished
24 products that were branded My Look?

25 A. Yes.

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June Daddea

Q. Does Target ever test -- did Target ever test the My Look Toys itself or does it always rely on LaRose for the testing?

A. I believe they may have tested it themselves when they were importing it.

Q. So in other words, Target may have tested the My Look branded toys in order to comply with the consumer product safety requirement for certificate of compliance?

A. Yes.

Q. Do you know that for sure?

A. No, I don't know.

MS. CHU: I am going to ask the Court Reporter to mark a two-page e-mail that has Bates stamp of L003584 to 3585.

(Whereupon, a two-page document was received and marked as Exhibit 14 for identification, as of this date.)

A. Oh, excuse me. If I may add a comment. I know you just mentioned before that about Target and that they would test based on CPSE requirements. That is actually how we test too. We say Wal-Mart protocol

1 June Daddea

2 but it is based on the requirements as
3 demanded by CPSC.

4 Q. Okay. Thank you for that
5 clarification.

6 A. So we are on the same page.

7 Q. Actually I am going to ask you
8 about a different e-mail 4060 first.

9 MR. WOLF: Put this one away.

10 MS. CHU: Yeah, put this one
11 down.

12 I am going to ask the Court
13 Reporter to please mark an e-mail which
14 is Bates stamped L004060 to 461 I think
15 we are up 15.

16 (Whereupon, a document was
17 received and marked as Exhibit 15 for
18 identification, as of this date.)

19 Q. Ms. Daddea, I have only one
20 simple question for you about this. Which is
21 in the body of the e-mail it says the third
22 paragraph middle of the second sentence it
23 says, Mr. Callet says the relevant timely
24 test was entered into LaRose records at the
25 time of the tests.

1 June Daddea

2 What does that mean exactly
3 relevant timely tested --

4 A. Our database.

5 Q. Told you it was a simple
6 question.

7 MR. WOLF: Back to 14?

8 MS. CHU: Actually I just have
9 some general questions.

10 Q. How did LaRose decide to test the
11 toys, test toys from the initial production
12 run? How did LaRose or whoever at LaRose
13 decided that toys would be tested just once
14 after the initial production run or the toys
15 would be -- the tested toys would be toys
16 from the initial production run?

17 A. That I don't know. Mr. Patel was
18 in charge of compliance then so I would
19 imagine it would be him.

20 Q. Do you know whether LaRose ever
21 changed the frequency of the testing for any
22 reason?

23 A. No, I am not aware of that.

24 Q. Do you know whether LaRose ever
25 changed frequency of testing because you, you

1 June Daddea

2 being the company not on you, personally
3 found out about a change in the manufacturing
4 process that might affect compliance at
5 LaRose?

6 A. I am not aware of that.

7 Q. Separate and apart from the XRF
8 machine you purchased prior to Mr. Yung newly
9 implemented protocol, did LaRose ever do any
10 independent testing of any toys?

11 A. I am not aware of that either.
12 That wasn't part of my regular
13 responsibilities.

14 Q. I understand. But since you work
15 there maybe you heard of something.

16 So do you know whether LaRose
17 independently tested either the gem machine
18 or the slider bracelet after the initial
19 production run?

20 A. I am not sure.

21 Q. Okay. You are not sure?

22 A. Well, I don't know.

23 Q. Do you know who would have made
24 the decision that the slider bracelets didn't
25 need to be separately tested?

1 June Daddea

2 A. I believe that -- let me rephrase
3 that. Because it is a component part of the
4 gem making kit it is the same item only in a
5 different box and it doesn't include the
6 machine. So I believe we are not required to
7 test that separately.

8 Q. So I understand the rationale but
9 what I am asking who would have made that
10 determination, would it have been Mr. Patel,
11 would it have been you?

12 A. It would have been Mr. Patel.

13 Q. So, Ms. Daddea, let me ask you
14 obviously the toys from the initial
15 production run passed their tests. And yet
16 many toys manufactured after that failed
17 tests. Including toys purchased by the
18 Attorney General's office. Toys purchased by
19 CPSC, how do you account for that happening?

20 A. We believe that it is because of
21 a batch of -- a new batch of component
22 bracelets that were brought into Fairland
23 factory that weren't tested. Fairland did
24 not inform us that there was a material
25 change because we would have retested it.

1 June Daddea

2 And Fairland may not have known that. And I
3 don't know if it came from the same subvendor
4 or not. Because Fairland was purchasing
5 through this trading agent.

6 Q. Now, all of these questions will
7 refer to the time before Mr. Yung implemented
8 any changes.

9 Did LaRose have a policy
10 regarding material changes that was
11 communicated to its vendors?

12 A. We did inform our vendors
13 that any material change must be given to us.
14 We must be informed.

15 Q. Was this in writing or orally by
16 one of your inspectors or QC people?

17 A. It may have been part of that
18 agreement that we have with that vendor
19 agreement.

20 Q. Okay. If we can look at the
21 vendor agreement then which I believe is
22 number seven. Could you just take a moment
23 and look through it and point out to me where
24 the material change policy is discussed.

25 (Witness is perusing the

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exhibit.)

A. I don't see any reference to that.

Q. Okay.

A. Inspectors make the quality checks according -- of the final product. In detail to assure conforming to control sample in quality. As well as the packing label -- doesn't say anything about reporting material change.

Q. So is it your testimony that the vendor agreement between Cra-Z-Art and Fairland does not contain any --

MR. PLAINTIFF: You can finish your question but the document speaks for itself.

Q. -- language about material change?

MR. WOLF: Before you answer. The document speaks for itself. Two, I believe that paragraph that she just read certainly refers to that to ensure conformity to a controlled sample. It is a new part that is coming in from a

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different vendor at a different time.
It is not conforming. I leave that for
you.

MS. CHU: Mr. Wolf, now you are
testifying. I believe she testified
earlier that she didn't know what
controlled samples are.

Q. Ms. Daddea, I believe I asked you
before but I will ask you again. What are
control samples?

A. I wasn't sure until now. I mean
I did not know what -- I would think of them
as a prototype. But here I guess they call
it a control sample which means this is what
the final finished product should look like
and that I guess they refer to as a control
sample. I refer to it as a prototype.

Q. And you said that you didn't
understand until now what has caused you now
to recall what a control sample is?

A. Well, because here they say
inspectors make quality checks according to
the final product in detail to assure
conformity to control sample which would be

1 June Daddea

2 the prototype.

3 Q. Okay. Now, is your testimony now
4 based on your reading of this vendor
5 agreement or your knowledge of what happens
6 in Fairland factory?

7 A. No. Based on reading this vendor
8 agreement.

9 Q. So let's go back to my original
10 question which is: How did LaRose
11 communicate to Fairland that it should notify
12 LaRose of any material changes?

13 A. That I don't know. That would
14 have been between Mr. Patel and the vendors.

15 Q. Do you know whether LaRose
16 communicated to Fairland that Fairland should
17 notify LaRose of any material changes such as
18 a change in the subvendor?

19 A. I don't know for sure.

20 Q. Do you know of any written policy
21 of any LaRose written policy that states that
22 a vendor should communicate any material
23 changes to LaRose?

24 A. I am not aware of any.

25 Q. So if Fairland did change

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subvendor how would LaRose find out about it?

MR. WOLF: Now or then?

MS. CHU: Before the new protocol was implemented by Mr. Yung.

A. They should have told us.

Q. I am sorry, go ahead.

A. They would have or they should have told us. And they had to be aware of it because I know that Mr. Patel was very -- he worked with them daily. I am sure he -- because on our purchase orders of every purchase order it says must conform to all federal and state regulations. Now our new purchase orders go more into detail.

Q. So in other words, the responsibility was on the vendor to let you know of something like a change in a subvendor?

A. Yes.

Q. When you say Mr. Patel worked with Fairland daily was he based here in the United States or in Hong Kong or mainland China?

MR. WOLF: Wait until the

1 June Daddea

2 question is finished.

3 A. He was based in the United
4 States. He worked constantly all day long by
5 phone and e-mail until late in the night.

6 Q. Well I am sure the 12-hour time
7 difference made his work schedule pretty
8 difficult?

9 A. Exactly.

10 Q. Is Mr. Yung, his successor also
11 based here in the United States?

12 A. He is based in the United States.
13 But he travels more often or frequently to
14 Hong Kong and China.

15 Q. Has LaRose ever recalled items
16 before?

17 A. Yes.

18 Q. And what items were those?

19 A. The first one was our Snoopy Snow
20 Cone that was 2013. And then in 2015 we had
21 the Snoopy Flying Ace Ride On Plane.

22 Q. Did it look like his doghouse?

23 A. Like his doghouse.

24 Q. He used to fly his doghouse?

25 A. The snow cone did. Not the

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flying plane, you know, little white plane.
Little wooden toy.

Q. Do you recall who manufactured
the snow cone?

A. Fairland Toy.

Q. And how about the flying ace?

A. Fairland Toy.

Q. And do you know why was the snow
cone recalled?

A. Snow cone maker was recalled due
to small parts that could possibly fall out
little rivets that could fall out of the
wheel that crushes the ice.

Q. How about the flying ace why was
that recalled?

A. The flying ace also was recalled
for small parts.

Q. Did LaRose institute any changes
with respect to its manufacturing policies
after either of these recalls let's start
with the 2013 recall?

A. Yes. We designed the cylinder
that crushes the ice to prevent this from
happening again. We worked with Fairland we

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told them to enhance their quality control.

Q. Do you know had the snow cone passed the safety test for small parts before it was sold in the United States?

A. Yes, it did.

Q. And how about the Snoopy Flying Ace, why was that recalled?

A. That was recalled because the axle that was in the wheels could pop out. It wasn't -- it didn't have the groove set in there to prevent it from popping out. It could pop out and little hubcap would come loose that was a small part.

Q. It was also a small parts problem?

A. Yes.

Q. And had the flying ace also passed the small parts test?

A. Yes.

Q. The CPSIA small parts test?

A. Yes.

Q. What, if any, actions did LaRose take after the flying ace recall?

A. We redesigned the axle.

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Q. Did LaRose feel that Fairland was responsible in any measure for the snow cone problems?

A. Well their quality control. They should have detected that the cylinder -- there was a small amount of cylinders where the gray part, the metal part that crushes the ice was put on a cylinder backwards. So instead of going with the ice and crushing it it would go against the ice and pulling it apart. So that was a quality control issue.

Q. In other words, when Fairland assembled the toy did they assemble it the wrong way?

A. Yes. The wheel, the cylinder was assembled the wrong way.

Q. I see.

A. Some of them. We were able to identify the batches that were affected.

Q. I see.

MR. WOLF: I need like three minutes to take a quick break just for a call that has to be made.

MS. CHU: Okay.

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(Whereupon, a short recess was taken.)

MR. WOLF: Thank you.

Q. I think we talking about the Snoopy Snow Cone before the break. So it sounds like you're saying, Ms. Daddea, that Fairland was assembling the toy improperly?

A. Yes. They there were pieces that were.

Q. And so that --

A. Misassembled.

Q. And that a possibility that small pieces --

A. Yes.

Q. What about the Snoopy Flying Ace you said that also a small parts problem?

A. Yes.

Q. Was that also a result of improper assembly or was it another problem?

A. Well, the axle was put inside through the wheels and it was -- there was a little peace of plastic like shimmy that was put in to hold it and one popped out.

Q. Did LaRose feel that Fairland had

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any responsibility for the problem?

A. They would have been -- yes. I mean that wasn't discussed specifically with me but I don't know what they discussed with Fairland how that was resolved with Fairland.

Q. Okay. I ask because it would have been a design problem or assembly problem and assembly would obviously be more a Fairland issue than the design problem.

A. Yeah, that I don't know. I don't know if that was because of the design problem. But I mean Fairland has -- we have worked with Fairland and given them most of our products. I check the stats they have actually shipped us or manufactured for us either shipping it to us directly or to our customers over 21 million cartons. Now, one carton could contain anywhere from two to six pieces.

Q. By pieces do you mean toys?

A. Right. This particular toy this is a four pack. So there would be four of these in a carton. So then you multiply the average would be four. And we had a little

1 June Daddea

2 under a thousand SKUs that they make for us.

3 MR. WOLF: Say what that is for
4 the record.

5 THE WITNESS: SKU, stock keeping
6 units, products actual products.

7 Q. When you say under a thousand
8 SKUs you mean a thousand different products?

9 A. Thousand different products.

10 Q. Just under a thousand different
11 products?

12 A. Just under a thousand different
13 products. Now this would be one SKU and the
14 shimmer and sparkle would be another one.
15 Even though it is a crazy jewels but it would
16 be two different products My Look and shimmer
17 and sparkle.

18 Q. And would the slider bracelet be
19 a third?

20 A. Yes.

21 Q. It is separate a SKU?

22 A. It is a separate SKU, yes.

23 Q. Now, following the recall did
24 LaRose decide to continue selling the gem
25 machine or modified version of the gem

1 June Daddea

2 machine?

3 A. Well, we intended it to be
4 modified. We are waiting for your office to
5 give us the okay.

6 Q. Are there any financial
7 consequence or other consequences to Fairland
8 with this recall of a toy manufacturer?

9 A. Yes. We are charging them back
10 for our expenses incurred. Any penalties
11 that we were charged by our customers. So
12 they do have a financial impact and hoping
13 that teaches them a lesson.

14 Q. So when you say charged back
15 would that mean every single gem machine that
16 they manufactured they will essentially have
17 to repay LaRose for that?

18 A. I am sorry?

19 Q. Let me ask the question a
20 different way.

21 How many of these toys is
22 Fairland going to have to pay a charge back?

23 A. The net amount of the toys that
24 were shipped -- let's put it this way. I
25 think any returns from our customers and

1 June Daddea

2 consumers so anything that was returned by
3 customers and consumers.

4 Q. When you say consumers do you
5 mean retailers?

6 A. Directly from the consumers as a
7 result of the recall. So we are taking
8 everything back. So we going to gather all
9 that information and then charge them back.

10 Q. So in other words, all the toys
11 that the retailers sent back to you like
12 Target, Wal-Mart you will charge Fairland?

13 A. Yes.

14 Q. And all the toys that consumers,
15 individual customers sent back to you you
16 also charge Fairland for?

17 A. Yes.

18 Q. Do you have an estimate as to how
19 much that will be?

20 A. Probably a couple of hundred
21 thousand. 200,000.

22 Q. We are close to the end.

23 MS. CHU: So I am going to ask
24 the Court Reporter to mark a multipage
25 document that begins with Bates stamp

1 June Daddea

2 L004431 and runs through 4455.

3 (Whereupon, a multipage document
4 was received and marked as Exhibit 16
5 for identification, as of this date.)

6 Q. You don't have to look through
7 this whole document, Ms. Daddea. I actually
8 have questions about the first few pages.

9 A. Okay.

10 Q. Are you familiar with the first
11 page of this document or the first few pages?

12 A. Yes.

13 Q. And what is this document?

14 A. This is our purchase order to
15 Fairland Toy.

16 Q. And who is typically responsible
17 for sending out these purchase orders?

18 A. That would be the buyer.

19 Q. Okay. Now looking at the top
20 left-hand corner of the first page 4431 it
21 says original PO, dated 7/23/2014. I assume
22 that means the original purchase order date?

23 A. 7/23, yes.

24 Q. Now over on the top right-hand
25 corner right under the words page one of two

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it says POREV date: 7/7/2016.

Does that stand for purchase order revised date or reverse date? What does it stand?

A. Oh, yes. Yes, this is because this purchase order included more than just the jewels and gem maker. So I requested the copy from the buyer of the purchase orders just showing the gems and jewel maker. We didn't care about anything else. So the buyer had to go in and revise the purchase order.

Q. I see.

A. To remove on the other items.

Q. I see.

A. And just give me the gem and jewel maker.

Q. I see. And so what was the purchase of getting the revised purchase order with just the gem and jewel maker.

A. Because one of the required documents was the purchase orders, any documents pertaining to the gem machine. The gem maker. So it didn't matter what else was

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on there I just had them eliminate everything else. Just give me the gem and jewel maker.

Q. Okay. And you said when you say required documents you mean in response to the Attorney General's subpoena?

A. Yes, to your subpoena.

Q. How going back to the subpoena you said you collected documents for the subpoena?

A. Yes.

Q. And then who then decided which of those documents would be produced to the Attorney General's office?

A. I did.

Q. You did. So you both collected the documents and then you decided which documents should be turned over to us?

A. Yes.

Q. After you decided to or as the process of deciding to recall the gem maker was happening who at LaRose spoke with Mr. Callet about the recall? You testified that you did.

A. I did.

1 June Daddea

2 Q. And Mr. Khakshoor did?

3 A. Yes.

4 Q. Anyone else? For example

5 Ms. Mahabir?

6 A. Yes.

7 Q. Anyone else?

8 A. I don't think there would be
9 anybody else. Dennis Yung.

10 Q. He had just been hired, right?

11 A. After the recall. Do you mean
12 immediately after the recall?

13 Q. Any time between when you were --
14 when you first got the Attorney General's
15 letter which was dated late April of 2016
16 through the recall itself which was in very
17 early June.

18 A. That would be Nellie Mahabir,
19 Daniel Khakshoor and myself.

20 MS. CHU: Can we go off the
21 record for a moment.

22 (Discussion off the record.)

23 (Whereupon, a short recess was
24 taken.)

25 (Whereupon, a document was

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received and marked off the record as Exhibit 17 for identification, as of this date.)

Q. Ms. Daddea, the Court Reporter has handed you a document that has been identified as Exhibit 17. Which is a spreadsheet entitled Crazy Jewels shipment into New York State which has the Bates stamp L000002.

Are you familiar with this document, Ms. Daddea?

A. Yes, I am.

Q. Do you know who prepared it?

A. I did.

Q. All right. So I am going to represent to you, Ms. Daddea, that we sorted your spreadsheet by date order and saw that there were no shipments into New York between December 17, 2015 and April 18, 2016, do you know why that could be? It is a little hard for you to -- your spreadsheet is not sorted by date so it is hard for you to see the date range. But I am representing that we did that and there was that gap.

1 June Daddea

2 A. The spreadsheet is sorted by
3 invoice number.

4 Q. Right.

5 A. There were shipments to the major
6 retailers Wal-Mart, Target, Toys-R-Us, K-Mart
7 that were shipped to distribution centers.
8 From there the retailers will ship to stores
9 all over the country.

10 Q. I see.

11 A. When we ship to a distribution
12 center we don't know where that product will
13 end up.

14 Q. I see. So if you ship to say a
15 Target distribution center in New Jersey it
16 could end up in New York State, Pennsylvania?

17 A. That is correct.

18 Q. Anywhere close by?

19 A. Yes.

20 Q. Or not close by. Okay.

21 Can you identify again the
22 retailers, the major retailers where you
23 shipped to the distribution center rather
24 than to a store?

25 A. Wal-Mart, Target, Toys-R-Us,

1 June Daddea

2 K-Mart.

3 Q. So if we wanted to find out how
4 many toys went from a distribution center one
5 of these retailer to a store in New York how
6 do you do that?

7 A. The retailer should be able to
8 provide that information based on their
9 shipping records.

10 Q. Okay. So is the fact that LaRose
11 ships to a distribution center rather than an
12 individual store the reason why you don't see
13 any shipments in New York State between
14 December 17th and April 18th of 2016?

15 A. That is correct.

16 Q. So in other words, you're saying
17 that -- you are saying that during that time
18 shipments went to distribution centers
19 outside of New York State?

20 A. Yes.

21 Q. So if LaRose ships to a Wal-Mart
22 distribution center why are there Wal-Mart
23 stores listed on this spreadsheet in the
24 middle? There are six Wal-Mart stores
25 listed. Actually it is all the same Wal-Mart

1 June Daddea

2 store. They are all for the Wal-Mart store
3 in Marcy, New York.

4 A. It was shipped to a DC in New
5 York State.

6 Q. It says Wal-Mart DC regular. Oh,
7 that is the located in Marcy, New York that
8 is what the information here means?

9 A. Yes.

10 Q. So on this list when it says the
11 bottom several lines are all Target and they
12 all say Target D slash C, does that mean a
13 Target distribution center?

14 A. Yes.

15 Q. So, Ms. Daddea, you testified
16 that LaRose had a few recalls before both
17 regarding toys made by Fairland. But this
18 time with the gem machine LaRose has decided
19 to implement a pretty comprehensive set of
20 changes.

21 Why has LaRose decided to make
22 those changes now after this particular
23 recall?

24 A. To ensure we just want to enhance
25 our quality control and our customers -- our

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vendor's quality control that so this never happens again.

Q. That is a very logical reason.

I am just asking why after this particular recall because you have had two earlier recalls also with Fairland Toy?

A. There was --

MR. WOLF: Wait, wait, wait. Let her finish the question.

Q. I am sorry, I am done?

MR. WOLF: If your answer includes advice of counsel or anything like that just don't include that in your answer.

THE WITNESS: Oh, no.

A. Because they were involved in small parts that we understood the reason that this happened. And this is -- this particular recall is because of lead. And it involved a nationwide recall. A lot of products were out there. We never want this to happen again.

Q. Did LaRose ever ask Fairland what happened why toys after the initial

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June Daddea

production run were failing the tests?

A. (Witness indicating).

Q. You need to verbalize your answer. I know it is getting late.

A. Yes. Larry Rosen and Nellie Mahabir both went over to Hong Kong to speak to the owner of Fairland Toy.

Q. Who is the owner?

A. Tony Wong, W-o-n-g.

Q. And what did Fairland say, what was the substance of their conversation with Mr. Wong?

A. I don't know the details of their conversation.

Q. Their general results? The general substance?

A. I am not sure if they were sure -- they received the components -- the second batch the trading company.

MR. WOLF: Who is "they"?

THE WITNESS: Fairland.

MR. WOLF: I don't mean to interrupt. But first you ask her if you knew of the conversation she said she

1 June Daddea

2 doesn't know. Now you are kind of
3 asking her again and she is describing
4 what I believe to be what Fairland did I
5 guess because in response to the result
6 which is fine. I just want the record
7 to be clear because now she is saying
8 they and you know.

9 MS. CHU: I was actually going to
10 ask Ms. Daddea to clarify who they is.

11 MR. WOLF: Okay.

12 A. I apologize.

13 MR. WOLF: I don't mean to
14 interrupt.

15 Q. I believe you first testified
16 that you didn't know the details of the
17 conversation between Mr. Rosen, Ms. Mahabir
18 and Mr. Wong. And then I asked you even if
19 you don't know the details do you know the
20 general substance of the conversation between
21 Rosen, Mahabir and Wong.

22 MR. WOLF: So listen I don't mean
23 to interrupt. She asking the substance
24 of conversations not what somebody did
25 or didn't do.

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THE WITNESS: All right. I see.

MR. WOLF: That might be a different question did you learn what information was discovered. But now she is asking the substance of the conversation. But you just said you don't know what they said. I don't know if you know the substance. The question is in regard to conversations.

Q. The general substance of their conversation. Even if don't know the details.

A. What the hell happened basically.

MR. WOLF: There you go.

Q. Do you know what Fairland -- do you know what Fairland's explanations was for what the hell happened was?

A. I don't know for sure.

Q. Okay. Do you have a guess, an educated guess?

A. My educated guess is I know that Fairland was buying from a trade agent. So the trading agent probably didn't tell Fairland oh, by the way, I got these from

1 June Daddea

2 another supplier.

3 Q. Okay.

4 A. Can't talk with my hands either.

5 Q. That is true. You can but you
6 need to verbalize at the same time.

7 When Fairland purchases
8 components and raw materials to make this
9 toy, do they purchase enough for the entire
10 initial purchase order? In other words, how
11 much do they get at one time?

12 A. That I don't know.

13 MS. CHU: You know, why don't we
14 just take a short break. I will just
15 look over my questions and see if I
16 anything else to ask.

17 MR. WOLF: Thank you.

18 (Whereupon, a short recess was
19 taken.)

20 Q. Ms. Daddea, you testified earlier
21 that Mr. Yung is in the process of preparing
22 a new QA, QC manual for LaRose, is that
23 right?

24 A. That is correct.

25 Q. Do you know about approximately

1 June Daddea

2 when he will be done with that?

3 A. He is in China right now. As
4 soon as he returns from China which will be
5 the end of March he will put something
6 together. I would say we will have it by mid
7 April. Tax date.

8 Q. He will be a very busy man.

9 A. I am sorry?

10 Q. Mr. Yung will be very busy in mid
11 April.

12 A. He will be.

13 Q. I have no more questions at this
14 time. And I thank you very much for your
15 time and cooperation in coming here?

16 A. You're welcome.

17 MS. CHU: I am going to ask
18 Mr. Wolf if you can produce a few other
19 documents. The copy of the Wal-Mart
20 protocol that LaRose follows. The ITS
21 audits of Fairland. And if you can give
22 us a copy of just one copy of your new
23 purchase orders. We would appreciate
24 that.

25 MR. WOLF: Sure. You want to

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June Daddea

send it to me in writing? You want to
sent me an e-mail request for that, do
you mind?

MS. CHU: I will be happy.

MR. WOLF: Thank you for that.

Anything else you need or
questions you have just feel free to
call.

MS. CHU: Thank you.

(Time noted: 5:09 p.m.)

JUNE DADDEA

Subscribed and sworn to before me this

_____ day of _____, 2017.

_____, Notary
Public.

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CERTIFICATE

I, MARIA ACOCELLA, a Notary Public within
and for the State of New York, do hereby
certify:

That the witness whose deposition is
hereinbefore set forth, was duly sworn by me
and that the within transcript is a true
record of the testimony given by such
witness.

I further certify that I am not related to
any of the parties to this action by blood
or marriage and that I am in no way
interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my
hand this 21st day of March, 2017.



MARIA ACOCELLA

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JUNE DADDEA

Subscribed and sworn to before me

this _____ day of _____, 2017

_____, Notary Public.

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w			x
<p>w 67:20 148:10 wait 52:21 56:18 129:25 147:9,9,9 waiting 137:4 waits 105:9 wal 66:19,20,22,24 100:8,13 120:25 138:12 144:6,25 145:21,22,24,25 146:2,6 152:19 walk 38:20 want 3:22 7:18 27:23 41:4 47:9 73:18 77:16 91:16 146:24 147:22 149:6 152:25 153:2 wanted 82:6 94:21 145:3</p>			<p>x 1:2,6 x's 112:13 xrf 57:23 58:9,11 58:14 59:7,15,17 59:20 60:2 70:9 73:20 77:11 82:10 82:15 85:12 95:11 123:7</p>
			y
			<p>y 23:24 53:3,13 62:2 67:21 yao 62:2,14 yeah 78:14 106:25 121:10 135:11 year 50:6 69:11,17 years 4:25 5:7 9:14 19:3,10 20:13 24:21 yesterday 60:14 62:18,19</p>

<p>yeuh 52:22 yeung 67:21 68:11 69:6 70:21 york 1:1,4,8,8,25 2:5,5,10,14,14 3:4 11:3 143:9,19 144:16 145:5,13 145:19 146:3,5,7 156:4 young 29:11 yudo 23:24 yueh 2:15 yung 53:13,18 54:15,19 55:3,17 56:5,10 57:16 62:15 65:15 66:11 67:14 71:13,14,16 72:12 73:23 77:8 84:19 85:5,9 94:19 97:21,24 100:6 123:8 125:7 129:5 130:10 142:9 151:21 152:10 yung's 54:10 76:2</p>
<p style="text-align: center;">z</p>
<p>z 5:17 12:22,23 24:25 25:11 35:13 45:24 51:23 58:7 61:8,10,16 67:9 85:2 86:10 87:18 115:12 126:13</p>

EXHIBIT B

ANSECO Test Results

OAG Purchase Date	ANESCO Test Report #	ANESCO Test Report	Retailer	Address	Item Name	UPC #	BCH #	Manufacture Date ¹	Test Results Lead (ppm)
11/17/2015	16B-00048	1/26/2016	Kmart	One Penn Plaza NY, NY 10119	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	670
2/8/2016	16B-00354	3/11/2016	Kmart	2055 Walden Avenue, Cheektowaga, NY 14225	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	540
2/10/2016	16B-00358	3/11/2016	Kmart	8007 Oswego Road, Liverpool, NY 13090	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	640
11/13/2015	16B-00047	1/26/2016	Toys "R" Us	117 Old Country Road, Carle Place, NY 11514	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	880
11/13/2015	16B-00060	1/26/2016	Toys "R" Us	117 Old Country Road, Carle Place, NY 11514	Shimmer 'n Sparkle Refill Kit	884920174849	BCH006431A28-0715	July 28, 2015	720, 680, 920, 980 (bands 1-4)
2/14/2016	16B-00359	3/11/2016	Toys "R" Us	4155 NY-31 Great Northern Mall, Clay, NY 13041	Shimmer 'n Sparkle Refill Kit	884920174849	BCH006431A28-0715	July 28, 2015	640, 470, 650, 590 (bands 1-4)
2/8/2016	16B-00356	3/11/2016	Toys "R" Us	3030 Sheridan Drive, Amherst, NY 14226	Shimmer 'n Sparkle Base Kit	884920174504	BCH006254A10-0815	August 10, 2015	740
10/15/2015	16B-00046	1/26/2016	Target	999 Corporate Drive, Westbury 11590	My Look Base Kit	884920466340	BCH006213A10-0715	July 10, 2015	770
2/8/2016	16B-00355	3/11/2016	Target	2626 Delaware Avenue, Buffalo, NY 14216	My Look Base Kit	884920466340	BCHTAR741A28-1015	October 28, 2015	580
2/10/2016	16B-00357	3/11/2016	Target	340 Towne Dr, Fayetteville, NY 13066	My Look Base Kit	884920466340	BCHTAR742A28-1015	October 28, 2015	550
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR741A28-1015	October 28, 2015	890
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR741A28-1015	October 28, 2015	960
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR741A28-1015	October 28, 2015	1000
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR741A28-1015	October 28, 2015	870
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR741A28-1015	October 28, 2015	920
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCH006213A10-0715	July 10, 2015	900
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCH006213A10-0715	July 10, 2015	990
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCH006213A10-0715	July 10, 2015	1000
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR742A28-1015	October 28, 2015	990
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	980
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	970
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	970
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	940
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	990
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	1000
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR754A18-1115	November 18, 2015	950
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCH006315A28-0715	July 28, 2015	890
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	could not read	could not read	870
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR697A30-0715	July 30, 2015	980
received by OAG 2/21/2017	17B-000477	4/14/2017	Target	From inventory - Cheryl Falvey	My Look Base Kit	884920466340	BCHTAR698A10-0815	August 10, 2015	1000

¹ June Dadda, the Director of Human Resources and Administration for LaRose, testified that a Kit's date of manufacture is the last six numbers on the box's batch code in this format: two digit day, followed by a dash, followed by the two digit month and two digit year. Thus, a Kit with batch code BCH006178A13-0715 was manufactured on July 13, 2015. Hearing Transcript of June Dadda, March 8, 2017, at 32:11-24. The Attorney General used this method to determine manufacture dates for the tested Kits for which a visible batch code was available. See also Exhibit D (which includes manufacture dates determined with the same method).

EXHIBIT C

Company:	New York State Office of the Attorney General	Test Report #	16B-00046
Recipient:	Jodi Feld	Date:	January 26, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	Cra-Z-Jewelz Ultimate Gem Machine		
OAG Item No.:	29	Retail Store:	Target
SKU/UPC/Lot No.:	884920466340 / 46634 / 230715	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	6+
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	1/15/16	Tested Age Grade:	-
Testing Period:	1/18/16 – 1/26/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00046
 Recipient: Jodi Feld **Date:** January 26, 2016
 Sample Description: Cra-Z-Jewelz Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						CPSIA & ASTM F2923-14 Total Limit
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	9	770	-	-	-	-	100 ppm
Conclusion	PASS	FAIL	-	-	-	-	

LT = Less Than
 Results are reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00046
Recipient: Jodi Feld **Date:** January 26, 2016
Sample Description: Cra-Z-Jewelz Ultimate Gem Machine

Sample Photo:



End Report

Company: New York State Office of the Attorney General
 Recipient: Jodi Feld
 Recipient Email: Jodi.feld@ag.ny.gov
 cc to Email: Nancy.christensen@ag.ny.gov

Test Report # 16B-00047
Date: January 26, 2016
PO #: LAW01-0000005030

SAMPLE INFORMATION:

Description:	Cra-Z-Jewelz Ultimate Gem Machine		
OAG Item No.:	92	Retail Store:	Toys "R" Us
SKU/UPC/Lot No.:	884920174504 / 050815	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	6+
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	1/15/16	Tested Age Grade:	-
Testing Period:	1/18/16 – 1/26/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children's Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

ANSECO GROUP, LLC




David Ennis
 Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00047
 Recipient: Jodi Feld **Date:** January 26, 2016
 Sample Description: Cra-Z-Jewelz Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						CPSIA & ASTM F2923-14 Total Limit
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	LT 5	880	-	-	-	-	100 ppm
Conclusion	PASS	FAIL	-	-	-	-	

LT = Less Than
 Results are reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00047
Recipient: Jodi Feld **Date:** January 26, 2016
Sample Description: Cra-Z-Jewelz Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00048
Recipient:	Jodi Feld	Date:	January 26, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	Cra-Z-Jewelz Ultimate Gem Machine		
OAG Item No.:	107	Retail Store:	Kmart
SKU/UPC/Lot No.:	884920174504 / 092115	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	6+
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	1/15/16	Tested Age Grade:	-
Testing Period:	1/18/16 – 1/26/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

ANSECO GROUP, LLC




David Ennis
 Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00048
 Recipient: Jodi Feld **Date:** January 26, 2016
 Sample Description: Cra-Z-Jewelz Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						CPSIA & ASTM F2923-14 Total Limit
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	LT 5	670	-	-	-	-	100 ppm
Conclusion	PASS	FAIL	-	-	-	-	

LT = Less Than
 Results are reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00048
Recipient: Jodi Feld **Date:** January 26, 2016
Sample Description: Cra-Z-Jewelz Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00060
Recipient:	Jodi Feld	Date:	January 26, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	Cra-Z-Jewelz Gem Creations		
OAG Item No.:	93	Retail Store:	Toys "R" Us
SKU/UPC/Lot No.:	884920174849	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	6+
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	1/15/16	Tested Age Grade:	-
Testing Period:	1/18/16 – 1/26/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

ANSECO GROUP, LLC




David Ennis
 Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00060
 Recipient: Jodi Feld **Date:** January 26, 2016
 Sample Description: Cra-Z-Jewelz Gem Creations

DETAILED RESULTS:

CPSIA Section 101, Children's Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Total Lead Content in Substrate Materials (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						CPSIA & ASTM F2923-14 Total Limit
	1	2	3	4	5	6	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	LT 5	720	LT 5	680	120	920	100 ppm
Conclusion	PASS	FAIL	PASS	FAIL	FAIL	FAIL	

	Specimen No.						CPSIA & ASTM F2923-14 Total Limit
	7	8	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	130	980	-	-	-	-	100 ppm
Conclusion	FAIL	FAIL	-	-	-	-	

LT = Less Than
 Results are reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Purple Glitter Material	Band 1
2	Tan Material	Band 1
3	Purple Glitter Material	Band 2
4	Tan Material	Band 2
5	Pink Material	Band 3
6	Tan Material	Band 3
7	Pink Material	Band 4
8	Tan Material	Band 4

Company: New York State Office of the Attorney General **Test Report #** 16B-00060
Recipient: Jodi Feld **Date:** January 26, 2016
Sample Description: Cra-Z-Jewelz Gem Creations

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00354
Recipient:	Jodi Feld	Date:	March 11, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	CraZJewelz Gem Creations Ultimate Gem Machine		
OAG Item No.:	120	Retail Store:	Kmart
SKU/UPC/Lot No.:	17450 / 884920174504 / BCH006178A13-0715	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	-
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	3/4/16	Tested Age Grade:	-
Testing Period:	3/4/16 – 3/11/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00354
 Recipient: Jodi Feld **Date:** March 11, 2016
 Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	LT 5	540	-	-	-	-	CPSIA Total Limit 100 ppm
Lead (Pb)	LT 5	540	-	-	-	-	ASTM F2923 Total Limit 100 ppm
Conclusion	PASS	FAIL	-	-	-	-	

LT = Less Than
 Results reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00354
Recipient: Jodi Feld **Date:** March 11, 2016
Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00355
Recipient:	Jodi Feld	Date:	March 11, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	CraZJewelz Gem Creations Ultimate Gem Machine		
OAG Item No.:	121	Retail Store:	Target
SKU/UPC/Lot No.:	46634 / 884920466340 / BCHTAR741A28-1015	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	-
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	3/4/16	Tested Age Grade:	-
Testing Period:	3/4/16 – 3/11/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00355
 Recipient: Jodi Feld **Date:** March 11, 2016
 Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	LT 5	580	-	-	-	-	CPSIA Total Limit 100 ppm
Lead (Pb)	LT 5	580	-	-	-	-	ASTM F2923 Total Limit 100 ppm
Conclusion	PASS	FAIL	-	-	-	-	

LT = Less Than
 Results reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00355
Recipient: Jodi Feld **Date:** March 11, 2016
Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00356
Recipient:	Jodi Feld	Date:	March 11, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	CraZJewelz Gem Creations Ultimate Gem Machine		
OAG Item No.:	122	Retail Store:	Toys "R" Us
SKU/UPC/Lot No.:	17450 / 884920174504 / BCH006254A10-0815	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	-
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	3/4/16	Tested Age Grade:	-
Testing Period:	3/4/16 – 3/11/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children's Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Specification for Lead in Children's Jewelry (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00356
 Recipient: Jodi Feld **Date:** March 11, 2016
 Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	210	740	-	-	-	-	CPSIA Total Limit 100 ppm
Lead (Pb)	210	740	-	-	-	-	ASTM F2923 Total Limit 100 ppm
Conclusion	FAIL	FAIL	-	-	-	-	

LT = Less Than
 Results reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00356
Recipient: Jodi Feld **Date:** March 11, 2016
Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00357
Recipient:	Jodi Feld	Date:	March 11, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	CraZJewelz Gem Creations Ultimate Gem Machine		
OAG Item No.:	123	Retail Store:	Target
SKU/UPC/Lot No.:	46634 / 884920466340 / BCHTAR742A28-1015	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	-
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	3/4/16	Tested Age Grade:	-
Testing Period:	3/4/16 – 3/11/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00357
 Recipient: Jodi Feld **Date:** March 11, 2016
 Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	120	550	-	-	-	-	CPSIA Total Limit 100 ppm
Lead (Pb)	120	550	-	-	-	-	ASTM F2923 Total Limit 100 ppm
Conclusion	FAIL	FAIL	-	-	-	-	

LT = Less Than
 Results reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00357
Recipient: Jodi Feld **Date:** March 11, 2016
Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00358
Recipient:	Jodi Feld	Date:	March 11, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	CraZJewelz Gem Creations Ultimate Gem Machine		
OAG Item No.:	124	Retail Store:	Kmart
SKU/UPC/Lot No.:	17450 / 884920174504 / BCH006178A13-0715	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	-
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	3/4/16	Tested Age Grade:	-
Testing Period:	3/4/16 – 3/11/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00358
 Recipient: Jodi Feld **Date:** March 11, 2016
 Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

DETAILED RESULTS:

CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Specification for Lead in Children’s Jewelry (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						
	1	2	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	210	640	-	-	-	-	CPSIA Total Limit 100 ppm
Lead (Pb)	210	640	-	-	-	-	ASTM F2923 Total Limit 100 ppm
Conclusion	FAIL	FAIL	-	-	-	-	

LT = Less Than
 Results reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band
2	Tan Material	Band

Company: New York State Office of the Attorney General **Test Report #** 16B-00358
Recipient: Jodi Feld **Date:** March 11, 2016
Sample Description: CraZJewelz Gem Creations Ultimate Gem Machine

Sample Photo:



End Report

Company:	New York State Office of the Attorney General	Test Report #	16B-00359
Recipient:	Jodi Feld	Date:	March 11, 2016
Recipient Email:	Jodi.feld@ag.ny.gov	PO #:	LAW01-0000005030
cc to Email:	Nancy.christensen@ag.ny.gov		

SAMPLE INFORMATION:

Description:	CraZJewelz Gem Charm & Slider Bracelets		
OAG Item No.:	125	Retail Store:	Toys "R" Us
SKU/UPC/Lot No.:	17484 / 884920174849 / BCH006431A28-0715	Distributor:	LaRose Industries, LLC
Brand Name/Manufacturer:	Cra-Z-Art	Country of Origin:	-
Country of Distribution:	-	Labeled Age Grade:	-
Quantity Submitted:	1	Recommended Age Grade:	-
Date Received:	3/4/16	Tested Age Grade:	-
Testing Period:	3/4/16 – 3/11/16		

OVERALL RESULT:

FAIL

At the request of the client, the sample was evaluated for compliance with the following specifications:

CONCLUSION	SPECIFICATION
FAIL	CPSIA Section 101, Children's Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5, Specification for Lead in Children's Jewelry (Requested Components)

ANSECO GROUP, LLC




David Ennis
Manager, Chemical Laboratory

Company: New York State Office of the Attorney General **Test Report #** 16B-00359
 Recipient: Jodi Feld **Date:** March 11, 2016
 Sample Description: CraZJewelz Gem Charm & Slider Bracelets

DETAILED RESULTS:

CPSIA Section 101, Children's Products Containing Lead (Substrates) (Requested Components) ASTM F2923-14 Clause 5, Specification for Lead in Children's Jewelry (Requested Components)

Analytical determination by ICP-OES
 (Method: CPSC-CH-E1001-08.1, Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

	Specimen No.						
	1	2	3	4	5	6	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	120	640	120	470	LT 5	650	CPSIA Total Limit 100 ppm
Lead (Pb)	120	640	120	470	LT 5	650	ASTM F2923 Total Limit 100 ppm
Conclusion	FAIL	FAIL	FAIL	FAIL	PASS	FAIL	

	Specimen No.						
	7	8	-	-	-	-	
	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result	
Lead (Pb)	LT 5	590	-	-	-	-	CPSIA Total Limit 100 ppm
Lead (Pb)	LT 5	590	-	-	-	-	ASTM F2923 Total Limit 100 ppm
Conclusion	PASS	FAIL	-	-	-	-	

LT = Less Than
 Results reported in parts per million (ppm)

Specimen No.	Specimen Description (Color)	Location
1	Pink Material	Band #1
2	Tan Material	Band #1
3	Pink Material	Band #2
4	Tan Material	Band #2
5	Purple Glitter Material	Band #3
6	Tan Material	Band #3
7	Purple Glitter Material	Band #4
8	Tan Material	Band #4

Company: New York State Office of the Attorney General **Test Report #** 16B-00359
Recipient: Jodi Feld **Date:** March 11, 2016
Sample Description: CraZJewelz Gem Charm & Slider Bracelets

Sample Photo:



End Report

TEST REPORT

Test Report # 17B-000477 Date of Report Issue: April 14, 2017
Date of Sample Received: April 6, 2017 Pages: Page 1 of 6

CLIENT INFORMATION:

Company: New York State Office of the Attorney General
Recipient: Jodi Feld
Recipient Email: Jodi.feld@ag.ny.gov



SAMPLE INFORMATION:

Description: My Look CraZJewelz Gem Creations
Assortment: See page 2 Purchase Order Number: -
UPC No.: See page 2 Toy Co./Agency: -
Factory/Supplier/Vendor: - Country of Origin: -
Country of Distribution: - Labeled Age Grade: -
Quantity Submitted: 20 Recommended Age Grade: -
Testing Period: 4/6/17 – 4/14/17 Tested Age Grade: -

OVERALL RESULT:

FAIL

Refer to page 2 for test result summary and appropriate notes.

ANSECO GROUP, LLC

David Ennis
Manager, Chemical Laboratory



Specimen No.	UPC	BCH#	OAG Item#	Lot No.
1	884920466340	BCHTAR741A28-1015	129a	
2	884920466340	BCHTAR741A28-1015	129b	
3	884920466340	BCHTAR741A28-1015	129c	
4	884920466340	BCHTAR741A28-1015	129d	
5	884920466340	BCHTAR741A28-1015	129e	
6	884920466340	BCH006213A10-0715	130a	010915
7	884920466340	BCH006213A10-0715	130b	010915
8	884920466340	BCH006213A10-0715	130c	010915
9	884920466340	BCHTAR742A28-1015	131	
10	884920466340	BCHTAR754A18-1115	132a	
11	884920466340	BCHTAR754A18-1115	132b	
12	884920466340	BCHTAR754A18-1115	132c	
13	884920466340	BCHTAR754A18-1115	132d	
14	884920466340	BCHTAR754A18-1115	132e	
15	884920466340	BCHTAR754A18-1115	132f	
16	884920466340	BCHTAR754A18-1115	132g	
17	884920466340	BCH006315A28-0715	133	010915
18	884920466340	-	134	
19	884920466340	BCHTAR697A30-0715	135	
20	884920466340	BCHTAR698A10-0815	136	



Test Report #

17B-000477

Pages:

Page 3 of 6

TEST RESULT SUMMARY:

At the request of the client, the following tests were conducted:

CONCLUSION	TEST(S) CONDUCTED
FAIL	CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
FAIL	ASTM F2923-14 Clause 5.1, Specification for Lead in Children’s Jewelry (Requested Components)

DETAILED RESULTS:

**CPSIA Section 101, Children’s Products Containing Lead (Substrates) (Requested Components)
ASTM F2923-14 Clause 5.1, Specification for Lead in Children’s Jewelry (Requested Components)**

Analytical determination by ICP-OES
(Method: CPSC-CH-E1001-08.1 Metals and/or CPSC-CH-E1002-08.1 Non-Metals)

Specimen No.	1	2	3	4	5	6
Element/Limit	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result
Lead (Pb) 100 ppm	890	960	1000	870	920	900
Conclusion	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL

Specimen No.	7	8	9	10	11	12
Element/Limit	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result
Lead (Pb) 100 ppm	990	1000	990	980	970	970
Conclusion	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL

Specimen No.	13	14	15	16	17	18
Element/Limit	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result
Lead (Pb) 100 ppm	940	990	1000	950	890	970
Conclusion	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL

Specimen No.	19	20	-	-	-	-
Element/Limit	Total Result	Total Result	Total Result	Total Result	Total Result	Total Result
Lead (Pb) 100 ppm	980	1000	-	-	-	-
Conclusion	FAIL	FAIL	-	-	-	-

LT = Less Than
Results are reported in parts per million (ppm)



SPECIMEN DESCRIPTION:

Specimen No.	Specimen Description (Color)	Location
1	Tan Material	Pink Band BCHTAR741A28-1015
2	Tan Material	Pink Band BCHTAR741A28-1015
3	Tan Material	Pink Band BCHTAR741A28-1015
4	Tan Material	Pink Band BCHTAR741A28-1015
5	Tan Material	Pink Band BCHTAR741A28-1015
6	Tan Material	Pink Band BCH006213A10-0715
7	Tan Material	Pink Band BCH006213A10-0715
8	Tan Material	Pink Band BCH006213A10-0715
9	Tan Material	Pink Band BCHTAR742A28-1015
10	Tan Material	Pink Band BCHTAR754A18-1115
11	Tan Material	Pink Band BCHTAR754A18-1115
12	Tan Material	Pink Band BCHTAR754A18-1115
13	Tan Material	Pink Band BCHTAR754A18-1115
14	Tan Material	Pink Band BCHTAR754A18-1115
15	Tan Material	Pink Band BCHTAR754A18-1115
16	Tan Material	Pink Band BCHTAR754A18-1115
17	Tan Material	Pink Band BCH006315A28-0715
18	Tan Material	Pink Band NO BCH NO.
19	Tan Material	Pink Band BCHTAR697A30-0715
20	Tan Material	Pink Band BCHTAR698A10-0815

SAMPLE PHOTO:



-End Report-

EXHIBIT D

SGS North America Inc. Test Results

SGS Test Sample #	SGS Test Report #	SGS Test Report Date	Address	Item Name	UPC #	BCH #	Manufacture Date ¹	Test Results Lead (ppm)
3	3973198-CH01	4/27/2016	1578 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Refill Kit	884920174849	BCH006431A28-0715	July 28, 2015	1070
7	3973198-CH01	4/27/2016	1579 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Refill Kit	884920174849	BCH006431A28-0715	July 28, 2015	880
10	3973198-CH01	4/27/2016	1580 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Refill Kit	884920174849	BCH006431A28-0715	July 28, 2015	731
14	3973198-CH01	4/27/2016	1581 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Refill Kit	884920174849	BCH006431A28-0715	July 28, 2015	908
3	3973198-CH02	4/27/2016	1582 Sussex Turnpike, Randolph, NJ 07869	My Look Base Kit	884920466340	BCHTAR742A28-1015	October 28, 2015	1030
6	3973198-CH02	4/27/2016	1583 Sussex Turnpike, Randolph, NJ 07869	My Look Base Kit	884920466340	BCHTAR742A28-1015	October 28, 2015	729
3	3973198-CH03	4/27/2016	1584 Sussex Turnpike, Randolph, NJ 07869	My Look Base Kit	884920466340	BCH006213A10-0715	July 10, 2015	1220
6	3973198-CH03	4/27/2016	1585 Sussex Turnpike, Randolph, NJ 07869	My Look Base Kit	884920466340	BCH006213A10-0715	July 10, 2015	518
3	3973198-CH04	4/27/2016	1586 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	638
6	3973198-CH04	4/27/2016	1587 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	625
9	3973198-CH04	4/27/2016	1588 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	1070
12	3973198-CH04	4/27/2016	1589 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	1130
15	3973198-CH04	4/27/2016	1590 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Base Kit	884920174504	BCH006254A10-0815	August 10, 2015	1130
18	3973198-CH04	4/27/2016	1591 Sussex Turnpike, Randolph, NJ 07869	Shimmer 'n Sparkle Base Kit	884920174504	BCH006178A13-0715	July 13, 2015	862

¹ June Daddea, the Director of Human Resources and Administration for LaRose, testified that a Kit's date of manufacture is the last six numbers on the box's batch code in this format: two digit day, followed by a dash, followed by the two digit month and two digit year. Thus, a Kit with batch code BCH006178A13-0715 was manufactured on July 13, 2015. Hearing Transcript of June Daddea, March 8, 2017, at 32:11-24. The Attorney General used this method to determine manufacture dates for the tested Kits for which a visible batch code was available. See also Exhibit B (which includes manufacture dates determined with the same method).

EXHIBIT E



Test Report

No. 3973198-CH01

Date: April 27, 2016

Page 1 of 8

**Cra-Z-Art
1578 Sussex Turnpike
Randolph, NJ 07869
United States**

The following sample(s) was/were submitted and identified by/on behalf of the client as:

Item # 17484, My Look, Cra-Z-Jewelz Gem Charm and Slider Bracelets
Color: Black & White
Country of Origin: China
Sample/Style #: 17484
Point of Sale: USA
Letter on Box / Box #: J / 1314 and E / 2116
PO #: 006431

Sample Received Date: **4/25/2016**

Testing Period **4/26/2016**

Test Requested : Please refer to the result summary.

Test Method & Results : Please refer to next page(s).

Result Summary :

Test Requested	Conclusion
1) CPSIA Section 101(a)(2) – Lead in accessible substrate materials	FAIL

Signed for and on behalf of SGS North America, Inc.

Prepared By:

Christina Crimi
Laboratory Manager, Chemistry Laboratory

Veronica Marrero
Laboratory Operations Lead, Chemistry Laboratory

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Test Report

No. 3973198-CH01

Date: April 27, 2016

Page 2 of 8

1) Lead in accessible substrate materials

Method (non-metal materials): CPSC Test Method: CPSC-CH-E1002-08.1 'Standard Operating Procedure for Determining Total Lead (Pb) in Children's Non-Metal Products.'

Test item	1	2	3	Permissible Limit**
Lead (Pb)	410 ppm	229 ppm	1,070 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	4	5	6	Permissible Limit**
Lead (Pb)	ND	393 ppm	406 ppm	0.01 % or 100 ppm
Conclusion	PASS	FAIL	FAIL	---

Test item	7	8	9	Permissible Limit**
Lead (Pb)	880 ppm	472 ppm	359 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	10	11	12	Permissible Limit**
Lead (Pb)	731 ppm	298 ppm	443 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	13	14	Permissible Limit**
Lead (Pb)	281 ppm	908 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	---

** Limit applies to a children's product manufactured after 14 August 2011 (Public Law 112-28 (HR 2715, 112th Congress) amending CPSIA)

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	J	1314	Light Pink top layer of band strap (w/ white underlayer)
2	J	1314	Light pink edge coating with substrate
3	J	1314	Tan material (underside of band) - light pink band
4	J	1314	Pink/Purple Glitter top layer
5	J	1314	Base substrate of purple glitter band (w/out glitter top layer)
6	J	1314	Purple edge coating with substrate
7	J	1314	Tan material (underside of band) - glitter band
8	E	2116	Light Pink top layer of band strap (w/ white underlayer)
9	E	2116	Light pink edge coating with substrate
10	E	2116	Tan material (underside of band) - light pink band

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Test Report

No. 3973198-CH01

Date: April 27, 2016

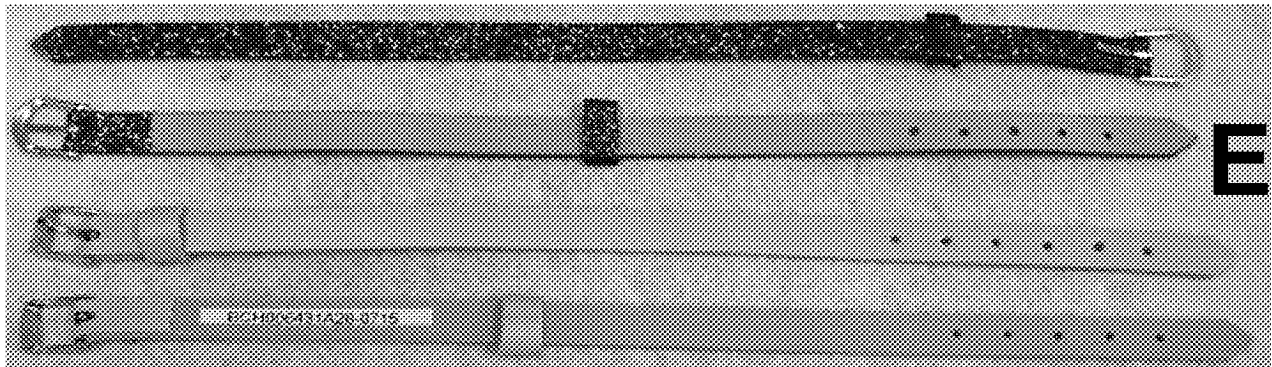
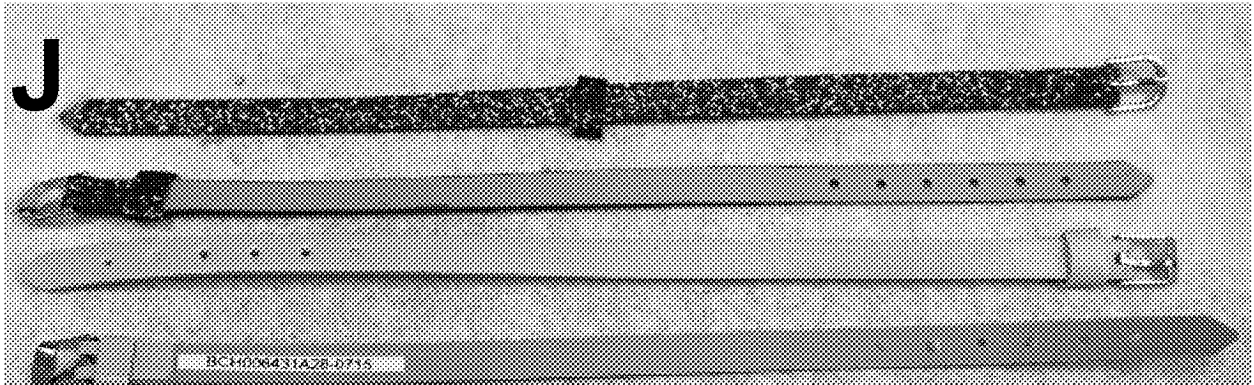
Page 3 of 8

11	E	2116	Pink/Purple Glitter top layer
12	E	2116	Base substrate of purple glitter band (w/out glitter top layer)
13	E	2116	Purple edge coating with substrate
14	E	2116	Tan material (underside of band) - glitter band

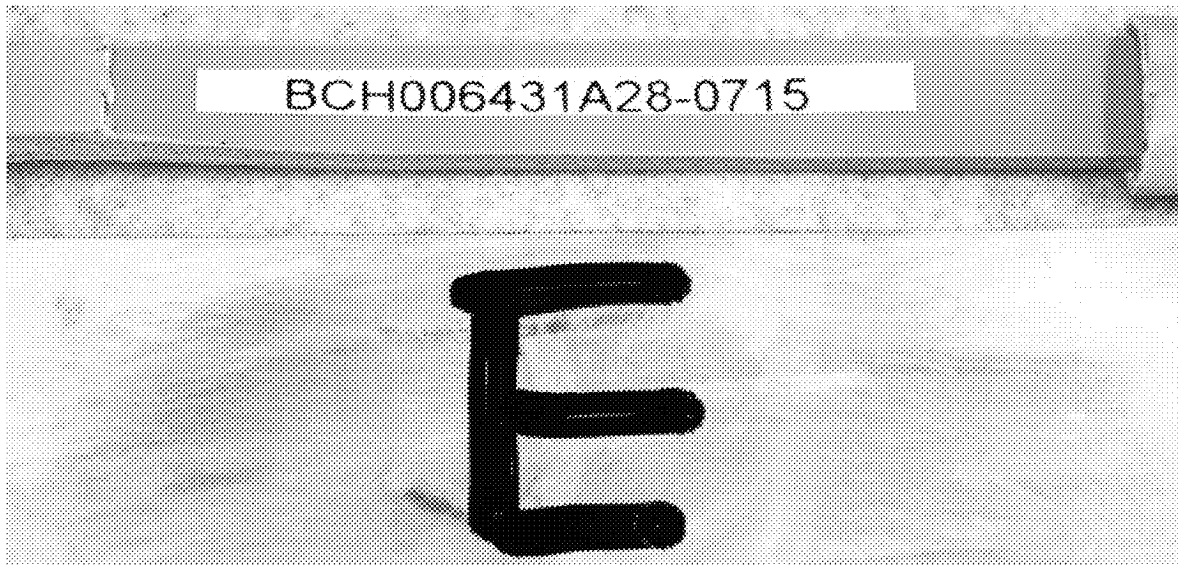
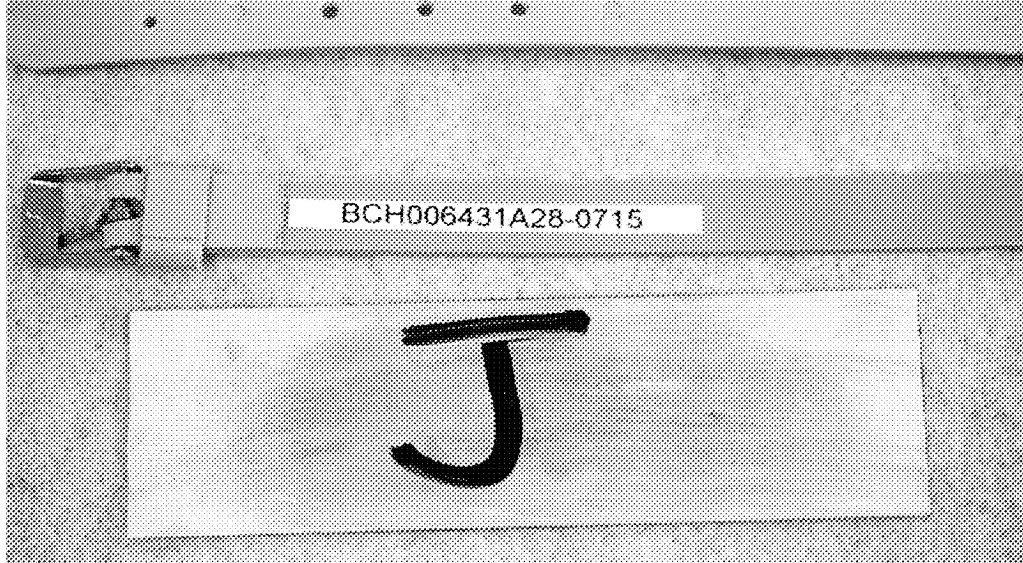
- Note:
1. % = percentage by weight
 2. 1% = 10000ppm (mg/kg)
 3. ND = not detected
 4. Method Detection Limit = 20 ppm

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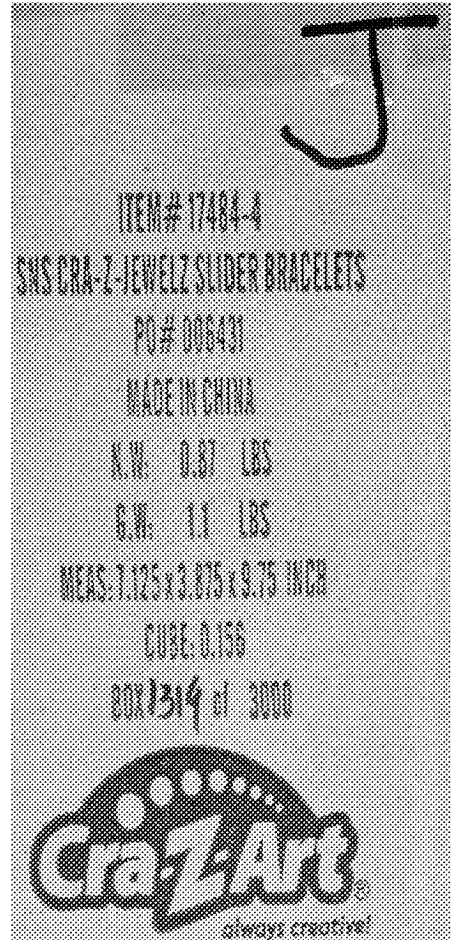
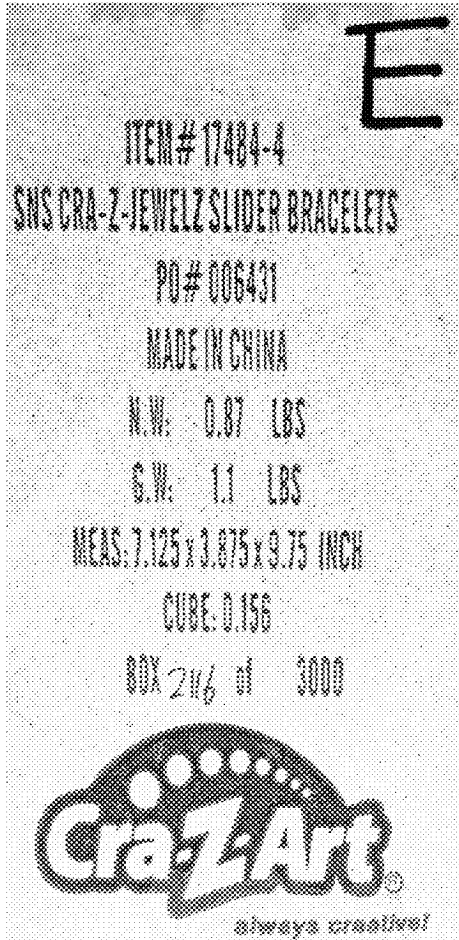
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Test Report

No. 3973198-CH03

Date: April 27, 2016

Page 1 of 8

**Cra-Z-Art
1578 Sussex Turnpike
Randolph, NJ 07869
United States**

The following sample(s) was/were submitted and identified by/on behalf of the client as:

Item # 46634, My Look, Cra-Z-Jewelz Gem Creations
Ultimate Gem Machine
Color: Black & White
Country of Origin: China
Sample/Style #: 46634
Point of Sale: USA
Letter on Box/Box #: F / 2113 and I / US Assembled
Carton
PO #: 006213

Sample Received Date: **4/25/2016**

Testing Period **4/26/2016 – 4/27/2016**

Test Requested : Please refer to the result summary.

Test Method & Results : Please refer to next page(s).

Result Summary :

Test Requested	Conclusion
1) CPSIA Section 101(f) – Lead in paint/similar surface coating materials	FAIL
2) CPSIA Section 101(a)(2) – Lead in accessible substrate materials	FAIL

Signed for and on behalf of SGS North America, Inc.

Prepared By:

Christina Crimi
Laboratory Manager, Chemistry Laboratory

Veronica Marrero
Laboratory Operations Lead, Chemistry
Laboratory

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Test Report

No. 3973198-CH03

Date: April 27, 2016

Page 2 of 8

1) Lead in paint/similar surface coating material

Method: CPSC Test Method: CPSC-CH-E1003-09.1 'Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings'

<u>Test item</u>	<u>1</u>	<u>2</u>	<u>Permissible Limit</u>
Lead (Pb)	376 ppm	355 ppm	90 ppm
Conclusion	FAIL	FAIL	---

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	F	2213	Pink edge coating on band strap
2	I	US Assembled Carton	Pink edge coating on band strap

- Note:
1. ppm = parts per million
 2. 1% = 10000ppm (mg/kg)
 3. ND = not detected
 4. Method Detection Limit = 20 ppm

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Test Report

No. 3973198-CH03

Date: April 27, 2016

Page 3 of 8

2) Lead in accessible substrate materials

Method (non-metal materials): CPSC Test Method: CPSC-CH-E1002-08.1 'Standard Operating Procedure for Determining Total Lead (Pb) in Children's Non-Metal Products.

Test item	1	2	3	Permissible Limit**
Lead (Pb)	889 ppm	271 ppm	1,220 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	4	5	6	Permissible Limit**
Lead (Pb)	ND	ND	518 ppm	0.01 % or 100 ppm
Conclusion	PASS	PASS	FAIL	---

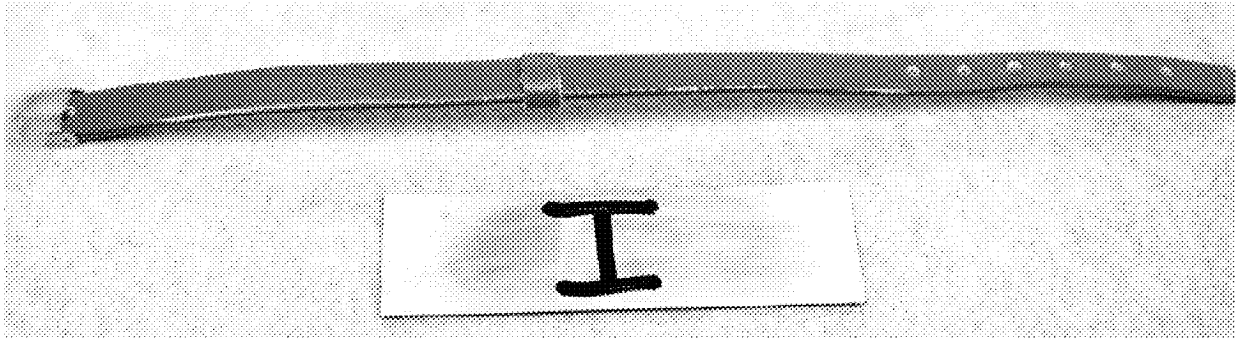
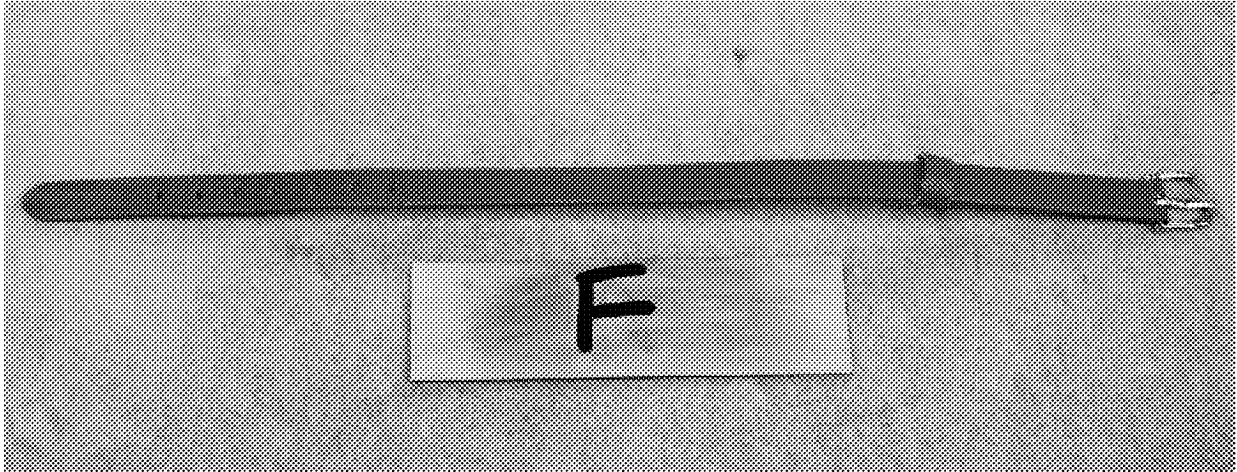
** Limit applies to a children's product manufactured after 14 August 2011 (Public Law 112-28 (HR 2715, 112th Congress) amending CPSIA)

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	F	2213	Pink top layer of band strap (with white underlayer)
2	F	2213	Pink loop of band strap
3	F	2213	Tan material (underside of band)
4	I	US Assembled Carton	Pink top layer of band strap (with white underlayer)
5	I	US Assembled Carton	Pink loop of band strap
6	I	US Assembled Carton	Tan material (underside of band)

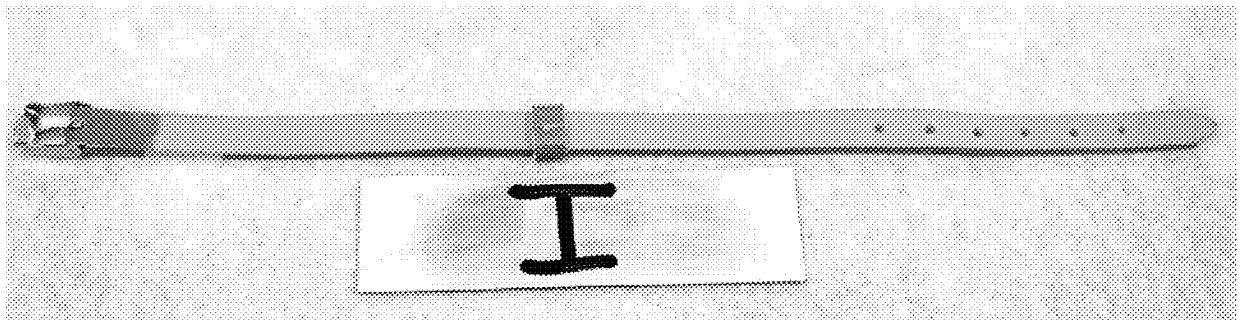
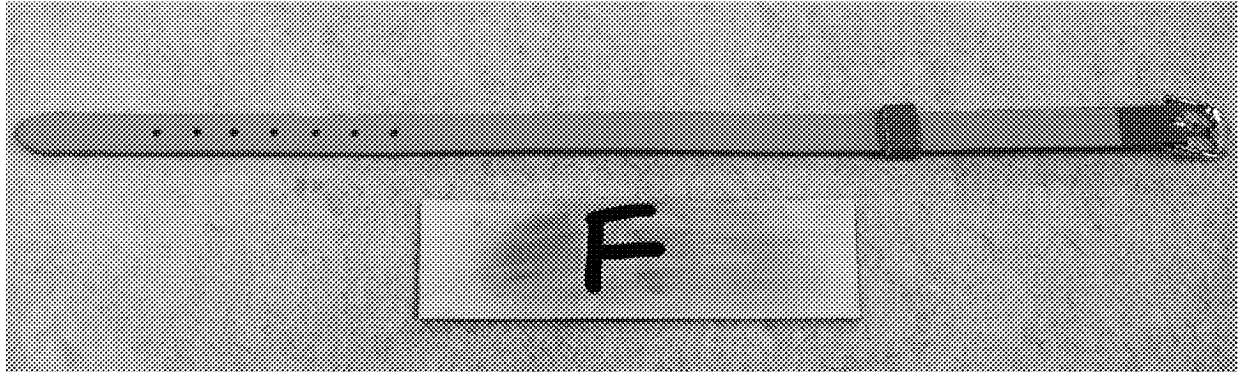
- Note:
1. % = percentage by weight
 2. 1% = 10000ppm (mg/kg)
 3. ND = not detected
 4. Method Detection Limit = 20 ppm

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Sample Photo:



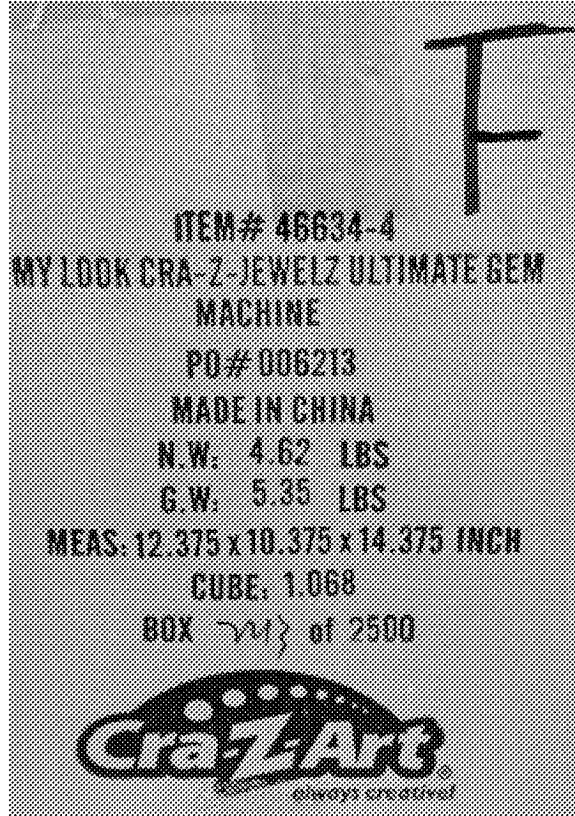
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Test Report

No. 3973198-CH02

Date: April 27, 2016

Page 1 of 5

**Cra-Z-Art
1578 Sussex Turnpike
Randolph, NJ 07869
United States**

The following sample(s) was/were submitted and identified by/on behalf of the client as:

Item # 46634, My Look, Cra-Z-Jewelz Gem Creations
Ultimate Gem Machine
Color: Black & White
Country of Origin: China
Sample/Style #: 46634
Point of Sale: USA
Item # 46634 – Target version
Letter on Box/Box #: T / Target Version
PO #: Date code 1115 and Date code 1015

Sample Received Date: **4/25/2016**

Testing Period **4/26/2016 – 4/27/2016**

Test Requested : Please refer to the result summary.

Test Method & Results : Please refer to next page(s).

Result Summary :

Test Requested	Conclusion
1) CPSIA Section 101(f) – Lead in paint/similar surface coating materials	FAIL
2) CPSIA Section 101(a)(2) – Lead in accessible substrate materials	FAIL

Signed for and on behalf of SGS North America, Inc.

Prepared By:

Christina Crimi
Laboratory Manager, Chemistry Laboratory

Veronica Marrero
Laboratory Operations Lead, Chemistry Laboratory

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Test Report

No. 3973198-CH02 Date: April 27, 2016

Page 2 of 5

1) Lead in paint/similar surface coating material

Method: CPSC Test Method: CPSC-CH-E1003-09.1 'Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings'

<u>Test item</u>	<u>1</u>	<u>2</u>	<u>Permissible Limit</u>
Lead (Pb)	292 ppm	349 ppm	90 ppm
Conclusion	FAIL	FAIL	---

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	T (Date code: 1115)	Target	Pink edge coating on band strap
2	T (Date code: 1015)	Target	Pink edge coating on band strap

- Note:
1. ppm = parts per million
 2. 1% = 10000ppm (mg/kg)
 3. ND = not detected
 4. Method Detection Limit = 20 ppm

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Test Report

No. 3973198-CH02

Date: April 27, 2016

Page 3 of 5

2) Lead in accessible substrate materials

Method (non-metal materials): CPSC Test Method: CPSC-CH-E1002-08.1 'Standard Operating Procedure for Determining Total Lead (Pb) in Children's Non-Metal Products.

Test item	1	2	3	Permissible Limit**
Lead (Pb)	433 ppm	94.4 ppm	1,030 ppm	0.01 % or 100 ppm
Conclusion	FAIL	PASS	FAIL	---

Test item	4	5	6	Permissible Limit**
Lead (Pb)	969 ppm	225 ppm	729 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

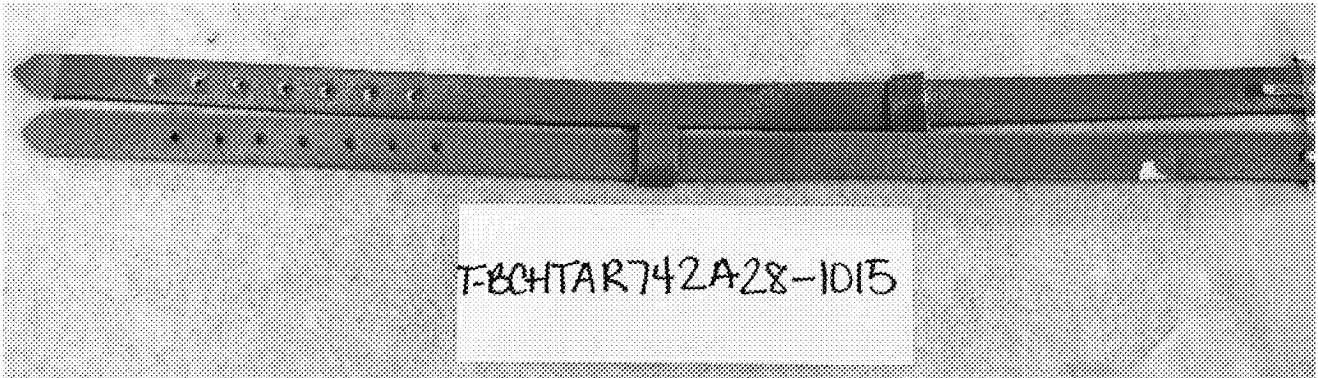
** Limit applies to a children's product manufactured after 14 August 2011 (Public Law 112-28 (HR 2715, 112th Congress) amending CPSIA)

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	T (Date code: 1115)	Target	Pink top layer of band strap (with white underlayer)
2	T (Date code: 1115)	Target	Pink loop of band strap
3	T (Date code: 1115)	Target	Tan material (underside of band)
4	T (Date code: 1015)	Target	Pink top layer of band strap (with white underlayer)
5	T (Date code: 1015)	Target	Pink loop of band strap
6	T (Date code: 1015)	Target	Tan material (underside of band)

- Note:
1. % = percentage by weight
 2. 1% = 10000ppm (mg/kg)
 3. ND = not detected
 4. Method Detection Limit = 20 ppm

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Test Report

No. 3973198-CH04

Date: April 27, 2016

Page 1 of 9

**Cra-Z-Art
1578 Sussex Turnpike
Randolph, NJ 07869
United States**

The following sample(s) was/were submitted and identified by/on behalf of the client as:

17450, Cr-Z-Jewelz Gem Creation Ultimate Gem Machine
Color: Black & White
Country of Origin: China
Sample/Style #: 17450
Point of Sale: USA
Letter on Box / Box #: A/512, B/9683, C/1805, D/247 G/463
H/7105
PO #: 006178

Sample Received Date:

4/25/2016

Testing Period

4/26/2016 – 4/27/2016

Test Requested : Please refer to the result summary.

Test Method & Results : Please refer to next page(s).

Result Summary :

Test Requested	Conclusion
1) CPSIA Section 101(f) – Lead in paint/similar surface coating materials	FAIL
2) CPSIA Section 101(a)(2) – Lead in accessible substrate materials	FAIL

Signed for and on behalf of SGS North America, Inc.

Prepared By:

Christina Crimi
Laboratory Manager, Chemistry Laboratory

Veronica Marrero
Laboratory Operations Lead, Chemistry Laboratory

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Test Report

No. 3973198-CH04

Date: April 27, 2016

Page 2 of 9

1) Lead in paint/similar surface coating material

Method: CPSC Test Method: CPSC-CH-E1003-09.1 'Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings'

<u>Test item</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>Permissible Limit</u>
Lead (Pb)	133 ppm	137 ppm	333 ppm	90 ppm
Conclusion	FAIL	FAIL	FAIL	---

<u>Test item</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Permissible Limit</u>
Lead (Pb)	307 ppm	350 ppm	151 ppm	90 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	A	562	Pink edge coating on band strap
2	B	9683	Pink edge coating on band strap
3	C	1805	Pink edge coating on band strap
4	D	2478	Pink edge coating on band strap
5	G	463	Pink edge coating on band strap
6	H	7105	Pink edge coating on band strap

- Note:
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 2. 1% = 10000ppm (mg/kg)
 3. ND = not detected
 4. Method Detection Limit = 20 ppm

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Test Report

No. 3973198-CH04

Date: April 27, 2016

Page 3 of 9

2) Lead in accessible substrate materials

Method (non-metal materials): CPSC Test Method: CPSC-CH-E1002-08.1 'Standard Operating Procedure for Determining Total Lead (Pb) in Children's Non-Metal Products.

Test item	1	2	3	Permissible Limit**
Lead (Pb)	ND	ND	638 ppm	0.01 % or 100 ppm
Conclusion	PASS	PASS	FAIL	---

Test item	4	5	6	Permissible Limit**
Lead (Pb)	ND	ND	625 ppm	0.01 % or 100 ppm
Conclusion	PASS	PASS	FAIL	---

Test item	7	8	9	Permissible Limit**
Lead (Pb)	920 ppm	264 ppm	1,070 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	10	11	12	Permissible Limit**
Lead (Pb)	1,030 ppm	272 ppm	1,130 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	13	14	15	Permissible Limit**
Lead (Pb)	1,070 ppm	257 ppm	1,130 ppm	0.01 % or 100 ppm
Conclusion	FAIL	FAIL	FAIL	---

Test item	16	17	18	Permissible Limit**
Lead (Pb)	ND	ND	862 ppm	0.01 % or 100 ppm
Conclusion	PASS	PASS	FAIL	---

** Limit applies to a children's product manufactured after 14 August 2011 (Public Law 112-28 (HR 2715, 112th Congress) amending CPSIA)

Test Sample #	Letter on Box	Box #	Sample Component Tested
1	A	562	Pink top layer of band strap (with white under-layer)
2	A	562	Pink loop of band strap
3	A	562	Tan material (underside of ban)
4	B	9683	Pink top layer of band strap (with white under-layer)
5	B	9683	Pink loop of band strap
6	B	9683	Tan material (underside of ban)
7	C	1805	Pink top layer of band strap (with white under-layer)

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Test Report

No. 3973198-CH04

Date: April 27, 2016

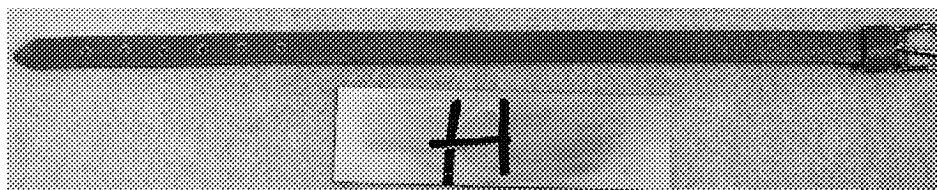
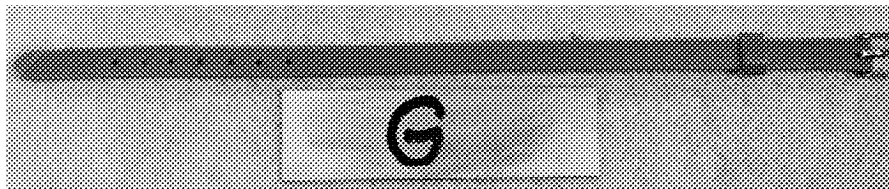
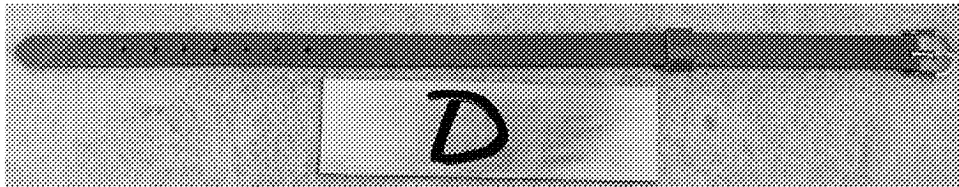
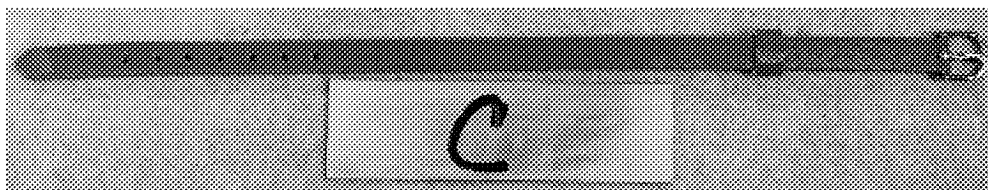
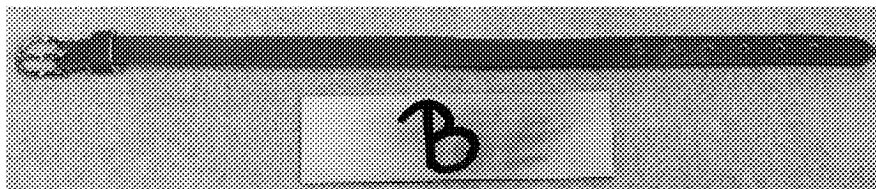
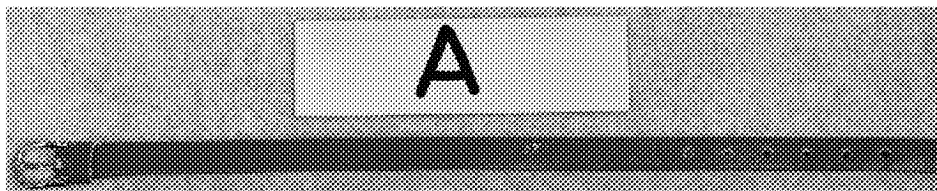
Page 4 of 9

8	C	1805	Pink loop of band strap
9	C	1805	Tan material (underside of ban)
10	D	2478	Pink top layer of band strap (with white under-layer)
11	D	2478	Pink loop of band strap
12	D	2478	Tan material (underside of ban)
13	G	463	Pink top layer of band strap (with white under-layer)
14	G	463	Pink loop of band strap
15	G	463	Tan material (underside of ban)
16	H	7105	Pink top layer of band strap (with white under-layer)
17	H	7105	Pink loop of band strap
18	H	7105	Tan material (underside of ban)

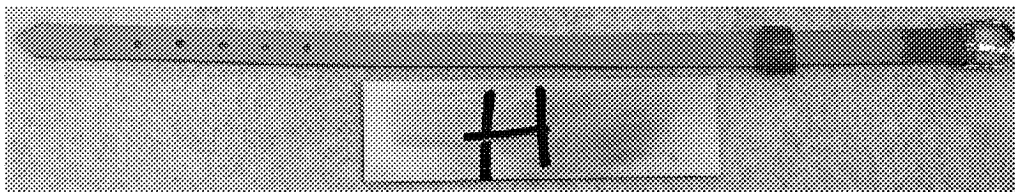
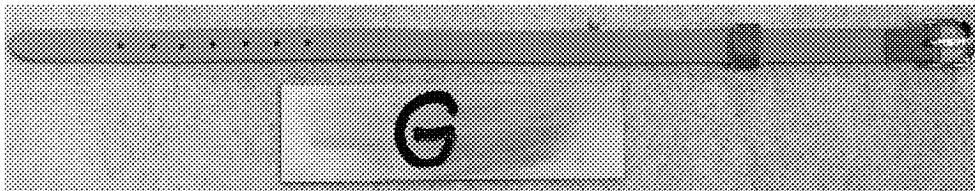
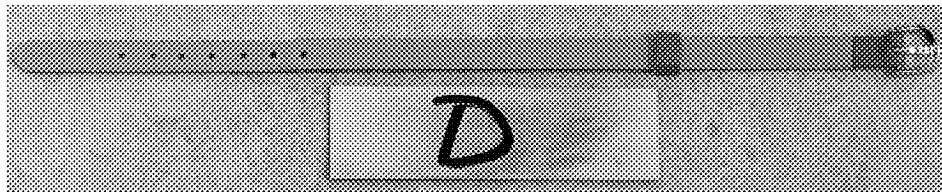
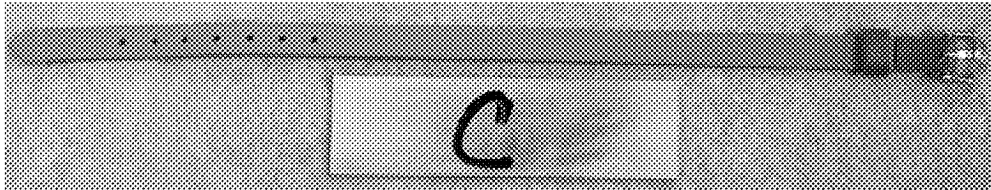
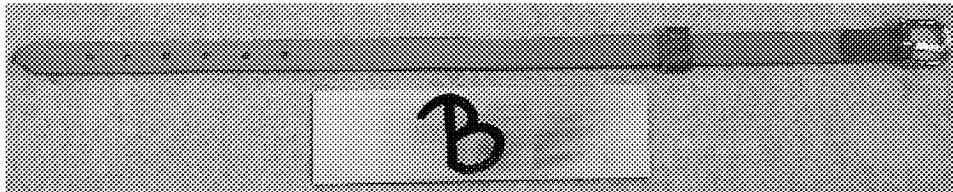
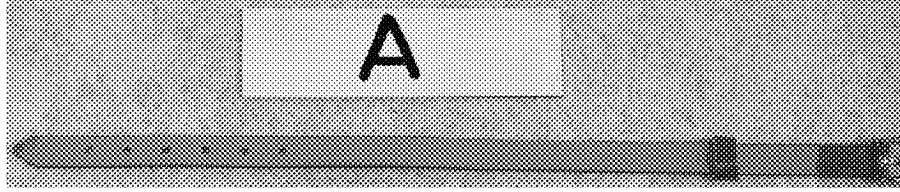
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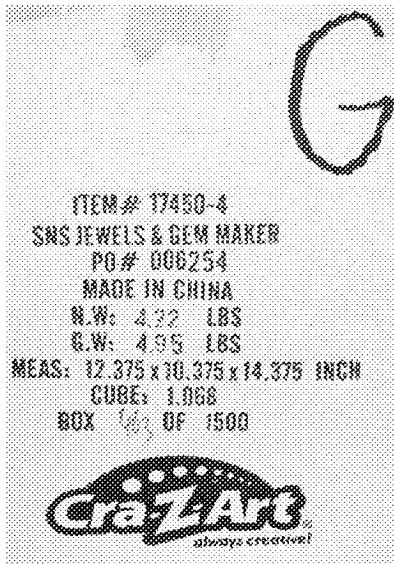
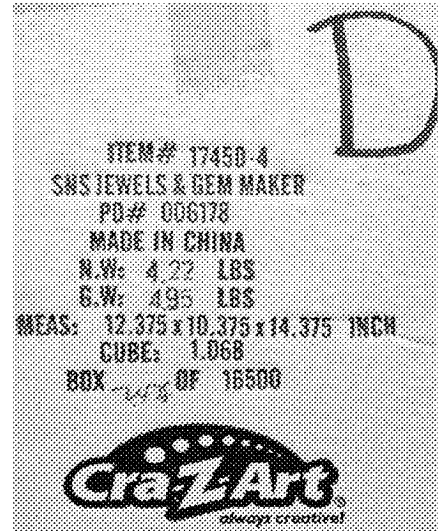
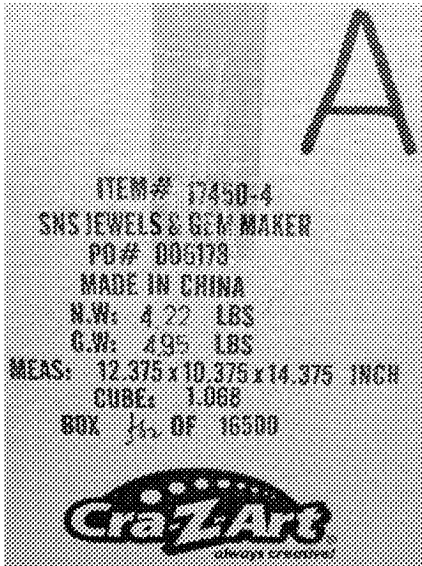
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EXHIBIT F

CPSC Test Results

CPSC Test Sample #	CPSC Test Report Date	Item Name	Test Results Lead (ppm)
16-800-0953-02	4/28/2016	Shimmer 'n Sparkle Refill Kit	1001
16-800-0953-03	4/28/2016	Shimmer 'n Sparkle Refill Kit	801
16-800-0954-04	4/28/2016	Shimmer 'n Sparkle Base Kit	824
16-800-0955-02	4/28/2016	Shimmer 'n Sparkle Base Kit	574
16-800-0955-02	4/28/2016	Shimmer 'n Sparkle Base Kit	780
16-800-0955-03	4/28/2016	Shimmer 'n Sparkle Base Kit	851
16-800-0955-03	4/28/2016	Shimmer 'n Sparkle Base Kit	700

EXHIBIT G

Laboratory Report	1. Product: Cra-Z-Jewelz	2. Sample Number: 16-800-0953	
3. Seals: Intact	4. Date Received: 4/25/2016	5. Laboratory: LSC	
6. Sample Description: Five sub units received (1-5). The seal had the following information: 16-800-0953, Elizabeth S. Phillips, PSI, 4/22/2016. The seal was broken by M. Dreyfus on 4/26/16.			
7. Product Description: This product is a jewelry-making craft set.			
8. Analytical Results: Lead in coating exceeding 90 ppm was found. Lead in plastic exceeding 100 ppm was found. Test method CPSC-CH-E1002-08.3(Non-Metals) was used. Test method ASTM F2853-10(Paints) was used.			
	16-800-0953-02	16-800-0953-03	
Component	Pb (ppm)	Pb (ppm)	Analysis
Beige base layer of pink bracelet	1001	801	XRF
Pink coating of bracelet	216	676	HD-XRF
Comments: Bracelet has multiple component layers; see body of report for pictures.			
9. Reserve Sample: Sub-samples were placed for warehouse pickup.			
10. Analyst: Matthew Dreyfus, Ph.D., Chemist		Date: 4/28/2016	
11. Check Analyst:		Date:	
12. Report Checked by: aorland@cpsc.gov		Date:	
		Digitally signed by aorland@cpsc.gov DN: cn=aorland@cpsc.gov Date: 2016.04.28 07:02:50 -04'00'	

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0953****Methods:** The following selected test methods were used in the analysis of sample component parts.

- XRF Screening:** Inhomogeneous plastic, metal and painted component parts were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld Thermo Scientific NITON XL3tXRF analyzer. Results were not quantitative and used for screening purposes only.
- Determination of Total Lead in Plastic, Polymers, and Other Non-Siliceous Materials by ICP-OES:** Total lead content was determined following procedures outlined in Section IIA (Acid Digestion) of CPSC-CH-E1002-8.3. Subsequent solutions were analyzed following procedures outlined in Section III (Total Pb in Acid Digests of Polymeric or Siliceous Materials).
- Determination of Total Lead in Plastic, Polymers, and Other Non-Siliceous Materials by XRF:** Total lead content was determined following procedures outlined in Section IIB (Identification and Quantification of Pb in Polymeric and Other Nonmetal Materials Using XRF) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by ICP-OES:** Total lead content was determined following procedures outlined in Section IA (Acid Digestion) of CPSC-CH-E1002-8.3. Subsequent solutions were analyzed following procedures outlined in Section III (Total Pb in Acid Digests of Polymeric or Siliceous Materials).
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by HD-XRF:** Total lead content was determined following procedures outlined in Section IB (Identification and Quantification of Pb in Siliceous Materials Using Energy Dispersive XRF Spectrometry Using Multiple Monochromatic Excitation Beams) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by XRF:** Total lead content was determined following procedures outlined in Section IC (Identification and Quantification of Pb in Siliceous Materials Using Other Forms of XRF Spectrometry) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Metal by ICP-OES:** Total lead in metal was determined following procedures outlined in Section IA (Hot Block Method) of CPSC-CH-E1001-8.3. Subsequent solutions were analyzed following procedures outlined in Section II (Total Pb in Metals Analysis).
- Determination of Total Lead in Metal by ICP-OES:** Total lead in metal was determined following procedures outlined in Section IB (Microwave Method) of CPSC-CH-E1001-8.3. Subsequent solutions were analyzed following procedures outlined in Section II (Total Pb in Metals Analysis).
- Determination of Total Lead in Paint by ICP-OES:** Total lead in paint was determined following procedures outlined in CPSC-CH-E1003-9.1. Subsequent solutions were analyzed following procedures outlined in Section I (ICP Operating Procedures and Quality Control Measures).
- Determination of Lead in Paint and Similar Surface Coatings by HD-XRF:** Lead in paint and similar surface coatings or in substrates and homogenous materials was determined following procedures outlined of ASTM F2853-10.

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:**4/28/2016**

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0953**

Results (XRF Screening): Inhomogeneous component parts, including plastic, metal and painted materials, were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld XRF analyzer. Results were not quantitative and used for screening purposes only.

Component	16-800-0953-02	
	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)
Purple press	ND	9
Top of press	ND	9
Blue plastic circle	ND	6
Grey plastic wristband	ND	7
Thin grey plastic wristband	ND	10
Plastic pendants on frame	ND	8
Heart charm	ND	6
Butterfly charm	ND	8
LOVE charm	ND	9
Metal clasp	ND	63
Small plastic spacer	ND	10
Larger plastic spacer	ND	13
Velvet band	ND	6
Tiny metal rings	ND	124
Necklace chain	52	27
Ring	ND	8
Earring stud	ND	8
Purple bracelet	ND	15
Tassel	ND	37
Bracelet clasp	ND	6
Clasp in bag	ND	92
Earring clasp	ND	20
Metal bracelet	ND	63
Metal bracelet clasp	ND	89
Green bead	ND	19
Blue bead	ND	14
Purple bead	ND	9
White bead	ND	5
Red bead	ND	8
Pink bead	ND	11
Yellow bead	ND	14
Orange bead	ND	15

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:

4/28/2016

Laboratory Continuation**Sample Number:**
16-800-0953

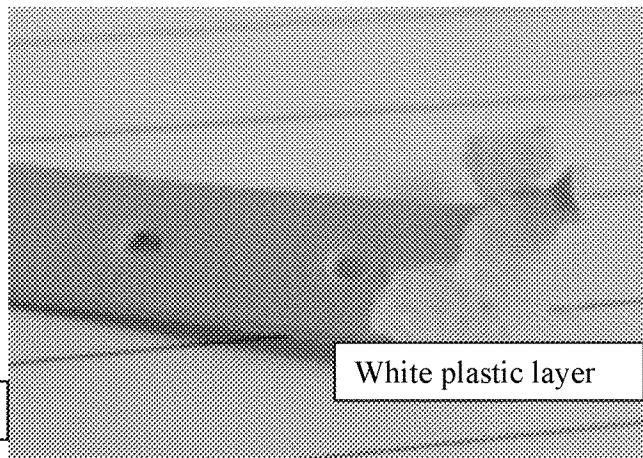
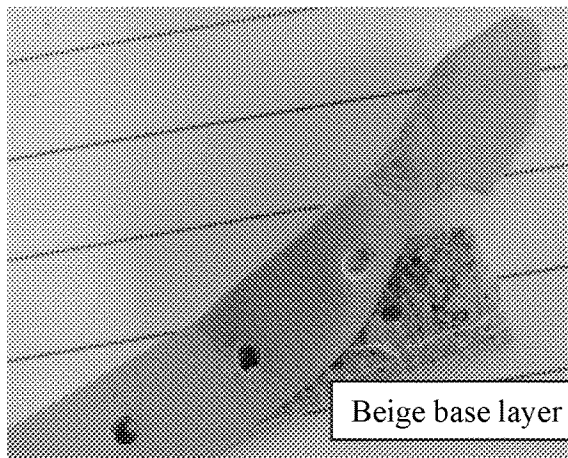
Results (XRF Testing): Homogenous plastic component parts were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld XRF analyzer. Results were used for quantitative purposes.

Component	16-800-0953-02		16-800-0953-03	
	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)
Pink bracelet (beige base layer)	1001	85	801	28

Comments: Pink bracelet had multiple layers (see pictures below); beige base layer, white plastic layer, and pink coating. Beige layer was isolated prior to XRF testing.

Results (HD-XRF): Component parts were examined for lead by XRF (X-Ray Fluorescence) Spectroscopy using a bench top analyzer with multiple monochromatic beams capabilities. Results were used for quantitative purposes.

Component	16-800-0953-02			16-800-0953-03		
	Pb (ppm)	Pb ($\pm 2\sigma$)	Pb (%)	Pb (ppm)	Pb ($\pm 2\sigma$)	Pb (%)
Pink coating	216	7	0.0216	676	17	0.0676
White middle layer	ND	2		12	2	
Metal ring pendant	ND	14		NT		



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

Laboratory Continuation**Sample Number:**
16-800-0953**Laboratory Quality Control, Definitions, and Test Method References:****Laboratory Quality Control:****Laboratory Test Equipment**

Equipment	Manufacturer	Model	CPSC/Serial #	SOP #
HD-XRF	XOS	HD Prime	12408	SOP-12-04-V1
HandheldXRF	ThermoScientific	NITON XL3t970GOLD	24648	SOP-12-03-V2

All test equipment were operating within accepted specifications as confirmed by verification recorded in the corresponding Maintenance and Calibration Logbook (MCL).

Definitions:

NA or N/A = not applicable	$\pm 2\sigma$ = error estimate at 95% confidence interval
ND = not detected (below detection limits)	w/ = with
NI = not included	w/o = without
NT = not tested	

Test Method References: The following documents are referenced in this report.

CPSC-CH-E1002-8.3 (Standard Operating Procedure for Determining Total Lead (Pb) in Nonmetal Children's Products, Revision November 15, 2012) http://www.cpsc.gov/PageFiles/137832/CPSC-CH-E1002-08_3.pdf.

CPSC-CH-E1001-8.3 (Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry), Revision November 15, 2012) http://www.cpsc.gov/PageFiles/137829/CPSC-CH-E1001-08_3.pdf.

CPSC-CH-E1003-09.1 (Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings, February 25, 2011) http://www.cpsc.gov/PageFiles/140861/CPSC-CH-E1003-09_1.pdf.

ASTM F2853-10 (Standard Test Method for Determination of Lead in Paint Layers and Similar Coatings or in Substrates and Homogeneous Materials by Energy Dispersive X-Ray Fluorescence Spectrometry Using multiple Monochromatic Excitation Beams) <http://www.astm.org/Standards/F2853.htm>.

Analyst:
Matthew Dreyfus, Ph.D., Chemist**Date:**
4/28/2016

Sample Picture:



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

Laboratory Continuation

Sample Number:
16-800-0953

Sample Picture:



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

Laboratory Report	1. Product: Cra-Z-Jewels	2. Sample Number: 16-800-0954									
3. Seals: Intact	4. Date Received: 4/25/2016	5. Laboratory: LSC									
6. Sample Description: Four sub units received (1-4). The seal had the following information: 16-800-0954, Elizabeth S. Phillips, PSI, 4/22/2016. The seal was broken by M. Dreyfus on 4/26/16.											
7. Product Description: This product is a jewelry-making craft set.											
8. Analytical Results: Lead in plastic exceeding 100 ppm was found. Test method CPSC-CH-E1002-08.3(Non-Metals) was used.											
<table border="1"> <thead> <tr> <th></th> <th>16-800-0954-04</th> <th></th> </tr> <tr> <th>Component</th> <th>Pb (ppm)</th> <th>Analysis</th> </tr> </thead> <tbody> <tr> <td>Beige base layer of fuchsia bracelet</td> <td>824</td> <td>XRF</td> </tr> </tbody> </table>				16-800-0954-04		Component	Pb (ppm)	Analysis	Beige base layer of fuchsia bracelet	824	XRF
	16-800-0954-04										
Component	Pb (ppm)	Analysis									
Beige base layer of fuchsia bracelet	824	XRF									
Comments: Bracelet has multiple component layers; see body of report for pictures.											
9. Reserve Sample: Sub-samples were placed for warehouse pickup.											
10. Analyst: Matthew Dreyfus, Ph.D., Chemist		Date: 4/28/2016									
11. Check Analyst:		Date:									
12. Report Checked by: aorland@cpsc.gov		Date:									
		Digitally signed by aorland@cpsc.gov DN: cn=aorland@cpsc.gov Date: 2016.04.28 07:04:10 -0400									

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0954****Methods:** The following selected test methods were used in the analysis of sample component parts.

- XRF Screening:** Inhomogeneous plastic, metal and painted component parts were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld Thermo Scientific NITON XL3tXRF analyzer. Results were not quantitative and used for screening purposes only.
- Determination of Total Lead in Plastic, Polymers, and Other Non-Siliceous Materials by ICP-OES:** Total lead content was determined following procedures outlined in Section IIA (Acid Digestion) of CPSC-CH-E1002-8.3. Subsequent solutions were analyzed following procedures outlined in Section III (Total Pb in Acid Digests of Polymeric or Siliceous Materials).
- Determination of Total Lead in Plastic, Polymers, and Other Non-Siliceous Materials by XRF:** Total lead content was determined following procedures outlined in Section IIB (Identification and Quantification of Pb in Polymeric and Other Nonmetal Materials Using XRF) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by ICP-OES:** Total lead content was determined following procedures outlined in Section IA (Acid Digestion) of CPSC-CH-E1002-8.3. Subsequent solutions were analyzed following procedures outlined in Section III (Total Pb in Acid Digests of Polymeric or Siliceous Materials).
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by HD-XRF:** Total lead content was determined following procedures outlined in Section IB (Identification of Quantification of Pb in Siliceous Materials Using Energy Dispersive XRF Spectrometry Using Multiple Monochromatic Excitation Beams) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by XRF:** Total lead content was determined following procedures outlined in Section IC (Identification of Quantification of Pb in Siliceous Materials Using Other Forms of XRF Spectrometry) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Metal by ICP-OES:** Total lead in metal was determined following procedures outlined in Section IA (Hot Block Method) of CPSC-CH-E1001-8.3. Subsequent solutions were analyzed following procedures outlined in Section II (Total Pb in Metals Analysis).
- Determination of Total Lead in Metal by ICP-OES:** Total lead in metal was determined following procedures outlined in Section IB (Microwave Method) of CPSC-CH-E1001-8.3. Subsequent solutions were analyzed following procedures outlined in Section II (Total Pb in Metals Analysis).
- Determination of Total Lead in Paint by ICP-OES:** Total lead in paint was determined following procedures outlined in CPSC-CH-E1003-9.1. Subsequent solutions were analyzed following procedures outlined in Section I (ICP Operating Procedures and Quality Control Measures).
- Determination of Lead in Paint and Similar Surface Coatings by HD-XRF:** Lead in paint and similar surface coatings or in substrates and homogenous materials was determined following procedures outlined of ASTM F2853-10.

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:**4/28/2016**

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0954**

Results (XRF Screening): Inhomogeneous component parts, including plastic, metal and painted materials, were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld XRF analyzer. Results were not quantitative and used for screening purposes only. Measurements were performed by Maricar Duque.

Component	16-800-0954-04	
	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)
Purple press	ND	5
Top of press	ND	3
Jewel	ND	7
Blue plastic circle	ND	4
Star charm	ND	5
Velvet bracelet	ND	10
Silver bracelet	ND	13
White plastic bracelet	ND	4
Purple bracelet	ND	9
Small flower chain	ND	5
Heart chain	ND	3
Heart ring	ND	3
Plastic ring	ND	5
Bracelet hook	ND	60
Bracelet chain	ND	130

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:

4/28/2016

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0954**

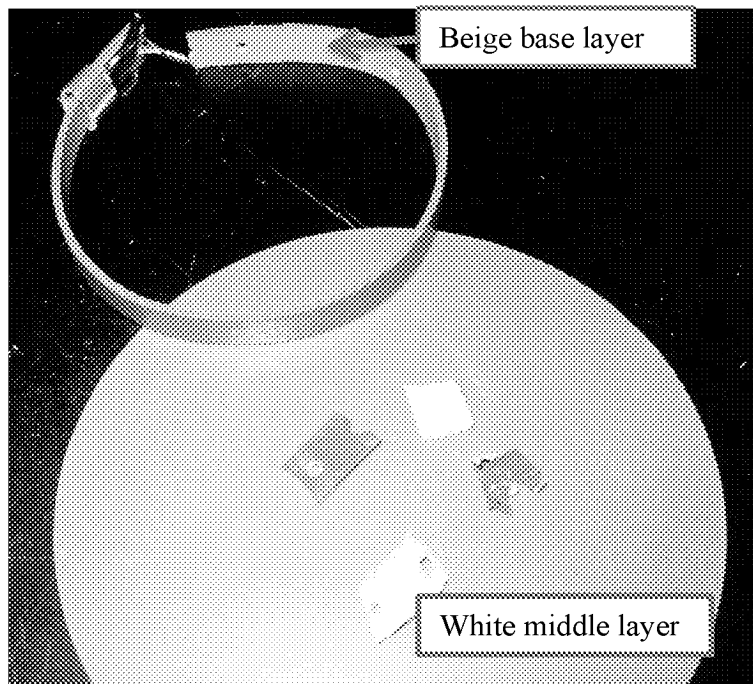
Results (XRF Testing): Homogenous plastic component parts were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld XRF analyzer. Results were used for quantitative purposes. Measurement was performed by Maricar Duque.

Component	16-800-0954-04	
	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)
Fuchsia bracelet (beige base layer)	824	60

Comments: Pink bracelet had multiple layers (see pictures below); beige base layer, white plastic layer, and pink coating. Beige layer was isolated prior to XRF testing.

Results (HD-XRF): Component parts were examined for lead by XRF (X-Ray Fluorescence) Spectroscopy using a bench top analyzer with multiple monochromatic beams capabilities. Results were used for quantitative purposes.

Component	16-800-0954-04	
	Pb (ppm)	Pb ($\pm 2\sigma$)
Fuchsia coating	ND	5
White middle layer	4	2



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0954****Laboratory Quality Control, Definitions, and Test Method References:****Laboratory Quality Control:****Laboratory Test Equipment**

Equipment	Manufacturer	Model	CPSC/Serial #	SOP #
HD-XRF	XOS	HD Prime	12408	SOP-12-04-V1
HandheldXRF	ThermoScientific	NITON XL3t970GOLD	24583	SOP-12-03-V2

All test equipment were operating within accepted specifications as confirmed by verification recorded in the corresponding Maintenance and Calibration Logbook (MCL).

Definitions:

NA or N/A = not applicable	$\pm 2\sigma$ = error estimate at 95% confidence interval
ND = not detected (below detection limits)	w/ = with
NI = not included	w/o = without
NT = not tested	

Test Method References: The following documents are referenced in this report.

CPSC-CH-E1002-8.3 (Standard Operating Procedure for Determining Total Lead (Pb) in Nonmetal Children's Products, Revision November 15, 2012) http://www.cpsc.gov/PageFiles/137832/CPSC-CH-E1002-08_3.pdf.

CPSC-CH-E1001-8.3 (Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry), Revision November 15, 2012) http://www.cpsc.gov/PageFiles/137829/CPSC-CH-E1001-08_3.pdf.

CPSC-CH-E1003-09.1 (Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings, February 25, 2011) http://www.cpsc.gov/PageFiles/140861/CPSC-CH-E1003-09_1.pdf.

ASTM F2853-10 (Standard Test Method for Determination of Lead in Paint Layers and Similar Coatings or in Substrates and Homogeneous Materials by Energy Dispersive X-Ray Fluorescence Spectrometry Using multiple Monochromatic Excitation Beams) <http://www.astm.org/Standards/F2853.htm>.

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:**4/28/2016**

U.S. CPSC Laboratory Report

Laboratory Continuation

Sample Number:
16-800-0954

Sample Picture:



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

Laboratory Report	1. Product: Cra-Z-Jewelz	2. Sample Number: 16-800-0955	
3. Seals: Intact	4. Date Received: 4/25/2016	5. Laboratory: LSC	
6. Sample Description: Four sub units received (1-4). The seal had the following information: 16-800-0953, Elizabeth S. Phillips, PSI, 4/22/2016. The seal was broken by M. Dreyfus on 4/26/16.			
7. Product Description: This product is a jewelry-making craft set.			
8. Analytical Results: Lead in coating exceeding 90 ppm was found. Lead in plastic exceeding 100 ppm was found. Test method CPSC-CH-E1002-08.3(Non-Metals) was used. Test method ASTM F2853-10(Paints) was used.			
	16-800-0955-02	16-800-0955-03	
Component	Pb (ppm)	Pb (ppm)	Analysis
Beige base layer of pink bracelet	574	851	XRF
Beige base layer of purple glitter bracelet	780	700	XRF
Pink coating of bracelet	400	282	HD-XRF
Comments: Bracelets have multiple component layers; see body of report for pictures.			
9. Reserve Sample: Sub-samples were placed for warehouse pickup.			
10. Analyst: Matthew Dreyfus, Ph.D., Chemist		Date: 4/28/2016	
11. Check Analyst:		Date:	
12. Report Checked by: aorland@cpsc.gov		Date:	
<small>Digitally signed by aorland@cpsc.gov DN: cn=aorland@cpsc.gov Date: 2016.04.28 07:05:33 -0400</small>			

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0955****Methods:** The following selected test methods were used in the analysis of sample component parts.

- XRF Screening:** Inhomogeneous plastic, metal and painted component parts were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld Thermo Scientific NITON XL3tXRF analyzer. Results were not quantitative and used for screening purposes only.
- Determination of Total Lead in Plastic, Polymers, and Other Non-Siliceous Materials by ICP-OES:** Total lead content was determined following procedures outlined in Section IIA (Acid Digestion) of CPSC-CH-E1002-8.3. Subsequent solutions were analyzed following procedures outlined in Section III (Total Pb in Acid Digests of Polymeric or Siliceous Materials).
- Determination of Total Lead in Plastic, Polymers, and Other Non-Siliceous Materials by XRF:** Total lead content was determined following procedures outlined in Section IIB (Identification and Quantification of Pb in Polymeric and Other Nonmetal Materials Using XRF) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by ICP-OES:** Total lead content was determined following procedures outlined in Section IA (Acid Digestion) of CPSC-CH-E1002-8.3. Subsequent solutions were analyzed following procedures outlined in Section III (Total Pb in Acid Digests of Polymeric or Siliceous Materials).
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by HD-XRF:** Total lead content was determined following procedures outlined in Section IB (Identification and Quantification of Pb in Siliceous Materials Using Energy Dispersive XRF Spectrometry Using Multiple Monochromatic Excitation Beams) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Ceramics, Glass and Crystal, and Other Siliceous Materials by XRF:** Total lead content was determined following procedures outlined in Section IC (Identification and Quantification of Pb in Siliceous Materials Using Other Forms of XRF Spectrometry) of CPSC-CH-E1002-8.3.
- Determination of Total Lead in Metal by ICP-OES:** Total lead in metal was determined following procedures outlined in Section IA (Hot Block Method) of CPSC-CH-E1001-8.3. Subsequent solutions were analyzed following procedures outlined in Section II (Total Pb in Metals Analysis).
- Determination of Total Lead in Metal by ICP-OES:** Total lead in metal was determined following procedures outlined in Section IB (Microwave Method) of CPSC-CH-E1001-8.3. Subsequent solutions were analyzed following procedures outlined in Section II (Total Pb in Metals Analysis).
- Determination of Total Lead in Paint by ICP-OES:** Total lead in paint was determined following procedures outlined in CPSC-CH-E1003-9.1. Subsequent solutions were analyzed following procedures outlined in Section I (ICP Operating Procedures and Quality Control Measures).
- Determination of Lead in Paint and Similar Surface Coatings by HD-XRF:** Lead in paint and similar surface coatings or in substrates and homogenous materials was determined following procedures outlined of ASTM F2853-10.

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:**4/28/2016**

U.S. CPSC Laboratory Report

Laboratory Continuation**Sample Number:****16-800-0955**

Results (XRF Screening): Inhomogeneous component parts, including plastic, metal and painted materials, were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld XRF analyzer. Results were not quantitative and used for screening purposes only. Measurements performed by Maricar Duque.

Component	16-800-0955-02	
	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)
Dark pink jewel	ND	9
Light pink jewel	ND	9
White jewel	ND	20
Blue jewel	ND	77
Purple jewel	ND	9
Green jewel	ND	7
Small star charm	ND	4
Big star charm	ND	3
Moon charm	ND	4
Big heart charm	ND	4
Small heart charm	ND	4
Dragonfly charm	ND	4
Flower charm	ND	4
Square charm	ND	3
Oval charm	ND	3
Lock charm	ND	4
LOL charm	ND	3
LOVE charm	ND	4
Elongated charm	ND	3
Large charm	ND	3
Bracelet clasp	ND	58
Bracelet chain	ND	80
Purple glitter layer on bracelet	ND	13

Analyst:

Matthew Dreyfus, Ph.D., Chemist

Date:

4/28/2016

Laboratory ContinuationSample Number:
16-800-0955

Results (XRF Testing): Homogenous plastic component parts were examined individually for lead by XRF (X-Ray Fluorescence) Spectroscopy using a handheld XRF analyzer. Results were used for quantitative purposes. Measurements performed by Maricar Duque.

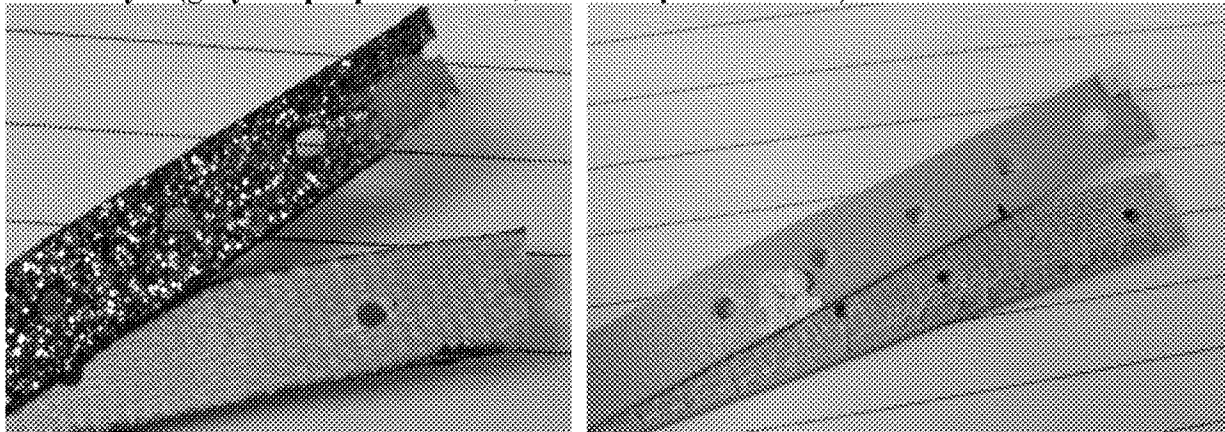
Component	16-800-0955-02		16-800-0955-03	
	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)	Pb (ppm)	Pb ($\pm 2\sigma$, ppm)
Pink bracelet (beige base layer)	574	57	851	47
Purple bracelet (beige base layer)	780	59	700	63

Comments: Bracelets have multiple layers (see pictures below); beige base layer, white plastic layer, and pink/purple glitter coating. Beige layer was isolated prior to XRF testing.

Results (HD-XRF): Component parts were examined for lead by XRF (X-Ray Fluorescence) Spectroscopy using a bench top analyzer with multiple monochromatic beams capabilities. Results were used for quantitative purposes. Measurements performed by Maricar Duque.

Component	16-800-0955-02			16-800-0955-03		
	Pb (ppm)	Pb ($\pm 2\sigma$)	Pb (%)	Pb (ppm)	Pb ($\pm 2\sigma$)	Pb (%)
Pink coating	400	11	0.0400	282	7	0.0282
White middle layer	32	3		6	2	

Images below illustrate three distinct layers: Beige base layer, Top colored layer, and middle layer (grey for purple bracelet, white for pink bracelet).



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

Laboratory Continuation**Sample Number:**
16-800-0955**Laboratory Quality Control, Definitions, and Test Method References:****Laboratory Quality Control:****Laboratory Test Equipment**

Equipment	Manufacturer	Model	CPSC/Serial #	SOP #
HandheldXRF	ThermoScientific	NITON XL3t970GOLD	24583	SOP-12-03-V2
HD-XRF	XOS	HD Prime	12408	SOP-12-04-V1

All test equipment were operating within accepted specifications as confirmed by verification recorded in the corresponding Maintenance and Calibration Logbook (MCL).

Definitions:

NA or N/A = not applicable	$\pm 2\sigma$ = error estimate at 95% confidence interval
ND = not detected (below detection limits)	w/ = with
NI = not included	w/o = without
NT = not tested	

Test Method References: The following documents are referenced in this report.

CPSC-CH-E1002-8.3 (Standard Operating Procedure for Determining Total Lead (Pb) in Nonmetal Children's Products, Revision November 15, 2012) http://www.cpsc.gov/PageFiles/137832/CPSC-CH-E1002-08_3.pdf.

CPSC-CH-E1001-8.3 (Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry), Revision November 15, 2012) http://www.cpsc.gov/PageFiles/137829/CPSC-CH-E1001-08_3.pdf.

CPSC-CH-E1003-09.1 (Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings, February 25, 2011) http://www.cpsc.gov/PageFiles/140861/CPSC-CH-E1003-09_1.pdf.

ASTM F2853-10 (Standard Test Method for Determination of Lead in Paint Layers and Similar Coatings or in Substrates and Homogeneous Materials by Energy Dispersive X-Ray Fluorescence Spectrometry Using multiple Monochromatic Excitation Beams) <http://www.astm.org/Standards/F2853.htm>.

Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

Sample Picture:



Analyst:
Matthew Dreyfus, Ph.D., Chemist

Date:
4/28/2016

EXHIBIT H



Test Report

No.T31520230020TY

Date: SEP 14, 2015

Page 1 of 7

CRA-Z-ART CORP
1578 SUSSEX TURNPIKE,RANDOLPH,
MORRIS,NJ,07869,UNITED STATES

The following samples were submitted and identified by/on behalf of the client as:
SNS JEWELS & GEM MAKER.

Item No. : 17450
Country of Origin : CHINA
Labeled Age Grading : 6+
Requested Age Grading : NOT STATED
Tested Age Grading : OVER 6 YEARS
Sample Receiving Date : AUG 03, 2015
Further Information Date : AUG 20, 2015
Testing Period : AUG 03, 2015 TO SEP 14, 2015

Test Requested : Please refer to the next page.

Test Results : Please refer to the next page.

Signed for and on behalf of
SGS Hong Kong Ltd.

Au Shui Lun, Jonathan
Section Manager

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Protocol for Testing:

- The requirements of the Wal-Mart performance test protocol – Carft kit or component performance (V2).
- The requirements of the Wal-Mart test protocol –Jewelry costume non toy performance (v2).
- The requirements of the Wal-Mart test protocol –Jewelry, children’s fine, costume, and hair accessories (Version 2014-7-21).
- The requirements of the Wal-Mart test protocol – All Products (version 2015-3-10).
- The requirements of the Wal-Mart test protocol – Children’s Products (version 2014-7-9).

Executive Summary:

Based on the result of actual test in the submitted sample and/or document review provided by applicant, the sample(s) **MEET** the following requirements:

- The flammability requirements of 16 CFR 1500.3(c)(6)(vi), “Flammability of solid”.
- The safety and labeling requirements of Title 16, Code of Federal Regulations, Chapter II – Consumer Products Safety Commission of U.S.A.
- The total lead content by composite testing in accessible paint/similar surface coating materials per modified 16 CFR 1303, “Ban of lead-containing paint and certain products bearing lead-containing paint” of Consumer Products Safety Improvement Act (CPSIA) of 2008 (Refer to Summary of documentation provided by vendors).
- The total lead content by composite testing in substrate materials per 16 CFR 1500.87 and Consumer Products Safety Improvement Act (CPSIA) of 2008 and Wal-mart’s requirement (Refer to Summary of documentation provided by vendors).
- The total lead content of metal jewelry per Consumer Products Safety Improvement Act (CPSIA) of 2008 (Refer to Summary of documentation provided by vendors).
- The total cadmium content for children’s costume jewelry per Wal-mart’s requirement (Refer to Summary of documentation provided by vendors).
- The requirements of ASTM F2923-2014.
- Wal-Mart heavy metals requirements (Refer to Summary of documentation provided by vendors).
- The heavy metals content in packaging requirements of US Model Toxics in Packaging Legislation (TPCH: Toxics in Packaging Clearing House) (Refer to Summary of documentation provided by vendors).

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Executive Summary:

Based on the result of actual test in the submitted sample and/or document review provided by applicant, the sample(s) **MEET** the following requirements:

- The packaging and labeling requirements of the client's testing program.
- The performance requirements of the client's testing program.
- The physical and mechanical requirements of client's testing program.
- The requirement of the tracking label of Consumer Products Safety Improvement Act (CPSIA) of 2008 (Refer to Result Page).

Summary of documentation provided by vendors/suppliers for the compliance evaluation:

Requirements	Report Number	Date	Testing Lab	Result
Total Lead Content	T31520230022TY-01 T31520230023TY	AUG 24, 2015 SEP 14, 2015	SGS SGS	Acceptable
Cadmium content in children's costume jewelry	T31520230022TY-01	AUG 24, 2015	SGS	Acceptable
Toxics in Packaging Clearing House	Guarantee Letter Provided by vendor	-----	-----	Acceptable
Wal-Mart soluble heavy metals Content	T31520230021TY	AUG 25, 2015	SGS	Acceptable
Chemical requirements of ASTM F2923-14	T31520230021TY T31520230022TY-01 T31520230029TC	AUG 25, 2015 AUG 24, 2015 SEP 02, 2015	SGS	Acceptable
Nickel Release	T31520230029TC	SEP 02, 2015	SGS	Acceptable
EN71-1,2 & 3 (Claim)	T31520230021TY	AUG 25, 2015	SGS	Acceptable

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Claim Verification:

Claims	Classification	Actual Situation	Result
Includes Everything You Need: 1 Gem Machine, 11 Assorted Medium Gem Strips, 3 Assorted Large Gem Strips, 1 Tennis Bracelet with 19 Large Gem Settings-7.75 in (19.7cm), 1 Tennis Bracelet with 28 Medium Gem Settings-7.75 in (19.7cm), 1 Stretchy Bracelet with Charm-2.25in (5.7cm) Diameter, 1 Gem Choker (15 Large Gem Settings and 15 Medium Gem Settings)-14 in (35.6cm) 1 velvet Choker with 3 Chains-12 in (30.5cm), 2 Chain-Link Bracelets-6.25in (15.9cm) each, 19 Charms, 3 Tassels, 1 Chain with Pendant-22 in (55.9cm), 2 Earring posts with 3 Gem Settings Each, 2 Finger Rings, 2 Ring Gem Settings, 6 Slider Charms, 1 Slider Bracelet-8.375 in (21.3cm), 1 Slider Headband-18 in (45.7cm), 60 Jump Rings, Easy-to-Follow Instructions.	Visual, Counted & Measured	As claim	Pass
CE marking	Tested	As claim	Pass




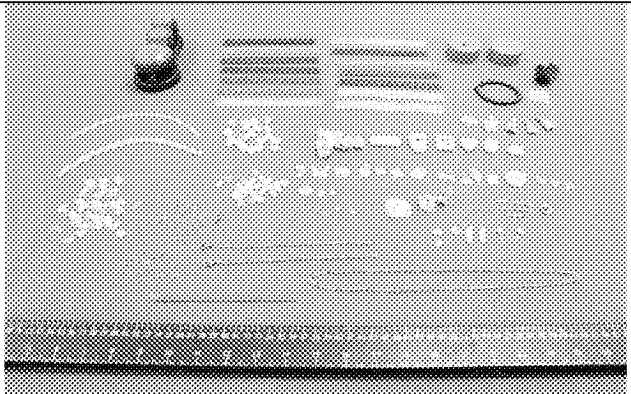
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TEST REPORT – Picture Page

Sample Picture (As received)	
Pic.1	Pic.2
	
Pic.3	Pic.4
	

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TEST REPORT – Result Page

Physical Characteristics

Material type: plastic, metal, fabric
Type of product produced: Jewelry
Mounting means of finished product: wearing
Type of jewelry: ring, earrings, necklace, bracelet

Color Fastness to Crocking

(AATCC 116-2013.

Size of crocking finger: 16mm dia.)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Dry staining	4.5	4.5	4.5	4.5	4.5	4.5
Wet staining	4.5	4.5	4.5	4.5	4.5	4.0

Remark: Grey Scale Rating is based on the 5-step scale of 1 to 5, where 1 is bad and 5 is good.

Specimen Description:

1. Silvery string
2. Orange and purple elastic cord
3. Black velcro
4. Purple suede elastic band
5. Light grey elastic band with silvery plastic stripe
6. Pink foam sheet

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Tracking label of Consumer Products Safety Improvement Act (CPSIA) of 2008

As specified in Consumer Product Safety Improvement Act (CPSIA) of 2008 section 103 tracking labels for children's product.

- Tracking Label was found on the packaging:

Manufacturer/ Private Labeler : CRA-Z-ART
Source (Location) : BCH006178A13-0715 MADE IN CHINA
Date Code : BCH006178A13-0715
Cohort Information : BCH006178A13-0715

- Tracking Label was found on the product:

Manufacturer/ Private Labeler : CRA-Z-ART
Source (Location) : BCH006178A13-0715 MADE IN CHINA
Date Code : BCH006178A13-0715
Cohort Information : BCH006178A13-0715

Remark# 1: City and State, or administrative state shall be also provided for the source (location) information.

Note : The tracking label assessment was based on the submitted samples and the information provided by the applicant. There was no verification on the validity of such information.

*** End of Report ***

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CRA-Z-ART CORP
1578 SUSSEX TURNPIKE,RANDOLPH,
MORRIS,NJ,07869,UNITED STATES

The following samples were submitted and identified by/on behalf of the client as:

SNS JEWELS & GEM MAKER

Item No. : 17450
Country of Origin : CHINA
Labeled Age Grading : 6+
Requested Age Grading : NOT STATED
Sample Receiving Date : AUG 03, 2015
Testing Period : AUG 03, 2015 TO SEP 14, 2015

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Test Requested	Conclusion
1. For compliance with the ASTM F2923-14 Standard Specification for Consumer Product Safety for Children's Jewelry.	--
-ASTM F2923-14 Standard Specification for Consumer Product Safety for Children's Jewelry	PASS
2. For compliance with the test requirement of the Physical & Mechanical, Flammability test requirement of Title 16, Code of Federal Regulations, Chapter II – Consumer Products Safety Commission of U.S.A.	--
Physical and mechanical tests consisting US CPSC 16 CFR 1500.48, US CPSC 16 CFR 1500.49 and US CPSC 16 CFR 1501: - US CPSC 16 CFR 1500.48 – Technical requirements for determining a sharp point in toys and other articles intended for use by children under 8 years of ages - US CPSC 16 CFR 1500.49 – Technical requirements for determining a sharp metal or glass edge in toys and other articles intended for use by children under 8 years of age - US CPSC 16 CFR 1501 – Method for identifying toys and other articles intended for use by children under 3 years of age which present choking, aspiration, or ingestion hazards because of small parts	PASS
US CPSC 16 CFR 1500.44 – Method for determining extremely flammable and flammable solids	PASS
3. Title 16, Code of Federal Regulations, Chapter II - Consumer Products Safety Commission of U.S.A. - Part 1303 - Ban of Lead - Containing Paint and Certain Consumer Products Bearing Lead - Containing Paint – Lead Content	PASS
4. CPSIA section 101 - Total Lead content	--
4.1 CPSIA section 101(f) (1) – Lead in paint/similar surface coating material	PASS
4.2 CPSIA section 101(a) (2) – Lead in accessible substrate materials (Including Children's Metal Jewelry)	PASS
5. Public Act 10-113 of Connecticut, USA - Cadmium content on the tested specimen(s)	PASS

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Test Requested		Conclusion
6.	US Model Toxics in Packaging Legislation (TPCH: Toxics in Packaging Clearing House) (formerly drafted by CONEG) – Total Lead, Cadmium, Mercury and Hexavalent Chromium content	PASS
7.	Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act – Lead in surface coating materials of painted toy / children’s jewelry / childcare article	PASS
8.	Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act – Lead in substrate materials of children’s jewelry / childcare article	PASS

***** FOR FURTHER DETAILS, PLEASE REFER TO THE FOLLOWING PAGE(S) *****

Signed for and on behalf of
SGS Hong Kong Ltd.

Au Shui Lun, Jonathan
Section Manager

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Test Results:

1. ASTM F2923-14

AS SPECIFIED IN ASTM F2923-14 Standard Specification for Consumer Product Safety for Children's Jewelry.

<u>Clause</u>	<u>Description</u>	<u>Result</u>
5	Specification for Lead in children's jewelry	<u>Pass</u> <u>(See Result Page)</u>
8	Specification for Antimony, Arsenic, Barium, Cadmium, Chromium, Mercury, and Selenium in Paint and Surface Coatings of Children's Jewelry	<u>Pass</u> <u>(See Result Page)</u>
9	Specification for Cadmium In Certain Substrate Materials of Children's Jewelry	<u>Pass</u> <u>(See Result Page)</u>
10	Specification for Nickel In Metal Components of Children's Jewelry	<u>Pass</u> <u>(See Result Page)</u>

ASTM F2923-14, Clause 5 – Lead in Children's Jewelry

Lead in Paint/Surface Coating Materials

Method: With reference to CPSC-CH-E1003-09.1 - Standard Operating Procedure for Determining Heavy Metal in Paint and Other Similar Surface Coatings

Test Item(s)	Lead (Pb)
Permissible Limit (ppm)	90
Specimen Description	Result(s) (ppm)
1. Shiny silvery coating on plastic (Gem) + Dark pink coating on foam sheet (Strap)	ND

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test.

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Lead in Substrate Materials

Method (non-metallic materials): With reference to CPSC-CH-E1002-08.3 - Standard Operation Procedure for Determining Heavy Metal in Non-Metal Children Product

Method (metal materials): With reference to CPSC-CH-E1001-08.3 - Standard Operating Procedure for Determining Heavy Metal in Children's Metal Products (Including Children's Metal Jewelry)

Test Item(s)	Lead (Pb)
Permissible Limit (ppm)	100
Specimen Description	Result(s) (ppm)
1. Green rubber core (Elastic cord) + White elastic ring (Elastic band) + Transparent elastic ring (Elastic band)	ND
2. Silvery metal electro-plated black plastic (Fastener)	ND
3. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
4. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
5. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
6. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND
7. White woven band w/ silvery plastic strip (Elastic band) + Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
8. Silvery metal chain	ND
9. Silvery metal lobster claw	ND
10. Silvery metal jump ring	ND
11. Silvery metal ring	ND
12. Silvery metal buckle	ND
13. Silvery metal buckle pin	ND

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- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test.

ASTM F2923-14, Clause 8 - Certain Soluble Elements in Paint and Surface Coatings of Children's Jewelry

Method: With reference to ASTM F963-11 Clause 8.3

Analysis was performed by Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES)

Test Item(s)	Sb	As	Ba	Cd	Cr	Hg	Se
MDL (ppm)	5	2.5	10	5	5	5	10
Permissible Limit (ppm)	60	25	1000	75	60	60	500
Specimen No.	Mass of trace amount (mg)	Adjusted Soluble Result(s) (ppm)					
1	22.7	ND	ND	ND	ND	ND	ND
2	60.1	ND	ND	ND	ND	ND	ND

Specimen Description:

1. Shiny silvery coating on plastic (Gem)
2. Dark pink coating on foam sheet (Strap)

- Note:
- ppm = parts per million
 - mg = milligram
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit
 - Result(s) of soluble elements shown is (are) of the adjusted analytical result(s).

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ASTM F2923-14, Clause 9 - Cadmium in Certain Substrate Materials of Children's Jewelry

Method (non-metallic materials): With reference to CPSC-CH-E1002-08.3 - Standard Operation Procedure for Determining Heavy Metal in Non-Metal Children Product

Method (metal materials): With reference to CPSC-CH-E1001-08.3 - Standard Operating Procedure for Determining Heavy Metal in Children's Metal Products (Including Children's Metal Jewelry)

Analysis was performed by Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES)

Test Item(s)	Cadmium (Cd)
MDL (ppm)	5
Total Screening Limit (ppm)	300
Specimen Description	Result(s) (ppm)
1. Green rubber core (Elastic cord) + White elastic ring (Elastic band) + Transparent elastic ring (Elastic band)	ND
2. Silvery metal electro-plated black plastic (Fastener)	ND
3. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
4. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
5. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
6. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND
7. White woven band w/ silvery plastic strip (Elastic band) + Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
8. Silvery metal chain	ND
9. Silvery metal lobster claw	ND
10. Silvery metal jump ring	ND
11. Silvery metal ring	ND
12. Silvery metal buckle	ND
13. Silvery metal buckle pin	ND

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Remark: No soluble cadmium test was conducted due to the total cadmium content results do not exceed total screening limit. (For specimen 1-13)
The result(s) is (are) calculated using the minimum specimen weight for composite test.

- Note:
- ppm = parts per million
 - mg = milligram
 - 1% =10000ppm= 10000mg/kg=10000µg /g
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit

ASTM F2923-14, Clause 10 - Nickel in Metal Components of Children's Jewelry

Method: With reference to EN12472: 2005+A1:2009 and EN 1811: 2011
Analysis was performed by Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES) or Inductively Coupled Plasma Mass Spectrometer (ICP-MS)

EN 1811: 2011

Non-body Piercing Article

Test Item (s)	Sample Area (cm ²)	Volume of Test Solution (ml)	Results (s) (µg/cm ² /week)			Limit (µg/cm ² /week)
			<u>Trial 1</u>	<u>Trial 2</u>	<u>Trial 3</u>	
1	12.59	13.0	ND	ND	ND	0.5
2	2.93	3.0	ND	ND	ND	0.5

Specimen Description:

1. Silvery metal chain
2. Silvery metal ring

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EN12472: 2005+A1:2009 and EN 1811: 2011Non-body Piercing Article

Test Item (s)	Sample Area (cm ²)	Volume of Test Solution (ml)	Results (s) (µg/cm ² /week)			Limit (µg/cm ² /week)
			Trial 1	Trial 2	Trial 3	
1	2.21	2.5	ND	ND	ND	0.5
2	0.56 (2pcs)	1.0	ND	ND	ND	0.5
3	1.56	2.0	ND	ND	ND	0.5
4	0.79	1.0	ND	ND	ND	0.5
5	1.58	2.0	ND	ND	ND	0.5

Specimen Description:

1. Silvery metal lobster claw
2. Silvery metal jump ring
3. Silvery metal buckle
4. Silvery metal buckle pin
5. Silvery metal electro-plated black plastic (Fastener)

- Note:
- cm² = square centimeter
 - ml = milliliter
 - µg/cm²/week = microgram per square centimeter per week
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 0.1 µg/cm²/week

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2. US CPSC

PHYSICAL AND MECHANICAL TESTS CONSISTING US CPSC 16 CFR 1500.48, US CPSC 16 CFR 1500.49 AND US CPSC 16 CFR 1501

AS SPECIFIED IN PHYSICAL AND MECHANICAL TESTS CONSISTING US CPSC 16 CFR 1500.48, US CPSC 16 CFR 1500.49 AND US CPSC 16 CFR 1501

	<u>No. of sample tested</u>	<u>Sharp point (16 CFR 1500.48)</u>	<u>Sharp edge (16 CFR 1500.49)</u>	<u>Small part (16 CFR 1501)</u>
As received	1	Pass	Pass	N/A
Impact test (16 CFR 1500.53b)	1	Pass	Pass	N/A
Bite test (16 CFR 1500.52c)	0	N/A	N/A	N/A
Flexure test (16 CFR 1500.53d)	0	N/A	N/A	N/A
Torque test (16 CFR 1500.53e)	1	Pass	Pass	N/A
Tension test (16 CFR 1500.53f)	1	Pass	Pass	N/A
Compression test (16 CFR 1500.53g)	1	Pass	Pass	N/A

N/A = Not Applicable

US CPSC 16 CFR 1500.44 – METHOD FOR DETERMINING EXTREMELY FLAMMABLE AND FLAMMABLE SOLIDS

AS SPECIFIED IN US CPSC 16 CFR 1500.44 – METHOD FOR DETERMINING EXTREMELY FLAMMABLE AND FLAMMABLE SOLIDS

<u>Sample COMPONENTS</u>	<u>Burning Rate (inch/sec)</u>
	0.1*

*Burning rate has been rounded to the nearest one tenth of an inch per second.

Requirement: A toy / component is considered a “flammable solid” if it ignites and burns with a self-sustaining flame at a rate greater than 0.10 in/sec along its major axis.

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3. CPSC 16 CFR 1303 - Lead in Paint/Similar Surface Coating Materials

Method: With reference to CPSC-CH-E1003-09.1 - Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings

Table with 2 columns: Test Item(s), Lead (Pb). Rows include Permissible Limit (90 ppm), Specimen Description, and two test results (both ND).

- Note: - ppm = parts per million
- ND = Not Detected (lower than MDL)
- MDL = Method Detection Limit = 10 ppm
- 1% = 10000 mg/kg = 10000 ppm
- The result(s) is (are) calculated using the minimum specimen weight for composite test.

4.1 CPSIA - Lead in Paint/Similar Surface Coating Materials

Method: With reference to CPSC-CH-E1003-09.1 - Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings

Table with 2 columns: Test Item(s), Lead (Pb). Rows include Permissible Limit (90 ppm), Specimen Description, and two test results (both ND).

- Note: - ppm = parts per million
- ND = Not Detected (lower than MDL)
- MDL = Method Detection Limit = 10 ppm
- 1% = 10000 mg/kg = 10000 ppm
- The result(s) is (are) calculated using the minimum specimen weight for composite test.

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4.2 CPSIA - Lead in Accessible Substrate Materials

Method (non-metallic materials): With reference to CPSC-CH-E1002-08.1 - Standard Operation Procedure for Determining Total Lead (Pb) in Non-Metal Children Product

Method (metal materials): With reference to CPSC-CH-E1001-08.1 - Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry)

Test Item(s)	Lead (Pb)
Permissible Limit **(ppm)	100
Specimen Description	Result(s) (ppm)
1. Green rubber core (Elastic cord) + White elastic ring (Elastic band) + Transparent elastic ring (Elastic band)	ND
2. Silvery metal electro-plated black plastic (Fastener)	ND
3. Purple plastic (Mould) + Dark pink plastic (Mould) + Blue plastic (Block)	ND
4. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
5. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
6. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
7. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND
8. White woven band w/ silvery plastic strip (Elastic band) + Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
9. Silvery metal shaft (Block)	ND
10. Silvery metal shaft (Mould)	ND
11. Silvery metal connector shaft	ND
12. Silvery metal screw	ND
13. Silvery metal chain	ND
14. Silvery metal lobster claw	ND
15. Silvery metal jump ring	ND
16. Silvery metal ring	ND
17. Silvery metal buckle	ND
18. Silvery metal buckle pin	ND

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** Permissible Limit applies to a children's product manufactured after 14 August 2011 (Public Law 110-314 (Consumer Product Safety Improvement Act of 2008) and its Amendments Public Law 112-28)

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test.

5. USA Jewelry Requirement – Total Cadmium Content

Method: With reference to US EPA 3050B: 1996 / US EPA 3051A: 2007 / US EPA 3052: 1996

Analysis was performed by Atomic Absorption Spectrometry (AAS) / Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES)

Specimen Description	Result(s) (ppm)
1. Shiny silvery coating on plastic (Gem) + Dark pink coating on foam sheet (Strap)	ND
2. Green rubber core (Elastic cord) + White elastic ring (Elastic band) + Transparent elastic ring (Elastic band)	ND
3. Silvery metal electro-plated black plastic (Fastener)	ND
4. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
5. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
6. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
7. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND
8. White woven band w/ silvery plastic strip (Elastic band) + Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
9. Silvery metal chain	ND
10. Silvery metal lobster claw	ND
11. Silvery metal jump ring	ND
12. Silvery metal ring	ND
13. Silvery metal buckle	ND
14. Silvery metal buckle pin	ND

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- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 5 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test

Remark: Summary of Requirements:

State	Act / Regulation(Bill)	Scope	Requirement	Effective Date
Connecticut	Public Act 10-113 (Substituted House Bill 5314, Session 2010)	Jewelry for children up to the age of 12	≤75 ppm total cadmium	July 1, 2014

6. US Model Toxics in Packaging Legislation (TPCH: Toxics in Packaging Clearing House) (formerly drafted by CONEG) – Total Lead, Cadmium, Mercury and Hexavalent Chromium content

Method: With reference to IEC 62321: 2008, IEC 62321-4:2013, IEC 62321-5:201
 Analysis was performed by Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES) / Ultraviolet Visible Spectrophotometer (UV-Vis)

Test Item(s)	Pb	Cd	Hg	Cr(VI)	Total (Pb + Cd + Cr(VI)+ Hg)
MDL(mg/kg)	5	5	5	5	--
Permissible Limit (mg/kg)	--	--	--	--	100
Specimen No.	--	--	--	--	--
1	ND	ND	ND	ND [#]	ND
2	ND	ND	ND	ND	ND
3	ND	ND	ND	ND [#]	ND
4	ND	ND	ND	ND	ND
5	ND	ND	ND	ND [#]	ND
6	ND	ND	ND	ND [#]	ND
7	ND	ND	ND	ND [#]	ND

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Specimen Description:

1. Multi-color w/ iridescent silvery coating on corrugated paper board (Box)
2. White surfaced brown corrugated paper board (Box) + Light brown corrugated paper board (Box)
3. Transparent adhesive plastic tape + Transparent plastic film w/ black printing (Bag) + Transparent plastic sheet w/ black printing (Bag)
4. Yellow paper sheet + Laminated paper label w/ black printing (Box), transparent plastic sheet & adhesive backing
5. Transparent dark pink plastic (Board) + Transparent pink plastic (Board) + Transparent green plastic (Board)
6. Transparent plastic (Board) + Transparent orange plastic (Board) + Transparent blue plastic (Board)
7. Transparent purple plastic (Board) + Transparent dark orange plastic (Board)

- Note:
- mg/kg = milligram per kilogram
 - 1% = 10000 mg/kg = 10000 ppm
 - MDL = Method Detection Limit
 - ND = Not Detected (lower than MDL)
 - Results shown as ND are ignored in the sum calculation
 - # = The result of Hexavalent chromium (Cr(VI)) is considered as "Not Detected" since the total chromium content determined by acid digestion is "Not Detected".
 - The result(s) is (are) calculated using the minimum specimen weight for composite test
 - The TPCB legislation has been enacted by California, Connecticut, Florida, Georgia, Illinois, Iowa, Maine, Maryland, Minnesota, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, Washington and Wisconsin.

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7. Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act - Lead in Surface Coating Materials of Painted Toy / Children's Jewelry / Childcare Article

Method (coating materials): With reference to CPSC-CH-E1003-09.1 - Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings

Test Item(s)	Lead (Pb)
MDL (ppm)	10
Permissible Limit (ppm)	90
Warning Limit (ppm)	40 [#]
Specimen Description	Result(s) (ppm)
1. Pink coating on plastic (Mould) + Purple coating on plastic (Mould) + Blue coating on plastic (Mould)	ND
2. Multi-color coating (Instruction) w/ shiny silvery coating on plastic (Gem) + Dark pink coating on foam sheet (Strap)	ND

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit
 - 1% = 10000 mg/kg = 10000 ppm
 - [#] = Effective 1 January, 2010, total Lead content in any surface coating materials of toy, children's jewelry and childcare article that is more than 40ppm but lower than 90ppm should bear the following warning statement on the product or the packaging to indicate the product contains Lead.

**WARNING: CONTAINS LEAD.
MAYBE HARMFUL IF EATEN OR CHEWED.
COMPLIES WITH FEDERAL STANDARDS.**

- The result(s) is(are) calculated using the minimum specimen weight for composite test.

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8. Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act - Lead in Substrate Materials of Children's Jewelry / Childcare article

Method (non-metallic materials): With reference to CPSC-CH-E1002-08.1- Standard Operation Procedure for Determining Total Lead (Pb) in Non-Metal Children Product

Method (metal materials): With reference to CPSC-CH-E1001-08.1- Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry)

Table with 2 columns: Test Item(s) and Lead (Pb) / Result(s) (ppm). Rows include MDL (10), Permissible Limit (100), Warning Limit (40#), and 13 specimen descriptions with results (all ND).

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- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - # = Effective 1 January, 2010, total Lead content in any substrate materials of children's jewelry and childcare article that is more than 40ppm but lower than 100ppm should bear the following warning statement on the product or the packaging to indicate the product contains Lead.

**WARNING: CONTAINS LEAD.
MAYBE HARMFUL IF EATEN OR CHEWED.
COMPLIES WITH FEDERAL STANDARDS.**

- The result(s) is(are) calculated using the minimum specimen weight for composite test.

N.B. : - Only applicable clauses were shown.

Sample Photo:



SGS authenticate the photo on original report only

*** End of Report ***

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CRA-Z-ART CORP.
1578 SUSSEX TURNPIKE RANDOLPH, NJ 07869

The following samples were submitted and identified by/on behalf of the client as:
CRA-Z-ART MY LOOK CRA-Z-JEWELZ ULTIMATE GEM MACHINE

Item No. : 46634
Buyer : TARGET CORPORATION
Country of Origin : CHINA
Labeled Age Grading : 6+
Sample Receiving Date : AUG 06, 2015
Last Submission Sample Date : AUG 28, 2015
Testing Period : AUG 06, 2015 TO SEP 02, 2015

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Test Requested		Conclusion
1.	CPSIA section 101 - Total Lead content	--
1.1	CPSIA section 101(f) (1) – Lead in paint/similar surface coating material	PASS
1.2	CPSIA section 101(a) (2) – Lead in accessible substrate materials (Including Children’s Metal Jewelry)	PASS
2.	Public Act 10-113 of Connecticut, USA - Cadmium content	PASS
3.	US Model Toxics in Packaging Legislation (TPCH: Toxics in Packaging Clearing House) (formerly drafted by CONEG) – Total Lead, Cadmium, Mercury and Hexavalent Chromium content	PASS
4.1	Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act – Lead in surface coating materials of painted toy / children’s jewelry / childcare article	PASS
4.2	Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act – Lead in substrate materials of children’s jewelry / childcare article	PASS

***** FOR FURTHER DETAILS, PLEASE REFER TO THE FOLLOWING PAGE(S) *****

Signed for and on behalf of
SGS Hong Kong Ltd.

To Man Wah, Po
Section Manager

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Test Results:

1.1 Lead in Paint/Similar Surface Coating Materials

Method: With reference to CPSC-CH-E1003-09.1 - Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings

Test Item(s)	Lead (Pb)
Permissible Limit (ppm)	90
Specimen Description	Result(s) (ppm)
1. Pink coating on plastic (Mould) + Purple coating on plastic (Mould) + Blue coating on plastic (Mould)	ND
2. Dark pink coating on foam sheet (Strap) w/ shiny silvery coating on plastic (Gem)	ND
3. Multi-color coating (Instruction)	ND

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test.

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1.2 CPSIA - Lead in Accessible Substrate Materials

Method (non-metallic materials): With reference to CPSC-CH-E1002-08.1 - Standard Operation Procedure for Determining Total Lead (Pb) in Non-Metal Children Product

Method (metal materials): With reference to CPSC-CH-E1001-08.1 - Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry)

Test Item(s)	Lead (Pb)
Permissible Limit **(ppm)	100
Specimen Description	Result(s) (ppm)
1. Silvery metal shaft (Block)	ND
2. Silvery metal shaft (Mould)	ND
3. Silvery metal connector shaft	ND
4. Silvery metal screw	ND
5. Silvery metal chain	ND
6. Silvery metal lobster claw	ND
7. Silvery metal jump ring	ND
8. Silvery metal ring	ND
9. Silvery metal buckle	ND
10. Silvery metal buckle pin	ND
11. Purple plastic (Mould) + Dark pink plastic (Mould) + Blue plastic (Block)	ND
12. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
13. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
14. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
15. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND

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Test Item(s)	Lead (Pb)
Permissible Limit **(ppm)	100
Specimen Description	Result(s) (ppm)
16. Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
17. White rubber core (Elastic cord) + White elastic string (Elastic band) + White woven band w/ silvery plastic strip (Elastic band), transparent elastic string (Elastic band)	ND
18. Silvery metal electro-plated black plastic (Fastener)	ND

** Permissible Limit applies to a children's product manufactured after 14 August 2011 (Public Law 110-314 (Consumer Product Safety Improvement Act of 2008) and its Amendments Public Law 112-28)

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test.
 - Result(s) of specimen No.8 (is)are extracted from report No.T31520230022TY-01.

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2. USA Jewelry Requirement – Total Cadmium Content

Method: With reference to US EPA 3050B: 1996 / US EPA 3051A: 2007 / US EPA 3052: 1996

Analysis was performed by Atomic Absorption Spectrometry (AAS) / Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES)

Specimen Description	Result(s) (ppm)
1. Dark pink coating on foam sheet (Strap) w/ shiny silvery coating on plastic (Gem)	ND
2. Silvery metal chain	ND
3. Silvery metal lobster claw	ND
4. Silvery metal jump ring	ND
5. Silvery metal ring	ND
6. Silvery metal buckle	ND
7. Silvery metal buckle pin	ND
8. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
9. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
10. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
11. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND
12. Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
13. White rubber core (Elastic cord) + White elastic string (Elastic band) + White woven band w/ silvery plastic strip (Elastic band), transparent elastic string (Elastic band)	ND
14. Silvery metal electro-plated black plastic (Fastener)	ND

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- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 5 ppm
 - The result(s) is (are) calculated using the minimum specimen weight for composite test
 - Result(s) of specimen No.5 (is)are extracted from report No.T31520230022TY-01.

Remark: Summary of Requirements:

State	Act / Regulation(Bill)	Scope	Requirement	Effective Date
Connecticut	Public Act 10-113 (Substituted House Bill 5314, Session 2010)	Jewelry for children up to the age of 12	≤75 ppm total cadmium	July 1, 2014

3. US Model Toxics in Packaging Legislation (TPCH: Toxics in Packaging Clearing House) (formerly drafted by CONEG) – Total Lead, Cadmium, Mercury and Hexavalent Chromium content

Method: With reference to IEC 62321: 2008, IEC 62321-4:2013, IEC 62321-5:2013
 Analysis was performed by Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES) / Ultraviolet Visible Spectrophotometer (UV-Vis)

Test Item(s)	Pb	Cd	Hg	Cr(VI)	Total (Pb + Cd + Cr(VI)+ Hg)
MDL(mg/kg)	5	5	5	5	--
Permissible Limit (mg/kg)	--	--	--	--	100
Specimen No.	--	--	--	--	--
1	ND	ND	ND	ND	ND
2	ND	ND	ND	ND	ND
3	ND	ND	ND	ND [#]	ND
4	ND	ND	ND	ND	ND
5	ND	ND	ND	ND [#]	ND
6	ND	ND	ND	ND [#]	ND
7	ND	ND	ND	ND [#]	ND

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Specimen Description:

1. Multi-color w/ iridescent silvery coating on corrugated paper board (Box)
2. White surfaced brown corrugated paper board (Box) + Light brown corrugated paper board (Box) + Yellow paper sheet
3. Transparent plastic film w/ black printing (Bag) + Transparent plastic sheet w/ black printing (Bag)
4. Laminated paper label w/ black printing (Box), transparent plastic sheet & adhesive backing + Transparent adhesive plastic tape
5. Transparent dark pink plastic (Board) + Transparent pink plastic (Board) + Transparent green plastic (Board)
6. Transparent plastic (Board) + Transparent orange plastic (Board) + Transparent blue plastic (Board)
7. Transparent purple plastic (Board) + Transparent dark orange plastic (Board)

- Note:
- mg/kg = milligram per kilogram
 - 1% = 10000 mg/kg = 10000 ppm
 - MDL = Method Detection Limit
 - ND = Not Detected (lower than MDL)
 - Results shown as ND are ignored in the sum calculation
 - # = The result of Hexavalent chromium (Cr(VI)) is considered as "Not Detected" since the total chromium content determined by acid digestion is "Not Detected".
 - The result(s) is (are) calculated using the minimum specimen weight for composite test
 - The TPCB legislation has been enacted by California, Connecticut, Florida, Georgia, Illinois, Iowa, Maine, Maryland, Minnesota, Missouri, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, Washington and Wisconsin.

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4.1 Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act - Lead in Surface Coating Materials of Painted Toy / Children's Jewelry / Childcare Article

Method (coating materials): With reference to CPSC-CH-E1003-09.1 - Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings

Test Item(s)	Lead (Pb)
MDL (ppm)	10
Permissible Limit (ppm)	90
Warning Limit (ppm)	40 [#]
Specimen Description	Result(s) (ppm)
1. Pink coating on plastic (Mould) + Purple coating on plastic (Mould) + Blue coating on plastic (Mould)	ND
2. Dark pink coating on foam sheet (Strap) w/ shiny silvery coating on plastic (Gem)	ND
3. Multi-color coating (Instruction)	ND

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit
 - 1% = 10000 mg/kg = 10000 ppm
 - [#] = Effective 1 January, 2010, total Lead content in any surface coating materials of toy, children's jewelry and childcare article that is more than 40ppm but lower than 90ppm should bear the following warning statement on the product or the packaging to indicate the product contains Lead.

**WARNING: CONTAINS LEAD.
MAYBE HARMFUL IF EATEN OR CHEWED.
COMPLIES WITH FEDERAL STANDARDS.**

- The result(s) is(are) calculated using the minimum specimen weight for composite test.

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4.2 Public Act 097-0612 of the US State of Illinois, the Lead Poisoning Prevention Act - Lead in Substrate Materials of Children's Jewelry / Childcare article

Method (non-metallic materials): With reference to CPSC-CH-E1002-08.1- Standard Operation Procedure for Determining Total Lead (Pb) in Non-Metal Children Product

Method (metal materials): With reference to CPSC-CH-E1001-08.1- Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry)

Test Item(s)	Lead (Pb)
MDL (ppm)	10
Permissible Limit (ppm)	100
Warning Limit (ppm)	40 [#]
Specimen Description	Result(s) (ppm)
1. Silvery metal chain	ND
2. Silvery metal lobster claw	ND
3. Silvery metal jump ring	ND
4. Silvery metal ring	ND
5. Silvery metal buckle	ND
6. Silvery metal buckle pin	ND
7. Translucent soft plastic (Earplug) + Transparent dark pink plastic (Gem) + Transparent pink plastic (Gem)	ND
8. Transparent green plastic (Gem) + Transparent plastic (Gem) + Transparent orange plastic (Gem)	ND
9. Transparent blue plastic (Gem) + Transparent purple plastic (Gem) + Transparent dark orange plastic (Gem)	ND
10. Pearl white plastic (Part) + White plastic (Part), transparent plastic sheet & adhesive backing (Flower)	ND

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Unless otherwise stated the results shown in this test report refer only to the sample(s) tested and such sample(s) are retained for 30 days only.



Test Report

No.T31520230264TC

Date: SEP 02, 2015

Page 11 of 12

Test Item(s)	Lead (Pb)
MDL (ppm)	10
Permissible Limit (ppm)	100
Warning Limit (ppm)	40 [#]
Specimen Description	Result(s) (ppm)
11. Dark pink surfaced white foam sheet w/ white mesh backing (Strap) + Light brown foam sheet w/ light brown woven backing (Strap)	ND
12. White rubber core (Elastic cord) + White elastic string (Elastic band) + White woven band w/ silvery plastic strip (Elastic band), transparent elastic string (Elastic band)	ND
13. Silvery metal electro-plated black plastic (Fastener)	ND

- Note:
- ppm = parts per million
 - ND = Not Detected (lower than MDL)
 - MDL = Method Detection Limit = 10 ppm
 - 1% = 10000 mg/kg = 10000 ppm
 - [#] = Effective 1 January, 2010, total Lead content in any substrate materials of children's jewelry and childcare article that is more than 40ppm but lower than 100ppm should bear the following warning statement on the product or the packaging to indicate the product contains Lead.

**WARNING: CONTAINS LEAD.
MAYBE HARMFUL IF EATEN OR CHEWED.
COMPLIES WITH FEDERAL STANDARDS.**

- The result(s) is(are) calculated using the minimum specimen weight for composite test.
- Result(s) of specimen No.4 (is)are extracted from report No.T31520230022TY-01.

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Unless otherwise stated the results shown in this test report refer only to the sample(s) tested and such sample(s) are retained for 30 days only.

SGS Hong Kong Ltd. Laboratory: 1/F, 4/F, 5/F & Units 301-4, 307-11, 3/F, On Wai Centre, 25 Lok Yip Road, Fanling, N.T., Hong Kong www.sgs.com
Office: 5/F & 6/F, Manhattan Centre, 8 Kwai Cheong Road, Kwai Chung, N.T., Hong Kong t (852) 2334 4481 f (852) 2764 3126 e mkig.hk@sgs.com

Member of the SGS Group (SES SA)

Sample Photo:



SGS authenticate the photo on original report only

*** End of Report ***

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Unless otherwise stated the results shown in this test report refer only to the sample(s) tested and such sample(s) are retained for 30 days only.



TEST REPORT

LAB LOCATION: HONG KONG
REPORT NUMBER: 65315-110368 I

ISSUE DATE: APR 26, 2016
PAGE: 2 of 6

COMPONENT BREAKDOWN LIST:

Test Item	Component Description
A1	Silver Coating (Charm)
A2	Bright Silver Coating (Backing of Gem)
A3	White Plastic without Coating (Charm)
A4	Transparent Plastic without Coating (Gem)
A5	Transparent Blue Plastic without Coating (Gem)
A6	Transparent Green Plastic without Coating (Gem)
A7	Transparent Pink Plastic without Coating (Gem)
A8	Transparent Purple Plastic without Coating (Gem)
A9	Transparent Red Plastic without Coating (Gem)
A10	Pink Glitter (Strap)
A11	Pink/Brown Printed Plastic (Strap)
A12	Silver Metal (Buckle of Strap)
A13	Silver Metal (Pin of Strap)
A14	Silver Metal (Lobster Hook)
A15	Silver Metal (Chain)
A16	Silver Metal (Jump Ring of Chain)
A17	Silver Metal (Jump Ring)
A18	Silver Metal (Axis of Buckle)
A19	Pink/Light Brown Printed Plastic (Strap)

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TEST REPORT

LAB LOCATION: HONG KONG
REPORT NUMBER: 65315-110368 I

ISSUE DATE: APR 26, 2016
PAGE: 3 of 6

TEST RESULT:

Total Lead Content – U.S. Consumer Product Safety Improvement Act of 2008 (CPSIA), Title I, Section 101

Test Item	Accessibility (Remark 1)	Classification	Total Lead (Pb) (ppm)		Conclusion
			Result	Limit	
A1+A2	Accessible as received	Paint or similar surface coating	<10	90	PASS
A3+A4+A5	Accessible as received	Accessible substrate	<10	100	PASS
A6+A7	Accessible as received	Accessible substrate	<10	100	PASS
A8+A9	Accessible as received	Accessible substrate	<10	100	PASS
A10+A11	Accessible as received	Accessible substrate	<10	100	PASS
A12	Accessible as received	Accessible substrate	<10	100	PASS
A13	Accessible as received	Accessible substrate	<10	100	PASS
A14+A15	Accessible as received	Accessible substrate	<10	100	PASS
A16+A17	Accessible as received	Accessible substrate	<10	100	PASS
A19	Accessible as received	Accessible substrate	<10	100	PASS

Method:

- 1) Lead in paint and other similar surface coatings: The test is conducted according to CPSC-CH-E1003-09
- 2) Lead in metals: The test is conducted according to CPSC-CH-E1001-08
- 3) Lead in other non-metal materials including plastics, glass and leather material: The test is conducted according to CPSC-CH-E1002-08

Remark:

- 1) The accessibility of the submitted sample after use and abuse is verified according to 16 CFR 1500.87 (e) to (h).
- 2) Test is performed on the specified item(s) that is / are excluded from the material listed under 16 CFR 1500.91 (d) as per client's declaration.

Note: ppm = part per million = mg/kg (milligram per kilogram)
" < " = less than

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TEST REPORT

LAB LOCATION: HONG KONG
REPORT NUMBER: 65315-110368 I

ISSUE DATE: APR 26, 2016
PAGE: 4 of 6

Total Lead Content – Client's Requirement with reference to Illinois Lead Poisoning Prevention Act

Test Item	Total Lead (Pb) (ppm)		Conclusion
	Result	Client's Limit	
A1+A2	<10	40	PASS
A3+A4+A5	<10	40	PASS
A6+A7	<10	40	PASS
A8+A9	<10	40	PASS
A10+A11	<10	40	PASS
A12	<10	40	PASS
A13	<10	40	PASS
A14+A15	<10	40	PASS
A16+A17	<10	40	PASS
A19	<10	40	PASS

Method:

- 1) Lead in paint and other similar surface coatings:
The test is conducted according to the US CPSC Standard Operating Procedure for Determining Lead (Pb) in Paint and Other Similar Surface Coatings, April 26, 2009 (CPSC-CH-E1003-09.1)
- 2) Lead in metals:
The test is conducted according to the US CPSC Standard Operating Procedure for Determining Total Lead (Pb) in Children's Metal Products (Including Children's Metal Jewelry), December 4, 2008 (CPSC-CH-E1001-08.2)
- 3) Lead in other non-metal materials including plastics, glass and leather material:
The test is conducted according to the US CPSC Standard Operating Procedure for Determining Total Lead (Pb) in Non-Metal Children's Products, February 1, 2009 (CPSC-CH-E1002-08.1)

Note: ppm = part per million = mg/kg (milligram per kilogram)
"<" = less than

Modern Testing Services (Global) Ltd.

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TEST REPORT

LAB LOCATION: HONG KONG
REPORT NUMBER: 65315-110368 I

ISSUE DATE: APR 26, 2016
PAGE: 5 of 6

Total Lead Content in Toys and Child Care Articles – Client’s Requirement according to the Consent Decrees of California Proposition 65

Test Item	Classification	Total Lead (Pb) (mg/kg)		Conclusion
		Result	Maximum Permissible Limit	
A1+A2	Surface coating	<10	90	PASS
A3+A4+A5	Substrate	<10	100	PASS
A6+A7	Substrate	<10	100	PASS
A8+A9	Substrate	<10	100	PASS
A10+A11	Substrate	<10	100	PASS
A12	Substrate	<10	100	PASS
A13	Substrate	<10	100	PASS
A14+A15	Substrate	<10	100	PASS
A16+A17	Substrate	<10	100	PASS
A19	Substrate	<10	100	PASS

Method: Sample was digested with reference to EPA 3051. The lead content was analyzed by Atomic Absorption Spectrophotometer / Inductively Coupled Argon Plasma Spectrometer / Inductively Coupled Plasma Mass Spectrometer.

Remark: The maximum permissible limit(s) was / were quoted from the client’s protocol constructed according to various Consent Decrees. Compliance with the above stated limit(s) does not show compliance with Proposition 65 or a guarantee against possible legal action but provides a relative level of assurance against potential lawsuits.

Note: mg/kg = milligram per kilogram
“<” = less than



TEST REPORT

LAB LOCATION: HONG KONG
REPORT NUMBER: 65315-110368 I

ISSUE DATE: APR 26, 2016
PAGE: 6 of 6

Total Lead in Jewelry (Children's Jewelry) – Client's Requirement according to the Consent Decrees of California Proposition 65

Test Item	Classification	Total Lead (Pb) (ppm)		Conclusion
		Result	Maximum Permissible Limit	
A1+A2	Paints and surface coatings	<10	90	PASS
A3+A4+A5	All other materials	<10	100	PASS
A6+A7	All other materials	<10	100	PASS
A8+A9	All other materials	<10	100	PASS
A10+A11	All other materials	<10	100	PASS
A12	All other materials	<10	100	PASS
A13	All other materials	<10	100	PASS
A14+A15	All other materials	<10	100	PASS
A16+A17	All other materials	<10	100	PASS
A18	All other materials	<10	100	PASS
A19	All other materials	<10	100	PASS

Method: With reference to US EPA 3050B or 3051. The lead content was analyzed by Inductively Coupled Argon Plasma Spectrometer / Inductively Coupled Mass Spectrometer.

Remark: The maximum permissible limit(s) was / were quoted from the client's protocol constructed according to various Consent Decrees. Compliance with the above stated limit(s) does not show compliance with Proposition 65 or a guarantee against possible legal action but provides a relative level of assurance against potential lawsuits.

Note: ppm = part per million = mg/kg (milligram per kilogram)
"<" = less than

NOTE:

If there is question or concern regarding the above results, please contact the appropriate lab person below:

Technical question & concern:

Gary Siu
Toys Testing Manager,
Toys, Arts and Crafts Division
Tel: (852) 3604 1325
Fax: (852) 2799 9135
Email: garysiu@mts-global.com

The testing lab overall rating is provided to client as an aid in reviewing report data. The rating is based on lab results. Final product acceptance or rejection is per client only. Testing of vendor's merchandise by client is not a substitute for vendor's own testing and other quality assurance related obligations in connection with its sale of merchandise to client. Client testing shall not limit client's rights, or diminish or remove any of vendor's responsibilities.

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EXHIBIT I

TAR-SCU-00000004

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COURT DECISION ON CONFIDENTIALITY*

TAR-SCU-00000008

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

TAR-SCU-00000013 –
TAR-SCU-00000016

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

EXHIBIT J

L000002

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

EXHIBIT K

L003809 – L003812

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

TAR-MOR-0000173 –
TAR-MOR-0000178

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

EXHIBIT L

WM-2016010510C0000033

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

WM-2016010510C0000034

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

WM-2016010510C0000048

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

EXHIBIT M

Kmart_000001

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

Kmart_000014

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

Kmart Response to
Attorney General's
Requests for Information

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

EXHIBIT N

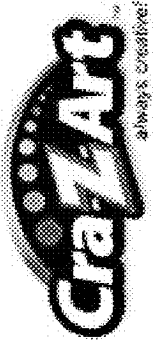
TRU_000001

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TRU_000002

*REDACTED PENDING
COURT DECISION ON CONFIDENTIALITY*

EXHIBIT O



GENERAL CERTIFICATION OF CONFORMITY CERTIFICATION OF COMPLIANCE

Date of Issue:

1. Identification of the product covered by this certificate:

Item # Description:

2. Citation to each CPSC product safety regulation to which this product is being certified:

<input checked="" type="checkbox"/>	CPSIA, Sec. 101 - Lead in Substrate of Children's Products	<input type="checkbox"/>	16 CFR 1501 - Small Parts
<input checked="" type="checkbox"/>	CPSIA, Sec. 101, 16 CFR Part 1303 - Lead in Paint and Surface Coating	<input type="checkbox"/>	16 CFR 1505 - Electrically Operated Toys and Children's Articles
<input checked="" type="checkbox"/>	CPSIA, Sec. 103 - Pkg/Product Tracking Labels for Children's Products	<input type="checkbox"/>	16 CFR 1510 - Rattles
<input checked="" type="checkbox"/>	CPSIA, Sec. 106 - ASTM F963-08 Mandatory Toy Safety Standards	<input type="checkbox"/>	16 CFR 1511 - Pacifiers
<input type="checkbox"/>	CPSIA, Sec. 108 - Products Containing Certain Phthalates	<input type="checkbox"/>	16 CFR 1610 - Flammability of Clothing Textiles
<input type="checkbox"/>	16 CFR 1500.3 (b) & (c) - Toxicology and Hazardous Substances	<input type="checkbox"/>	16 CFR 1611 - Flammability of Vinyl Plastic Film
<input type="checkbox"/>	16 CFR 1500.14 (b)(8) - Art Materials (including LHAMA)	<input type="checkbox"/>	16 CFR 1615 & 1616 - Flammability of Children's Sleepwear
<input type="checkbox"/>	16 CFR 1500.18 (a)(17) - Small Balls	<input checked="" type="checkbox"/>	CPSC - Lead in Children's Jewelry
<input type="checkbox"/>	16 CFR 1500.19 - CSPA Labeling (small parts, etc.)	<input checked="" type="checkbox"/>	Other: <input type="text" value="Safety & Labeling requirement of ASTM F2923-14"/>
<input checked="" type="checkbox"/>	16 CFR 1500.44 - Flammability	<input checked="" type="checkbox"/>	Other: <input type="text" value="Total Cadmium content for children costume jewelry"/>
<input checked="" type="checkbox"/>	16 CFR 1500.48 & 49 - Sharp Points/Edges	<input type="checkbox"/>	Other: <input type="text"/>

3. Identification of the U.S. importer or domestic manufacturer certifying compliance of the product:

La Rose Industries d/b/a Cra-Z-Art, 1578 Sussex Turnpike, Randolph, New Jersey 07869
Tel.: 973/543-2037

4. Contact information for the individual maintaining records of test results:

Daniel Khakshoor Tel.: 973/543-2037 ext 317, dkhakshoor@cra-z-art.com

5. Date and place where this product was manufactured:

CRA-Z-ART A DIVISION OF LAROSE INDUSTRIES, LLC

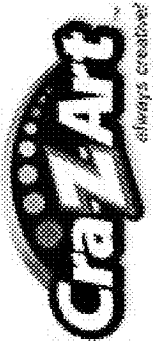
Date: August, 2015 Place: Dongguan City/China

6. Date and place where these products was tested for compliance with the regulation(s) cited above:

Date: 09/14/15 Test Report# T31520230020TY Place: Hong Kong, China

7. Identification of any third-party laboratory on whose testing the certificate depends:

SGS Hong Kong, LTD
Laboratory: 1/F, 4/F, 5/F & Unites 301-4, 307-11, 3/F on Wui Centre, 25 Lok Yip road Falling, N.T. Hong Kong
Office: 5/F, 8/F, Manhattan Centre, 8 Kwai Cheong Road, Kwai Chung, N.T. Hong Kong
Tel: 852-2334-4481 Fax: 852-2764-3126
www.sgs.group.com.hk



GENERAL CERTIFICATION OF CONFORMITY CERTIFICATION OF COMPLIANCE

Date of Issue: 05/02/16

1. Identification of the product covered by this certificate:

Item # 17484 Description: Cra-Z-Jewelz Gem Creations Gem Charm and Slider Bracelets

2. Citation to each CPSC product safety regulation to which this product is being certified:

<input checked="" type="checkbox"/>	CPSIA, Sec. 101 - Lead in Substrate of Children's Products	<input type="checkbox"/>	16 CFR 1501 - Small Parts
<input checked="" type="checkbox"/>	CPSIA, Sec. 101, 16 CFR Part 1303 - Lead in Paint and Surface Coating	<input type="checkbox"/>	16 CFR 1505 - Electrically Operated Toys and Children's Articles
<input checked="" type="checkbox"/>	CPSIA, Sec. 103 - Pkg/Product Tracking Labels for Children's Products	<input type="checkbox"/>	16 CFR 1510 - Rattles
<input checked="" type="checkbox"/>	CPSIA, Sec. 106 - ASTM F963-08 Mandatory Toy Safety Standards	<input type="checkbox"/>	16 CFR 1511 - Pacifiers
<input checked="" type="checkbox"/>	CPSIA, Sec. 108 - Products Containing Certain Phthalates	<input type="checkbox"/>	16 CFR 1610 - Flammability of Clothing Textiles
<input type="checkbox"/>	16 CFR 1500.3 (b) & (c) - Toxicology and Hazardous Substances	<input type="checkbox"/>	16 CFR 1611 - Flammability of Vinyl Plastic Film
<input type="checkbox"/>	16 CFR 1500.14 (b)(8) - Art Materials (including LHAMA)	<input type="checkbox"/>	16 CFR 1615 & 1616 - Flammability of Children's Sleepwear
<input type="checkbox"/>	16 CFR 1500.18 (a)(17) - Small Balls	<input checked="" type="checkbox"/>	CPSC - Lead in Children's Jewelry
<input type="checkbox"/>	16 CFR 1500.19 - CSPA Labeling (small parts, etc.)	<input checked="" type="checkbox"/>	Safety & Labeling requirement of ASTM F2923-14
<input checked="" type="checkbox"/>	16 CFR 1500.44 - Flammability	<input checked="" type="checkbox"/>	Total Cadmium content for children costume jewelry
<input checked="" type="checkbox"/>	16 CFR 1500.48 & 49 - Sharp Points/Edges	<input checked="" type="checkbox"/>	IL, lead poisoning Act

GCC Provided Based on: Item#17450, Cra-Z-Jewelz Gem Creations Ultimate Gem Machine tested on 9/14/15
Item#46634, Cra-Z-Jewelz Gem Creations Ultimate Gem Machine tested on 8/21/15

3. Identification of the U.S. importer or domestic manufacturer certifying compliance of the product:

La Rose Industries d/b/a Cra-Z-Art, 1578 Sussex Turnpike, Randolph, New Jersey 07869
Tel.: 973/543-2037

4. Contact information for the individual maintaining records of test results:

Daniel Khakshoor Tel.: 973/543-2037 ext 317, dkhakshoor@cra-z-art.com

5. Date and place where this product was manufactured:

Cra-Z-Art A DIVISION OF LAROSE INDUSTRIES, LLC

Date: August, 2015 Place: Dongguan City/China

6. Date and place where these products was tested for compliance with the regulation(s) cited above:

Date:	8/21/2015	Test Report#	T31520230191TY	Place:	Hong Kong, China
Date:	09/14/15	Test Report#	T31520230020TY	Place:	Hong Kong, China
Date:	5/2/2016	Test Report#:	65315-110368 C	Place:	Hong Kong, China

7. Identification of any third-party laboratory on whose testing the certificate depends:

SGS Hong Kong, LTD
 Laboratory: 1/F,4/F,5/F & Unites 301-4,307-11, 3/F on Wui Centre, 25 Lok Yip road Faling,N.T. Hong Kong
 Office: 5/F, 8/F, Manhattan Centre, 8 Kwai Cheong Road, Kwai Chung, N.T. Hong Kong
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L004060 – L004061

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**NON TARGET BRAND
TARGET GENERAL CONFORMITY CERTIFICATE (TGCC)
FOR
CONSUMER PRODUCT SAFETY IMPROVEMENT ACT**

9/9/2015

Page 1 of 2

IMPORTER/DOMESTIC MANUFACTURER

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403

Email: CPSIA@Target.com
Tel. No.: 612-304-6073

PERSON MAINTAINING RECORDS

Target Corporation
1000 Nicollet Mall
Minneapolis, MN 55403

Email: CPSIA@Target.com
Tel. No.: 612-304-6073

Sample Description: Cra-Z-Art My Look Cra-Z-Jewelz Ultimate Gem Machine

DPCIs/TCIN: 086-08-0391

Name of Manufacturer: 1256552 CRA-Z-ART CORP

Place of Manufacture:

Factory Name: **Factory City:** **Country or administrative region:**

Fairlandtoy Dongguan

Country of Origin: China

Date of Manufacture: 07/30/2015

Testing Lab Name: SGS Hong Kong Limited

Lab Address: 1/F On Wui Centre, 25 Lok Yip Road

Lab City: Fanling, NT

Lab State/Province:

Lab Country: Hong Kong

Lab Zip/Country Code:

I (we) hereby certify that the product contained within this shipment complies with all applicable federal rules, bans, regulations and standards enforced by the CPSC.

The following rules, bans, standards and regulations apply for this product:

Use and abuse testing FHSA 16 CFR 1500.50-53
Sharp Points and Edges CPSA 16 CFR 1500.48 and 49
Flammability of Solids FHSA 16 CFR 1500.44
Lead Paint Ban CPSA 16 CFR 1303
Lead in Substrate CPSIA Section 101

**NON TARGET BRAND
TARGET GENERAL CONFORMITY CERTIFICATE (TGCC)
FOR
CONSUMER PRODUCT SAFETY IMPROVEMENT ACT**

9/9/2015

Page 2 of 2

Note: CPSA - Consumer Product Safety Act
 FHSA - Federal Hazardous Safety Act
 PPPA - Poison Prevention Packaging Act
 RSA - Refrigerator Safety Act
 FFA - Flammable Fabrics Act

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

-----	x	
	:	INDEX NO. 907519-18
THE PEOPLE OF THE STATE OF NEW YORK,	:	RJI NO. 01-18-130331
by BARBARA UNDERWOOD, Attorney General	:	
of the State of New York,	:	Assigned Judge:
	:	Richard Platkin
Petitioners,	:	
	:	<u>AFFIDAVIT OF</u>
- against -	:	<u>JENNIFER NALBONE</u>
	:	
TARGET CORPORATION, WALMART INC., and	:	
LAROSE INDUSTRIES LLC,	:	
	:	
Respondents.	:	
-----	x	

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

JENNIFER NALBONE, being duly sworn deposes and says:

I. Background and Credentials

1. I am employed as an Environmental Scientist with the New York State Attorney General’s Environmental Protection Bureau (OAG), and work in the Buffalo Regional Office. My responsibilities include, among other things, the conduct of research and scientific analysis to support the office’s litigation, legislative initiatives, and policy positions. I also review and analyze legal and scientific documents, and prepare scientific reports.

2. I received a Bachelor of Science degree in Biology and Geology from Syracuse University and a Master of Science degree in Environmental Science from the University of Virginia.

3. I submit this affidavit in support of the State of New York (State)'s petition for injunctive relief and penalties against the respondents for importing, distributing, selling, and holding for sale toys that contain more than the 100 parts per million (ppm) of lead. This affidavit is based on my personal knowledge, my review of the files maintained by the OAG, and direct conversations with other employees of the OAG.

4. In 2015, the OAG began an investigation into lead in children's toys. I assisted in that investigation by purchasing Cra-Z-Art Cra-Z-Jewelz Ultimate Gem Machine kits (Base Kits) from the retailers Target, Kmart and Toys "R" Us.

5. On February 8, 2016, I visited the Target store located at 2626 Delaware Avenue, Buffalo, NY 14216 and purchased a My Look Base Kit having UPC Code 884920466340. The Kit was held and displayed for sale in the toy section of the store.

6. On February 8, 2016, I visited the Kmart located at 2055 Walden Avenue, Cheektowaga, NY 14225 and purchased a Shimmer 'n Sparkle Base Kit having UPC Code 884920174504. The Kit was held and displayed for sale in the toy section of the store.

7. On February 8, 2016, I visited the Toys "R" Us located at 3030 Sheridan Drive, Amherst, NY 14226 and purchased a Shimmer 'n Sparkle Base Kit having UPC Code 884920174504.

8. I personally packed all of these Kits for delivery by United Parcel Service to Chief Scientist Jodi Feld at the New York City Office of the OAG then

located at 120 Broadway New York, NY 10271.

WHEREFORE, I respectfully request that the Court grant the relief sought.



JENNIFER NALBONE

Sworn before me this 5 day of December, 2018

Melissa H. Thore

Notary Public

State of New York

My Commission Expires: 09.06.2022

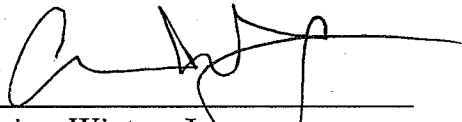
MELISSA H. THORE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 09.06.2022

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

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	:	
THE PEOPLE OF THE STATE OF NEW YORK,	:	
by BARBARA UNDERWOOD, Attorney General	:	
of the State of New York,	:	
	:	Index No. 907519-18
Petitioners,	:	RJI No. 01-18-130331
	:	Assigned Judge: Richard Platkin
- against -	:	
	:	<u>WORD COUNT</u>
TARGET CORPORATION, WALMART INC.,	:	<u>CERTIFICATION</u>
and LAROSE INDUSTRIES LLC,	:	
	:	
Respondents.	:	
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Channing Wistar-Jones, an attorney in the Office of the Attorney General of the State of New York, hereby certifies that according to the word count feature of the word processing program used to prepare the Affidavit of Jennifer Nalbhone, the affidavit contains 377 words and complies with Rule 17 of the Rules of the Commercial Division.

Dated: December 13, 2018
New York, New York



 Channing Wistar-Jones
 Assistant Attorney General
 Environmental Protection Bureau
 28 Liberty Street, 19th Floor
 New York, New York 10005
 212-416-8082

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ALBANY

-----X
THE PEOPLE OF THE STATE OF NEW YORK,
by BARBARA UNDERWOOD, the Attorney General
of the State of New York,

Petitioners,

AFFIDAVIT OF
PHILIP E. GOODRUM,
Ph.D.

- against -

TARGET CORPORATION, WALMART INC., and
LAROSE INDUSTRIES LLC,

Respondents.

INDEX NO. 907519-18
RJI NO. 01-18-130331

Assigned Judge:
Richard Platkin

-----X
State of New York

ss.:

County of Onondaga

PHILIP E. GOODRUM, Ph.D., Diplomat of the American Board of Toxicology
(DABT), having been duly sworn, deposes and says:

1. I am a Senior Science Advisor at Integral Consulting Inc. (Integral) with more than 25 years of experience in environmental statistics, lead risk assessment, probabilistic modeling, and statistical sampling methods for site evaluation and characterization. I submit this affidavit in support of petitioners, the People of the State of New York (State)'s, request for injunctive relief and penalties.

Educational Background and Experience

2. I received a Bachelor of Science degree in Environmental Technology from Cornell University, a Master of Science Degree in Environmental Engineering with an emphasis in Water Resources from the State University of New York College of Environmental Science and Forestry (SUNY ESF), and a Doctorate of Philosophy Degree in Environmental Engineering from SUNY ESF. My academic training included graduate level courses in statistics, including multivariate analysis, regression analysis, probability theory, and spatial statistics. My research focused on quantifying variability and uncertainty in risk assessment and was conducted in collaboration with toxicologists from the United States Environmental Protection Agency (EPA). In my practice, I often rely on the interpretation of data on biological and ecological systems, chemical analysis, toxicology studies, and my knowledge, training, and experience in federal and state risk assessment guidance to estimate and quantify exposure and potential adverse effects, and to characterize risks to human and ecological receptors.

3. I am a board certified toxicologist and recognized nationally as an expert in lead risk assessment, probabilistic exposure modeling, and statistical sampling and evaluation methods.

4. I was responsible for developing the Integrated Stochastic Exposure model for lead collaboration with EPA to support risk-based action levels for soil

lead at several mining sites and have also conducted statistical analyses in support of research on lead bioavailability conducted at Columbia University.

5. Prior to joining Integral, I was the corporate leader for statistical analysis at two companies, for which I managed teams responsible for addressing a wide range of day-to-day issues regarding the application of statistics.

6. I have been invited by regulatory agencies to serve on national science advisory committees to evaluate applications of statistics and quantitative models used in human health risk assessment. I have served on EPA's Clean Air Science Advisory Committee, EPA's Science Advisory Board for Lead, and National Institute of Health's Time Sensitive Grant Review Committee following the Flint, MI lead in drinking water crisis. In 2017, I served as a peer reviewer for EPA on the new edition of the Exposure Factors Handbook as well as a member of an independent advisory committee to EPA on the development of a health-based household drinking water standard for lead. I also served as a peer reviewer for EPA's statistical analysis software known as ProUCL. In 2018, I assisted Florida Department of Environmental Protection with developing new guidance on the application of statistical sampling methods to improve site investigation programs.

7. I have been invited to teach numerous professional short courses on applications of statistics and probabilistic modeling methods by regulators and industry. I have taught a university graduate level course in toxicology and I currently teach a university undergraduate level course in environmental risk

assessment. I have authored numerous papers on the use of Applied Environmental Statistics for regulatory agencies including EPA and Florida Department of Environmental Protection.

8. My credentials, research, and publications are summarized in my curriculum vitae, which is included as Attachment A to this affidavit.

Scope of Work and Summary of Conclusions

9. I have been retained by the Office of the Attorney General for the State of New York as an expert to estimate the percentage of all Cra-Z-Art Cra-Z-Jewelz Kits¹ imported, distributed, sold, or held for sale in New York that contained lead in excess of the federal limit of 100 parts per million (ppm)² (permissible lead limit) based on a sample of Kits for which lead content test results are available.

My analyses lead me to the following key conclusions:

- A preliminary review of the sample results, prior to conducting a statistical analysis, indicates that lead concentrations in the tan underside of the slider bracelet components of the Kits are consistently more than four-fold, and as much as around twelve-fold, greater than the 100 ppm standard;
- The available sample data do not exhibit evidence of bias and are sufficiently reliable for the purposes of extrapolating results from the sample data to the

¹ Three variations of these kits are at issue: the Shimmer 'n Sparkle Ultimate Gem Machine; the My Look Ultimate Gem Machine, which was identical to the Shimmer 'n Sparkle toy in all material respects, except it was branded "My Look" exclusively for Target (collectively, Base Kits); and the Shimmer 'n Sparkle Gem Charm and Slider Bracelets (Refill Kit), which contained four slider bracelets and additional gems and was not sold at Target. "Kits" will refer to the Base Kits and Refill Kit collectively.

² This limit was set by the Consumer Product Safety Improvement Act and is codified at 15 U.S.C. § 1278a(a)(2)(C). *See also id.* § 2068(a)(1)–(2); 16 C.F.R. §§ 1200.2, 1500.91(a); 76 Fed. Reg. 44,463 (July 26, 2011).

broader population of all Kits imported, distributed, sold, or held for sale in New York; and,

- Based on my analysis, at least 96 percent of all the Kits imported, distributed, sold, or held for sale in New York would have slider bracelets the tan undersides of which would have a total lead content above 100 ppm.

I have drafted four tables and one figure as part of my analysis. Tables 1, 2, and 4 as well as Figure 1 are included at the end of my affidavit. Table 3 is relatively short and appears within the text where it is first cited.

Sample Data Reviewed

10. I have been provided data on lead test results for 48 Kits, which include the test results for a total of 61 tests on 60 slider bracelets, one of the individual components in the Kits.³ (The number of slider bracelets is greater than the number of Kits because one type of Kit contained more than one slider bracelet; and the number of tests is greater than the number of slider bracelets because one bracelet appears to have been tested twice.) Each slider bracelet had a colored outer layer and a tan underside. The test results for the Kits were obtained from the following testing sources:

- 30 Kits (36 slider bracelet observations) that had been held for sale in New York prior to being obtained by the Attorney General and submitted for testing by ANSECO labs;

³ The full dataset I have used in my analysis is provided in Table 1, which appears at the end of my affidavit. As I have noted in this table, some of the Kits had more than one sample result (observation) because they contained more than one slider bracelet or had more than one sample collected from a single slider bracelet.

- 12 Kits (14 slider bracelet observations) that were submitted by LaRose for testing by SGS North America labs;
- 3 Kits (7 slider bracelet observations) that were tested by the U.S. Consumer Product Safety Commission (CPSC);
- 2 Kits (2 slider bracelet observations) tested by SGS Hong Kong on behalf of LaRose around the time the Kits were first imported. It is unclear whether SGS tested the tan underside of the slider bracelet alone; a composite of the tan underside and colored side; or some other component of the Kit; and,
- 1 Kit (2 slider bracelet observations) tested by Modern Testing Services Ltd. (MTS) in Hong Kong on behalf of LaRose. It is unclear if MTS tested the tan underside of the slider bracelet alone; a composite of the tan underside and colored side; or some other component of the Kit. However, these uncertainties have no effect on the final result applied in the data analysis; the overall result is n=1 Kit with a lead concentration of <10 ppm.

The data include information on testing entity, date tested, date and location of manufacture (where available), and test results for each of the 61 test results for

the slider bracelets included in 48 total Kits tested. A complete set of this information for each observation in the data provided to me is contained in Table 1.⁴

11. As indicated above, around the time the Kits were first imported, in the summer of 2015, SGS Hong Kong analyzed samples of items from 2 Base Kits for LaRose. Later, sometime between November 2015 and April 2016, MTS, another laboratory, analyzed samples of items from 1 Refill Kit for LaRose. The results were examined for compliance with consumer product safety requirements. Lead was not detected in these samples, meaning the results were lower than the analytical method detection limit of 10 ppm.

12. All of the Kits subsequently analyzed by SGS North America, as well as all of the Kits analyzed by ANSECO and the CPSC, had slider bracelets with lead levels in excess of the 100 ppm permissible lead level. Lead levels ranged from 470 to 1,220 ppm (*i.e.*, from almost 5 times to more than 12 times the permissible level).

Statistical Analysis Overview

13. I estimated the percentage of all Kits imported, distributed, sold, or held for sale in New York that would have slider bracelets with tan undersides containing lead concentrations greater than 100 ppm using the sample test data discussed above. This estimate requires the use of inferential statistics, which

⁴ Copies of the ANSECO, SGS, and CPSC test results, and tables summarizing those results, are included as Exhibits B–H accompanying the Verified Petition.

allows a statistician to make inferences about an entire population by analyzing data drawn from a subset of that population, called a statistical sample. My analysis of the sample dataset includes a calculation of a statistical confidence limit, which conveys the level of certainty in an estimate, given the properties of the sample data.

14. The use of inferential statistics to evaluate environmental samples is common in the field of human health risk assessment. For example, every year, the Centers for Disease Control and Prevention (CDC) collects data on a representative subset of the United States population of children and adults using a survey instrument called the National Health and Nutrition Examination Survey (NHANES).⁵ In this study, CDC collects information from less than 0.01 percent of the 300 million people who live in the United States to infer characteristics about the entire population of the country, including factors such as physical attributes (e.g., body weight, height), nutritional status, and measurements of chemicals in blood.⁶ Similarly, EPA analyzes samples of drinking water systems throughout the United States with a study program called the Unregulated Contaminant Monitoring Rule (UCMR).⁷ The purpose of the UCMR survey is to collect data on chemicals that are suspected of being present in drinking water and that do not

⁵ CDC's web page for NHANES is <https://www.cdc.gov/nchs/nhanes/index.htm>.

⁶ *See id.*

⁷ EPA's web page for the UCMR survey is <https://www.epa.gov/dwucmr/learn-about-unregulated-contaminant-monitoring-rule>.

have health-based standards set under the Safe Drinking Water Act (SDWA). EPA applies statistical analyses to UCMR survey results to infer the frequency of detection and probability distribution of chemical concentrations present in public drinking water systems throughout the country and, therefore, which chemicals should be prioritized for further research on potential toxicity and water treatment options.

15. The first step in applying inferential statistics is to evaluate the suitability of the available data for the application of the particular statistical methods being applied. For this case, I evaluated the suitability by conducting an exploratory data analysis, which included a consideration of the following factors:

- Verifying there are no anomalous results;
- Verifying that there is no evidence of systematic bias in lead measurements made by the four different testing institutions;
- Verifying that the sample size is adequate to calculate confidence intervals on percentiles, given the variability in lead concentrations;
and
- Verifying that the sample observations are sufficiently distributed across the duration of manufacture of all Kits.

I determined that the data met all of the necessary requirements for the appropriate application of the statistical method described below.

Description of Statistical Method Used

16. I used inferential statistics to estimate the percentage of all the Kits imported, distributed, sold or offered for sale in New York that are likely to have a slider bracelet with tan underside with greater than 100 ppm lead. Specifically, I calculated a statistic called a one-sided lower tolerance limit (LTL)⁸ because it simultaneously conveys the following two types of information: 1) the percentage of all the Kits that have a slider bracelet underside with a lead concentration that is *greater than* or equal to 100 ppm; and 2) the confidence or likelihood that the calculated value does not overestimate the true percentage of Kits with a slider bracelet underside that exceeds 100 ppm lead.

17. A LTL is completely described with two numbers separated by a forward slash “/”. The number to the right conveys the percentage of the entire population (e.g., the full set of lead concentrations from the slider bracelets in all Kits) that exceeds the calculated statistic, and the number to the left conveys the level of confidence I have in the percentage, which statisticians refer to as the “confidence coefficient”. For example, a “95/99 LTL” is a value that is exceeded by 99 percent of the population with 95 percent confidence; a “95/98 LTL” is a value

⁸ Consistent with EPA guidance, a lower tolerance limit (LTL) is used to estimate the percentage of the target population that *exceeds* a standard, whereas an upper tolerance limit (UTL) is used to estimate the percentage of the population that is *less* than a standard. See U.S. Environmental Protection Agency Office of Research and Development, *ProUCL Version 5.1.002 Technical Guide*, EPA/600/R-07/041, at 101 (2015) (hereinafter *ProUCL Guide*).

that is exceeded by 98 percent of the population with 95 percent confidence, and so on.

18. I calculated all LTLs using a fixed confidence coefficient of 95%. Statisticians frequently choose a 95% confidence coefficient to provide a high degree of confidence in the estimated percentage. EPA notes that a 95% confidence coefficient is an appropriate choice for balancing desired statistical properties of a tolerance limit for purposes of health risk assessment.⁹

19. I calculated the LTL using Microsoft Excel®. I selected equations based on the properties of the dataset, consistent with guidance from EPA.^{10,11}

Results of Statistical Analysis

20. I calculated LTLs for four different data groups which represent different groupings of the data based on the testing entity (i.e., ANSECO, SGS, CPSC, and MTS), to determine whether or not there were any significant differences in the results based on the entity that performed the sampling. I performed the analysis of the four data groups described below to evaluate whether

⁹ See *ProUCL Guide* at 100, 103.

¹⁰ EPA statistics guidance states that for mildly skewed data sets, defined as a standard deviation of detected log-transformed data less than 0.5, a normal distribution tolerance limit yields the desired coverage and confidence level, regardless of the findings of goodness-of-fit testing. I have calculated normal distribution tolerance limits using Microsoft Excel®. See *ProUCL Guide* at 109. Note that in this context, EPA is referring to the use of the natural logarithms of the data (i.e., log base “e”).

¹¹ The calculation of a tolerance limit for a dataset that is approximately normally distributed requires an estimate of the non-central Student’s t value, which reflects the degrees of freedom (df), confidence coefficient (1- α) and desired coverage (1-p). See *ProUCL Guide* at 107; Millard, S.P. and N.K. Neercheal, *Environmental Statistics with S-Plus*, at 301–305 (2001).

the different origins of the data materially affect the estimate of the percentage of Kits imported, distributed, sold or held for sale in NY that would exceed 100 ppm. I determined that the percentage of Kits that would exceed 100 ppm are not affected by the testing entity. The sample sizes for each of the four data groups are summarized in Table 2 and described as follows¹²:

- **Group 1** (Known NY Kits (i.e., Kits known to have been imported, distributed, sold, or held for sale in NY) plus LaRose kits tested for certificate of compliance): The 30 failing Kits analyzed by ANSECO on behalf of the Attorney General combined with the three passing Kits analyzed LaRose (two analyzed by SGS Hong Kong and one analyzed by MTS) to comply with product safety standards, including the permissible lead limit (hereafter called “SGS/LaRose” and “MTS/LaRose”) (n=33);
- **Group 2** (Known NY Kits only): The 30 failing Kits analyzed by ANSECO on behalf of the Attorney General alone (n=30), representing Kits known to have been sold or held for sale in New York;
- **Group 3** (All tested Kits): The 30 failing Kits analyzed by ANSECO on behalf of the Attorney General, plus the 12 failing SGS North America

¹² As explained in the Feld Affidavit, it is unclear whether SGS Hong Kong and MTS tested the tan underside of the slider bracelets in their tests. Feld Aff. at ¶¶ 25 and 26. Therefore, I have run the analysis both with and without the two Kits analyzed by SGS Hong Kong and one Kit analyzed by MTS.

Kits analyzed on behalf of LaRose in response to the Attorney General's investigation, plus the 3 failing Kits analyzed by CPSC in response to the Attorney General's investigation, plus the two passing SGS/LaRose Kits and one passing MTS/LaRose Kit (n=48); and

- **Group 4** (All tested Kits except for three LaRose Kits tested for certificate of compliance): The 30 failing Kits analyzed by ANSECO on behalf of the Attorney General, plus the 12 failing SGS North America Kits analyzed on behalf of LaRose in response to the Attorney General's investigation, plus the 3 failing Kits analyzed by CPSC in response to the Attorney General's investigation (n=45).

21. I also evaluated whether or not there were any systematic differences in reported lead concentrations by manufacture/assembly date (available for a subset of the Kits), and by reporting entity. Figure 1 includes graphics that illustrate data grouped in this manner. The top graphic is a dot plot that show the lead concentration on the y-axis, and the date on the x-axis. There do not appear to be any systematic differences as a function of manufacture/assembly date – in each of the periods sampled, concentrations range between approximately 500 ppm and 1,250 ppm. The bottom graphic is a cumulative empirical distribution function, using the Group 4 dataset. Different symbols are used for ANSECO, SGS, and CPSC. There does not appear to be a systematic grouping of the lead concentrations, although it is noted that the SGS samples comprise the 5 highest

lead concentrations, and the three CPSC samples are all in the lower half of the dataset (i.e., less than the 50th percentile). These findings indicate that there is no bias in the data that would have materially affected the representativeness of the data or the results of the analysis.

22. The results of my analysis for each group are summarized in Table 3 below.

Table 3. Interpretation of LTL calculations for each data group (n = number of Kits).

Data Group	Data Sets	Lead measurements in the sample for this Group indicate:
Group 1 (n=33)	<ul style="list-style-type: none"> • Known NY (ANSECO) • SGS/LaRose • MTS/LaRose 	at least 96% of Kits have a slider bracelet underside with more than 100 ppm lead, with 95% certainty
Group 2 (n=30)	<ul style="list-style-type: none"> • Known NY (ANSECO) 	at least 99.9% of Kits have a slider bracelet underside with more than 100 ppm lead, with 95% certainty
Group 3 (n=48)	<ul style="list-style-type: none"> • Known NY (ANSECO) • SGS • CPSC • SGS/LaRose • MTS/LaRose 	at least 98% of Kits have a slider bracelet underside with more than 100 ppm lead, with 95% certainty
Group 4 (n=45)	<ul style="list-style-type: none"> • Known NY (ANSECO) • SGS • CPSC 	at least 99.9% of Kits have a slider bracelet underside with more than 100 ppm lead, with 95% certainty

Table 4 presents the summary statistics from which these findings are based.

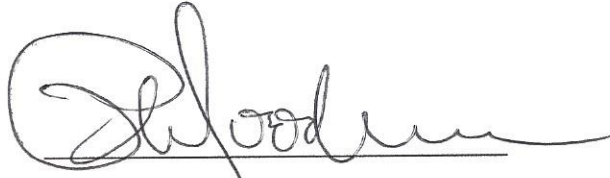
Across the four data group options, the lowest percentage of exceedance of 100 ppm is at least 96%, given by the 95/96 LTL for Group 1 (known NY Kits plus SGS/LaRose and MTS/LaRose Kits). Therefore, the results indicate, with 95%

confidence, that at least 96% of the Kits imported, distributed, sold or held for sale in New York would have had slider bracelets with lead that exceeded the 100 ppm permissible lead limit. In comparison, using the full dataset, including the two SGS/LaRose samples and one MTS/LaRose sample that were non-detect for lead (i.e., Group 3), at least 98% of the population of Kits have a slider bracelet underside with a lead content that is greater than 100 ppm, with 95% confidence.

23. Results are consistent across all the data groups that I evaluated. This means there is no material difference in the LTLs that are based on Kits known to have been sold in New York (i.e., ANESCO – Groups 1 and 2) and LTLs using the full data set of results from all Kits (i.e., Groups 3 and 4, which include results reported by SGS and CPSC).

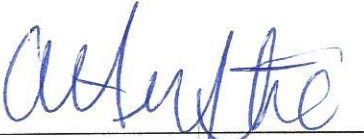
Final Conclusion

24. In summary, the results of my analysis, summarized in Tables 1 to 4 and Figure 1, indicate that at the 95% confidence level, which is the confidence level commonly used by statisticians when evaluating health data, *at least* 96 percent of the Kits imported, distributed, sold or held for sale in New York would have had slider bracelets with lead that exceeded the 100 ppm permissible lead limit.



Phillip E. Goodrum, Ph.D.

Sworn to before me
this 11th day of December, 2018



Notary Public

ANISA HRUSTIC
NOTARY PUBLIC - STATE OF NEW YORK
NO. 01HR6365860
QUALIFIED IN ONONDAGA COUNTY
COMMISSION EXPIRES: 10/16/2021

Table 1. Complete data set of 61 observations (lead concentrations) measured in items obtained from 48 kits.

Report	Sample Number	OAG Purchase/ Receipt Date	Test Report #	Test Report Date	Retailor	Toy Name	UPC #	BCH #	Manufacture/ Assembly Date	Test Result Lead (ppm)	Included in Dataset	Kit #
ANSECO	107	11/17/2015	16B-00048	1/26/2016	Kmart	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	670	X	1
ANSECO	120	2/8/2016	16B-00354	3/11/2016	Kmart	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	540	X	2
ANSECO	124	2/10/2016	16B-00358	3/11/2016	Kmart	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	640	X	3
ANSECO	92	11/13/2015	16B-00047	1/26/2016	Toys "R" Us	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	880	X	4
ANSECO	93	11/13/2015	16B-00060	1/26/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	720		5
ANSECO	93	11/13/2015	16B-00060	1/26/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	680	X	5
ANSECO	93	11/13/2015	16B-00060	1/26/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	920		5
ANSECO	93	11/13/2015	16B-00060	1/26/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	980		5
ANSECO	125	2/14/2016	16B-00359	3/11/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	640		6
ANSECO	125	2/14/2016	16B-00359	3/11/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	470	X	6
ANSECO	125	2/14/2016	16B-00359	3/11/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	650		6
ANSECO	125	2/14/2016	16B-00359	3/11/2016	Toys "R" Us	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	590		6
ANSECO	122	2/8/2016	16B-00356	3/11/2016	Toys "R" Us	Shimmer 'n Sparkle Base	884920174504	BCH006254A10-0815	August 10, 2015	740	X	7
ANSECO	29	10/15/2015	16B-00046	1/26/2016	Target	My Look Base	884920466340	BCH006213A10-0715	July 10, 2015	770	X	8
ANSECO	121	2/8/2016	16B-00355	3/11/2016	Target	My Look Base	884920466340	BCHTAR741A28-1015	October 28, 2015	580	X	9
ANSECO	123	2/10/2016	16B-00357	3/11/2016	Target	My Look Base	884920466340	BCHTAR742A28-1015	October 28, 2015	550	X	10
ANSECO	129a	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR741A28-1015	October 28, 2015	890	X	11
ANSECO	129b	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR741A28-1015	October 28, 2015	960	X	12
ANSECO	129c	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR741A28-1015	October 28, 2015	1,000	X	13
ANSECO	129d	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR741A28-1015	October 28, 2015	870	X	14
ANSECO	129e	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR741A28-1015	October 28, 2015	920	X	15
ANSECO	130a	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCH006213A10-0715	July 10, 2015	900	X	16
ANSECO	130b	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCH006213A10-0715	July 10, 2015	990	X	17
ANSECO	130c	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCH006213A10-0715	July 10, 2015	1,000	X	18
ANSECO	131	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR742A28-1015	October 28, 2015	990	X	19
ANSECO	132a	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	980	X	20
ANSECO	132b	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	970	X	21

Table 1 is continued on the following page.

Table 1 (continued). Complete data set of 61 observations (lead concentrations) measured in items obtained from 48 kits.

Report	Sample Number	OAG Purchase/ Receipt Date	Test Report #	Test Report Date	Retailor	Toy Name	UPC #	BCH #	Manufacture/ Assembly Date	Test Result Lead (ppm)	Included in Dataset	Kit #
ANSECO	132c	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	970	X	22
ANSECO	132d	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	940	X	23
ANSECO	132e	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	990	X	24
ANSECO	132f	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	1,000	X	25
ANSECO	132g	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR754A18-1115	November 18, 2015	950	X	26
ANSECO	133	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCH006315A28-0715	July 28, 2015	890	X	27
ANSECO	134	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	could not read	could not read	870	X	28
ANSECO	135	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR697A30-0715	July 30, 2015	980	X	29
ANSECO	136	2/21/2017	17B-000477	4/14/2017	Target	My Look Base	884920466340	BCHTAR698A10-0815	August 10, 2015	1,000	X	30
SGS	3	NA	3973198-CH01	4/27/2016	NA	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	1,070		31
SGS	7	NA	3973198-CH01	4/27/2016	NA	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	880	X	31
SGS	10	NA	3973198-CH01	4/27/2016	NA	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	731	X	32
SGS	14	NA	3973198-CH01	4/27/2016	NA	Shimmer 'n Sparkle Refill	884920174849	BCH006431A28-0715	July 28, 2015	908		32
SGS	3	NA	3973198-CH02	4/27/2016	NA	My Look Base	884920466340	BCHTAR742A28-1015	October 28, 2015	1,030	X	33
SGS	6	NA	3973198-CH02	4/27/2016	NA	My Look Base	884920466340	BCHTAR742A28-1015	October 28, 2015	729	X	34
SGS	3	NA	3973198-CH03	4/27/2016	NA	My Look Base	884920466340	BCH006213A10-0715	July 10, 2015	1,220	X	35
SGS	6	NA	3973198-CH03	4/27/2016	NA	My Look Base	884920466340	BCH006213A10-0715	July 10, 2015	518	X	36
SGS	3	NA	3973198-CH04	4/27/2016	NA	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	638	X	37
SGS	6	NA	3973198-CH04	4/27/2016	NA	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	625	X	38
SGS	9	NA	3973198-CH04	4/27/2016	NA	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	1,070	X	39
SGS	12	NA	3973198-CH04	4/27/2016	NA	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	1,130	X	40
SGS	15	NA	3973198-CH04	4/27/2016	NA	Shimmer 'n Sparkle Base	884920174504	BCH006254A10-0815	August 10, 2015	1,130	X	41
SGS	18	NA	3973198-CH04	4/27/2016	NA	Shimmer 'n Sparkle Base	884920174504	BCH006178A13-0715	July 13, 2015	862	X	42
CPSC	16-800-0953-02	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Refill	NA	NA	NA	1,001		43
CPSC	16-800-0953-03	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Refill	NA	NA	NA	801	X	43
CPSC	16-800-0954-04	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Base	NA	NA	NA	824	X	44
CPSC	16-800-0955-02	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Base	NA	NA	NA	574	X	45
CPSC	16-800-0955-02	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Base	NA	NA	NA	780		45
CPSC	16-800-0955-03	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Base	NA	NA	NA	851		45
CPSC	16-800-0955-03	NA	NA	4/28/2016	NA	Shimmer 'n Sparkle Base	NA	NA	NA	700		45
SGS / LaRose	17450	NA	T31520230023TY	9/14/2015	Target	Shimmer 'n Sparkle Base	NA	NA	NA	< 10	X	46
SGS / LaRose	46634	NA	T31520230264TC	9/2/2015	NA	Shimmer 'n Sparkle Base	NA	NA	NA	< 10	X	47
MTS / LaRose	A11	NA	65315-110368 I	4/26/2016	NA	Shimmer 'n Sparkle Refill	NA	NA	NA	< 10	X	48
MTS / LaRose	A19	NA	65315-110368 I	4/26/2016	NA	Shimmer 'n Sparkle Refill	NA	NA	NA	< 10		48

Notes for Table 1 are on the following page.

Table 1 (continued). Complete data set of 61 observations (lead concentrations) measured in items obtained from 48 kits.

Notes

NA = not applicable

< 10 refers to two results reported as not detected at a concentration greater than a method detection limit of 10 ppm.

Row entries with the same kit number represent multiple items from the same kit.

Table 2. Description of four data groups with lead measurements reported by five entities.

Lab Report	Dates			Sample Size (N)		Toy Names	Group and # Sample Results in Data Set ^g			
	Manufacture/ Assembly	OAG Purchase/ Receipt	Test Report	# Kits	# Obs ^a		1	2	3	4
ANSECO	7/10 - 7/28/2015	10/15 - 11/17/2015	1/26/2016	4	7	Shimmer 'n Sparkle Base Kit Shimmer 'n Sparkle Refill Kit ^c My Look Base Kit				
	7/13 - 10/18/2015	2/8 - 2/14/2016	3/11/2016	6	9	Shimmer 'n Sparkle Base Kit Shimmer 'n Sparkle Refill Kit ^c My Look Base Kit	30	30	30	30
	7/10 - 11/18/2015 ^b		10/21/2017	4/14/2017	20	20	My Look Base Kit			
			subtotal	30	36					
SGS	7/10 - 10/28/2015	not applicable	4/27/2016	12	14	Shimmer 'n Sparkle Base Kit Shimmer 'n Sparkle Refill Kit ^d My Look Base Kit	0	0	12	12
CPSC	not reported	not applicable	4/28/2016	3	7	Shimmer 'n Sparkle Refill Kit ^e	0	0	3	3
SGS/LaRose	7/13 - 7/30/2015	not applicable	9/14/2015	2	2	Shimmer 'n Sparkle Base Kit	2	0	2	0
MTS/LaRose	not reported	not applicable	4/26/2016	1	2	Shimmer 'n Sparkle Refill Kit ^f	1	0	1	0
			Total	48	61		33	30	48	45

Notes for Table 2 are on the following page.

Table 2 (continued). Description of four data groups with lead measurements reported by five entities.

Notes

^a The number of observations (sample results) is greater than or equal to the number of kits because more than one sample was collected for some kits.

^b Manufacture/assembly date could not be read for one kit.

^c For one of the Shimmer 'n Sparkle Refill Kits, 4 different slider bracelets were analyzed.

^d For two of the Shimmer 'n Sparkle Refill Kits, 2 different slider bracelets were analyzed.

^e Samples from 3 kits were analyzed by X-ray fluorescence rather than wet chemistry. One kit included 2 sample results, a second kit included 1 result, and a third kit included 4 results.

^f It appears that 2 different bracelets were analyzed in the same kit (i.e., Test Items A11 and A19). As summarized in Table 1, lead was not detected in either sample, using an analytical method detection limit of 10 ppm.

^g For kits with more than one result, the minimum result is included and remaining results are excluded.

Table 4. Summary statistics and tolerance limits for 95% confidence level and coverages of 95 to 99 percent.

Data Group	Summary Statistics						Lower Tolerance Limits (LTLs)				
	N	Min ^a	Max	Mean ^b	SD ^b	SD Ln(x) ^c	K at 100 ppm ^d	Method ^e	K ^f	LTL for Lead (ppm)	Conclusion
Group 1	33	10	1,000	776	287	0.22	2.36	95/96.3 LTL	2.35	102	95% certain that at least 96% of kits have a slider bracelet with more than 100 ppm lead
								95/96 LTL	2.30	115	
								95/95 LTL	2.18	152	
Group 2	30	470	1,000	853	164	0.22	4.59	95/99.98 LTL	4.57	102	95% certain that more than 99.9% of kits have a slider bracelet with more than 100 ppm lead
								95/99.9 LTL	4.01	195	
								95/99 LTL	3.05	352	
								95/95 LTL	2.21	490	
Group 3	48	10	1,220	799	269	0.23	2.60	95/98.2 LTL	2.60	101	95% certain that more than 98% of kits have a slider bracelet with more than 100 ppm lead
								95/98 LTL	2.55	115	
								95/95 LTL	2.07	244	
Group 4	45	470	1,220	852	183	0.23	4.11	95/99.96 LTL	4.11	100	95% certain that more than 99.9% of kits have a slider bracelet with more than 100 ppm lead
								95/99.9 LTL	3.80	157	
								95/99 LTL	2.89	324	
								95/95 LTL	2.09	471	

K = coefficient used in the calculation of a tolerance limit; LTL = lower tolerance limit, conceptually equivalent to a lower confidence limit for a percentile

Max = maximum; Mean = arithmetic mean; Min = minimum; N = sample size; SD = arithmetic standard deviation

Notes for Table 4 are on the following page.

Table 4 (continued). Summary statistics and tolerance limits for 95% confidence level and coverages of 95 to 99 percent.

Notes

^a For Groups 1 and 3, the minimum is given as 10 ppm. This is the method reporting limit for the three nondetects reported by manufacturers to demonstrate compliance.

^b For Groups 1 and 3, which include three results that are nondetects (< 10 ppm), the mean and standard deviation are estimated with Kaplan Meier methods, consistent with EPA guidance.

^c EPA statistics guidance for the software called ProUCL indicates that for mildly skewed distributions, defined as a standard deviation of log-transformed detected concentrations less than 0.5, the tolerance limit can be calculated using an equation that applies for normal distributions. Datasets for each scenario are mildly skewed, with standard deviation of log-transformed values of approximately 0.2.

^d The solution for the K coefficient corresponding to the point on the distribution equal to the permissible lead limit (100 ppm) is calculated as $K = (\text{mean} - 100)/SD$.

^e Examples of LTLs at $(1-\alpha)\%$ confidence and $(1-p)\%$ coverage. For example, 95/99 LTL is the one-sided 95% confidence limit ($\alpha=0.05$) for 99th percent coverage (percentile, $p=0.01$).

^f $K = z(p) + \sqrt{[z(p)^2 - ab]}/a$, where $a = 1 - (z(\alpha)^2/(2(n-1)))$, $b = z(1-p)^2 \times z(\alpha)^2/n$, where $z()$ is the z-score for a standard normal distribution, n is the sample size, p is the percentile, and α is the error rate (i.e., $1-\alpha$ is the confidence coefficient). Based on NIST/Sematech Handbook, Section 7.2.6.3, available at <http://www.itl.nist.gov/div898/handbook/prc/section2/prc263.htm>.

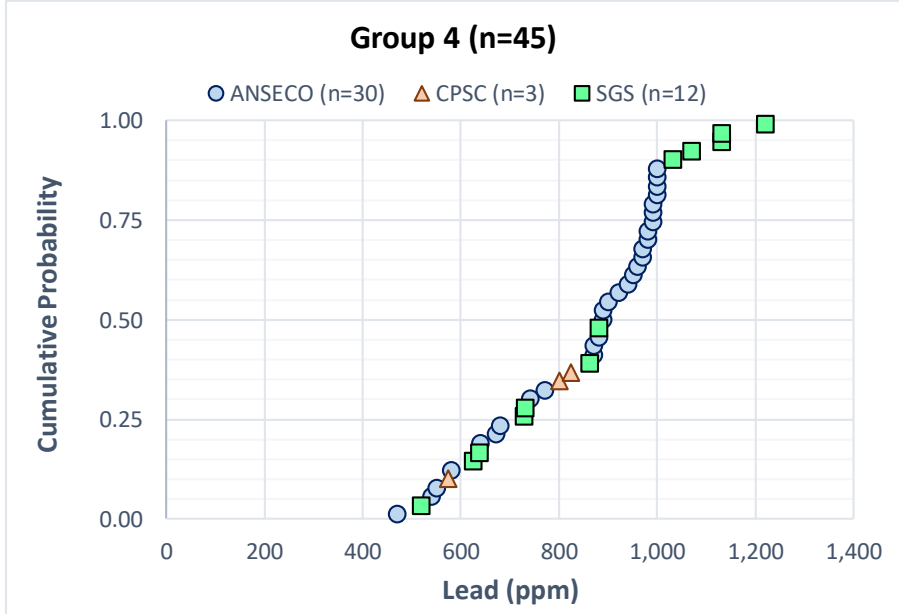
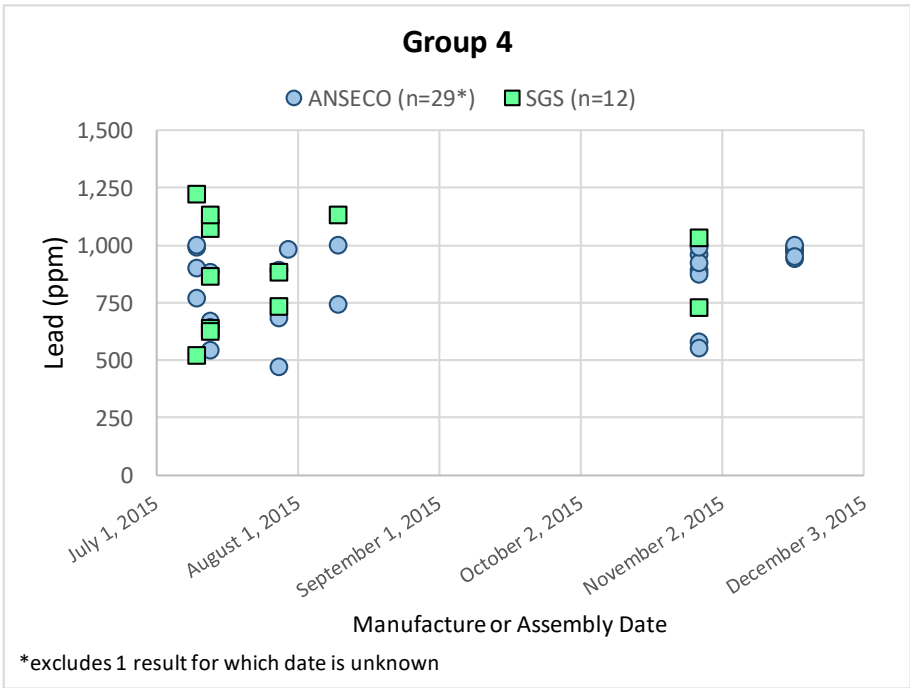


Figure 1.
 Concentration by Date of Manufacture/Assembly (top)
 and Empirical Distribution by Lab Report (bottom)

ATTACHMENT A



Biographical Sketch and Qualifications

Environmental Statistics, Toxicology, Risk Assessment, and Risk Communication

Dr. Goodrum is a senior consultant with more than 25 years of experience in quantitative risk assessment and environmental modeling, specializing in applications to human health risk assessment and regulatory compliance. He is recognized nationally as an expert in lead risk assessment, probabilistic modeling, and statistical sampling methods for site characterization. He has been invited to teach numerous professional short courses on these topics by regulators and industry, as well as university college courses in environmental toxicology and risk assessment. His academic training included graduate level courses in statistics, including multivariate analysis, regression analysis, and spatial statistics.

Prior to joining Integral in 2013, he was the corporate leader on statistical analysis at two companies, for which he managed teams responsible for addressing a wide range of day-to-day questions on applications of statistics. He continues to advise regulators and private sector clients on spatial weighting and adaptive sampling methods that balance concerns for hotspots, regulatory constraints in implementation of action levels as not-to-exceed thresholds, and stakeholder concerns that stem from uncertainty in data available to quantify exposure and effects. He has co-authored several peer-reviewed manuscripts with USEPA on methods to support development of site-specific risk-based soil lead action levels and served on national advisory committees including a current appointment to USEPA's Science Advisory Board for lead modeling.

Dr. Goodrum has also developed strategies to improve efficiencies and reduce costs for clients engaged in long-term monitoring programs involving data interpretation, statistical analysis, modeling, and risk characterization. He has served as a peer reviewer of USEPA's ProUCL software and is currently assisting with the development of a new module that will facilitate hypothesis testing with Incremental Sampling Methods.

Dr. Goodrum is experienced in risk communication and advises clients on communication strategies involving statistical concepts. He served as chair of the Syracuse Regional Lead Task Force for two years to support initiatives to educate the public about lead exposure, toxicology, and risk management. He represented a county health department at public meetings involving concerns for emissions of disinfection byproducts from a new wastewater treatment plant. He currently manages a multi-year project involving emerging chemicals that are persistent, present in public drinking water supplies, and undergoing regulatory review.



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Education

Ph.D., Environmental Engineering, SUNY College of Environmental Science and Forestry, Syracuse, NY, 1999

M.S., Water Resources Engineering, SUNY College of Environmental Science and Forestry, Syracuse, NY, 1995

B.S., Environmental Technology, Cornell University, Ithaca, NY, 1989

Honors and Awards

ITRC Annual Industry Consultant Award for Contributions to Workgroup on Incremental Sampling Methodology, 2010 and 2011

Syracuse Research Corporation Graduate Student Fellowship, 1995

Congressional Medal of Merit for Community Service, 1985

Specific Areas of Experience

- Statistics, including geostatistics
- Toxicology, including dose-response modeling and species sensitivity distributions
- CERCLA RI/FS and removal actions
- Metals exposure, bioavailability, and toxicology
- Natural resource damage assessment (NRDA)
- Human health and ecological risk assessment
- Probabilistic modeling
- Soil, groundwater, and sediment investigations
- FIFRA (ecological risk assessment of pesticides)

Publications on Applied Environmental Statistics

- EPA Peer Review Panel for Lead in Drinking Water (2017)
- EPA Peer Review Panel for Revision to Exposure Factors Handbook (2017)
- National Institute of Health/National Institute of Environmental Health Sciences, Time Sensitive Grant Review Committee (2016)
- EPA Science Advisory Board for Lead (2010, 2015)
- U.S. Consumer Product Safety Commission (2012)
- EPA Clean Air Scientific Advisory Committee (CASAC) (2006–2012)
- EPA National Center for Exposure Assessment (NCEA)–Research Triangle Park (RTP), Peer Review Panel for All Ages Risk Model for Lead (2000)

Publications on Applied Environmental Statistics

Goodrum, P.E. and E. Mendelsohn. 2018. A simulation study of extrapolation uncertainty in exposure assessment – use of pilot study results for site investigation. White paper prepared for Florida Department of Environmental Protection. June.

Pooler, P.S., P.E. Goodrum, D. Crumbling, L. Stuchal, and S. Roberts. 2017. Incremental sampling methodology: Applications for background screening assessments. *Risk Anal.* 38(1):194-209. doi: 10.1111/risa.12820.

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Thayer, W.C., D.A. Griffith, P.E. Goodrum, G.L. Diamond, and J.M. Hassett. 2003. Application of geostatistics to risk assessment. *Risk Anal.* 23(5):945–960.

Griffin, S., P.E. Goodrum, G.L. Diamond, W. Meylan, W.J. Brattin, and J.M. Hassett. 1999. Application of a probabilistic risk assessment methodology to a lead smelter site. *Hum. Ecol. Risk Assess.* 5(4):845–868.

Goodrum, P.E., G.L. Diamond, J.M. Hassett, and D.L. Johnson. 1996. Monte Carlo modeling of childhood lead exposure: development of a probabilistic methodology for use with the U.S. EPA IEUBK model for lead in children. *Hum. Ecol. Risk Assess.* 2:681–708.

Price, P.S., C.L. Curry, P.E. Goodrum, M.N. Gray, J.I. McCrodden, N.W. Harrington, H. Carlson-Lynch, and R.E. Keenan. 1996. Monte Carlo modeling of time-dependent exposures using a microexposure event approach. *Risk Anal.* 16(3):339–348.

Co-authored Government Guidance and Quantitative Models

Interstate Technology and Regulatory Council. Incremental Sampling Methods – Technical Regulatory Guidance Document. Co-authored chapter on statistical analysis and served as an ITRC instructor on this topic for three years, collaborating with U.S. EPA and state agencies to teach on-line courses on ISM to the risk assessment community.

U.S. Environmental Protection Agency. Risk Assessment Guidance for Superfund (Volume 3). Available at: <http://www.epa.gov/oswer/riskassessment/rags3adt/index.htm>>. Provides guidance on the use of PRA in human and ecological risk assessment. Conducted research on alternative probabilistic approaches, assisted the USEPA in the development of a three-tiered approach to PRA, and developed case studies to demonstrate the applications of PRA to both human health and ecological risk assessment. Also responsible for reviewing PRAs submitted to and conducted by the USEPA's Superfund program.

U.S. Environmental Protection Agency. Probabilistic Aquatic Risk Assessment Model. Assisted USEPA with development of “SWAMP”, a new Tier 3 probabilistic model for ecological risk assessments of aquatic receptors. The model implements novel approaches for combining data across species and genus classifications. The model advances an alternative approach to evaluating species sensitivity distributions by explicitly quantifying variability and uncertainty in dose response relationships consistent with the full range of data available.

U.S. Environmental Protection Agency. Avian Exposure Assessment, Geospatial Exposure Model (GeoSEM). Principal scientist for development of GeoSEM, a software tool that implements a spatially explicit approach to ecological risk assessment that provides greater flexibility in defining habitat ranges overlaid with site-specific data on concentrations in exposure media. Applied GeoSEM to several hypothetical exposure scenarios for birds exposed in agro-environments in Florida. Implemented several random walk routines published by Bruce Hope (Oregon Department of Environmental Quality). Applied a first-order kinetics assumption to simulate bioaccumulation of chemicals over time in terrestrial receptors (prey and predator species).

Philip Goodrum, Ph.D., DABT

U.S. Environmental Protection Agency. Refined Aquatic Risk Assessment Model. Managed and participated in the development of a probabilistic risk assessment model for the USEPA's Office of Pesticide Programs, Environmental Fate and Effects Division. Responsibilities included coordinating software development, developing statistical methods to quantify variability and uncertainty in dose-response, and initiating technical documentation and a user's guide. Assisted the USEPA in prioritizing model development activities and in testing initial versions of the software.

U.S. Environmental Protection Agency. Integrated Stochastic Exposure Model (ISE). Developed a stochastic exposure and uptake model linked to U.S. EPA's Integrated Exposure Uptake and Biokinetic (IEUBK) model for lead in children to facilitate Monte Carlo Analysis and probabilistic sensitivity analysis. Applied ISE to several mining sites in collaboration with U.S. EPA Region 3 and 8.

U.S. Environmental Protection Agency. Fate and Transport Modeling - Stochastic Weather Models. Managed a team of hydrologists, computer programmers, and environmental modelers to develop a new software tool, GemPRO, which generates a long-term stochastic time series of weather based on a short-term record from national weather stations. GemPRO is designed to generate data files that are compatible with both GLEAMS and PRZM/EXAMS.