

September 27, 2006

U.S. Customs, FDA & Prop 65 Compliance

Marck & Associates is dedicated to providing the best quality products at competitive prices with the highest level of service in our industry. We have established quality control procedures and assurances to assist in maintaining and improving the quality and consistency of our imported products. We are continually working with our suppliers to identify areas for improvement including the materials they use in production.

The products that Marck & Associates imports meet Federal standards for US Customs & Border Protection (CBP), and are properly marked with Country of Origin. Our manufacture and supplier of stoneware was CPW (Cereal Partners Worldwide) certified in 2005 by The Bureau Veritas, which audits overseas facilities for compliance with numerous standards including verification that the workforce is voluntary and includes no prison or child labor.

The products that Marck & Associates imports meet Federal standards for the Food & Drug Administration (FDA). Specifically these standards relate to allowable levels of Lead and Cadmium in the glazes or decorations. Our products under FDA jurisdiction are purchased from factories that are certified by the Chinese Commodity Inspection Bureau (CCIB) to comply with all FDA standards and requirements.

In connection with California consumer protection laws, in June 2006 Marck & Associates opted into the Prop 65 Boelter consent judgment. The consent judgment requires us to eliminate or minimize the amount of Lead and Cadmium exposure in our products or provide appropriate warning materials. Accordingly, we certify that all of our ceramic glazes are in compliance with California Proposition 65. We continue to work with our suppliers to minimize any Prop 65 listed materials that may be present in our products.

Marck & Associates periodically test our ceramic glazes for Lead and Cadmium levels to verify compliance by our suppliers. Our testing results currently identify that we have two glaze colors, Red and Orange, which are above the Prop 65 allowable limits under the Boelter consent judgment, therefore requiring consumer notification. These items have a notice linked to them on your invoice and shipping documents. Please be advised that these items require a warning label if you are selling or shipping them into California. Testing results for our glaze colors can be obtained, if needed, as they are available, through Mike Whitescarver our Quality Assurance Manager.

In addition, Marck & Associates has recently tested all our Cactus Coating® sublimation materials for potential chemicals contained in those products that are listed under California's Prop 65 for potential consumer notification. All of our test results have been negative (N/D) for the tested chemicals. As a result we certify that our Cactus Coating® sublimation products comply with California Proposition 65, and no notification is required. If you need a copy of these testing results, again please contact Mike Whitescarver our Quality Assurance Manager.

Marck & Associates is committed to providing the highest quality products to our customers. If you have any questions or need any additional information please contact Mike Whitescarver or me and we will assist you in your needs.

Sincerely,



Christopher Miller
Vice President &
Chief Financial Officer