

August 25, 2005

RE: California Proposition 65

Dear Customer:

As you may know there have been a number of law suits or threats of suits concerning decorated glass or ceramicware under a California law known as "Proposition 65", the Safe Drinking Water and Toxic Enforcement Act of 1986.

Basically, Proposition 65 requires that consumers be warned about products that may contain one of over 800 listed substances. Among these substances are lead and cadmium. Proposition 65 does not ban any product from being sold, it just requires a warning to the consumer.

An unfortunate aspect of Proposition 65 is that it permits law suits by private individuals if they believe there is a violation. These private individuals may receive monetary awards from those sued and also receive attorney's fees. Over the years thousands of these private Proposition 65 actions have been instituted involving a broad range of products.

Recently there have been instituted a number of private legal actions under Proposition 65 related to decorated glass and ceramic items. The State of California itself has not instituted any of these recent actions. None of them involve even an allegation that standards of the U.S. Food & Drug Administration (FDA) pertaining to such decorated items have been violated or that the items have harmed anyone.

We wanted to bring this to your attention so that you would be aware of Proposition 65 issues. This law applies only in California and you may want to examine how it may impact any products that you provide to California customers. Marck & Associates cannot, of course, provide you with legal advice on compliance or determine whether your particular products are even covered by Proposition 65. Many factors may come into play with your business of which we are unaware such as whether you sell or ship products into California, how your products may eventually be distributed in that State and the methods, substances and processes you use to decorate them.

If warnings are required they may be provided in a variety of ways. If you request we can provide you with some warning language that may be acceptable. The applicability of a warning and the exact usage of warnings is something you may want to consider with your customers and your legal counsel. There is also additional information regarding Prop 65 at the following web site: www.oehha.ca.gov/prop65.html

If you have any further questions please feel free to contact me.

Sincerely,



Christopher Miller
Vice President &
Chief Financial Officer