

**STATE OF VERMONT
WASHINGTON COUNTY, SS.**

IN RE DOLLAR TREE STORES, INC.)
)
) **Washington Superior Court**
) **Docket No. _____**

ASSURANCE OF DISCONTINUANCE

WHEREAS Dollar Tree Stores, Inc. (“Dollar Tree”), whose offices are located at 500 Volvo Parkway, Chesapeake, Virginia 23320, is a large discount variety store chain;

WHEREAS Dollar Tree outlets sell merchandise for one dollar or less;

WHEREAS Dollar Tree has six stores in the State of Vermont, in Barre, Bennington, Brattleboro, Derby, and two in Rutland;

WHEREAS following public reports in November 2007 of the element cadmium in a “Sassy & Chic” bracelet sold at Dollar Tree, and Consumer Product Safety Commission (CPSC) recalls of jewelry from Dollar Tree containing high levels of the element lead in March 2006 and October 2007, the Vermont Attorney General’s Office purchased four products at Dollar Tree and sent them to a laboratory to be tested for their total concentrations of lead and cadmium in late November and December 2007;

WHEREAS both lead and cadmium are toxic substances that can cause serious harm to humans, particularly children, if ingested;

WHEREAS as of the time the products in question were tested, there was no mandatory federal or state governmental limit on the amount of lead or cadmium in consumer products, although (1) the U.S. Consumer Product Safety Commission (CPSC) did have an enforcement policy for lead in children’s jewelry that included a 600 ppm limit;

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(2) that same limit, and a 90 ppm limit for lead in surface coatings, became mandatory for children's products on February 10, 2009, as a result of the Consumer Product Safety Improvement Act of 2008, Public Law 110-314; and (3) there have also been voluntary limits for surface coatings on toys under "Standard Consumer Safety Specification for Toy Safety," ASTM F 963-07 (from ASTM International, formerly known as the American Society for Testing and Materials), of 90 ppm for lead and 75 ppm for cadmium;

WHEREAS the results of the four product tests ("the tests") commissioned by the Attorney General's Office were as follows, in parts per million ("ppm"):

- "Sassy & Chic" Earrings: 447,539 ppm cadmium;
- "Sassy & Chic" Necklace: 22,751 ppm cadmium, and 152,132 ppm lead;
- "Sassy & Chic" Digital Watch: 483,672 ppm lead; and
- Pony Tail Holder: 49,484 ppm lead;

WHEREAS in December 2007, prior to learning of any action by the Attorney General's Office or of results of the tests, Dollar Tree voluntarily sent a letter to all its importer-vendors, informing them that they would not accept any more products containing lead in paint, decals, or solder or containing other than trace amounts of heavy metals;

WHEREAS Dollar Tree voluntarily removed from its stores in Vermont all jewelry, key chains, hair goods with metal, and toys with visible metal, and stopped ordering any products which it characterized as jewelry.

WHEREAS in addition, Dollar Tree voluntarily adopted a 300 ppm limit on lead in its products, as well as 90 ppm and 75 ppm limits on lead and cadmium, respectively, for surface coatings;

WHEREAS the Attorney General alleges that the sale of consumer products with very high concentrations of toxic substances like lead and cadmium is, and has been, a violation of the Vermont Consumer Fraud Act's prohibition on unfair and deceptive trade practices, 9 V.S.A. § 2453(a);

WHEREAS, Dollar Tree has not admitted any violation of the Vermont Consumer Fraud Act;

AND WHEREAS the Attorney General and Dollar Tree are willing to accept this Assurance of Discontinuance pursuant to 9 V.S.A. § 2459;

THEREFORE the parties agree as follows:

1. For the purpose of this Assurance of Discontinuance, the following terms are defined:

- a. "Children's product" means a consumer product designed or intended primarily for children 12 years of age or younger.
- b. "Contain[s]" or "containing" lead or cadmium means containing, or having a surface coating containing, the stated amount by weight of lead, cadmium, or lead or cadmium compound in any component part of a product.
- c. "Sell[s] in or into the State of Vermont" means to distribute or sell to a business or consumer in the State of Vermont through any medium, including, but not limited to, in a store or over the Internet.

2. In the course of doing business in or into the State of Vermont, Dollar Tree shall comply with all applicable federal and Vermont statutes and regulations relating to product

safety, including, but not limited to, laws limiting the amount of lead and/or cadmium permitted in children's and other consumer products.

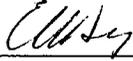
3. In keeping with the preceding paragraph, Dollar Tree shall comply with the federal Consumer Product Safety Improvement Act of 2008, Public Law 110-314, the Vermont Lead in Consumer Products Act, 9 V.S.A. chapter 63, subchapter 1C, and any regulations enacted thereunder.

4. Notwithstanding the preceding two paragraphs, and unless and until the requirements of federal and/or Vermont law are more stringent than the following requirements (in which case Dollar Tree shall comply with such more stringent federal and/or Vermont requirements), Dollar Tree shall not sell in or into the State of Vermont:

- a. Any product commonly understood to be jewelry;
- b. Any children's product, where any component of the product contains more than three hundred (300) ppm of lead, *provided that* effective August 14, 2011, the limit for lead shall be one hundred (100) ppm (or, if the CPSC determines that said limit is not technologically feasible, such limit as the CPSC shall set); or
- c. Any children's product, where any component of the product has paint or another surface coating containing more than ninety (90) ppm of lead or seventy-five (75) ppm of cadmium.

5. Within ten (10) days of the date this Assurance of Discontinuance is signed by Dollar Tree, Dollar Tree shall pay to the State of Vermont, in care of the Vermont Attorney General's Office, the sum of \$100,000.00 (one hundred thousand dollars), of which \$50,000.00 (fifty thousand dollars) is civil penalties and costs, and \$50,000.00 (fifty

APPROVED AS TO FORM:



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