



August 14, 2007

~~COMPANY~~ SANITIZED

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via Certified Return Receipt

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**A & A Global Industries**  
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Steven Johnson, Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, N.W.  
Washington, DC 20460

~~COMPANY~~  
**CONTAIN NO GBT**

Re: TSCA Section 8(e) Notice to EPA

Dear Mr. Johnson:

A&A Global Industries, Inc. received a letter from Mr. Thomas G. Neltner, Attorney for the Sierra Club, and also received an April 30<sup>th</sup> communication from you. As you are probably aware, the reason for Mr. Neltner's letter to us was his belief that we failed to timely notify the EPA of the two recalls involving children's toys containing lead that we, as the importer/distributor, were part of.

It was our belief, after reviewing the EPA Website, in particular the section in pubs/rguide, pertaining to "what information is not reportable under Section 8(e)", that based on item #4, which states "is contained in a formal publication / report or a formal statement made available to the general public by another Federal Agency," and because of the press release by the CPSC and the wide notice given by the CPSC, that we were not required to report under Section 8(e). The morning of July 27<sup>th</sup>, we spent considerable time discussing with Mr. Neltner his issue, his goals, his objectives and our interpretation of that section.

As a result of that discussion, we have decided that we might possibly be required to report these incidents to the EPA and, therefore, we are doing that in this letter and with the attachments.

Please understand that all of the information contained in this letter is confidential business information and should be treated as such. This information is given solely to the EPA to be held as confidential and used by them in their investigation.

I am attaching copies of each of the press releases issued by the CPSC relating to the recalls, first of Children's Toy Jewelry in July of 2004 and another toy in April of 2007. The recall of metal jewelry announced in 2004 was a recall involving four (4) importer / distributors in the bulk vending industry. The second only involved A&A Global industries, Inc.

A&A Global Industries was one of the four(4) firms and, of the total 150,000,000 pieces recalled, approximately 40,000,000 were sold by A&A Global Industries. At that time, we had a procedure wherein our vendors would send products to an independent testing laboratory, the laboratory would test the product for compliance with all CPSC, ASTM, and FDA requirements and if the products passed then they would ship the merchandise to us. The jewelry was purchased by us primarily from [redacted] in India and our test results confirmed that we were in compliance with CPSC regulations. In 2004 the CPSC began looking at lead in toy jewelry. They picked up samples of some of our items, tested them, and determined that some of the items should be recalled. They did the same to the other three(3) importers that were part of the recall. After working with the CPSC the four suppliers in the industry felt that there could be significant confusion with other products that did not contain lead and so we, on our own, expanded the recall, with the consent of the CPSC.

As a result of that recall, A&A Global Industries went through a review of its quality control processes and implemented new testing procedures and controls, which we felt tightened up considerably on the inspection and testing of all products purchased by us.



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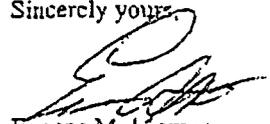
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Unfortunately, we had to enter into another recall in April, 2007, for one item that we had been importing and selling for one year. We had sold approximately 4,000,000 units and are still in that recall process. We discovered that there was a hole in our quality control and testing process which we immediately tightened and eliminated. This product was purchased from [REDACTED] in Kowloon, Hong Kong.

Several weeks ago we had several individuals from Intertek Labs in our office to spend a day with the appropriate personnel working on additional ways to tighten our procedures so as to further test products being imported by us. We believe that this has been done and are hopeful that we will not have this issue in the future.

I certainly hope that the information contained herein is what is required for the notice being given to you. If you have any questions, or require additional information, please contact me.

Sincerely yours,



Eugene M. Lipman  
Vice President Finance

EML/bd

encl.

cc: Brian S. Kovens, Executive Vice President  
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