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January 18, 2011

Via Federal Express

Andrew Keller, President
ChicoEco, Inc.
349 Huss Drive
Chico, California 95928

RE: ChicoBag Advertisements

Dear Mr. Keller:

We represent Hilex Poly Company, LLC, Superbag Operating, Ltd., and Advance Polybag, Inc., in connection with the subject matter addressed herein. ChicoEco, Inc., doing business as ChicoBag, has engaged in false/misleading advertising in violation of federal law. As more specifically described in the enclosed complaint, in your company's internet and/or print advertisements,

- ChicoBag claims that a reusable bag needs only to be used eleven (11) times to have a lower environmental impact than using eleven (11) disposable bags and cites the Environmental Protection Agency's website as support;
- ChicoBag claims that only one (1) percent of plastic bags are recycled and cites an article as support;
- ChicoBag claims that "somewhere between 500 billion and a trillion plastic bags are consumed worldwide each year" and cites an article as support;
- ChicoBag claims that "the world's largest landfill can be found floating between Hawaii and San Francisco" and "this 'landfill' is estimated to be twice the size of Texas and thousands of pounds of our discarded trash, mostly plastics" and cites an article as support for this statement;
- ChicoBag implies that the "landfill" is comprised of "mostly plastic bags;" and

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- ChicoBag claims that "[e]ach year hundreds of thousands of sea birds and marine life die from ingestable [sic] plastics mistaken for food" and cites a newspaper as support for this statement.

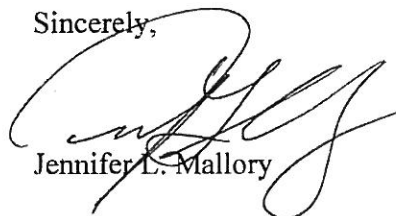
These statements suggest that ChicoBag is relying on and/or has engaged in scientific studies that substantiate the statements and/or implied claims that ChicoBag is making. A review of each "supporting" piece cited by ChicoBag indicates that the website, articles, or newspapers did not make the relevant statement or provide any evidence that such claims can be substantiated.

The use of the aforementioned language contains false and/or misleading representations of fact in commercial advertisements that misrepresent the alleged environmental damage caused by plastic bags in order to demonstrate the alleged comparative superiority of ChicoBag products. Such a practice not only constitutes a violation of state law statutes regarding unfair trade practices, but since your company is involved in interstate commerce, the actions also constitute a violation of Section 43(a) of the Lanham Act. The latter violations may give rise to various forms of liability, including, but not limited to: (1) damages, including actual damages, profits, treble (triple) damages, and/or attorney fees; and (2) an injunction that would prohibit ongoing use of the false and/or misleading advertising.

Demand is hereby made that ChicoBag, and any and all affiliates of your company, immediately stop using any and all advertisements and/or websites that contain false or misleading representation(s) of fact regarding the alleged environmental impact of plastic bags. Demand is also made that ChicoBag publicly retract the false or misleading representation(s) of fact in an appropriate manner approved by our clients, whose approval will not be unreasonably withheld. Failure to immediately cease and desist from the use of false and/or misleading representations and failure to agree to retract the statements as described above will result in service of the attached lawsuit on you, seeking enforcement of our clients' rights, including pursuit of treble damages and attorney's fees.

We look forward to a response from you by January 25, 2011.

Sincerely,



Jennifer L. Mallory

Enclosure