

**Corporate Disclosure in Compliance with
California Transparency in Supply Chains Act of 2010
December 31, 2011**

Pacific World strives to maintain an ethical work environment that promotes dignity and respect. The California Transparency in Supply Chains Act of 2010 requires retailers and manufacturers doing business in California, like Pacific World, to disclose their efforts to eradicate slavery and human trafficking from their direct supply chain to tangible goods offered for sale. Pacific World makes the following disclosures, as required by the Act and, with respect to its efforts to eradicate slavery and human trafficking from its direct supply chain for tangible goods offered for sale, and confirms that Pacific World and its subsidiaries employ the following practices:

VERIFICATION

Pacific World's policies and standards dictate that its suppliers refrain from the direct or indirect use of forced labor and any form of human trafficking. Suppliers are required to certify that they comply with Pacific World's policies and standards. Pacific World intends to incorporate tracking of supplier compliance with the prohibition on the use of forced labor and human trafficking into its supplier rating system, in order to evaluate the extent to which its policies and standards result in the mitigation of human trafficking and slavery.

AUDITING

Suppliers are required to demonstrate adherence to Pacific World's policies and standards prohibiting the use of forced labor and human trafficking by permitting social and environmental audits. These audits are conducted by Pacific World employees and independent third-party audit firms. Audits performed by third-party firms are unannounced, unless it is the first audit performed with respect to a particular supplier.

CERTIFICATION

Pacific World requires that its suppliers sign a Manufacturer's Agreement which, among other things, requires them to comply with all applicable laws and regulations, provide a safe and sanitary workplace free from harassment and discrimination, and certify that materials incorporated into the products they supply to Pacific World do not come from, and that they do not and will not knowingly engage in, any forced labor, slavery or human trafficking. The Manufacturing Agreement is intended to make it clear that Pacific World does not intend to do business with suppliers that are engaged in slavery and human trafficking.

INTERNAL ACCOUNTABILITY

Pacific World requires its employees to represent it, and to act at all times, in an ethical manner. Pacific World is in the process of establishing a program specifically designed to create and maintain internal accountability standards and procedures for employees and contractors

regarding slavery and human trafficking and to make it clear that Pacific World does not engage in and does not intend to do business with suppliers that are engaged in slavery and human trafficking. As part of these standards and procedures, Pacific World will advise its employees and contractors to bring any suspected supplier issues involving slavery and human trafficking to the attention of Pacific World's management. Possible violations of Pacific World's policy against slavery and human trafficking will be investigated and appropriate action taken, including possible termination of a violator's relationship with Pacific World.

TRAINING

Pacific World provides periodic training for its employees and officers who have responsibility for supply chain management. This training will provide information concerning human trafficking and slavery, familiarize them with identifying slavery and human trafficking issues and address mitigating the risk of such issues within its supply chain of products.