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GORDON PARK-LI, Clerk  
BY: JUN P. PANELO Deputy Clerk

1 LEXINGTON LAW GROUP, LLP  
Mark N. Todzo, State Bar No. 168389  
2 Eric S. Somers, State Bar No. 139050  
Lynne R. Saxton, State Bar No. 226210  
3 1627 Irving Street  
San Francisco, CA 94122  
4 Telephone: (415) 759-4111  
Facsimile: (415) 759-4112

CASE MANAGEMENT CONFERENCE SET

MAY 05 2006 - 9 00 AM

5 Attorneys for Plaintiff  
6 CENTER FOR ENVIRONMENTAL HEALTH

DEPARTMENT 212

7  
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 COUNTY OF SAN FRANCISCO

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12 CENTER FOR ENVIRONMENTAL HEALTH, )  
a non-profit corporation, )

Case No. ~~05~~ 05 447187

13  
14 Plaintiff, )

COMPLAINT FOR INJUNCTIVE  
RELIEF AND CIVIL PENALTIES

15 v. )

Health & Safety Code §25249.6 et seq.;

16 ACCESSORY NETWORK GROUP, INC., and )  
17 Defendant DOES 1 through 200, inclusive, )

(Other)

18 Defendants. )  
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1 Plaintiff Center for Environmental Health, in the public interest, based on  
2 information and belief and investigation of counsel, except for information based on personal  
3 knowledge, hereby makes the following allegations:

#### 4 INTRODUCTION

5 1. This complaint seeks to remedy defendants' continuing failure to warn  
6 individuals in California that they are being exposed to lead and lead compounds (collectively,  
7 "Lead"), chemicals known to the State of California to cause cancer, birth defects and other  
8 reproductive harm. Such exposures have occurred, and continue to occur, through the  
9 manufacture, distribution, sale and use of defendants' soft food and beverage containers that  
10 contain Lead (the "Products"). The Products include, but are not limited to, soft lunch boxes,  
11 lunch bags and coolers. Consumers, including children, are exposed to Lead when they handle  
12 the Products and when they handle or ingest the food and drinks stored inside the Products.

13 2. Under California's Proposition 65, Health and Safety Code §25249.5 *et*  
14 *seq.*, it is unlawful for businesses to knowingly and intentionally expose individuals in California  
15 to chemicals known to the State to cause cancer, birth defects or other reproductive harm without  
16 providing clear and reasonable warnings to individuals prior to their exposure. Defendants  
17 introduce soft food and beverage containers contaminated with significant quantities of Lead  
18 directly into the California marketplace, exposing consumers of their Products, many of whom  
19 are children, to Lead.

20 3. Despite the fact that defendants expose children and other consumers to  
21 Lead, defendants provide no warnings whatsoever about the carcinogenic or reproductive hazards  
22 associated with Lead exposure. Defendants' conduct thus violates the warning provision of  
23 Proposition 65. Health & Safety Code §25249.6.

#### 24 PARTIES

25 4. Plaintiff Center For Environmental Health ("CEH") is a non-profit  
26 corporation dedicated to protecting the public from environmental health hazards and toxic  
27 exposures. CEH is based in Oakland, California and incorporated under the laws of the State of  
28 California. CEH is a "person" within the meaning of Health & Safety Code §25249.11(a) and



1 entity that does sufficient business, has sufficient minimum contacts in California or otherwise  
2 intentionally avails itself of the California market through the sale, marketing or use of the  
3 Products in California and/or by having such other contacts with California so as to render the  
4 exercise of jurisdiction over it by the California courts consistent with traditional notions of fair  
5 play and substantial justice.

6 11. Venue is proper in the San Francisco Superior Court because one or more  
7 of the violations arise in the County of San Francisco.

### 8 BACKGROUND FACTS

9 12. The People of the State of California have declared by initiative under  
10 Proposition 65 their right "[t]o be informed about exposures to chemicals that cause cancer, birth  
11 defects, or other reproductive harm." Proposition 65, §1(b).

12 13. To effectuate this goal, Proposition 65 requires that individuals be  
13 provided with a "clear and reasonable warning" before being exposed to chemicals listed by the  
14 State of California as known to cause cancer, birth defects and other reproductive harm unless  
15 the business responsible for the exposure can prove that it fits within a statutory exemption.  
16 Health & Safety Code §25249.6 states, in pertinent part:

17 No person in the course of doing business shall knowingly and  
18 intentionally expose any individual to a chemical known to the  
19 state to cause cancer or reproductive toxicity without first giving  
20 clear and reasonable warning to such individual. . .

21 14. On February 27, 1987, the State of California officially listed Lead as a  
22 chemical known to cause reproductive toxicity. Lead is specifically identified as a reproductive  
23 toxicant under three subcategories: "developmental reproductive toxicity," which means harm to  
24 the developing fetus, "female reproductive toxicity," which means harm to the female  
25 reproductive system, and "male reproductive toxicity," which means harm to the male  
26 reproductive system. 22 California Code of Regulations ("CCR") §12000(c). On February 27,  
27 1988, one year after it was listed as a chemical known to cause reproductive toxicity, Lead  
28 became subject to the clear and reasonable warning requirement regarding reproductive toxicants  
under Proposition 65. 22 CCR §12000(c); Health & Safety Code §25249.10(b).

1           15.    On October 1, 1992, the State of California officially listed lead and lead  
2 compounds as chemicals known to cause cancer. On October 1, 1993, one year after they were  
3 listed as chemicals known to cause cancer, lead and lead compounds became subject to the clear  
4 and reasonable warning requirement regarding carcinogens under Proposition 65. 22 CCR  
5 §12000(c); Health & Safety Code §25249.10(b).

6           16.    Young children are especially susceptible to the toxic effects of Lead.  
7 Children show a greater sensitivity to Lead's effects than do adults. Adverse health impacts from  
8 Lead exposure generally occur in children at lower blood Lead levels than in adults. Children  
9 absorb and retain more Lead in proportion to their weight than do adults. Young children also  
10 show a greater prevalence of iron deficiency, a condition that can increase gastrointestinal  
11 absorption of Lead. The body accumulates Lead over a lifetime and releases it slowly, so even  
12 small doses received in childhood, over time, can cause adverse health impacts, including but not  
13 limited to reproductive toxicity, later in life. For example, in times of physiological stress, such  
14 as pregnancy, the body can mobilize accumulated stores of Lead in tissue and bone, thereby  
15 increasing the level of Lead in the blood and increasing the risk of harm to the fetus.

16           17.    There is no safe level of exposure to Lead and even minute amounts of  
17 Lead exposure have been shown to permanently reduce mental capacity. Davis, JM, Svendgaard,  
18 DJ; "Lead and Child Development"; *Nature* 329:297-300, 1987. One recent study on the effect  
19 of childhood Lead exposure declared that even the smallest detectable amount of blood Lead  
20 levels in children can mean the difference between an A or B grade in school. Lanphear, BP,  
21 Dietrich, K, Auinger, P, Cox, C; "Subclinical Lead Toxicity in U.S. Children and Adolescents";  
22 *Neurodevelopmental Disabilities II Platform*, 2000. Another study followed children into  
23 adulthood and found a sevenfold increase in the risk for developing a reading disability among  
24 children exposed to sufficient levels of Lead as toddlers. Needleman, HL, Schell, A, Bellinger,  
25 D, Leviton, A, Allred, EN; "The Long-Term Effects of Exposure to Low Doses of Lead in  
26 Childhood: An 11-Year Follow-up Report"; *New England Journal of Medicine*; 322:83-88, 1990.

27           18.    Defendants' Products contain sufficient quantities of Lead such that  
28 consumers, including children, who handle the Products and handle and ingest items stored

1 inside the Products are exposed to Lead through the average use of the Products. These  
2 exposures occur through direct ingestion when consumers place items that have been stored in  
3 the Products in their mouths, ingestion via hand to mouth contact after consumers touch or  
4 handle the Products or items that have been stored in the Products, and dermal absorption  
5 directly through the skin when consumers touch or handle the Products or items that have been  
6 stored in the Products.

7 19. Any person acting in the public interest has standing to enforce violations  
8 of Proposition 65 provided that such person has supplied the requisite public enforcers with a  
9 valid 60-Day Notice of Violation and such public enforcers are not diligently prosecuting the  
10 action within such time. Health & Safety Code §25249.7(d).

11 20. On September 20, 2005, CEH provided a 60-Day "Notice of Violation of  
12 Proposition 65" to the California Attorney General, the District Attorneys of every county in  
13 California, the City Attorneys of every California city with a population greater than 750,000 and  
14 to the named Defendant. The September 20, 2005 Notice of Violation is referred to herein as the  
15 "Notice". In compliance with Health & Safety Code §25249.7(d) and 22 CCR §12903(b), the  
16 Notice included the following information: (1) the name and address of the violator; (2) the  
17 statute violated; (3) the time period during which violations occurred; (4) specific descriptions of  
18 the violations, including (a) the routes of exposure to Lead from the Products and (b) Product  
19 categories, with a specific non-exclusive example of a Product that is sold and used in violation  
20 of Proposition 65; and (5) the name of the specific Proposition 65-listed chemical (Lead) that is  
21 the subject of the violation described in the Notice.

22 21. CEH also sent a Certificate of Merit for the Notice to the California  
23 Attorney General, the District Attorneys of every county in California, the City Attorneys of  
24 every California city with a population greater than 750,000 and to the named Defendant. In  
25 compliance with Health & Safety Code §25249.7(d) and 11 CCR §3101, the Certificate certified  
26 that CEH's counsel: (1) has consulted with one or more persons with relevant and appropriate  
27 experience or expertise who reviewed facts, studies or other data regarding the exposures to Lead  
28 alleged in the Notice; and (2) based on the information obtained through such consultations,

1 believes that there is a reasonable and meritorious case for a citizen enforcement action based on  
2 the facts alleged in the attached Notice. In compliance with Health & Safety Code §25249.7(d)  
3 and 11 CCR §3102, the Certificate served on the Attorney General included factual information –  
4 provided on a confidential basis – sufficient to establish the basis for the Certificate, including  
5 the identity of the person(s) consulted by CEH’s counsel and the facts, studies or other data  
6 reviewed by such persons.

7           22. None of the public prosecutors with the authority to prosecute violations  
8 of Proposition 65 has commenced and/or is diligently prosecuting a cause of action against the  
9 Proposition 65 Defendants under Health & Safety Code §25249.5 *et seq.* based on the claims  
10 asserted in the Notice.

11           23. Defendants both know and intend that individuals, including children, will  
12 handle the Products and handle and ingest items stored inside the Products, thus exposing them  
13 to Lead.

14           24. The Products are typically made from polyvinyl chloride (“PVC”). The  
15 association between PVC and Lead exposure has been widely discussed in the media in recent  
16 years, with particular attention given to products made from PVC that are marketed exclusively  
17 to children. Defendants’ Products are also made with pigments, many of which contain Lead.  
18 Many of the Defendants’ Products are exclusively made for and marketed to children.

19           25. Defendants have been informed of the Lead in their Products by the 60-  
20 day notice of violation served on them by CEH and from newspaper reports.

21           26. Nevertheless, Defendants continue to expose consumers, including  
22 children, to Lead without prior clear and reasonable warnings regarding the carcinogenic or  
23 reproductive hazards of Lead.

24           27. CEH has engaged in good-faith efforts to resolve the claims alleged herein  
25 prior to filing this complaint.

26           28. Any person “violating or threatening to violate” Proposition 65 may be  
27 enjoined in any court of competent jurisdiction. Health & Safety Code §25249.7. “Threaten to  
28 violate” is defined to mean “to create a condition in which there is a substantial probability that a

1 violation will occur.” Health & Safety Code §25249.11(e). Proposition 65 provides for civil  
2 penalties not to exceed \$2,500 per day for each violation of Proposition 65.

3 **FIRST CAUSE OF ACTION**  
4 **(Violations of the Health & Safety Code §25249.6)**

5 29. Plaintiff realleges and incorporates by reference as if specifically set forth  
6 herein Paragraphs 1 through 28 inclusive.

7 30. By placing the Products into the stream of commerce, Defendants are a  
8 person in the course of doing business within the meaning of Health & Safety Code §25249.11.

9 31. Defendants know that average use of the Products will expose users of the  
10 Products to Lead. Defendants intend that the Products be used in a manner that results in users  
11 of the Products being exposed to Lead contained in the Products.

12 32. The Defendants have failed, and continue to fail, to provide clear and  
13 reasonable warnings regarding the carcinogenicity and reproductive toxicity of Lead to users of  
14 the Products.

15 33. Lead is a chemical listed by the State of California as known to cause  
16 cancer, birth defects and other reproductive harm.

17 34. By committing the acts alleged above, the Defendants have at all times  
18 relevant to this complaint violated Proposition 65 by knowingly and intentionally exposing  
19 individuals to Lead without first giving clear and reasonable warnings to such individuals  
20 regarding the carcinogenicity and reproductive toxicity of Lead.

21 Wherefore, Plaintiff prays judgment against the Defendants, as set forth hereafter.

22 **PRAYER FOR RELIEF**

23 Wherefore, Plaintiff prays for judgment against Defendants as follows:

24 1. That the Court, pursuant to Health & Safety Code §25249.7(b), assess civil  
25 penalties against each of the Defendants in the amount of \$2,500 per day for each violation of  
26 Proposition 65 according to proof;

27 2. That the Court, pursuant to Health & Safety Code §25249.7(a),  
28 preliminarily and permanently enjoin Defendants from offering the Products for sale in



1 California without providing clear and reasonable warnings, as CEH shall specify in further  
2 application to the Court;

3 3. That the Court, pursuant to Health & Safety Code §25249.7(a), order  
4 Defendants to take action to stop ongoing unwarned exposures to Lead resulting from use of  
5 Products sold by Defendants, as CEH shall specify in further application to the Court;

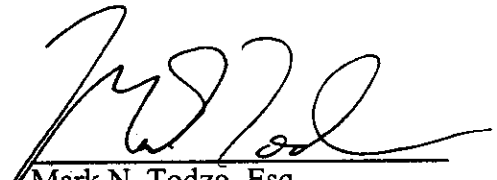
6 4. That the Court, pursuant to Code of Civil Procedure §1021.5 and any other  
7 applicable theory, grant Plaintiff its reasonable attorneys' fees and costs of suit; and

8 5. That the Court utilize its inherent equitable power to grant such other and  
9 further relief as may be just and proper.

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Dated: November 30, 2005

Respectfully submitted,  
LEXINGTON LAW GROUP, LLP



Mark N. Todzo, Esq.  
Attorneys for Plaintiff  
CENTER FOR ENVIRONMENTAL  
HEALTH