| 1 2 3 | Reuben Yeroushalmi (SBN 193981) Daniel D. Cho (SBN 105409) Ben Yeroushalmi (SBN 232540) YEROUSHALMI & ASSOCIATES | CONFORMED COPY ORIGINAL FRED SUPERIOR COUNTY OF CO |
|------------------------------|--|--|
| 4 | 9100 Wilshire Boulevard, Suite 610E Beverly Hills, California 90212 | John A. Clarke, Executive Offices Clerk |
| 5 | Telephone: 310.623.1926 Facsimile: 310.623.1930 | BY Alvarea |
| 6 7 | Attorneys for Plaintiffs, Consumer Advocacy Group, Inc. | |
| 8 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | |
| 10 | COUNTY OF LOS ANG | ELES – CENTRAL DISTRICT |
| 11 | | BC44931 |
| 12 | CONSUMER ADVOCACY GROUP, INC., in the public interest, | CASE NO. |
| 13 –] | Plaintiff, | COMPLAINT FOR PENALTY. |
| L ¹⁴ | v. | INJUNCTION, AND RESTITUTION |
|) ¹⁵ 316 17 | Watch Club, Inc., Tectron International, and Does 1-50 | Violation of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, § |
| 18 | Defendants. | 25249.5, et seq.) |
| 19 | | ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000) |
| 20 | | _ |
| 21 | Plaintiff Consumer Advocacy Group, Inc. alleges a cause of action against Defendants as | |
| 22 | follows: | |
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| 28 | <i> </i> | <u>.</u> |
|) | COMPLAINT FOR VIOLATION OF PROPOSITION 65, THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (HEALTH AND SAFETY CODE § 25249.5, ET SEQ.) | |

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THE PARTIES

- Plaintiff Consumer Advocacy Group, Inc. ("Plaintiff" OR "CAG") is a corporation
 qualified to do business in the State of California. CAG is a person within the meaning
 of Health and Safety Code section 25249.11, subdivision (a). CAG, acting as a private
 attorney general, brings this action in the public interest as defined under Health and
 Safety Code section 25249.7, subdivision (d).
- Defendant Watch Club, Inc. ("Watch Club") is a company incorporated in the State of California.
- 3. Defendant Teetron International, Inc. ("Tectron") is a company incorporated in the State of California.
- 4. Plaintiff is presently unaware of the true names and capacities of defendants Does 1-50, and therefore sues these defendants by such fictitious names. Plaintiff will amend this complaint to allege their true names and capacities when ascertained. Plaintiff is informed, believes, and thereon alleges that each fictitiously named defendant is responsible in some manner for the occurrences herein alleged and the damages caused thereby.
- At all times mentioned herein, the term "Defendants" includes Watch Club, Inc., Tectron International, and Docs 1-50.
- 6. Plaintiff is informed and believes, and thereon alleges that each of the Defendants at all times mentioned herein have conducted business within the State of California.
- 7. At all times relevant to this action, each of the Defendants, including Does 1-50, was an agent, servant, or employee of each of the other Defendants. In conducting the activities alleged in this Complaint, each of the Defendants was acting within the course and scope of this agency, service, or employment, and was acting with the consent, permission, and authorization of each of the other Defendants. All actions of each of the Defendants alleged in this Complaint were ratified and approved by every other Defendant or their officers or managing agents. Alternatively, each of the Defendants aided, conspired with and/or facilitated the alleged wrongful conduct of each of the other Defendants.

- 8. Alternatively, at times relevant to this action, Defendant Watch Club so controlled Defendant Tectron as to render Tectron the mere instrumentality of Watch Club. Therefore, it is in furtherance of the ends of justice, that the Corporate form of Defendant Tectron should be disregarded.
- 9. Plaintiff is informed, believes, and thereon alleges that at all relevant times, each of the Defendants was a person doing business within the meaning of Health and Safety Code section 25249.11, subdivision (b), and that each of the Defendants had ten (10) or more employees at all relevant times.

--<u>JURISDICTION</u>-

- 10. The Court has jurisdiction over this lawsuit pursuant to California Constitution Article VI, Section 10, which grants the Superior Court original jurisdiction in all causes except those given by statute to other trial courts. This Court has jurisdiction over this action pursuant to Health and Safety Code section 25249.7, which allows enforcement of violations of Proposition 65 in any Court of competent jurisdiction.
- 11. This Court has jurisdiction over Defendants named herein because Defendants either reside or are located in this State or are foreign corporations authorized to do business in California, are registered with the California Secretary of State, or who do sufficient business in California, have sufficient minimum contacts with California, or otherwise intentionally avail themselves of the markets within California through their manufacture, distribution, promotion, marketing, or sale of their products within California to render the exercise of jurisdiction by the California courts permissible under traditional notions of fair play and substantial justice. Furthermore, Defendants have purposefully availed themselves of California by deliberately placing products within the stream of commerce and thereby directed their activities towards, and had a substantial connection with, the State of California.
- 12. Venue is proper in the County of Los Angeles because one or more of the instances of wrongful conduct occurred, and continues to occur, in the County of Los Angeles and/or

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because Defendants conducted, and continue to conduct, business in the County of Los Angeles with respect to the consumer product that is the subject of this action.

BACKGROUND AND PRELIMINARY FACTS

- 13. In 1986, California voters approved an initiative to address growing concerns about exposure to toxic chemicals and declared their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed Law, Gen. Elec. (Nov. 4, 1986) at p. 3. The initiative, The Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code sections —25249.5, et seq. ("Proposition-65"), helps to protect California's drinking water sources from contamination, to allow consumers to make informed choices about the products they buy, and to enable persons to protect themselves from toxic chemicals as they see fit.
- 14. Proposition 65 requires the Governor of California to publish a list of chemicals known to the state to cause cancer, birth defects, or other reproductive harm. *Health & Safety Code* § 25249.8. The list, which the Governor updates at least once a year, contains over 700 chemicals and chemical families. Proposition 65 imposes warning requirements and other controls that apply to Proposition 65-listed chemicals.
- 15. All businesses with ten (10) or more employees that operate or sell products in California must comply with Proposition 65. Under Proposition 65, businesses are: (1) prohibited from knowingly discharging Proposition 65-listed chemicals into sources of drinking water (*Health & Safety Code* § 25249.5), and (2) required to provide "clear and reasonable" warnings before exposing a person, knowingly and intentionally, to a Proposition 65-listed chemical (*Health & Safety Code* § 25249.6).
- 16. Proposition 65 provides that any person "violating or threatening to violate" the statute may be enjoined in any court of competent jurisdiction. *Health & Safety Code* § 25249.7. "Threaten to violate" means "to create a condition in which there is a substantial probability that a violation will occur." *Health & Safety Code* § 25249.11(e).

Defendants are also liable for civil penalties of up to \$2,500.00 per day per violation, recoverable in a civil action. *Health & Safety Code* § 25249.7(b).

- 17. Plaintiff identified certain practices of manufacturers and distributors of lead-bearing products of exposing, knowingly and intentionally, persons in California to the Proposition 65-listed chemicals of such products without first providing clear and reasonable warnings of such to the exposed persons prior to the time of exposure. Plaintiff later discerned that Defendants engaged in such practice.
- 18. On October 1, 1992, the Governor of California added Lead and Lead Compounds to the List of chemicals known to the State to cause cancer (Cal: Code Regs. tit. 27, § 27001(b)). Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Lead and lead compounds to the list of chemicals known to the State to cause cancer, Lead and lead compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 19. On February 27, 1987, the Governor of California added Lead to the list of chemicals known to the State to cause reproductive toxicity (Cal. Code Regs. tit. 27, § 27001(c)).

 Lead is known to the State to cause developmental, female, and male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause reproductive toxicity, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.

SATISFACTION OF PRIOR NOTICE

20. On or about December 18, 2009 Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures, subject to a private action to Watch Club, identified in the notice as "Watch Club, Inc.," to Tectron identified in the notice as "Tectron International," as well as to the California Attorney General, County District Attorneys, and City Attorneys for each city containing a population of at least 750,000 people in whose jurisdictions the violations allegedly

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- occurred, concerning the consumer product identified as "Simi® Heavy Duty Flashlight with Rubber Grip and Carrying Strap Super Bright."
- 21. Before sending the notice of alleged violation, Plaintiff investigated the consumer products involved, the likelihood that such products would cause users to suffer significant exposures to lead, and the corporate structure of each of the Defendants.
- 22. Plaintiff's notice of alleged violation included a Certificate of Merit executed by the attorney for the noticing party, CAG. The Certificate of Merit stated that the attorney for Plaintiff who executed the certificate had consulted with at least one person with relevant and appropriate expertise who reviewed data regarding the exposures to lead, respectively, which are the subject Proposition 65-listed chemicals of this action. Based on that information, the attorney for Plaintiff who executed the Certificate of Merit believed there was a reasonable and meritorious case for this private action. The attorney for Plaintiff attached to the Certificate of Merit served on the Attorney General the confidential factual information sufficient to establish the basis of the Certificate of Merit.
- 23. Plaintiff's notice of alleged violations also included a Certificate of Service and a document entitled "The Safe Drinking Water & Toxic Enforcement Act of 1986 (Proposition 65) A Summary." Health & Safety Code § 25249.7(d).
- 24. Plaintiff is commencing this action more than sixty (60) days from the dates that Plaintiff gave notice of the alleged violations to Watch Club, Tectron, and the public prosecutors referenced in Paragraph 20.
- 25. Plaintiff is informed, believes, and thereon alleges that neither the Attorney General, nor any applicable district attorney or city attorney has commenced and is diligently prosecuting an action against the Defendants.

FIRST CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against Northeastern and American for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

Simi® Heavy Duty Flashlight with Rubber Grip and Carrying Strap Super Bright

- 26. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 24 of this complaint as though fully set forth herein.
- 27. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of "Simi® Heavy Duty Flashlight with Rubber Grip and —Carrying Strap Super Bright, Item-Number FL5:-("Flashlight"), a consumer product ——designed for personal use.
- 28. Plaintiff is informed, believes, and thereon alleges that Flashlight contains Lead.
- 29. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in the Flashlight within Plaintiff's notice of alleged violations further discussed above at Paragraph 20.
- 30. Plaintiff's allegations regarding Flashlight concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." *Cal. Code Regs.* tit. 27, § 25602(b). Booster Cable is a consumer product, and, as mentioned in herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use.
- 31. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Flashlight without wearing gloves or by touching bare skin or mucuos membranes with gloves after handling Flashlight as well as hand to mouth contact (e.g., by inserting surfaces, such as hands, that have contacted Flashlight into their mouths), hand to mucous membrane, or breathing in particulate matter released or emanating from Flashlight during application and installation, as well as through

PRAYER FOR RELIEF

Plaintiff demands against each of the Defendants as follows:

- 1. A permanent injunction mandating Proposition 65-compliant warnings;
- 2. Penalties pursuant to Health and Safety Code section 25249.7, subdivision (b);
- Costs of suit:
- 4. Reasonable attorney fees and costs; and
- 5. Any further relief that the court may deem just and equitable.

Dated: <u>4 /4 - ,</u> 2010 –

----- YERQUSHALMI-&-ASSOCIATES

`BY

Reuben Yeroushalmi
Attorneys for Plaintiff,
Consumer Advancey Group

Consumer Advocacy Group, Inc.