

ANDREW L. PACKARD (State Bar No. 168690) 1 HALLIE B. ALBERT (State Bar No. 258737) ERIK M. ROPER (State Bar No. 259756) 2 Law Offices of Andrew L. Packard 100 Petaluma Blvd. N Ste 301 DEC 0 7 2010 3 Petaluma, CA 94952 KIM TURNER, Court Executive Officer Tel. (707) 763-7227 MARIN COUNTY SUPERIOR COURT Fax. (707) 763-9227 By: D. Taylor, Deputy 5 E-mail: Andrew@PackardLawOffices.com Attorneys for Plaintiff 6 Environmental Research Center 7 8 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA 10 COUNTY OF MARIN 11 12 ENVIRONMENTAL RESEARCH CENTER, ) Case No. 10-04707 a non-profit California corporation, 13 FIRST AMENDED COMPLAINT FOR Plaintiff, INJUNCTIVE RELIEF AND CIVIL 14 **PENALTIES** 15 ٧. Health & Safety Code §25249.5, et seq.; MIRALUS, INC., a corporation, 16 17 Defendant. 18 19 Plaintiff Environmental Research Center brings this action in the interests of the 20 general public and, on information and belief, hereby alleges: 21 INTRODUCTION 22 This action seeks to remedy Defendant's continuing failure to warn thousands 1. 23 of consumers in California that they are being exposed to lead, a substance known to the State 24 of California to cause cancer, birth defects and other reproductive harm. Defendant 25 manufactures, packages, distributes, markets, and/or sells in California certain herbal products 26 containing lead (referred to hereinafter as the "First Noticed PRODUCTS", the "Second

Noticed PRODUCTS", or collectively as the "PRODUCTS.").

- 2. Lead and lead compounds (hereinafter, the "LISTED CHEMICALS") are substances known to the State<sup>1</sup> of California to cause cancer, birth defects and other reproductive harm.
- 3. The use and/or handling of the PRODUCTS causes exposures to the LISTED CHEMICALS at levels requiring a "clear and reasonable warning" under California's Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code ("H&S Code") §25249.5, et seq. (also known as "Proposition 65"). Defendant has failed to provide the health hazard warnings required by Proposition 65.
- 4. Defendant's continued manufacturing, packaging, distributing, marketing and/or sales of the PRODUCTS without the required health hazard warnings, causes individuals to be involuntarily and unwittingly exposed to levels of the LISTED CHEMICALS that violate Proposition 65.
- manufacturing, packaging, distributing, marketing and/or sales of the PRODUCTS in California without provision of clear and reasonable warnings regarding the risks of cancer, birth defects and other reproductive harm posed by exposure to the LISTED CHEMICALS through the use and/or handling of the PRODUCTS. Plaintiff seeks an injunctive order compelling Defendant to bring its business practices into compliance with Proposition 65 by providing a clear and reasonable warning to each individual who has been and who in the future may be exposed to LISTED CHEMICALS from the use of the PRODUCTS. Plaintiff also seeks an order compelling Defendant to identify and locate each individual person who in the past has purchased the PRODUCTS, and to provide to each such purchaser a clear and reasonable warning that the use of the PRODUCTS will cause exposures to the LISTED CHEMICALS.

<sup>&</sup>lt;sup>1</sup> All statutory and regulatory references herein are to California law, unless otherwise specified.

6. In addition to injunctive relief, Plaintiff seeks an assessment of civil penalties to remedy Defendant's failure to provide clear and reasonable warnings regarding exposures to the LISTED CHEMICALS.

#### JURISDICTION AND VENUE

- 7. This Court has jurisdiction over this action 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." The statute under which this action is brought does not specify any other basis for jurisdiction.
- 8. This Court has jurisdiction over Defendant because, based on information and belief, Defendant is a business having sufficient minimum contacts with California, or otherwise intentionally availing itself of the California market through the distribution and sale of the PRODUCTS in the State of California to render the exercise of jurisdiction over it by the California courts consistent with traditional notions of fair play and substantial justice.
- 9. Venue in this action is proper in the Marin Superior Court because the Defendant has violated California law in the County of Marin.

#### **PARTIES**

- 10. Plaintiff Environmental Research Center ("ERC") is a non-profit corporation organized under California's Non-Profit Public Benefit Corporation Law group. ERC is dedicated to, among other causes, reducing the use and misuse of hazardous and toxic substances, consumer protection, worker safety and corporate responsibility.
- 11. ERC is a person within the meaning of H&S Code §25118 and brings this enforcement action in the public interest pursuant to H&S Code §25249.7(d).
- 12. Defendant MIRALUS INC., ("MIRALUS") is a corporation organized under the laws of the State of California and a person doing business within the meaning of H&S Code §25249.11.
- 13. MIRALUS manufactures, packages, distributes, markets and/or sells one or more of the PRODUCTS for sale or use in California.

## STATUTORY BACKGROUND

- 14. The People of the State of California have declared in Proposition 65 their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." (Section 1(b) of Initiative Measure, Proposition 65).
- 15. To effect this goal, Proposition 65 requires that individuals be provided with a "clear and reasonable warning" before being exposed to substances listed by the State of California as causing cancer or reproductive toxicity. H&S Code §25249.6 states, in pertinent part:

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

16. Proposition 65 provides that any person "violating or threatening to violate" the statute may be enjoined in a court of competent jurisdiction. (H&S Code §25249.7.) The phrase "threatening to violate" is defined to mean creating "a condition in which there is a substantial likelihood that a violation will occur." (H&S Code §25249.11(e).) Violators are liable for civil penalties of up to \$2,500 per day for each violation of the Act. (H&S Code §25249.7.)

# FACTUAL BACKGROUND

- 17. On February 27, 1987, the State of California officially listed the chemical lead as a chemical known to cause reproductive toxicity. Lead became subject to the warning requirement one year later and was therefore subject to the "clear and reasonable" warning requirements of Proposition 65 beginning on February 27, 1988. (27 California Code of Regulations ("CCR") §25000, et seq.; H&S Code §25249.5, et seq.)
- 18. On October 1, 1992, the State of California officially listed the chemicals lead and lead compounds as chemicals known to cause cancer. Lead and lead compounds became subject to the warning requirement one year later and were therefore subject to the "clear and reasonable" warning requirements of Proposition 65 beginning on October 1, 1993. (27 CCR § 25000, et seq.; H&S Code §25249.6, et seq.)

- 19. Plaintiff is informed and believes, and based on such information and belief alleges that the First Noticed PRODUCTS have been distributed and/or sold to individuals in California without clear and reasonable warning since at least September 7, 2007, and that the Second Noticed PRODUCTS have been distributed and/or sold to individuals in California without clear and reasonable warning since at least December 7, 2007. The PRODUCTS continue to be distributed and sold in California without the requisite warning information.
- 20. As a proximate result of acts by Defendant, as a person in the course of doing business within the meaning of Health & Safety Code §25249.11, individuals throughout the State of California, including in the County of Marin, have been exposed to the LISTED CHEMICALS without clear and reasonable warning. The individuals subject to the violative exposures include normal and foreseeable users of the PRODUCTS, as well as all other persons exposed to the PRODUCTS.
- 21. At all times relevant to this action, Defendant has knowingly and intentionally exposed the users and/or handlers of the PRODUCTS to LISTED CHEMICALS without first giving a clear and reasonable warning to such individuals.
- 22. Individuals using or handling the PRODUCTS are exposed to the LISTED CHEMICALS in excess of the "maximum allowable daily" and "no significant risk" levels determined by the State of California, as applicable, within the meaning of H&S Code §25249.10(c).
- 23. At all times relevant to this action, Defendant has, in the course of doing business, failed to provide individuals using and/or handling the PRODUCTS with a clear and reasonable warning that the PRODUCTS expose individuals to the LISTED CHEMICALS.
- 24. The PRODUCTS continue to be distributed and sold in California without the requisite clear and reasonable warning.

## FIRST CAUSE OF ACTION

(Injunctive Relief for Violations of Health and Safety Code § 25249.5, et seq. concerning those PRODUCTS described in Plaintiff's June 29, 2010 60-Day Notice of Violation)

25. Plaintiff realleges and incorporates by reference Paragraphs 1 through 24,

inclusive, as if specifically set forth herein.

- 26. On June 29, 2010, Plaintiff sent a 60-Day Notice of Proposition 65 violations to the requisite public enforcement agencies and to Defendant ("First Notice"). The First Notice was issued pursuant to, and in compliance with, the requirements of H&S Code §25249.7(d) and the statute's implementing regulations regarding the notice of the violations to be given to certain public enforcement agencies and to the violator. The notice given included, *inter alia*, the following information: the name, address, and telephone number of the noticing individual; the name of the alleged violator; the statute violated; the approximate time period during which violations occurred; and descriptions of the violations, including the chemicals involved, the routes of toxic exposure, and the specific products or type of products causing the violations, and was issued as follows:
  - Defendant and the California Attorney General were provided copies of the First Notice by Certified Mail.
  - b. Defendant was provided a copy of a document entitled "The Safe
    Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A
    Summary," which is also known as Appendix A to Title 27 of CCR
    §25903.
  - c. The California Attorney General was provided with a Certificate of Merit by the attorney for the noticing party, stating that there is a reasonable and meritorious case for this action, and attaching factual information sufficient to establish a basis for the certificate, including the identify of the persons consulted with and relied on by the certifier, and the facts studies, or other data reviewed by those persons, pursuant to H&S Code §25249.7(h) (2).
- 27. The appropriate public enforcement agencies have failed to commence and diligently prosecute a cause of action under H&S Code §25249.5, *et seq.* against Defendant based on the allegations herein.

- 28. By committing the acts alleged in this Complaint, Defendant at all times relevant to this action, and continuing through the present, has violated H&S Code §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals who use or handle the PRODUCTS set forth in the First Notice to the LISTED CHEMICALS, without first providing a clear and reasonable warning to such individuals pursuant to H&S Code §§ 25249.6 and 25249.11(f).
- 29. By the above-described acts, Defendant has violated H&S Code § 25249.6 and is therefore subject to an injunction ordering Defendant to stop violating Proposition 65, to provide warnings to all present and future customers and to provide warnings to Defendant's past customers who purchased or used the PRODUCTS without receiving a clear and reasonable warning.
- 30. An action for injunctive relief under Proposition 65 is specifically authorized by Health & Safety Code §25249.7(a).
- 31. Continuing commission by Defendant, of the acts alleged above will irreparably harm the citizens of the State of California, for which harm they have no plain, speedy, or adequate remedy at law.

Wherefore, plaintiff prays judgment against Defendant, as set forth hereafter.

## SECOND CAUSE OF ACTION

(Civil Penalties for Violations of Health and Safety Code § 25249.5, et seq. concerning those PRODUCTS described in Plaintiff's June 29, 2010 60-Day Notice of Violation)

- 32. Plaintiff realleges and incorporates by reference Paragraphs 1 through 31, inclusive, as if specifically set forth herein.
- 33. On June 29, 2010, Plaintiff sent a 60-Day Notice of Proposition 65 violations to the requisite public enforcement agencies and to Defendant ("First Notice"). The First Notice was issued pursuant to, and in compliance with, the requirements of H&S Code §25249.7(d) and the statute's implementing regulations regarding the notice of the violations to be given to certain public enforcement agencies and to the violator. The notice given included, *inter alia*, the following information: the name, address, and telephone number of the noticing individual;

the name of the alleged violator; the statute violated; the approximate time period during which violations occurred; and descriptions of the violations, including the chemicals involved, the routes of toxic exposure, and the specific products or type of products causing the violations, and was issued as follows:

- a. Defendant and the California Attorney General were provided copies of the First Notice by Certified Mail.
- Defendant was provided a copy of a document entitled "The Safe
  Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A
  Summary," which is also known as Appendix A to Title 27 of CCR
  §25903.
- c. The California Attorney General was provided with a Certificate of Merit by the attorney for the noticing party, stating that there is a reasonable and meritorious case for this action, and attaching factual information sufficient to establish a basis for the certificate, including the identify of the persons consulted with and relied on by the certifier, and the facts studies, or other data reviewed by those persons, pursuant to H&S Code \$25249.7(h) (2).
- 34. The appropriate public enforcement agencies have failed to commence and diligently prosecute a cause of action under H&S Code §25249.5, *et seq.* against Defendant based on the allegations herein.
- 35. By committing the acts alleged in this Complaint, Defendant at all times relevant to this action, and continuing through the present, has violated H&S Code §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals who use or handle the PRODUCTS set forth in the First Notice to the LISTED CHEMICALS, without first providing a clear and reasonable warning to such individuals pursuant to H&S Code §§ 25249.6 and 25249.11(f).
  - By the above-described acts, Defendant is liable, pursuant to H&S Code

§25249.7(b), for a civil penalty of \$2,500 per day per violation for each unlawful exposure to a LISTED CHEMICAL from the PRODUCTS.

Wherefore, plaintiff prays judgment against Defendant, as set forth hereafter.

#### THIRD CAUSE OF ACTION

(Injunctive Relief for Violations of Health and Safety Code § 25249.5, et seq. concerning those PRODUCTS described in Plaintiff's September 13, 2010 60-Day Notice of Violation)

- 37. Plaintiff realleges and incorporates by reference Paragraphs 1 through 36, inclusive, as if specifically set forth herein.
- 38. On September 13, 2010, Plaintiff sent a second 60-Day Notice of Proposition 65 violations to the requisite public enforcement agencies and to Defendant ("Second Notice"). The Second Notice was issued pursuant to, and in compliance with, the requirements of H&S Code §25249.7(d) and the statute's implementing regulations regarding the notice of the violations to be given to certain public enforcement agencies and to the violator. The Second Notice included, *inter alia*, the following information: the name, address, and telephone number of the noticing individual; the name of the alleged violator; the statute violated; the approximate time period during which violations occurred; and descriptions of the violations, including the chemicals involved, the routes of toxic exposure, and the specific products or type of products causing the violations, and was issued as follows:
  - Defendant and the California Attorney General were provided copies of the Second Notice by Certified Mail.
  - Defendant was provided a copy of a document entitled "The Safe
    Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A
    Summary," which is also known as Appendix A to Title 27 of CCR
    §25903.
  - c. The California Attorney General was provided with a Certificate of Merit by the attorney for the noticing party, stating that there is a reasonable and meritorious case for this action, and attaching factual information

sufficient to establish a basis for the certificate, including the identity of the persons consulted with and relied on by the certifier, and the facts studies, or other data reviewed by those persons, pursuant to H&S Code §25249.7(h) (2).

- 39. The appropriate public enforcement agencies have failed to commence and diligently prosecute a cause of action under H&S Code §25249.5, *et seq.* against Defendant based on the allegations herein.
- 40. By committing the acts alleged in this Complaint, Defendant at all times relevant to this action, and continuing through the present, has violated H&S Code §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals who use or handle the PRODUCTS set forth in the Second Notice to the LISTED CHEMICALS, without first providing a clear and reasonable warning to such individuals pursuant to H&S Code §§ 25249.6 and 25249.11(f).
- 41. By the above-described acts, Defendant has violated H&S Code § 25249.6 and is therefore subject to an injunction ordering Defendant to stop violating Proposition 65, to provide warnings to all present and future customers and to provide warnings to Defendant's past customers who purchased or used the PRODUCTS without receiving a clear and reasonable warning.
- 42. An action for injunctive relief under Proposition 65 is specifically authorized by Health & Safety Code §25249.7(a).
- 43. Continuing commission by Defendant, of the acts alleged above will irreparably harm the citizens of the State of California, for which harm they have no plain, speedy, or adequate remedy at law.

Wherefore, plaintiff prays judgment against Defendant, as set forth hereafter.

#### FOURTH CAUSE OF ACTION

(Civil Penalties for Violations of Health and Safety Code § 25249.5, et seq. concerning those PRODUCTS described in Plaintiff's September 13, 2010 60-Day Notice of Violation)

- 44. Plaintiff realleges and incorporates by reference Paragraphs 1 through 43, inclusive, as if specifically set forth herein.
- 45. On September 13, 2010, Plaintiff sent a second 60-Day Notice of Proposition 65 violations to the requisite public enforcement agencies and to Defendant ("Second Notice"). The Second Notice was issued pursuant to, and in compliance with, the requirements of H&S Code §25249.7(d) and the statute's implementing regulations regarding the notice of the violations to be given to certain public enforcement agencies and to the violator. The notice given included, *inter alia*, the following information: the name, address, and telephone number of the noticing individual; the name of the alleged violator; the statute violated; the approximate time period during which violations occurred; and descriptions of the violations, including the chemicals involved, the routes of toxic exposure, and the specific products or type of products causing the violations, and was issued as follows:
  - Defendant and the California Attorney General were provided copies of the Second Notice by Certified Mail.
  - b. Defendant was provided a copy of a document entitled "The Safe
    Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A
    Summary," which is also known as Appendix A to Title 27 of CCR
    §25903.
  - c. The California Attorney General was provided with a Certificate of Merit by the attorney for the noticing party, stating that there is a reasonable and meritorious case for this action, and attaching factual information sufficient to establish a basis for the certificate, including the identity of the persons consulted with and relied on by the certifier, and the facts studies, or other data reviewed by those persons, pursuant to H&S Code §25249.7(h) (2).
- 46. The appropriate public enforcement agencies have failed to commence and diligently prosecute a cause of action under H&S Code §25249.5, *et seq.* against Defendant

based on the allegations herein.

- 47. By committing the acts alleged in this Complaint, Defendant at all times relevant to this action, and continuing through the present, has violated H&S Code §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals who use or handle the PRODUCTS set forth in the Second Notice to the LISTED CHEMICALS, without first providing a clear and reasonable warning to such individuals pursuant to H&S Code §§ 25249.6 and 25249.11(f).
- 48. By the above-described acts, Defendant is liable, pursuant to H&S Code §25249.7(b), for a civil penalty of \$2,500 per day per violation for each unlawful exposure to a LISTED CHEMICAL from the PRODUCTS.

Wherefore, plaintiff prays judgment against Defendant, as set forth hereafter.

# THE NEED FOR INJUNCTIVE RELIEF

- 49. Plaintiff realleges and incorporates by this reference Paragraphs 1 through 48, as if set forth below.
- 50. By committing the acts alleged in this Complaint, Defendant has caused irreparable harm for which there is no plain, speedy or adequate remedy at law. In the absence of equitable relief, Defendant will continue to create a substantial risk of irreparable injury by continuing to cause consumers to be involuntarily and unwittingly exposed to the LISTED CHEMICALS through the use and/or handling of the PRODUCTS.

# PRAYER FOR RELIEF

Wherefore, Plaintiff accordingly prays for the following relief:

- A. a preliminary and permanent injunction, pursuant to H&S Code §25249.7(b), enjoining Defendant, its agents, employees, assigns and all persons acting in concert or participating with Defendant, from distributing or selling the PRODUCTS in California without first providing a clear and reasonable warning, within the meaning of Proposition 65, that the users and/or handlers of the PRODUCTS are exposed to the LISTED CHEMICALS.
  - B. an injunctive order, pursuant to H&S Code §25249.7(b), compelling Defendant