1 2 3 4 5	GIDEON KRACOV (SBN 179815) 801 S. Grand Avenue, Ste. 1100 Los Angeles, CA 90017 213.629.2071 FAX 213.623.7755 gk@gideonlaw.net  Attorneys for Plaintiff Environmental Research Center	ONFONMED COPY ORIGINAL FILED SUPERIOR COURT OF CALIFORNIA COUNTY OF LOS ANGELES  AUG 01 2011 John A. Clarke, Executive Officer/Clerk BY Glorietta Robinson			
7 8 9 10	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF LOS ANGELES				
111 112 113 114 115 116	ENVIRONMENTAL RESEARCH CENTER, ) a non-profit California corporation;  Plaintiff,  v.  NNC LLC dba NATURADE, a Delaware limited liability company; DOES 1 through 10;)  Defendant(s).	Case No. BC465087  FIRST AMENDED COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES  Health & Safety Code §25249.5, et seq.			
18	Plaintiff Environmental Research Center brings this action in the interests of the				
19	general public and, on information and belief, hereby alleges:				
20 21	INTRODUCTION  1. Defendant(s) manufactures, packages, distributes, markets, and/or sells in				
22	1. Defendant(s) manufactures, packages, distributes, markets, and/or sells in California certain herbal products including: Naturade 100% Soy Protein Booster – Natural;				
23	Naturade Calcium Shake – Vanilla; Naturade Complete Cleanse Step 1 All-Natural Herbs;				
24	Naturade Cleanse Step 2 Bio-Active Fiber; Naturade Veg. Protein Booster Natural Flavor;				
25	Naturade N-R-G Protein Booster Vanilla Flavor; Naturade Total Soy Meal Replacement				
26	Vanilla and Naturade Total Soy Meal Replacement Chocolate alleged to contain lead (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 is alleged to cause 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").
- 4. Plaintiff seeks injunctive relief enjoining Defendant(s) from the continued 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. 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

- 5. 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.
- 6. This Court has jurisdiction over Defendant(s) because, based on information and belief, Defendant(s) 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.

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

Venue in this action is proper in the Los Angeles Superior Court because the
 Defendant has violated California law in the County of Los Angeles.

## **PARTIES**

- 8. PLAINTIFF Environmental Research Center ("PLAINTIFF") is a corporation organized under California's Corporation Law. ERC is dedicated to, among other causes, reducing the use and misuse of hazardous and toxic substances, consumer protection, worker safety and corporate responsibility.
- 9. 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).
- 10. Defendant NNC LLC dba NATURADE, a Delaware limited liability company, ("DEFENDANT") is or has been a person doing business within the meaning of H&S Code §25249.11. DEFENDANT has a headquarters in Orange, California.
- 11. Upon information and belief, and upon that basis, PLAINTIFF alleges that the true names, or capacities of DOES 1 through 10, inclusive (the "DOES"), whether individual, corporate, associate or otherwise, are presently unknown to PLAINTIFF, who therefore sue said Defendants by such fictitious names. PLAINTIFF will amend this Complaint to show their true names and capacities when the same have been ascertained.
- 12. DEFENDANT(S) manufactures, packages, distributes, markets and/or sells the PRODUCTS for sale or use in California and in Los Angeles County.

# STATUTORY BACKGROUND

- 13. 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).
- 14. 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....

15. 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

- 16. 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.)
- 17. 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.)
- 18. PLAINTIFF is informed and believes, and based on such information and belief alleges the PRODUCTS have been distributed and/or sold to individuals in California since at least October 8, 2009. The PRODUCTS continue to be distributed and sold in California.
- 19. PLAINTIFF alleges that 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).

## FIRST CAUSE OF ACTION

(Injunctive Relief for Violations of Health and Safety Code § 25249.5, et seq. concerning the PRODUCTS described in PLAINTIFF's September 24, 2010 and December 23, 2010 60-Day Notices of Violation)

Against All DEFENDANT(S) and DOES

- 20. PLAINTIFF realleges and incorporates by reference Paragraphs 1 through 19, inclusive, as if specifically set forth herein.
- 21. On September 24, 2010 and December 23, 2010, PLAINTIFF sent 60-Day Notice of Proposition 65 violations to the requisite public enforcement agencies, and to all DEFENDANT(S) ("Notices") attached hereto as Exhibit A. The Notices were 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 Notices 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 product or type of product causing the violations, and was issued as follows:
  - a. DEFENDANT(S) and the California Attorney General were provided copies of the Notices by Certified Mail.
  - DEFENDANT(S) 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).

- 22. 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(S) based on the allegations herein.
- 23. Plaintiff alleges that DEFENDANT(S) 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 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).
- 24. An action for injunctive relief under Proposition 65 is specifically authorized by Health & Safety Code §25249.7(a).

Wherefore, PLAINTIFF prays judgment against DEFENDANT(S), as set forth hereafter.

#### SECOND CAUSE OF ACTION

(Civil Penalties for Violations of Health and Safety Code § 25249.5, et seq. concerning the PRODUCTS described in PLAINTIFF's September 24, 2010 and December 23, 2010 60-Day Notices of Violation)

Against all DEFENDANT(S) and DOES

- 25. PLAINTIFF realleges and incorporates by reference Paragraphs 1 through 24, inclusive, as if specifically set forth herein.
- 26. On September 24, 2010 and December 23, 2010, PLAINTIFF sent the Notices to the requisite public enforcement agencies, and to DEFENDANT(S) attached hereto as Exhibit A. The Notices were 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 product or type of product causing the violations, and was issued as follows:

- a. DEFENDANT(S) and the California Attorney General were provided copies of the Notices by Certified Mail.
- b. DEFENDANT(S) 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(S) based on the allegations herein.
- 28. By the above-described acts, DEFENDANT(S) 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(S), as set forth hereafter.

## 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(S), its agents, employees, assigns and all persons acting in concert or participating with DEFENDANT(S), from distributing or selling the PRODUCTS in California without first providing a clear and reasonable warning, within the meaning of Proposition 65;
- B. an assessment of civil penalties pursuant to Health & Safety Code §25249.7(b), against Defendant for each violation of Proposition 65;
- C. an award to PLAINTIFF of its reasonable attorneys fees and costs of suit pursuant to California Code of Civil Procedure §1021.5, as PLAINTIFF shall specify in further application to the Court; and,
  - D. such other and further relief as may be just and proper.

DATED:	8	1	, 2011
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LAW OFFICE OF GIDEON-KRACOV

Gideon Kracov

Attorneys for Plaintiff

Environmental Research Center



## **Environmental Research Center**

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

September 24, 2010

## VIA CERTIFIED MAIL

Current CEO or President NNC, LLC 1 City Blvd W Suite 1440 Orange, CA 92868

NATIONAL REGISTERED AGENTS, INC. (NNC LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904

Rick Robinette (NNC, LLC.'s Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886

Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868

Current CEO or President Naturade Operating Corp. 1 City Blvd W Ste 1440 Orange, CA 92868

UNITED CORPORATE SERVICES, INC. (Naturade Operating Corp.'s Agent for Service of Process)
874 Walker Road, Suite C
Dover, DE 19904

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violation against NNC LLC, Naturade, and Naturade Operating Corp. for Violation of California Health & Safety Code Section 25249.6

#### Dear Prosecutors:

The Environmental Research Center ("ERC"), the noticing entity is a California corporation whose mission is to safeguard the public from health hazards that impact families, workers and the environment. ERC is dedicated to reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees and encouraging corporate responsibility. ERC is located at 5694 Mission Center Road, # 199, San Diego, CA 92108. Tel. (619) 309-4194, Executive Director: Chris Heptinstall. Through this Notice of Violation, ERC seeks to reduce exposure to the public from lead that is contained in the named products manufactured and distributed by NNC LLC, Naturade, and Naturade Operating Corp.

This letter constitutes notification that NNC LLC, Naturade, and Naturade Operating Corp., located at 1 City Blvd W Ste 1440 Orange, CA 92868 have violated the warning requirement of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act (commencing with section 25249.5 of the Health and Safety Code).

In particular, these Companies have manufactured and distributed products that have exposed and continue to expose numerous individuals within California to lead. Lead was listed pursuant to Proposition 65 as a chemical known to cause developmental toxicity, and male and female reproductive toxicity on February 27, 1987. Lead was listed pursuant to Proposition 65 as a carcinogen on October 1, 1992. The time period of these violations commenced one year after the listed dates above, at least since September 24, 2007, as well as every day since the products were introduced in the California marketplace, and will continue every day until clear and reasonable warnings are provided to purchasers and users.

The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products by consumers. Accordingly, the primary route of exposure for consumers has been oral through ingestion, but may also occur through the inhalation and/or dermal contact route of exposure.

NNC LLC, Naturade, and Naturade Operating Corp. are exposing people to lead from the following products:

NNC LLC - Naturade 100% Soy Protein Booster - Natural

NNC LLC - Naturade Calcium Shake - Vanilla

NNC LLC - Naturade Complete Cleanse Step 1 All-Natural Herbs

NNC LLC - Naturade Complete Cleanse Step 2 Bio-Active Fiber

Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to certain listed chemicals. NNC, LLC., Naturade, and Naturade Operating Corp. are in violation of Proposition 65 because the Company failed to provide a warning to persons using their products that they are being exposed to lead. (22 C.C.R. section 12601.) While in the course of doing business, the company is knowingly and intentionally exposing people to lead without first providing clear and reasonable warning. (Health and Safety Code section 25249.6.) The method of warning should be a warning that appears on the product's label. 22 C.C.R. section 12601 (b)(1) (A).

Proposition 65 requires that notice and intent to sue be given to a violator 60-days before the suit is filed. With this letter, ERC gives notice of the alleged violation to the noticed party and the appropriate governmental authorities. This notice covers all violations of Proposition 65 that are currently known to ERC from information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, and referenced as Appendix A, has been provided to the noticed party.

Based on the allegations set forth in this Notice, ERC intends to file a citizen enforcement action against NNC, LLC., Naturade, and Naturade Operating Corp. unless it agrees in an enforceable written instrument to: instrument to: (1) recall or reformulate the listed products so as to eliminate further unwarned exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Gideon Kracov, 801 S. Grand Ave., 11th Fl., Los Angeles, CA 90017, 213-629-2071, gk@gideonlaw.net.

Sincerely,

Chris Heptinstall

Executive Director, Environmental Research Center

cc: Karen A. Evans

Attachments
Certificate of Merit
Certificate of Service
OEHHA Summary (to NNC, LLC., Naturade, Naturade Operating Corp., and their Registered Agents for Service of Process Only)
Additional Supporting Information for Certificate of Merit (to AG only)

## CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by NNC LLC, Naturade, and Naturade Operating Corp.

## I. Gideon Kracov, declare:

- 1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: September 24, 2010

Gideon Kracov, Attorney At Law

#### CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On September 24, 2010, I served the following documents: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current CEO or President NNC LLC 1 City Blvd W Suite 1440 Orange, CA 92868

NATIONAL REGISTERED AGENTS, INC. (NNC, LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904

Rick Robinette (NNC LLC's Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886 Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868

Current CEO or President Naturade Operating Corp. 1 City Blvd W Ste 1440 Orange, CA 92868

UNITED CORPORATE SERVICES, INC. (Naturade Operating Corp.'s Agent for Service of Process) 874 Walker Road, Suite C Dover, DE 19904

On September 24, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1) on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On September 24, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto; and depositing it with the U.S. Postal Service for delivery by Priority Mail.

Executed on September 24, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

#### Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney, Amador County 708 Court Street, #202 Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Ste. 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street Eureka, CA 95501

District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center, Room 130 San Rafael, CA 94903

District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 2222 M Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Monterey County 230 Church Street, Bldg 2 Salinas, CA 93901

District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

District Attorney, Nevada County 110 Union Street Nevada City, CA 95959

District Attorney, Orange County 401 Civic Center Drive West Santa Ana, CA 92701

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 9581

District Attorney, San Benito County 419 Fourth Street, 2nd Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francsico, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3<sup>rd</sup> Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 Downieville, CA 95936 District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Sonoma County 600 Administration Drive, Room 2123 Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12<sup>th</sup> Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009

District Attorney, Yolo County 301 2<sup>nd</sup> Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attomey's Office City Hall, Room 234 1 Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113



## **Environmental Research Center**

5694 Mission Center Road #199 San Diego, CA 92108 619.309.4194

December 23, 2010

## VIA CERTIFIED MAIL

Current CEO or President NNC, LLC 1 City Blvd W Suite 1440 Orange, CA 92868

NATIONAL REGISTERED AGENTS, INC. (NNC LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904

Rick Robinette (NNC, LLC.'s Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886

Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868

Current CEO or President Naturade Operating Corp. 1 City Blvd W Ste 1440 Orange, CA 92868

UNITED CORPORATE SERVICES, INC. (Naturade Operating Corp.'s Agent for Service of Process)
874 Walker Road, Suite C
Dover, DE 19904

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 P.O. Box 70550 Oakland, CA 94612-0550

Re: Notice of Violation against NNC LLC, Naturade, and Naturade Operating Corp. for Violation of California Health & Safety Code Section 25249.6

#### Dear Prosecutors:

The Environmental Research Center ("ERC"), the noticing entity is a California corporation whose mission is to safeguard the public from health hazards that impact families, workers and the environment. ERC is dedicated to reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees and encouraging corporate responsibility. ERC is located at 5694 Mission Center Road, # 199, San Diego, CA 92108. Tel. (619) 309-4194, Executive Director: Chris Heptinstall. Through this Notice of Violation, ERC seeks to reduce exposure to the public from lead that is contained in the named products manufactured and distributed by NNC LLC, Naturade, and Naturade Operating Corp.

This letter constitutes notification that NNC LLC, Naturade, and Naturade Operating Corp., located at 1 City Blvd W Ste 1440 Orange, CA 92868 have violated the warning requirement of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act (commencing with section 25249.5 of the Health and Safety Code).

In particular, these Companies have manufactured and distributed products that have exposed and continue to expose numerous individuals within California to lead. Lead was listed pursuant to Proposition 65 as a chemical known to cause developmental toxicity, and male and female reproductive toxicity on February 27, 1987. Lead was listed pursuant to Proposition 65 as a carcinogen on October 1, 1992. The time period of these violations commenced one year after the listed dates above, at least since December 23, 2007, as well as every day since the products were introduced in the California marketplace, and will continue every day until clear and reasonable warnings are provided to purchasers and users.

The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products by consumers. Accordingly, the primary route of exposure for consumers has been oral through ingestion, but may also occur through the inhalation and/or dermal contact route of exposure.

NNC LLC, Naturade, and Naturade Operating Corp. are exposing people to lead from the following products:

Naturade Veg Protein Booster Natural Flavor (426g) Naturade N-R-G Protein Booster Vanilla Flavor (426g) Naturade Total Soy Meal Replacement Chocolate 540g Naturade Total Soy Meal Replacement Vanilla 540g

Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to certain listed chemicals. NNC, LLC., Naturade, and Naturade Operating Corp. are in violation of Proposition 65 because the Company failed to provide a warning to persons using their products that they are being exposed to lead. (22 C.C.R. section 12601.) While in the course of doing business, the company is knowingly and intentionally exposing people to lead without first providing clear and reasonable warning. (Health and Safety Code section 25249.6.) The method of warning should be a warning that appears on the product's label. 22 C.C.R. section 12601 (b)(1)(A).

Proposition 65 requires that notice and intent to sue be given to a violator 60-days before the suit is filed. With this letter, ERC gives notice of the alleged violation to the noticed party and the appropriate governmental authorities. This notice covers all violations of Proposition 65 that are currently known to ERC from information now available. ERC may continue to investigate other products that may reveal further violations. A summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, and referenced as Appendix A, has been provided to the noticed party.

Based on the allegations set forth in this Notice, ERC intends to file a citizen enforcement action against NNC, LLC., Naturade, and Naturade Operating Corp. unless it agrees in an enforceable written instrument to: instrument to: (1) recall or reformulate the listed products so as to eliminate further unwarned exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65, ERC is interested in seeking a constructive resolution to this matter. Such resolution will avoid both further unwarned consumer exposures to the identified chemicals and expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC's attorney, Gideon Kracov, 801 S. Grand Ave., 11<sup>th</sup> Fl., Los Angeles, CA 90017, 213-629-2071, gk@gideonlaw.net.

Sincerely,

Chris Heptinstall

Executive Director, Environmental Research Center

cc: Karen A. Evans

Attachments Certificate of Merit Certificate of Service

OEHHA Summary (to NNC, LLC.; Naturade; Naturade Operating Corp.; and their Registered Agents for Service of Process Only)

Additional Supporting Information for Certificate of Merit (to AG only)

#### CERTIFICATE OF MERIT

Re: Environmental Research Center's Notice of Proposition 65 Violations by NNC LLC, Naturade, and Naturade Operating Corp.

## I, Gideon Kracov, declare:

- 1. This Certificate of Merit accompanies the attached sixty-day notice in which it is alleged the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am an attorney for the noticing party.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.
- 4. Based on the information obtained through those consultants, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides a credible basis that all elements of the plaintiff's case can be established and that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: December 23, 2010

Gideon Kracov, Attorney At Law

#### CERTIFICATE OF SERVICE

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 306 Joy Street, Fort Oglethorpe, Georgia 30742

On December 23, 2010, I served the following documents: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"

On the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Current CEO or President NNC LLC 1 City Blvd W Suite 1440 Orange, CA 92868	Rick Robinette (NNC LLC's Agent for Service of Process) 17595 Edgewood LN Yorba Linda, CA 92886	Current CEO or President Naturade Operating Corp. 1 City BIvd W Ste 1440 Orange, CA 92868
National Registered Agents, Inc. (NNC, LLC's Agent for Service of Process) 160 Greentree Drive, Suite 101 Dover, DE 19904	Current CEO or President Naturade (a division of NNC LLC) 1 City Blvd. West., Suite 1440 Orange, CA 92868	United Corporate Services, Inc. (Naturade Operating Corp.'s Agent for Service of Process) 874 Walker Road, Suite C Dover, DE 19904

On December 23, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1)

on the following parties by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it in a US Postal Service Office for delivery by Certified Mail:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Post Office Box 70550 Oakland, CA 94612-0550

On December 23, 2010, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT on each of the parties on the Service List attached hereto by placing a true and correct copy thereof in a sealed envelope, addressed to each of the parties on the Service List attached hereto, and depositing it with the U.S. Postal Service for delivery by Priority Mail.

Executed on December 23, 2010, in Fort Oglethorpe, Georgia.

Chris Heptinstall

#### Service List

District Attorney, Alameda County 1225 Fallon Street, Room 900 Oakland, CA 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney, Amador County 708 Court Street, #202 Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive Oraville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 547 Market Street Colusa, CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Ste. 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, #1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street Eureka, CA 95501

District Attorney, Imperial County 939 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtum Avenue Bakersfield, CA 93301 District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130

District Attorney, Los Angeles County 210 West Temple Street, Rm 345 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center, Room 130 San Rafael, CA 94903

District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 2222 M Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Monterey County 230 Church Street, Bldg 2 Salinas, CA 93901

District Attorney, Napa County 931 Parkway Mall Napa, CA 94559

District Attorney, Nevada County 110 Union Street Nevada City, CA 95959

District Attorney, Orange County 401 Civic Center Drive West Santa Ana, CA 92701

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, Riverside County 4075 Main Street, 1st Floor Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 9581

District Attorney, San Benito County 419 Fourth Street, 2<sup>nd</sup> Floor Hollister, CA 95023

District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Room 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Room 325 San Francsico, CA 94103

District Attorney, San Joaquin County Post Office Box 990 Stockton, CA 95201

District Attorney, San Luis Obispo County 1050 Monterey Street, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3rd Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1105 Santa Barbara Street Santa Barbara, CA 93101

District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060

District Attorney, Shasta County 1525 Court Street, Third Floor Redding, CA 96001-1632

District Attorney, Sierra County PO Box 457 Downieville, CA 95936 District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95353

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tulare County 221 S. Mooney Avenue, Room 224 Visalia, CA 93291

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Avenue Ventura, CA 93009

District Attorney, Yolo County 301 2<sup>nd</sup> Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Rm 800 Los Angeles, CA 90012

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco City Attorney's Office City Hall, Room 234 1 Drive Carlton B Goodlett Place San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street San Jose, CA 95113

# PROOF OF SERVICE

1					
2	I, Gideon Kracov, being duly sworn, deposes and says:				
3	I am a citizen of the United States and work in Los Angeles County, California. I am over the age of eighteen years and am not a party to the within entitled action. My business address is: 801 S. Grand Ave., 11 <sup>th</sup> Fl., LA, CA 90017. On \(\xi\$ / / , 2011, I served this list of persons with the following documents: FIRST AMENDED COMPLAINT				
4					
5	The documents were served on:				
6	Todd Harrison				
7	Venable LLC 575 7th Street, NW				
8	Washington, DC 20004				
9	x_ by placing a true copy thereof enclosed in a sealed envelope, with postage thereon fully prepaid, in the United States Post Office mail box at 801 S.				
10	Grand Ave., Los Angeles, California, addressed as set forth above. I am readily familiar with my firm's practice of collection and processing				
11	correspondence for mailing. It is deposited with the U.S. Postal Service on the same day in the ordinary course of business. I am aware that on				
12	motion of party served, service is presumed invalid if postal cancellation date of postage meter date is more than 1 day after date of deposit for				
13	mailing in affidavit.				
14	I declare under penalty of perjury, according to the laws of the State of California,				
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16	Executed this, 2011 at Los Angeles, California.				
17	Gideon Kracov				
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