# ENDORSED FILED ALAMEDA COUNTY

		FILEO ALAMEDA COUNTY	
1	LEXINGTON LAW GROUP	2011 APR -8 PM 2: 53	
2	Eric S. Somers, State Bar No. 139050 Howard Hirsch, State Bar No. 213209	CURR OF THE SUPERIOR COUNT	
3	Lisa Burger, State Bar No. 239676 1627 Irving Street	BY DOROTHY L. LEE. DEPUTY	
4	San Francisco, CA 94122 Telephone: (415) 759-4111		
5	Facsimile: (415) 759-4112		
6	Attorneys for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH		
7			
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	COUNTY OF	ALAMEDA	
10			
11	CENTER FOR ENVIRONMENTAL HEALTH, ) a non-profit corporation,	Case No. RG 10-514803	
12	Plaintiff,	SECOND AMENDED COMPLAINT	
13	V. (1 Idiluli, )	FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES	
14	AEROPOSTALE, INC.; AEROPOSTALE )	CIVILIENALITES	
15	WEST, INC.; AE RETAIL WEST LLC; A.I.J.J. ) ENTERPRISES, INC.; AMERICAN EAGLE )	Health & Safety Code §25249.6, et seq.	
16	OUTFITTERS, INC.; BCBG MAX AZRIA ) GROUP, INC.; THE BUCKLE, INC.;	(Other)	
17	BURLINGTON COAT FACTORY  WAREHOUSE CORPORATION;		
18	CATHERINES, INC.; CATHERINES OF CALIFORNIA, INC.; CATHERINES STORES		
19	CORPORATION; CBI DISTRIBUTING ) CORP.; CHARLOTTE RUSSE, INC.;		
20	CHARLOTTE RUSSE HOLDING, INC.; ) CLAIRE'S BOUTIQUES, INC.; CLAIRE'S )		
21	STORES, INC.; COST PLUS, INC.; FASHION ) BUG OF CALIFORNIA; FASHION BUG )		
22	RETAIL COMPANIES, INC.; FIESTA ) JEWELRY CORPORATION; FOREVER 21 )		
23	RETAIL INC.; GROUP USA, INC.; GROUP USA APPAREL, INC.; HASKELL JEWELS,		
24	LTD.; HOT TOPIC, INC.; J.M. HOLLISTER, ) LLC; MJM JEWELRY CORP. DBA BERRY		
25	JEWELRY COMPANY; THE NEW 5-7-9 AND) BEYOND, INC.; OLD NAVY, LLC;		
26	RAINBOW APPAREL DISTRIBUTION CENTER CORP.; RAINBOW USA, INC.;		
27	ROGERS SPORTS MANAGEMENT GROUP; ) SAKS & COMPANY; SAKS		
28	INCORPORATED; TANYA CREATIONS,		
- 11			

INC.; TARGET CORPORATION; TWEEN BRANDS, INC.; WAL-MART STORES, INC.; )
THE WET SEAL, INC.; THE WET SEAL )
RETAIL, INC.; and Defendant DOES 1 through) 500, inclusive, Defendants. 

Plaintiff Center for Environmental Health, in the public interest, based on information and belief and investigation of counsel, except for information based on knowledge, hereby makes the following allegations:

## INTRODUCTION

- 1. This Second Amended Complaint seeks to remedy Defendants' continuing failure to warn individuals in California that they are being exposed to cadmium, a chemical known to the State of California to cause birth defects and other reproductive harm. Such exposures have occurred, and continue to occur, through the manufacture, distribution, sale and/or use of Defendants' jewelry ("Jewelry") made of materials containing cadmium.

  Consumers, including pregnant women, are exposed to cadmium when they wear, use, touch or handle the Jewelry.
- 2. Under California's Proposition 65, Health & Safety Code §25249.5, et seq., it is unlawful for businesses to knowingly and intentionally expose individuals in California to chemicals known to the State to cause birth defects or other reproductive harm without providing clear and reasonable warnings to individuals prior to their exposure. Defendants introduce Jewelry contaminated with significant quantities of cadmium into the California marketplace, exposing consumers of their Jewelry, many of whom are pregnant women, to cadmium.
- 3. Despite the fact that Defendants expose pregnant women and other people who come into contact with the Jewelry to cadmium, Defendants provide no warnings whatsoever about the reproductive hazards associated with these cadmium exposures.

  Defendants' conduct thus violates the warning provision of Proposition 65. Health & Safety Code §25249.6.

## **PARTIES**

4. Plaintiff CENTER FOR ENVIRONMENTAL HEALTH ("CEH") is a non-profit corporation dedicated to protecting the public from environmental health hazards and toxic exposures. CEH is based in Oakland, California and incorporated under the laws of the State of California. CEH is a "person" within the meaning of Health & Safety Code

§25249.11(a) and brings this enforcement action in the public interest pursuant to Health & Safety Code §25249.7(d). CEH is a nationally recognized non-profit environmental advocacy group that has prosecuted a large number of Proposition 65 cases in the public interest. These cases have resulted in significant public benefit, including the reformulation of thousands of products to remove toxic chemicals to make them safer. CEH also provides information to Californians about the health risks associated with exposure to hazardous substances, where manufacturers and other responsible parties fail to do so.

- 5. Defendant AEROPOSTALE, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Aeropostale, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 6. Defendant AEROPOSTALE WEST, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Aeropostale West, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 7. Defendant AE RETAIL WEST LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. AE Retail West LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 8. Defendant AMERICAN EAGLE OUTFITTERS, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. American Eagle Outfitters, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 9. Defendant BCBG MAX AZRIA GROUP, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. BCBG Max Azria Group, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 10. Defendant THE BUCKLE, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. The Buckle, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 11. Defendant BURLINGTON COAT FACTORY WAREHOUSE CORPORATION is a person in the course of doing business within the meaning of Health &

business within the meaning of Health & Safety Code §25249.11. Claire's Stores, Inc.

manufactures, distributes and/or sells the Jewelry for sale or use in California.

27

	20.	Defendant COST PLUS, INC. is a person in the course of doing business	
within the meaning of Health & Safety Code §25249.11. Cost Plus, Inc. manufactures,			
distributes a	and/or sell	s the Jewelry for sale or use in California.	

- 21. Defendant FASHION BUG OF CALIFORNIA is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Fashion Bug of California manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 22. Defendant FASHION BUG RETAIL COMPANIES, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Fashion Bug Retail Companies, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 23. Defendant FIESTA JEWELRY CORPORATION is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Fiesta Jewelry Corporation manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 24. Defendant FOREVER 21 RETAIL INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Forever 21 Retail Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 25. Defendant GROUP USA, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Group USA, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 26. Defendant GROUP USA APPAREL, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Group USA Apparel, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 27. Defendant HASKELL JEWELS, LTD. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Haskell Jewels, Ltd. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 28. Defendant HOT TOPIC, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Hot Topic, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.

- 29. Defendant J.M. HOLLISTER, LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. J.M. Hollister, LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 30. Defendant MJM JEWELRY CORP. DBA BERRY JEWELRY COMPANY is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. MJM Jewelry Corp. dba Berry Jewelry Company manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 31. Defendant THE NEW 5-7-9 AND BEYOND, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. The New 5-7-9 and Beyond, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 32. Defendant OLD NAVY, LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Old Navy, LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 33. Defendant RAINBOW APPAREL DISTRIBUTION CENTER CORP. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Rainbow Apparel Distribution Center Corp. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 34. Defendant RAINBOW USA, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Rainbow USA, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 35. Defendant ROGERS SPORTS MANAGEMENT GROUP is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Rogers Sports Management Group manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 36. Defendant SAKS & COMPANY is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Saks & Company manufactures, distributes and/or sells the Jewelry for sale or use in California.

- 37. Defendant SAKS INCORPORATED is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Saks Incorporated manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 38. Defendant TANYA CREATIONS, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Tanya Creations, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 39. Defendant TARGET CORPORATION is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Target Corporation manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 40. Defendant TWEEN BRANDS, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Tween Brands, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 41. Defendant WAL-MART STORES INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Wal-Mart Stores Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 42. Defendant THE WET SEAL, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. The Wet Seal, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 43. Defendant THE WET SEAL RETAIL, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. The Wet Seal Retail, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 44. DOES 1 through 500 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 1 through 500 manufacture, distribute and/or sell the Jewelry for sale or use in California.
- 45. The true names of DOES 1 through 500 are unknown to CEH at this time. When their identities are ascertained, the Complaint shall be amended to reflect their true names.
- 46. The defendants identified in paragraphs 5 through 43 and DOES 1 through 500 are collectively referred to herein as "Defendants."

47. The Court has jurisdiction over this action pursuant to Health & Safety Code §25249.7, which allows enforcement in any court of competent jurisdiction, and pursuant to California Constitution Article VI, Section 10, because this case is a cause not given by statute to other trial courts.

- 48. This Court has jurisdiction over the Defendants because each is a business entity that does sufficient business, has sufficient minimum contacts in California or otherwise intentionally avails itself of the California market through the sale, marketing or use of the Jewelry in California and/or by having such other contacts with California so as to render the exercise of jurisdiction over it by the California courts consistent with traditional notions of fair play and substantial justice.
- 49. Venue is proper in the Alameda Superior Court because one or more of the violations arise in the County of Alameda.

## **BACKGROUND FACTS**

- 50. The People of the State of California have declared by initiative under Proposition 65 their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Proposition 65, §1(b).
- 51. To effectuate this goal, Proposition 65 prohibits exposing people to chemicals listed by the State of California as known to cause birth defects or other reproductive harm without a "clear and reasonable warning" unless the business responsible for the exposure can prove that it fits within a statutory exemption. Health & Safety 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. . .

52. On May 1, 1997, the State of California officially listed cadmium as a chemical known to cause reproductive toxicity. Cadmium became subject to the Proposition 65 "clear and reasonable" reproductive toxicity warning one year later beginning on May 1, 1998.

3

5

\_ |

6

7 |

8

9

10

11

12

13 14

15

16

17

18

19 20

21

22

23

24

25

-26

27

28

53. For over six years, CEH has been extensively investigating the presence of toxic chemicals in Jewelry made available for sale in California. CEH's investigation has included filing four Proposition 65 lawsuits against manufacturers and re-sellers of Jewelry that contain lead and lead compounds ("Lead"), entitled Center for Environmental Health v. Hot Topic, Inc. (Alameda County Superior Court Case No. RG-04-162037), Center for Environmental Health v. Nadri, Inc. (Alameda County Superior Court Case No. RG 06-269531). Center for Environmental Health v. Two's Company, Inc. (Alameda County Superior Court Case No. RG 10-545680), and Center for Environmental Health v. Cara Accessories Ltd. (Alameda County Superior Court Case No. RG 10-545687). CEH's Lead-in-Jewelry actions have resulted in the entry of dozens of consent judgments restricting the Lead levels permitted in Jewelry as well as the passing of California and federal laws prohibiting the sale of Leaded Jewelry. More recently, CEH's investigation has expanded to include research and testing regarding the presence of cadmium in Jewelry, which has revealed that some manufacturers of Jewelry appear to be using cadmium as a replacement for Lead in such Jewelry. CEH's complaint in the Cara Accessories action also alleges violations of Proposition 65 based on sales of cadmiumcontaining Jewelry.

- 54. Cadmium in consumer products is of particular concern in light of evidence that cadmium exposure has the potential to negatively impact reproduction and embryonic development in several different ways and at every stage of the reproductive process. See, e.g., Thompson, J., et al., "Review: Cadmium: Toxic Effects on the Reproductive System and the Embryo," Reproductive Toxicology (February 2008) Vol. 25:304; and Ji, Yan-Li, et al., "Pubertal Cadmium Exposure Impairs Testicular Development and Spermatogenesis via Disrupting Testicular Testosterone Synthesis in Adult Mice," Reproductive Toxicology (accepted for publication October 2009) (even low levels of cadmium accumulation in semen may contribute to male infertility).
- 55. The Jewelry is made of materials and components that contain cadmium.

  Cadmium is primarily present in the metallic parts of the Jewelry. For example, metallic

6 7

8 9

10 11

12

13

15

16

14

17 18

19

20 21

22

23 24

25

26 27

28

components such as beads, pendants, clasps, posts and other parts of the Jewelry often contain cadmium.

- 56. Defendants' Jewelry contains sufficient quantities of cadmium such that consumers, including pregnant women, who wear, use, touch and/or handle the Jewelry are exposed to cadmium through the average use of the Jewelry. The route of exposure for the violation is ingestion via hand-to-mouth contact after consumers touch or handle the Jewelry; direct ingestion when consumers place the Jewelry in their mouths; and dermal absorption directly through the skin when consumers wear, touch or handle the Jewelry. These exposures occur in homes, workplaces and everywhere else throughout California where such Jewelry is worn, handled or used.
- 57. No clear and reasonable warning is provided with the Jewelry regarding the reproductive hazards of cadmium.
- 58. Any person acting in the public interest has standing to enforce violations of Proposition 65 provided that such person has supplied the requisite public enforcers with a valid 60-Day Notice of Violation and such public enforcers are not diligently prosecuting the action within such time. Health & Safety Code §25249.7(d).
- 59. More than sixty days prior to naming each Defendant in this lawsuit, CEH provided a 60-Day "Notice of Violation of Proposition 65" to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to each of the named Defendants. In compliance with Health & Safety Code §25249.7(d) and 27 C.C.R. §25903(b), each of the Notices included the following information: (1) the name and address of each violator; (2) the statute violated; (3) the time period during which violations occurred; (4) specific descriptions of the violations, including (a) the routes of exposure to cadmium from the Jewelry, and (b) the specific type of products sold and used in violation of Proposition 65; and (5) the name of the specific Proposition 65-listed chemical that is the subject of the violations described in each of the Notices (cadmium).
  - 60. CEH also sent a Certificate of Merit for each of the Notices to the

California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to the named Defendants. In compliance with Health & Safety Code §25249.7(d) and 11 C.C.R. §3101, each of the Certificates certified that CEH's counsel: (1) has consulted with one or more persons with relevant and appropriate experience or expertise who reviewed facts, studies or other data regarding the exposures to cadmium alleged in each of the Notices; and (2) based on the information obtained through such consultations, believes that there is a reasonable and meritorious case for a citizen enforcement action based on the facts alleged in each of the Notices. In compliance with Health & Safety Code §25249.7(d) and 11 C.C.R. §3102, each of the Certificates served on the Attorney General included factual information – provided on a confidential basis – sufficient to establish the basis for the Certificate, including the identity of the person(s) consulted by CEH's counsel and the facts, studies or other data reviewed by such persons.

- 61. None of the public prosecutors with the authority to prosecute violations of Proposition 65 has commenced and/or is diligently prosecuting a cause of action against Defendants under Health & Safety Code §25249.5, et seq., based on the claims asserted in the Notice.
- 62. Defendants both know and intend that individuals, including pregnant women, will wear, use, touch and/or handle the Jewelry, thus exposing them to cadmium.
- 63. Under Proposition 65, an exposure is "knowing" where the party responsible for such exposure has:

knowledge of the fact that a[n]... exposure to a chemical listed pursuant to [Health & Safety Code §25249.8(a)] is occurring. No knowledge that the ... exposure is unlawful is required.

- 27 C.C.R. §25102(n). This knowledge may be either actual or constructive. *See*, *e.g.*, Final Statement of Reasons Revised (November 4, 1988) (pursuant to former 22 C.C.R. Division 2, §12201).
  - 64. Defendants have been informed of the cadmium in their Jewelry by the

# PRAYER FOR RELIEF 1 2 Wherefore, CEH prays for judgment against Defendants as follows: 3 1. That the Court, pursuant to Health & Safety Code §25249.7(b), assess 4 civil penalties against each of the Defendants in the amount of \$2,500 per day for each violation 5 of Proposition 65 according to proof; 2. 6 That the Court, pursuant to Health & Safety Code §25249.7(a), 7 preliminarily and permanently enjoin Defendants from offering the Jewelry for sale in California 8 without providing prior clear and reasonable warnings, as CEH shall specify in further application to the Court; 10 3. That the Court, pursuant to Health & Safety Code §25249.7(a), order 11 Defendants to take action to stop ongoing unwarned exposures to cadmium resulting from use of 12 Jewelry sold by Defendants, as CEH shall specify in further application to the Court; 13 That the Court, pursuant to Code of Civil Procedure §1021.5 or any other 14 applicable theory, grant CEH its reasonable attorneys' fees and costs of suit; and 15 5. That the Court grant such other and further relief as may be just and proper. 16 17 Dated: April $\mathcal{E}$ , 2011 18 Respectfully submitted, 19 LEXINGTON LAW GROUP 20 21 22 Howard Hirsch Attorneys for Plaintiff 23 CENTER FOR ENVIRONMENTAL HEALTH 24 25 26 27