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Attorneys for Plaintiff,

Consumer Advocacy Group, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – CENTRAL DISTRICT

CONSUMER ADVOCACY GROUP, INC., in the public interest,

Plaintiff,

٧.

DOLLAR EMPIRE, LLC, a Delaware Limited Liability Company, and DOES 1-20;

Defendants.

CASE NO.

BC461765

COMPLAINT FOR PENALTY, INJUNCTION, AND RESTITUTION

Violation of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, § 25249.5, et seg.)

ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)

Plaintiff Consumer Advocacy Group, Inc. alleges a cause of action against defendant,

DOLLAR EMPIRE, LLC as follows:

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COMPLAINT FOR VIOLATION OF PROPOSITION 65, THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (HEALTH AND SAFETY CODE § 25249.5, ET SEQ.)

THE PARTIES

- 1. Plaintiff Consumer Advocacy Group, Inc. ("Plaintiff" or "CAG") is an organization qualified to do business in the State of California. CAG is a person within the meaning of Health and Safety Code section 25249.11, subdivision (a). CAG, acting as a private attorney general, brings this action in the public interest as defined under Health and Safety Code section 25249.7, subdivision (d).
- Defendant DOLLAR EMPIRE, LLC. ("DOLLAR EMPIRE") is a Delaware limited liability company, qualified to do business and doing business in the State of California at all relevant times herein.
- 3. Plaintiff is presently unaware of the true names and capacities of defendants Does 1-20, and therefore sues these defendants by such fictitious names. Plaintiff will amend this complaint to allege their true names and capacities when ascertained. Plaintiff is informed, believes, and thereon alleges that each fictitiously named defendant is responsible in some manner for the occurrences herein alleged and the damages caused thereby.
- 4. At all times mentioned herein, the term "Defendants" includes DOLLAR EMPIRE and Does 1-20.
- 5. Plaintiff is informed and believes, and thereon alleges that each of the Defendants at all times mentioned herein have conducted business within the State of California.
- 6. At all times relevant to this action, each of the Defendants, including Does 1-20, was an agent, servant, or employee of each of the other Defendants. In conducting the activities alleged in this Complaint, each of the Defendants was acting within the course and scope of this agency, service, or employment, and was acting with the consent, permission, and authorization of each of the other Defendants. All actions of each of the Defendants alleged in this Complaint were ratified and approved by every other Defendant or their officers or managing agents. Alternatively, each of the Defendants aided, conspired with and/or facilitated the alleged wrongful conduct of each of the other Defendants.

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7. Plaintiff is informed, believes, and thereon alleges that at all relevant times, each of the Defendants was a person doing business within the meaning of Health and Safety Code section 25249.11, subdivision (b), and that each of the Defendants had ten (10) or more employees at all relevant times.

JURISDICTION

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

BACKGROUND AND PRELIMINARY FACTS

11. In 1986, California voters approved an initiative to address growing concerns about exposure to toxic chemicals and declared their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed Law, Gen. Elec. (Nov. 4, 1986) at p. 3. The initiative, The Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code sections

25249.5, *et seq*. ("Proposition 65"), helps to protect California's drinking water sources from contamination, to allow consumers to make informed choices about the products they buy, and to enable persons to protect themselves from toxic chemicals as they see fit.

- 12. Proposition 65 requires the Governor of California to publish a list of chemicals known to the state to cause cancer, birth defects, or other reproductive harm. *Health & Safety Code* § 25249.8. The list, which the Governor updates at least once a year, contains over 700 chemicals and chemical families. Proposition 65 imposes warning requirements and other controls that apply to Proposition 65-listed chemicals.
- 13. All businesses with ten (10) or more employees that operate or sell products in California must comply with Proposition 65. Under Proposition 65, businesses are: (1) prohibited from knowingly discharging Proposition 65-listed chemicals into sources of drinking water (*Health & Safety Code* § 25249.5), and (2) required to provide "clear and reasonable" warnings before exposing a person, knowingly and intentionally, to a Proposition 65-listed chemical (*Health & Safety Code* § 25249.6).
- 14. Proposition 65 provides that any person "violating or threatening to violate" the statute may be enjoined in any court of competent jurisdiction. *Health & Safety Code* § 25249.7. "Threaten to violate" means "to create a condition in which there is a substantial probability that a violation will occur." *Health & Safety Code* § 25249.11(e). Defendants are also liable for civil penalties of up to \$2,500.00 per day per violation, recoverable in a civil action. *Health & Safety Code* § 25249.7(b).
- 15. Plaintiff identified certain practices of manufacturers and distributors of lead-bearing products of exposing, knowingly and intentionally, persons in California to the Proposition 65-listed chemicals of such products without first providing clear and reasonable warnings of such to the exposed persons prior to the time of exposure.

 Plaintiff later discerned that Defendants engaged in such practice.
- 16. On October 1, 1992, the Governor of California added Lead and Lead compounds to the list of chemicals known to the State to cause cancer (*Cal. Code Regs.* tit. 27, § 27001(b)).

Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Lead and lead compounds to the list of chemicals known to the State to cause cancer, Lead and lead compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.

17. On February 27, 1987, the Governor of California added Lead to the list of chemicals known to the State to cause reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Lead is known to the State to cause developmental, female, and male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause reproductive toxicity, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.

SATISFACTION OF PRIOR NOTICE

- 18. On or about October 18, 2010, Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures and occupational exposures, subject to a private action to Dollar Empire, LLC and to the California Attorney General, County District Attorneys, and City Attorneys for each city containing a population of at least 750,000 people in whose jurisdictions the violations allegedly occurred, concerning the product FamilyMaidTM Durable Product, "1PCS Rubber Sink Mat" (Item No. 13010).
- 19. On or about November 2, 2010, Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures and occupational exposures, subject to a private action to Dollar Empire, LLC and to the California Attorney General, County District Attorneys, and City Attorneys for each city containing a population of at least 750,000 people in whose jurisdictions the violations allegedly occurred, concerning the product 4 PCS Tapes contained within "Quality Empire Superior Kofree® Electric Tester W/ 4 PCS Tapes."
- 20. On or about December 23, 2010, Plaintiff gave notice of alleged violations of Health and Safety Code section 25249.6, concerning consumer products exposures and occupational

exposures, subject to a private action to Dollar Empire, LLC and to the California Attorney General, County District Attorneys, and City Attorneys for each city containing a population of at least 750,000 people in whose jurisdictions the violations allegedly occurred, concerning the product Kofree "Sport" Sandals (Black with a sports ball across the top and the word "sport" on the ball)(Item No. 44039).

- 21. Before sending the notices of alleged violation, Plaintiff investigated the consumer products involved, the likelihood that such products would cause users to suffer significant exposures to lead, and the corporate structure of each of the Defendants.
- 22. Plaintiff's notice of alleged violation included a Certificate of Merit executed by the attorney for the noticing party, CAG. The Certificate of Merit stated that the attorney for Plaintiff who executed the certificate had consulted with at least one person with relevant and appropriate expertise who reviewed data regarding the exposures to Lead, respectively, which are the subject Proposition 65-listed chemicals of this action. Based on that information, the attorney for Plaintiff who executed the Certificate of Merit believed there was a reasonable and meritorious case for this private action. The attorney for Plaintiff attached to the Certificate of Merit served on the Attorney General the confidential factual information sufficient to establish the basis of the Certificate of Merit.
- 23. Plaintiff's notices of alleged violations also included a Certificate of Service and a document entitled "The Safe Drinking Water & Toxic Enforcement Act of 1986 (Proposition 65) A Summary." *Health & Safety Code* § 25249.7(d).
- 24. Plaintiff is commencing this action more than sixty (60) days from the dates that Plaintiff gave notices of the alleged violations to DOLLAR EMPIRE, and the public prosecutors referenced in Paragraphs 18, 19, and 20.
- 25. Plaintiff is informed, believes, and thereon alleges that neither the Attorney General, nor any applicable district attorney or city attorney has commenced and is diligently prosecuting an action against the Defendants.

FIRST CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against DOLLAR EMPIRE, and Does 1-20 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

FamilyMaidTM Durable Product, "1PCS Rubber Sink Mat" (Item No. 13010)

- 26. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 25 of this complaint as though fully set forth herein.
- 27. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of "FamilyMaidTM Durable Product, '1PCS Rubber Sink Mat' (Item No. 13010)" (hereinafter "Sink Mat"), a consumer product designed for use including and in conjunction with kitchen sinks in close proximity with food and drink meant for human consumption.
- 28. Plaintiff is informed, believes, and thereon alleges that Sink Mat contains Lead.
- 29. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in Sink Mat within Plaintiff's notice of alleged violations further discussed above at Paragraph 18.
- 30. Plaintiff's allegations regarding Sink Mat concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." *Cal. Code Regs.* tit. 27, § 25602(b). Sink Mat is a consumer product, and, as mentioned herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use.
- 31. Plaintiff's allegations regarding Sink Mat also concern "[o]ccupational exposure[s]," which are exposures "to any employees in his or her employer's workplace." *Cal. Code Reg.* tit. 27, § 25602(f). As mentioned herein, employees were exposed to Lead in their employer's workplace as a result of handling Sink Mat, in conjunction with packaging, shipping, distributing and/or selling Sink Mat, among other activities, without having first

been given clear and reasonable warnings that such handling would cause exposures to Lead.

- 32. Plaintiff is informed, believes, and thereon alleges that between October 1, 2007 and the present, each of the Defendants knowingly and intentionally exposed their employees and California consumers and users of Sink Mat, which Defendants manufactured, distributed, or sold as mentioned above, to Lead, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants have distributed and sold Sink Mat in California. Defendants know and intend that California consumers will use and consume Sink Mat thereby exposing them to Lead. Defendants thereby violated Proposition 65.
- 33. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Sink Mat without wearing gloves or any other personal protective equipment, or by touching bare skin or mucous membranes with gloves after handling Sink Mat, as well as through hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Sink Mat. Persons may also be exposed to lead through food and utensil contact with the Sink Mat and subsequent ingestion of the contaminated food. And as to Defendants' employees, employees may be exposed to lead in the course of their employment by handling, distributing, and selling Sink Mat.
- 34. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Sink Mat have been ongoing and continuous to the date of the signing of this complaint, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale of Sink Mat, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead by Sink Mat as mentioned herein.

- 35. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur into the future.
- 36. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead from Sink Mat, pursuant to Health and Safety Code section 25249.7(b).
- 37. In the absence of equitable relief, the general public and Defendants' employees will continue to be involuntarily exposed to Lead that is contained in Sink Mat, creating a substantial risk of irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused irreparable harm for which there is no plain, speedy, or adequate remedy at law.
- 38. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

SECOND CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against DOLLAR EMPIRE, and Does 1-20 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

- 4 PCS Tapes contained within "Quality Empire Superior Kofree® Electric Tester W/ 4
 PCS Tapes."
- 39. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 38 of this complaint as though fully set forth herein.
- 40. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of "4 PCS Tapes contained within 'Quality Empire Superior Kofree® Electric Tester W/ 4 PCS Tapes.'" (hereinafter "Electric Tape"), a consumer product designed for insulating electric wires and other materials that conduct electricity.
- 41. Plaintiff is informed, believes, and thereon alleges that Electric Tape contains Lead.

- 42. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in Electric Tape within Plaintiff's notice of alleged violations further discussed above at Paragraph 19.
- 43. Plaintiff's allegations regarding Electric Tape concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." *Cal. Code Regs.* tit. 27, § 25602(b). Electric Tape is a consumer product, and, as mentioned herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use.
- 44. Plaintiff's allegations regarding Electric Tape also concern "[o]ccupational exposure[s]," which are exposures "to any employees in his or her employer's workplace." *Cal. Code Reg.* tit. 27, § 25602(f). As mentioned herein, employees were exposed to Lead in their employer's workplace as a result of handling Electric Tape, in conjunction with packaging, shipping, distributing and/or selling Electric Tape, among other activities, without having first been given clear and reasonable warnings that such handling would cause exposures to Lead.
- 45. Plaintiff is informed, believes, and thereon alleges that between June 2, 2007 and the present, each of the Defendants knowingly and intentionally exposed their employees and California consumers and users of Electric Tape, which Defendants manufactured, distributed, or sold as mentioned above, to Lead, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants have distributed and sold Electric Tape in California. Defendants know and intend that California consumers will use and consume Electric Tape thereby exposing them to Lead. Defendants thereby violated Proposition 65.
- 46. The principal routes of exposure are through dermal contact, ingestion and inhalation.

 Persons sustain exposures by handling Electric Tape without wearing gloves or any other

personal protective equipment, or by touching bare skin or mucous membranes with gloves after handling Electric Tape, as well as through hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Electric Tape.

Electric Tape is also particularly susceptible to be mistaken as toys and touched by young children because they come in various colors. And as to Defendants' employees, employees may be exposed to lead in the course of their employment by handling, distributing, and selling Electric Tape.

- 47. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Electric Tape have been ongoing and continuous to the date of the signing of this complaint, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale of Electric Tape, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead by Electric Tape as mentioned herein.
- 48. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur into the future.
- 49. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead from Electric Tape, pursuant to Health and Safety Code section 25249.7(b).
- 50. In the absence of equitable relief, the general public and Defendants' employees will continue to be involuntarily exposed to Lead that is contained in Electric Tape, creating a substantial risk of irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused irreparable harm for which there is no plain, speedy, or adequate remedy at law.
- 51. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

THIRD CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against DOLLAR EMPIRE, and Does 1-20 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

Kofree "Sport" Sandals (Black with a sports ball across the top and the word "sport" on the ball)(Item No. 44039)

- 52. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 51 of this complaint as though fully set forth herein.
- 53. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of "Kofree 'Sport' Sandals (Black with a sports ball across the top and the word 'sport' on the ball)(Item No. 44039)." (hereinafter "Sandals"), a consumer product designed for personal use to be worn on the foot.
- 54. Plaintiff is informed, believes, and thereon alleges that Sandals contains Lead.
- 55. Defendants knew or should have known that Lead has been identified by the State of California as a chemical known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead in Sandals within Plaintiff's notice of alleged violations further discussed above at Paragraph 20.
- 56. Plaintiff's allegations regarding Sandals concern "[c]onsumer products exposure[s]," which "is an exposure that results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." *Cal. Code Regs.* tit. 27, § 25602(b). Sandals is a consumer product, and, as mentioned herein, exposures to Lead took place as a result of such normal and foreseeable consumption and use.
- 57. Plaintiff's allegations regarding Sandals also concern "[o]ccupational exposure[s]," which are exposures "to any employees in his or her employer's workplace." *Cal. Code Reg.* tit. 27, § 25602(f). As mentioned herein, employees were exposed to Lead in their employer's workplace as a result of handling Sandals, in conjunction with packaging, shipping, distributing and/or selling Sandals, among other activities, without having first

- been given clear and reasonable warnings that such handling would cause exposures to Lead.
- 58. Plaintiff is informed, believes, and thereon alleges that between October 1, 2007 and the present, each of the Defendants knowingly and intentionally exposed their employees and California consumers and users of Sandals, which Defendants manufactured, distributed, or sold as mentioned above, to Lead, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure.

 Defendants have distributed and sold Sandals in California. Defendants know and intend that California consumers will use and consume Sandals thereby exposing them to Lead.

 Defendants thereby violated Proposition 65.
- 59. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Sandals without wearing gloves or any other personal protective equipment, or by touching bare skin or mucous membranes with gloves after handling Sandals, as well as through hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Sandals. Persons may also be exposed to lead through food and utensil contact with the Sandals and subsequent ingestion of the contaminated food. And as to Defendants' employees, employees may be exposed to lead in the course of their employment by handling, distributing, and selling Sandals.
- 60. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Sandals have been ongoing and continuous to the date of the signing of this complaint, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale of Sandals, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead by Sandals as mentioned herein.

- 61. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur into the future.
- 62. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead from Sandals, pursuant to Health and Safety Code section 25249.7(b).
- 63. In the absence of equitable relief, the general public and Defendants' employees will continue to be involuntarily exposed to Lead that is contained in Sandals, creating a substantial risk of irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused irreparable harm for which there is no plain, speedy, or adequate remedy at law.
- 64. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

PRAYER FOR RELIEF

Plaintiff demands against each of the Defendants as follows:

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

YEROUSHALMI & ASSOCIATES

Reuben Yeroushalmi
Attorneys for Plaintiff,

Consumer Advocacy Group, Inc.