

ILIN - 6 2012

KIM TURNER, Court Executive Officer MARIN COUNTY SUPERIOR COULT By: C. Lucchesi, Deputy

Michael Freund SBN 99687 Law Office of Michael Freund 1919 Addison Street, Suite 105

Berkeley, CA 94704

Telephone: (510) 540-1992 Facsimile: (510) 540-5543

Attorney for Plaintiff Environmental Research Center

6 7

1

2

3

4

5

8

9

10

11

12

13

14

15

16

17

18

19

20

22

23

25

26

27

28

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF MARIN

ENVIRONMENTAL RESEARCH CENTER, a California non-profit corporation

Plainitff,

v.

NU SKIN ENTERPRISES, INC. and DOES 1-100

Defendants.

Case No. (11/202744

COMPLAINT FOR INJUNCTIVE AND DECLARATORY RELIEF AND CIVIL PENALTIES

[Miscellaneous Civil Complaint (42)] Proposition 65, Health & Safety Code Section 25249.5 et seq.]

Plaintiff Environmental Research Center hereby alleges:

Ι

#### INTRODUCTION

- 1. Plaintiff Environmental Research Center (hereinafter "Plaintiff" or "ERC") brings this action as a private enforcer in the public interest pursuant to Health & Safety Code Section 25249.7
- (d). This complaint seeks injunctive and declaratory relief and civil penalties to remedy Nu Skin

Enterprises, Inc.'s ("Nu Skin") failure to warn users of certain products sold by the company that they are exposed to lead, a chemical known to the State of California to cause cancer, birth defects and other reproductive harm. Based on the Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code Section 25249.5 et seq) also known as "Proposition 65," businesses with ten or more employees must provide a "clear and reasonable warning" prior to exposing persons to these chemicals.

#### II

#### **PARTIES**

- 2. Plaintiff ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees and encouraging corporate responsibility.
- 3. Defendant Nu Skin is a business entity that manufactures, distributes and/or sells nutritional products that expose users of these products to lead in the State of California. These products are: Nu Skin Pharmanex Standard Cortitrol Cortisol Management, Nu Skin Pharmanex Standard Digestive Formula, NSE Products Inc. Cartilage Formula Pharmanex, NSE Products Inc. Pharmanex G-3, Nu Skin Enterprises Pharmanax Standard ReishiMax GLp 60 Capsules, and Nu Skin Enterprises Pharmanex My Victory DuoLean 90 Capsules. ("Covered Products"). Nu Skin is a company that employs ten or more persons.
- 4. Defendants Does I-100, are named herein under fictitious names, as their true names and capacities are unknown to Plaintiff. ERC is informed and believes, and thereon alleges, that each of said Does is responsible, in some actionable manner, for the events and happenings hereinafter referred to, either through said Defendant's conduct, or through the conduct of its agents, servants or

employees, or in some other manner, causing the harms alleged by ERC in this complaint. When said true names and capacities of Does are ascertained, ERC will seek leave to amend this complaint to set forth the same.

#### III

#### JURISDICTION AND VENUE

- 5. This Court has jurisdiction pursuant to California Constitution Article VI, Section 10 because this case is a cause not given by statute to other trial courts.
- 6. ERC has performed any and all conditions precedent to the filing of a legal action pursuant to Proposition 65 by serving by mail Notices of Violation, dated June 29, 2010, September 24, 2010 and January 14, 2011 to the Attorney General of the State of California, the state's District Attorneys, the appropriate City Attorney's and to Nu Skin. A true and correct copy of these Notices is attached herein as Exhibit A. More than 60 days have passed since these Notices were mailed and no public enforcement entity has filed a complaint in this case.
- 7. This Court is the proper venue for the action because the causes of action have arisen in Marin County where some of the violations of law have occurred. Furthermore, this Court is the proper venue under Code of Civil Procedure Section 395.5 and Health & Safety Code Section 25249.7.

#### IV

## STATUTORY BACKGROUND

## A. Proposition 65

- 8. The Safe Drinking Water and Toxic Enforcement Act of 1986 is an initiative statute passed as "Proposition 65" by an overwhelming majority vote of the people in November of 1986.
- 9. The warning requirement of Proposition 65 is contained in Health & Safety Code Section 25249.6, which provides:

 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, except as provided in Section 25249.10.

- 10. Implementing regulations for Proposition 65 provide that warnings are required for consumer product exposures. A "consumer product exposure is an exposure which 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." 27 CCR Section 25601 (b).
- 11. Whenever a clear and reasonable warning is required under Health & Safety Code Section 25249.6, the "method employed to transmit the warning must be reasonably calculated considering the alternative methods available under the circumstances, to make the warning message available prior to exposure." 27 CCR Section 25601. The warning requirement may be satisfied by a warning that appears on a product's label or other labeling, shelf labeling, signs, a system of signs, public advertising identifying the system and toll-free information services, or any other, system, that provides clear and reasonable warnings. <u>Id.</u>, Section 25603.1 (a) (d).
- 12. Proposition 65 establishes a procedure by which the State is to develop a list of chemicals "known to the State to cause cancer or reproductive toxicity." Health & Safety Code Section 25249.8. There is no duty to provide a clear and reasonable warning until 12-months after the chemical was published on the State list. <u>Id.</u>, Section 25249.10 (b). Lead was listed as a chemical known to the State of California to cause developmental toxicity and male and female reproductive toxicity on February 27, 1987. Lead was listed as a chemical known to the State of California to cause cancer on October 1, 1992. Title 27, Cal. Code Regs., Section 27001.
- 13. Proposition 65 may be enforced by any person in the public interest who provides notice sixty days before filing suit to both the violator and designated law enforcement officials. The failure of law enforcement officials to file a timely complaint enables a citizen suit to be filed

pursuant to Health & Safety Code Section 25249.7 (c).

14. Proposition 65 provides that any person "violating or threatening to violate" Proposition 65 may be enjoined in any court of competent jurisdiction. Health & Safety Code Section 25249.7 (a). To "threaten to violate" means "to create a condition in which there is a substantial probability that a violation will occur." <u>Id.</u>, Section 25249.11 (e). Furthermore, violators are subject to a civil penalty of up to \$2,500 per day for each violation. <u>Id.</u>, <u>Section</u> 25249.7 (b).

 $\mathbf{V}$ 

## STATEMENT OF FACTS

- 15. Defendant Nu Skin manufactures, distributes and/or sells the Covered Products to the State of California. These products contain lead.
- 16. Nu Skin has knowingly and intentionally exposed numerous persons to lead, without providing a Proposition 65 warning. The company has at all times relevant hereto been aware that the Covered Products contain lead and that persons using these products are exposed to the chemical. Nu Skin markets the Covered Products with knowledge that consumers are being exposed to lead during normal use of the product.
- 17. Nu Skin has failed to provide consumers of the Covered Products with a clear and reasonable warning that they are being exposed to a chemical known to the State of California to cause cancer, birth defects and other reproductive harm.

#### FIRST CAUSE OF ACTION

## (Violation of Section 25249.6 of the Health and Safety Code, Failure to Provide Clear and Reasonable Warning under Proposition 65)

- 18. Nu Skin refers to paragraphs 1-17, inclusive, and incorporates them herein by this reference.
- 19. By committing the acts alleged above, Nu Skin has, in the course of doing business, knowingly and intentionally exposed users of the Covered Products to lead, a chemical known to

the State of California to cause cancer, birth defects and other reproductive harm without first giving clear and reasonable warning to such individuals, within the meaning of Health & Safety Code Section 25249.6.

- 20. Said violations render Nu Skin liable for civil penalties up to \$2,500 (two thousand, five hundred dollars) per day, for each violation.
- 21. Nu Skin's continued violation of the law will irreparably harm ERC and the public interest in whose behalf ERC brings this action, for which there is no adequate remedy at law.

## SECOND CAUSE OF ACTION

## (Declaratory Relief)

- 22. ERC refers to paragraphs 1-21, inclusive, and incorporates them herein by this reference.
- 23. There exists an actual controversy relating to the legal rights and duties of the parties, within the meaning of Code of Civil Procedure Section 1060, between ERC and Nu Skin concerning:
- a) whether Nu Skin has exposed individuals to a chemical known to the State of California to cause cancer, birth defects and other reproductive harm without providing clear and reasonable warning.

#### VI

#### **PRAYER**

WHEREFORE ERC prays for relief as follows:

- 1. On the First Cause of Action, for civil penalties for each and every violation according to proof;
- 2. On the First Cause of Action, and pursuant to Health & Safety Code Section 25249.7 (a), for such temporary restraining orders, preliminary and permanent injunctive orders, or other orders, prohibiting Nu Skin from exposing persons to lead without providing clear and reasonable warning;

- 3. On the Second Cause of Action, for a declaratory judgment pursuant to Code of Civil Procedure Section 1060 declaring:
- a. that Nu Skin has exposed individuals to a chemical known to the State of California to cause, birth defects and other reproductive harm without providing clear and reasonable warning; and
- 4. On all Causes of Action, for reasonable attorneys' fees pursuant to Section 1021.5 of the Code of Civil Procedure or the substantial benefit theory;
  - 5. For costs of suit herein; and
  - 6. For such other relief as the Court may deem just and proper.

Dated: June 2, 2012

By

Michael Freund

Attorney for Environmental Research Center

#### MICHAEL FREUND

ATTORNEY AT LAW
1915 ADDISON STREET
BERKELEY, CALIFORNIA 94704-1101

TEL 510/540-1992
FAX 510/540-5543
EMAIL FREUNDI@AOL.COM
June 29, 2010

Re: Notice of Violation Against Nu Skin Enterprises, Inc. for Violation of California Health & Safety Code Section 25249.6

#### Dear Prosecutors:

I represent the Environmental Research Center ("ERC"), a non-profit 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. 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 Nu Skin Enterprises, Inc.

This letter constitutes notification that Nu Skin Enterprises, Inc., located at,75 West Center Street, Provo, UT 84601 has 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, this company has manufactured and distributed products which 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. The primary route of exposure has been oral through ingestion.

Nu Skin Enterprises, Inc. is exposing people to lead from the following products: Nu Skin Pharmanex Standard Teagreen 97 Cell Protection; Nu Skin Pharmanex Standard Cordymax CS-4 Stamina Boost; Nu Skin Pharmanex Standard Cortitrol Cortisol Management; Nu Skin Pharmanex Standard Bioginko 27/7 Mental Sharpness; and Nu Skin Pharmanex Standard Digestive Formula.

Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to certain listed chemicals. Nu Skin Enterprises, Inc. is 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 Nu Skin Enterprises, Inc. unless the company agrees in an enforceable written instrument to: (1) reformulate these products so as to eliminate further lead exposures; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and my client's objectives in pursuing this Notice, ERC will focus its efforts in seeking a constructive resolution of this matter. Such resolution will avoid both further unwarned consumer exposures to lead and expensive and time-consuming litigation.

If you have any questions, please contact my office at your earliest convenience.

Sincerely,

Michael Freund

cc: Chris Heptinstall, ERC Karen Evans, Esq. ERC

#### **CERTIFICATE OF MERIT**

## Health and Safety Code Section 25249.7 (d)

- I, Michael Freund hereby declare:
- 1. This Certificate of Merit accompanies the Notice of Violation in which it is alleged that the party identified in the Notice has violated Health and Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
- 2. I am the attorney for the noticing party Environmental Research Center ("ERC"). 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. The Notice of Violation alleges that the party identified has exposed persons in California to lead from products that it manufactures and distributes. Please refer to the Notice of Violation for additional details regarding the alleged violations.
- 3. I have consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding the alleged exposure to the listed chemical that is the subject of the action. In particular, I have consulted with the laboratory that conducted the testing to determine the concentration of lead in the products identified in the Notice of Violation and I have relied on the testing results. The testing was conducted by a reputable testing laboratory with substantial experience in testing for lead. These facts, studies or other data derived through this investigation overwhelmingly demonstrate that the party identified in the Notice of Violation exposes persons to lead through oral exposure (ingestion).
- 4. Based on my consultation with the laboratory, the results of the laboratory testing, as well as published studies on lead, it is clear that there is sufficient evidence that human

exposures exist from exposure to the products from the noticed party. Furthermore, as a result of the above, I have concluded that 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 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. The copy of this Certificate of Merit served on the California Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in Health & Safety Code Section 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: June 27, 2010

Michael Freund

Attorney for Environmental Research Center

## **CERTIFICATE OF SERVICE**

I am a citizen of the United States and a resident of the County of Alameda. I am over the age of eighteen years and not a party to the within entitled action; my business address is 1915 Addison Street, Berkeley, California 94704. On June 29, 2010 I served the within:

Notice of Violation and Certificate of Merit (Supporting documentation pursuant to 11 CCR section 3102 sent to Attorney General only)

on the parties in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Post Office mail box in Oakland, California to said parties addressed as follows:

See Attached Service List

I, Michael Freund, declare under penalty of perjury that the foregoing is true and correct.

Executed on June 29, 2010 at Berkeley, California.

Michael Freund

District Attorney of Alameda County 1225 Fallon Street, Room 900	District Attorney of Glenn County PO Box 430	District Attorney of Marin County 3501 Civic Center Dr., Room 130
Oakland, CA 94612	Willows, CA 95988	San Rafael, CA 94903
District Attacks of Oaksas Oassats	5	
District Attorney of Colusa County	District Attorney of Kings County	District Attorney of Mono County
547 Market Street	1400 West Lacey	PO Box 617
Colusa, CA 95932	Hanford, CA 93239	Bridgeport, CA 93517
District Attorney of Contra Costa		
County	District Attorney of Lake County	District Attorney of Mariposa County
627 Ferry Street	255 N. Forbes Street	PO Box 730
Martinez, CA 94553	Lakeport, CA 95453	Mariposa, CA 95338
District Attorney of Alpine County	District Attorney of Humboldt County	District Attorney of Monterey County
PO Box 248	825 5 <sup>th</sup> Street	230 Church Street, Bdg. 2
Markleeville, CA 96120	Eureka, CA 95501	Salinas, CA 93901
District Attorney of Del Norte County	District Attorney of Imperial County	District Attorney of Mendocino County
450 H Street, Ste 171	939 Main Street	PO Box 1000
Crescent City, CA 95531	El Centro, CA 92243	Ukiah, CA 95482
District Attorney of Amador County	District Attorney of Lassen County	District Attorney of Napa County
708 Court Street, # 202	220 S. Lassen St., Ste 8	931 Parkway Mali
Jackson, CA 95642	Susanville, CA 96130	Napa, CA 94559
District Attended of Dutte County	District Attorney of Inyo County	B. 13 (A)
District Attorney of Butte County	PO Drawer D	District Attorney of Merced County
25 County Center Drive	Independence, CA 93526	2222 "M" Street
Oroville, CA 95965		Merced, CA 95340
District Attorney of El Dorado County	District Attorney of Los Angeles County	District Attorney of Nevada County
515 Main Street	210 W. Temple Street, Room 345	110 Union Street
Placerville, CA 95667	Los Angeles, CA 90012	Nevada City, CA 95959-2503
District Attorney of Calaveras County		
891 Mountain Ranch Road	District Attorney of Madera County	District Attorney of Orange County
San Andreas, CA 95249	209 West Yosemite Ave.	401 Civic Center Drive West
	Madera, CA 93637	Santa Ana, CA 92701

District Attorney of Fresno County 2220 Tulare Street, # 1000 Fresno, CA 93721 District Attorney of Kern County 1215 Truxtun Ave. Bakersfield, CA 93301 District Attorney of Modoc County 204 S. Court Street Alturas, CA 96101-4020

District Attorney of Placer County	District Attorney of San Mateo County	District Attorney of Sutter County
2501 North Lake Blvd.	400 County Ctr., 3 <sup>rd</sup> Floor	446 Second Street
Tahoe City, CA 96145	Redwood City, CA 94063	Yuba City, CA 95991
District Attorney of San Bernardino Cty	District Attorney of Sierra County	District Attorney of Ventura County
316 N. Mountain View Ave.	Courthouse, PO Box 457	800 South Victoria Ave.
San Bernardino, CA 92415	Donieville, CA 95936	Ventura, CA 93009
		7 5 11.01.01
	District Attorney of Santa Barbara	
District Attorney of Plumas County	County	District Attorney of Tehama County
520 Main Street, Room 404	1105 Santa Barbara Street	PO Box 519
Quincy, CA 95971	Santa Barbara, 93101	Red Bluff, CA 96080
District Attorney of San Diego County	District Attorney of Siskiyou County	District Attorney of Yolo County
330 West Broadway, Suite 1320	PO Box 986	301 Second Street
San Diego, 92101	Yreka, CA 96097	Woodland, CA 95695
District Attorney of Riverside County	District Attorney of Solano County	District Attorney of Trinity County
4075 Main Street	675 Texas Street, Suite 4500	PO Box 310
Riverside, CA 92501	Fairfield, CA 94533	11 Court Street
		Weaverville, CA 96093
District Attorney of San Francisco		
County	District Attorney of Santa Clara County	District Attorney of Yuba County
850 Bryant Street, Room 325	70 West Hedding Street, West Wing	215 Fifth Street
San Francisco, CA 94103	San Jose, CA 95110	Marysville, CA 95901
· · · · · · · · · · · · · · · · · · ·		
District Attorney of Sacramento County	District Attorney of Santa Cruz County	District Attorney of Tulare County
901 "G" Street	701 Ocean Street, Room 200	221 S. Mooney Ave., Room 224
Sacramento, CA 95814	Santa Cruz, CA 95060	Visalia, CA 93291
District Attorney of San Joaquin County	District Attorney of Sonoma County	District Attorney of Tuolumne County
PO Box 990	600 Administration Drive, Room 212J	423 No. Washington Street
Stockton, CA 95201	Santa Rosa, CA 95403	Sonora, CA 95370
District attorney of San Luis Obispo	District Attorney of Shasta County	San Jose City Attorney's Office
County Ct. Room 450	1525 Court Street, Third Floor	200 East Santa Clara Street
1050 Monterey St., Room 450	Redding, CA 96001-1632	San Jose, CA 95113
San Luis Obispo, CA 93408	* ·	

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

District Attorney of Stanislaus County
800 11<sup>th</sup> Street, Room 200
PO Box 442
Modesto, CA 95353

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



## **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 Nu Skin Enterprises, Inc. 75 West Center Street Orovo, UT 84601

CT Corporation System (Nu Skin Enterprises, Inc.'s Registered Agent for Service of Process) 136 East South Temple, Suite 2100 Salt Lake City, UT 84111

## VIA PRIORITY MAIL

District Attorneys of All California Counties and Select City Attorneys (See Attached Certificate of Service)

Re: Notice of Violations of California Health & Safety Code Section 25249.5 et seq.

#### Dear Addressees:

I am the Executive Director of the Environmental Research Center ("ERC") in connection with this Notice of Violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, which is codified at California Health & Safety Code Section 25249.5 et seq. and also referred to as Proposition 65.

ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

The name of the Company covered by this Notice that violated Proposition 65 is:

## Nu Skin Enterprises, Inc.

The products that are the subject of this Notice and the chemical in those products identified as exceeding allowable levels are:

NSE Products Inc. Cartilage Formula Pharmanex - Lead NSE Products Inc. Pharmanex G3 - Lead Notice of Violations of California Health & Safety Code §25249.5 et seq. September 24, 2010 Page 2

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead as chemical known to cause cancer.

This letter is a Notice to Nu Skin Enterprises, Inc., and the appropriate governmental authorities of the Proposition 65 violations concerning the listed products. This Notice covers all violations of Proposition 65 involving Nu Skin Enterprises, Inc. currently known to ERC from the 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, has been provided to the Noticed Company with a copy of this letter.

Nu Skin Enterprises, Inc. has manufactured, marketed, distributed, and/or sold the listed products, which have exposed and continue to expose numerous individuals within California to the identified chemicals. The primary route of exposure to these chemicals has been through ingestion, but may have also occurred through inhalation and/or dermal contact. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product's label. Nu Skin Enterprises, Inc. has violated Proposition 65 because the Company has failed to provide an appropriate warning to persons using these products that they are being exposed to the identified chemical.

Pursuant to Section 25249.7(d) of the statute, ERC intends to file a citizen enforcement action sixty days after effective service of this Notice unless Nu Skin Enterprises, Inc. agrees in an enforceable written instrument to: (1) reformulate the listed products so as to eliminate further exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and ERC 's objectives in pursuing this Notice, 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, Michael Freund, address: 1915 Addison Street, Berkley, California, 94704-1101, telephone no.: 510-540-1992, e-mail: Freund1@aol.com.

Sincerely,

Chris Heptinstall
Executive Director

Environmental Research Center

cc: Karen Evans

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to Nu Skin Enterprises, Inc. and its Registered Agent for Service of Process only)
Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 24, 2010 Page 3

#### **CERTIFICATE OF MERIT**

Re: Environmental Research Center's Notice of Proposition 65 Violations by Nu Skin Enterprises, Inc.

#### I, Michael Freund, 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

Michael Freund Attorney for Environmental Research Center

Michel Freund

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 24, 2010
Page 4

#### 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 Nu Skin Enterprises, Inc. 75 West Center Street Orovo, UT 84601 CT Corporation System (Nu Skin Enterprises, Inc.'s Registered Agent for Service of Process) 136 East South Temple, Suite 2100 Salt Lake City, UT 84111

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

Notice of Violations of California Health & Safety Code §25249.5 et seq. September 24, 2010
Page 5

#### 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

# Notice of Violations of California Health & Safety Code §25249.5 et seq. September 24, 2010 Page 6

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., 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 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



## **Environmental Research Center**

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

January 14, 2011

#### VIA CERTIFIED MAIL

Current CEO or President Nu Skin Enterprises, Inc. 75 West Center Street Provo, UT 84601

CT Corporation System (Nu Skin Enterprises, Inc.'s Registered Agent for Service of Process) 136 East South Temple, Suite 2100 Salt Lake City, UT 84111

#### **VIA PRIORITY MAIL**

District Attorneys of All California Counties and Select City Attorneys (See Attached Certificate of Service)

Re: Notice of Violations of California Health & Safety Code Section 25249.5 et seq.

#### Dear Addressees:

I am the Executive Director of the Environmental Research Center ("ERC") in connection with this Notice of Violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986, which is codified at California Health & Safety Code Section 25249.5 et seq. and also referred to as Proposition 65.

ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

The name of the Company covered by this Notice that violated Proposition 65 is:

#### Nu Skin Enterprises, Inc.

The products that are the subject of this Notice and the chemical in those products identified as exceeding allowable levels are:

Nu Skin Enterprises Pharmanax Standard ReishiMax GLp 60 Capsules - Lead Nu Skin Enterprises Pharmanex My Victory DuoLean 90 Capsules - Lead

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead as chemical known to cause cancer.

Notice of Violations of California Health & Safety Code §25249.5 et seq. January 14, 2011 Page 2

This letter is a Notice to Nu Skin Enterprises, Inc., and the appropriate governmental authorities of the Proposition 65 violations concerning the listed products. This Notice covers all violations of Proposition 65 involving Nu Skin Enterprises, Inc. currently known to ERC from the 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, has been provided to the Noticed Company with a copy of this letter.

Nu Skin Enterprises, Inc. has manufactured, marketed, distributed, and/or sold the listed products, which have exposed and continue to expose numerous individuals within California to the identified chemicals. The primary route of exposure to these chemicals has been through ingestion, but may have also occurred through inhalation and/or dermal contact. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product's label. Nu Skin Enterprises, Inc. has violated Proposition 65 because the Company has failed to provide an appropriate warning to persons using these products that they are being exposed to the identified chemical.

Pursuant to Section 25249.7(d) of the statute, ERC intends to file a citizen enforcement action sixty days after effective service of this Notice unless Nu Skin Enterprises, Inc. agrees in an enforceable written instrument to: (1) reformulate the listed products so as to eliminate further exposures to the identified chemicals; and (2) pay an appropriate civil penalty. Consistent with the public interest goals of Proposition 65 and ERC 's objectives in pursuing this Notice, 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, Michael Freund, address: 1915 Addison Street, Berkley, California, 94704-1101, telephone no.: 510-540-1992, e-mail: Freund1@aol.com.

Sincerely,

Chris Heptinstall
Executive Director

Environmental Research Center

cc: Karen Evans

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to Nu Skin Enterprises, Inc. and its Registered Agent for Service of Process only) Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violations of California Health & Safety Code §25249.5 et seq. January 14, 2011 Page 4

#### **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 January 14, 2011, 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 Nu Skin Enterprises, Inc. 75 West Center Street Provo, UT 84601 CT Corporation System (Nu Skin Enterprises, Inc.'s Registered Agent for Service of Process) 136 East South Temple, Suite 2100 Salt Lake City, UT 84111

On January 14, 2011, 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 January 14, 2011, 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 January 14, 2011, in Fort Oglethorpe, Georgia.

SHAMI

Chris Heptinstall

## Notice of Violations of California Health & Safety Code §25249.5 et seq. January 14, 2011 Page 5

#### 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

## Notice of Violations of California Health & Safety Code §25249.5 et seq. January 14, 2011 Page 6

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., 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 212J 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 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