LEXINGTON LAW GROUP Eric S. Somers, State Bar No. 139050 ENDORSED 2 Howard Hirsch, State Bar No. 213209 FILED ALAMEDA COUNTY 503 Divisadero Street 3 San Francisco, CA 94117 MAR - \$ 2012 De Telephone: (415) 913-7800 4 Facsimile: (415) 759-4112 CLERK OF THE SUPERIOR COURT esomers@lexlawgroup.com ByBechera LaMotte Deputy hhirsch@lexlawgroup.com 6 Attorneys for Plaintiff CENTÉR FOR ENVIRONMENTAL HEALTH 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 Case No. RG12620105 11 CENTER FOR ENVIRONMENTAL HEALTH, ) a non-profit corporation, 12 Plaintiff, COMPLAINT FOR INJUNCTIVE 13 RELIEF AND CIVIL PENALTIES v. 14 GAGS AND GAMES, INC.; ABC ONLINE Health & Safety Code §25249.6, et seq. 15 RESOURCES, LLC; ANY TIME COSTUMES.COM, INC.; ASADART, LLC; (Other) 16 BUYSEASONS, INC.; COSTUME CRAZE, L.C.; COSTUME SUPERCENTER LLC; 17 COSTUME SUPERCENTER OF NJ L.L.C. FIRST FANTASIES - COSTUME CUZZINS. 18 INC.; HALLOWEEN EXPRESS; MORRIS COSTUMES, INC.; SCREAMERS 19 COSTUMES; SHOP BLOC INC.; SPIRIT HALLOWEEN SUPERSTORES, LLC; TOYNK) 20 TOYS, LLC; UNBEATABLE SALE.COM, INC. and Defendant DOES 1 through 200, 21 inclusive, 22 Defendants. 23 24 25 26 27 28

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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 complaint seeks to remedy Defendants' continuing failure to warn individuals in California that they are being exposed to lead and lead compounds (collectively referred to herein as "Lead") and/or cadmium. Lead is a chemical known to the State of California to cause cancer and birth defects and other reproductive harm. Cadmium is 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 Lead, cadmium or both. Consumers, including pregnant women and children, are exposed to Lead, cadmium or both 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 cancer, birth defects or other reproductive harm without providing clear and reasonable warnings to individuals prior to their exposure. Defendants introduce Jewelry into the California marketplace contaminated with significant quantities of Lead, cadmium or both Lead and cadmium, thereby exposing consumers of their Jewelry to Lead and/or cadmium. Many of these consumers are women of childbearing age.
- 3. Despite the fact that Defendants expose pregnant women, children and other people who come into contact with the Jewelry to Lead, cadmium or both, Defendants provide no warnings whatsoever about the carcinogenic and reproductive hazards associated with these Lead and 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.			

- Defendant ABC ONLINE RESOURCES, LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. ABC Online Resources, LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.
- Defendant ANY TIME COSTUMES.COM, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Any Time Costumes.com, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in
- Defendant ASADART, LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. ASADART, LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.
- Defendant BUYSEASONS, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. BuySeasons, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- Defendant COSTUME CRAZE, L.C. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Costume Craze, L.C. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- Defendant COSTUME SUPERCENTER LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Costume Supercenter LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.

business within the meaning of Health & Safety Code §25249.11. Toynk Toys, LLC manufactures, distributes and/or sells the Jewelry for sale or use in California.

- 20. Defendant UNBEATABLE SALE.COM, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Unbeatable Sale.com, Inc. manufactures, distributes and/or sells the Jewelry for sale or use in California.
- 21. DOES 1 through 200 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 1 through 200 manufacture, distribute and/or sell the Jewelry for sale or use in California.
- 22. The true names of DOES 1 through 200 are unknown to CEH at this time. When their identities are ascertained, the Complaint shall be amended to reflect their true names.
- 23. The defendants identified in paragraphs 5 through 20 and DOES 1 through 200 are collectively referred to herein as "Defendants."

## JURISDICTION AND VENUE

- 24. 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.
- 25. 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.
- 26. Venue is proper in the Alameda Superior Court because one or more of the violations arise in the County of Alameda.

# **BACKGROUND FACTS**

27. 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).

28. To effectuate this goal, Proposition 65 prohibits exposing people to chemicals listed by the State of California as known to cause cancer, 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. . .

- 29. On February 27, 1987, the State of California officially listed lead as a chemical known to cause reproductive toxicity. Lead is specifically identified as a reproductive toxicant under three subcategories: "developmental reproductive toxicity," which means harm to the developing fetus, "female reproductive toxicity," which means harm to the female reproductive system, and "male reproductive toxicity," which means harm to the male reproductive system. 27 California Code of Regulations ("C.C.R.") §27001(c). On February 27, 1988, one year after it was listed as a chemical known to cause reproductive toxicity, lead became subject to the clear and reasonable warning requirement regarding reproductive toxicants under Proposition 65. *Ibid.*; Health & Safety Code §25249.10(b).
- 30. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer. On October 1, 1993, one year after they were listed as chemicals known to cause cancer, lead and lead compounds became subject to the clear and reasonable warning requirement regarding carcinogens under Proposition 65. 27 C.C.R. §27001(c); Health & Safety Code §25249.10(b).
- 31. 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. 27 C.C.R. §27001(c); Health & Safety Code §25249.10(b).
  - 32. For over eight years, CEH has been extensively investigating the presence

of toxic chemicals in Jewelry. CEH's investigation has included filing three 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., et al.* (Alameda County Superior Court Case No. RG 04-162037), *Center for Environmental Health v. Nadri, Inc., et al.* (Alameda County Superior Court Case No. RG 06-269531), and *Center for Environmental Health v. Two's Company, Inc., et al.* (Alameda County Superior Court Case No. RG 10-545680). 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.

- 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 investigation has included filing three Proposition 65 lawsuits against manufacturers and re-sellers of Jewelry that contain cadmium, entitled *Center for Environmental Health v. Aeropostale, Inc.* (Alameda County Superior Court Case No. RG 10-514803), *Center for Environmental Health v. Cara Accessories Ltd.* (Alameda County Superior Court Case No. RG 10-545687), and *Center for Environmental Health v. Forum Novelties, Inc.* (Alameda County Superior Court Case No. RG 11-574481). CEH's complaint in the *Cara Accessories* action also alleges violations of Proposition 65 based on sales of Lead-containing Jewelry. The *Hot Topic, Nadri* and *Forum Novelties* actions have been coordinated with other actions under *Proposition 65 Jewelry Cases*, JCCP Case No. 4666. CEH also co-sponsored SB 924, which was passed by the California Legislature in 2010 and which prohibits the sale of cadmium-containing children's Jewelry.
- 34. Young children are especially susceptible to the toxic effects of Lead. Children show a greater sensitivity to Lead's effects than do adults. Adverse health impacts from Lead exposure generally occur in children at lower blood Lead levels than in adults. Children absorb and retain more Lead in proportion to their weight than do adults. Young children also show a greater prevalence of iron deficiency, a condition that can increase gastrointestinal

absorption of Lead. The body accumulates Lead over a lifetime and releases it slowly, so even small doses received in childhood, over time, can cause adverse health impacts, including but not limited to reproductive toxicity, later in life. For example, in times of physiological stress, such as pregnancy, the body can mobilize accumulated stores of Lead in tissue and bone, thereby increasing the level of Lead in the blood and increasing the risk of harm to the fetus.

- Lead exposure have been shown to permanently reduce mental capacity. *See, e.g.*, Davis, J.M., Svendgaard, D.J., "Lead and Child Development," *Nature* 329:297-300, 1987. One study on the effect of childhood Lead exposure declared that even the smallest detectable amount of blood Lead levels in children can mean the difference between an A or B grade in school. Lanphear, B.P., Dietrich, K., Auinger, P., Cox, C., "Subclinical Lead Toxicity in U.S. Children and Adolescents," *Neurodevelopmental Disabilities II Platform*, 2000. A recent study found that childhood Lead exposure actually predicts intellectual functioning in early adulthood in that adult IQ levels are inversely associated with blood Lead concentrations from childhood. Mazumdar, M., Bellinger, D.C., Gregas, M., Abanilla, K., Bacic, J., Needleman, H.L., "Low-Level Environmental Lead Exposure in Childhood and Adult Intellectual Function: A Follow-Up Study," *Environmental Health* 10:24, 2011.
- 36. Lead exposures for pregnant women are also of particular concern in light of evidence that even short term Lead exposures *in utero* may have long-term harmful effects. See, e.g., Hu, H., et al., "Fetal Lead Exposure at Each State of Pregnancy as a Predictor of Infant Mental Development," Environmental Health Perspectives 114:11, 2006; Schnaas, L., et al., "Reduced Intellectual Development in Children with Prenatal Lead Exposure," Environmental Health Perspectives 114:5, 2006.
- 37. 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).

- 38. Defendants' Jewelry is made of materials and components that contain Lead, cadmium or both Lead and cadmium.
- 39. Defendants' Jewelry contains sufficient quantities of Lead, cadmium or both such that consumers, including pregnant women and children, who wear, use, touch and/or handle the Jewelry are exposed to Lead and 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.
- 40. No clear and reasonable warning is provided with the Jewelry regarding the carcinogenic and reproductive hazards of Lead or the reproductive hazards of cadmium.
- 41. 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).
- 42. 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 listed chemicals 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.

- 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 Lead and cadmium alleged in 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 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.
- 44. 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.
- 45. 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).

- 46. Defendants have been informed of the Lead and cadmium in their Jewelry by the 60-Day Notice of Violation and accompanying Certificate of Merit served on them by CEH.
- 47. Defendants also have constructive knowledge that their Jewelry contains Lead and cadmium due to the widespread media coverage concerning the problem of Lead and cadmium in consumer products in general and in Jewelry in particular. Defendants are also presumed to know the law and, due to the widespread nature of the problem, the California Legislature passed laws governing the Lead and cadmium content of Jewelry in 2006 and 2010, respectively.
- 48. Defendants both know and intend that individuals, including pregnant women and children, through the average use of the Jewelry, will wear, touch and handle the Jewelry, thus exposing them to Lead and cadmium.
- 49. Nevertheless, Defendants continue to expose consumers to Lead and cadmium without prior clear and reasonable warnings regarding the carcinogenic and reproductive hazards of Lead and the reproductive hazards of cadmium.
- 50. CEH has engaged in good-faith efforts to resolve the claims alleged herein prior to filing this complaint.
- 51. Any person "violating or threatening to violate" Proposition 65 may be enjoined in any court of competent jurisdiction. Health & Safety Code §25249.7. "Threaten to violate" is defined to mean "to create a condition in which there is a substantial probability that a violation will occur." Health & Safety Code §25249.11(e). Proposition 65 provides for civil penalties not to exceed \$2,500 per day for each violation of Proposition 65.

#### FIRST CAUSE OF ACTION

(Violations of the Health & Safety Code §25249.6)
(Defendants ABC Online Resources, LLC, ASADART, LLC, Costume Craze, L.C.,
Costume Supercenter LLC, Costume Supercenter of NJ L.L.C., First Fantasies - Costume
Cuzzins, Inc., Halloween Express, Morris Costumes, Inc., Screamers Costumes, Shop Bloc,
Inc., Spirit Halloween Superstores, LLC, Unbeatable Sale.com, Inc. and DOES 1-200)

52. CEH realleges and incorporates by reference as if specifically set forth

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1	from use of Jewelry sold by Defendants, as CEH shall specify in further application to the Cour		
2	4. That the Court, pursuant to Code of Civil Procedure §1021.5 or any other		
3	applicable theory, grant CEH its reasonable attorneys' fees and costs of suit; and		
4	4 5. That the Court grant such of	That the Court grant such other and further relief as may be just and	
5	5 proper.		
6	6		
7	7 Dated: March <u>5</u> , 2012 Resp	pectfully submitted,	
8	8 LEX	INGTON LAW GROUP	
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11		S. Somers rneys for Plaintiff	
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