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SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

AUG 20 2012

John A. Clarke, Executive Officer/Clerk
BY Cristina Grijalva Deputy
Cristina Grijalva

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – CENTRAL DISTRICT

CONSUMER ADVOCACY GROUP, INC., in the public interest, Plaintiff, v. DONG HE INTERNATIONAL TRADING, INC., a California Corporation; SMART COOK, INC., a California Corporation; BIG LOTS STORES, INC., an Ohio Corporation; BIG LOTS, INC., an Ohio Corporation; COST SAVER MARKET, a business entity form unknown; RALEY'S, a California Corporation, UNITED POWER GROUP, INC., a California Corporation; FOOD SOURCE, a business entity form unknown; and DOES 1-20; Defendants.	CASE NO. BC490595 COMPLAINT FOR PENALTY, INJUNCTION Violation of Proposition 65, the Safe Drinking Water and Toxic Enforcement Act of 1986 (*Health & Safety Code*, § 25249.5, *et seq.*) ACTION IS AN UNLIMITED CIVIL CASE (exceeds $25,000)

Plaintiff Consumer Advocacy Group, Inc. alleges a cause of action against defendants, DONG HE INTERNATIONAL TRADING, INC., SMART COOK, INC., BIG LOTS STORES, INC., BIG LOTS, INC., COST SAVER MARKET, RALEY'S, UNITED POWER GROUP, INC., FOOD SOUREC, AND DOES 1-20, as follows:

COPY

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).
2. Defendant Dong He International Trading, Inc. ("Dong") is a California corporation, qualified to do business and doing business in the State of California at all relevant times herein.
3. Defendant Smart Cook, Inc. dba United Power Group, Inc. ("Smart") is a California corporation, qualified to do business and doing business in the State of California at all relevant times herein.
4. Defendant Cost Saver Market ("Cost") is a business entity form unknown, doing business in California at all relevant times herein.
5. Defendant Big Lots Stores, Inc., ("Big Lots") is an Ohio corporation, qualified to do business and doing business in the State of California at all relevant times herein.
6. Defendant Big Lots, Inc., ("Big") is an Ohio corporation, qualified to do business and doing business in the State of California at all relevant times herein.
7. Defendant Raley's ("Raley's") is a California corporation, qualified to do business in the State of California at all relevant times herein.
8. Defendant United Power Group, Inc. ("United") is a California corporation, doing business in the State of California at all relevant times herein.
9. Defendant Food Source ("Food") is a business entity form unknown, doing business in the State of California at all relevant times herein.
10. 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.

11. At all times mentioned herein, the term "Defendants" includes Dong, Smart, Big Lots, Big, Raley's, Cost, United, Food and Does 1-20.

12. 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.

13. 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.

14. 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

15. 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.

16. 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.

17. 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

18. 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.

19. 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.

20. 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).

21. 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).

22. Plaintiff identified certain practices of manufacturers and distributors of Diethyl Hexyl Phthalate ("DEHP")-bearing, and Di-n-Butyl Phthalate ("DBP")-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.

23. On December 2, 2005, the Governor of California added DBP to the list of chemicals 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 DBP to the list of chemicals known to the State to cause reproductive toxicity, DBP became fully subject to Proposition 65 warning requirements and discharge prohibitions.

24. On January 1, 1988, the Governor of California added DEHP to the list of chemicals known to the State to cause cancer, and on October 24, 2003, the Governor added DEHP to the list of chemicals known to the State to cause developmental male reproductive toxicity. Pursuant to Health and Safety Code sections 25249.9 and 25249.10, twenty (20) months after addition of DEHP to the list of chemicals known to the State to cause reproductive toxicity, DEHP became fully subject to Proposition 65 warning requirements and discharge prohibitions.

SATISFACTION OF PRIOR NOTICE

25. On or about February 27, 2012, 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 Dong, Smart, Cost 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 Cookware.

26. On or about March 6, 2012, 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 Dong, Smart, Big Lots, Big 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 Inspection Tools.

27. On or about April 23, 2012, 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 Raley's, United, Food, 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 Tongs.

28. 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 DBP and DEHP, and the corporate structure of each of the Defendants.

29. 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 DBP and DEHP, 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.

30. 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).

31. Plaintiff is commencing this action more than sixty (60) days from the dates that Plaintiff gave notices of the alleged violations to Dong, Smart, and the public prosecutors referenced in Paragraphs 25-27.

32. 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 DONG HE INTERNATIONAL TRADING, INC., SMART COOK, INC., BIG LOTS STORES, INC., BIG LOTS, INC., COST SAVER MARKET, RALEY'S, UNITED POWER GROUP, INC., and FOOD SOURCE 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.*))

Cookware

33. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 32 of this complaint as though fully set forth herein.

34. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of Cookware (hereinafter "Cookware"), including but not limited to "Smart Cook®" "Serving Tongs", Item # 58001, "Made in China," and Smart Cook® Serving Tongs, Classic Collection, "Quality That You Can Trust", Item #58001.

35. Plaintiff is informed, believes, and thereon alleges that Cookware contain DBP and DEHP.

36. Defendants knew or should have known that DBP and DEHP has been identified by the State of California as chemicals known to cause cancer and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of DBP and DEHP in Cookware within Plaintiff's notice of alleged violations further discussed above at Paragraph 25 and 27.

37. Plaintiff's allegations regarding Cookware 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). Cookware is a consumer product used in close proximity to food, and, as mentioned herein, exposures to DBP and DEHP took place as a result of such normal and foreseeable consumption and use.

38. Plaintiff's allegations regarding Cookware also concern Occupational Exposures, which "means an exposure to any employee in his or her employer's workplace." *Cal. Code Regs.* tit. 27, § 25602(f). Exposures of DBP and DEHP to Defendants' employees occurred through the course of their employment in their employers' workplaces.

39. Plaintiff is informed, believes, and thereon alleges that between February 28, 2009 and the present, each of the Defendants knowingly and intentionally exposed California consumers and users of Cookware, which Defendants manufactured, distributed, or sold as mentioned above, to DBP and DEHP, 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 Cookware in California. Defendants know and intend that California consumers will use and consume Cookware thereby exposing them to DBP and DEHP. Defendants thereby violated Proposition 65.

40. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Cookware without wearing gloves or any other personal protective equipment, or by touching bare skin or mucous membranes with

gloves after handling Cookware, as well as through hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Cookware.

41. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Cookware 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 Cookware, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to DBP and DEHP by Cookware as mentioned herein.

42. 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.

43. Based on the allegations herein, Defendants are liable for civil penalties of up to $2,500.00 per day per individual exposure to DBP and DEHP from Cookware, pursuant to Health and Safety Code section 25249.7(b).

44. In the absence of equitable relief, the general public and Defendants' employees will continue to be involuntarily exposed to DBP and DEHP that is contained in Cookware, 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.

SECOND CAUSE OF ACTION

(By Consumer Advocacy Group, Inc. and against DONG HE INTERNATIONAL TRADING, INC., SMART COOK, INC., 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.*))

Inspection Tools

45. Plaintiff Consumer Advocacy Group, Inc. repeats and incorporates by reference paragraphs 1 through 44 of this complaint as though fully set forth herein.

46. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of Inspection Tools containing DEHP (hereinafter "Tools"), including but not limited to "Shop Basics™" Telescoping Inspection Tool With Mirror, V# 1008347, Item # HS230019489.

47. Plaintiff is informed, believes, and thereon alleges that Tools contain DEHP.

48. Defendants knew or should have known that DEHP 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 DEHP in Tools within Plaintiff's notice of alleged violations further discussed above at Paragraph 26.

49. Plaintiff's allegations regarding Tools 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). Tools are consumer products, and, as mentioned herein, exposures to DEHP took place as a result of such normal and foreseeable consumption and use.

50. Plaintiff is informed, believes, and thereon alleges that between March 6, 2009 and the present, each of the Defendants knowingly and intentionally exposed California consumers and users of Tools, which Defendants manufactured, distributed, or sold as mentioned above, to DEHP, 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 Tools in California. Defendants know and intend that California consumers will use and consume Tools thereby exposing them to DEHP. Defendants thereby violated Proposition 65.

51. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Tools without wearing gloves or any other personal protective equipment, or by touching bare skin or mucous membranes with

gloves after handling Tools, as well as through hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Tools.

52. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Tools 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 Tools, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to DEHP by Cookware as mentioned herein.

53. 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.

54. Based on the allegations herein, Defendants are liable for civil penalties of up to $2,500.00 per day per individual exposure to DEHP from Tools, pursuant to Health and Safety Code section 25249.7(b).

55. 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.

Dated: _____,2012

YEROUSHALMI & ASSOCIATES

BY:_____
Reuben Yeroushalmi
Attorneys for Plaintiff,
Consumer Advocacy Group, Inc.