SUPERIOR COURT OF THE STATE OF CALIFORNIA

Case No. CGC-13-532293

SECOND AMENDED COMPLAINT FOR INJUNCTIVE AND **DECLARATORY RELIEF AND CIVIL PENALTIES**

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

1. Plaintiff Environmental Research Center (hereinafter "Plaintiff" or "ERC") brings this action as a private attorney general enforcer and in the public interest pursuant to Health & Safety Code section 25249.7, subdivision (d). This complaint seeks injunctive and declaratory relief and civil penalties to remedy Defendant Altasource, LLC dba Meta Labs, LLC and Does 1-100 (hereinafter "Meta Labs")' failure to warn consumers that they have been exposed to lead from

Page 1 of 7

several of Meta Labs' nutritional health products. Lead is 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.

П

PARTIES

- 2. Plaintiff ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by reducing the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees and encouraging corporate responsibility.
- 3. Defendant Meta Labs is a business that manufactures, distributes and/or sells nutritional health products that have exposed users to lead in the State of California within the relevant statute of limitations period. These Covered Products include Amo-O T Maximum Strength Testosterone Booster; Mega-Gen Ultimate X Suppressor; Ultimate T Libido Builder High Potency Formula; Tiro De Brasil; and Mega-Gen MT-3000 (kit includes Mega-Gen MT-3000 Muscle Test -1 Homeopathic Testosterone Body Cream, Mega-Gen MT-3000 Muscle Test -2 Muscle Matrix, Mega-Gen MT-3000 Muscle Test -3 Resveratrol). Meta Labs is a company subject to Proposition 65 as it employs ten or more persons.
- 4. Defendants Does 1-100, are named herein under fictitious names, as their true names and capacities are unknown to ERC. 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.

Ш

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. The Complaint is based on allegations contained in a Notice of Violation dated October 26, 2012, served on the California Attorney General, other public enforcers and Meta Labs. A true and correct copy of the Notice of Violation is attached as Exhibit A. More than 60 days have passed since the Notice of Violation was 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 the County of San Francisco 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 define expose as "to cause to ingest, inhale, contact via body surfaces or otherwise come into contact with a listed chemical." An individual may come into contact with a listed chemical through water, air, food, consumer products and any other environmental exposure as well as occupational exposures." (Cal. Code Regs., tit. 27, § 25102, subd. (i).)

Page 3 of 7

- 11. In this case, the exposures at issue are caused by consumer products. Implementing regulations for Proposition 65 define a consumer product exposure as "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." (Cal. Code Regs., tit. 27, § 25602, subd. (b).)
- 12. 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." (Cal. Code Regs., tit. 27, § 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. (Cal. Code Regs., tit. 27, § 25603.1, subd. (a)-(d).)
- 13. 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, § 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. (Health & Safety Code, § 25249.10, subd. (b).) Lead was listed as a chemical known to the State of California to cause developmental toxicity in the fetus 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. (Cal. Code Regs., tit. 27, § 27001.)
- 14. The Maximum Allowable Dose Level for lead as a chemical known to cause developmental toxicity is 0.5 micrograms per day. (Cal. Code Regs., tit. 27, § 25805.) The No Significant Risk Level for lead as a carcinogen is 15 micrograms per day. (Cal. Code Regs., tit. 27, § 25705.)
- 15. 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, subdivisions (c) and (d).

16. 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, § 25249.7, subd. (a).) To "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, subd. (e).) Furthermore, violators are subject to a civil penalty of up to \$2,500 per day for each violation. (Health & Safety Code, § 25249.7, subd. (b)(1).

V

STATEMENT OF FACTS

- 17. Meta Labs has manufactured, distributed and/or sold the Covered Products containing lead to the State of California. Consumers have been ingesting these products for many years, without any knowledge of their exposure to lead, a very dangerous chemical.
- 18. For many years, Meta Labs has knowingly and intentionally exposed numerous persons to lead, without providing a Proposition 65 warning. Prior to ERC's Notice of Violation, Meta Labs failed to provide a warning on the label of the Covered Products. Meta Labs has at all times relevant hereto been aware that the Covered Products contained lead and that persons using these products have been exposed to the chemical. Meta Labs' website represents to the public that its products are "made with the most natural, purest, and highest quality ingredients available". Meta Labs' website further states that its "quality control protocols require several levels of testing including: physical testing tablet hardness, weight variation of dosage units, disintegration and dissolution (pH, viscosity, refractive index, color analysis); analytical testing assay of active ingredients and chemical impurities (refractive index, weight analysis, weight differential, gas chromatography); microbial testing bacterial count and the presence of pathogens (aerobic plate count, outside laboratories for independent testing); Identification of low-level contaminants that originate from the environment, manufacturing process, or storage containers (primary pollutants, residual solvents, agrochemicals, and chemical species found in 'plastic' containers) using mass spectrometry. These tests utilize techniques and methodologies that are performed on incoming raw

materials, in-process batch samples, finished product batch samples, validation samples, and stability samples." Meta Labs has been aware of the lead in the Covered Products and has failed to disclose the presence of this chemical to the public, who undoubtedly believed they have been ingesting totally healthy and pure products.

19. Both prior and subsequent to ERC's Notice of Violation, Meta Labs failed to provide consumers of the Covered Products with a clear and reasonable warning that they have been 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)

- 20. ERC refers to paragraphs 1-19, inclusive, and incorporates them herein by this reference.
- 21. By committing the acts alleged above, Meta Labs 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.
- 22. Said violations render Meta Labs liable for civil penalties up to \$2,500 per day, for each violation.

SECOND CAUSE OF ACTION

(Declaratory Relief)

- 23. ERC refers to paragraphs 1-22, inclusive, and incorporates them herein by this reference.
- 24. 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 Meta Labs concerning whether Meta Labs has exposed individuals to a chemical known to the State of

Page 6 of 7

rage / OI /



3111 Camino Del Rio North, Suite 400 Sun Diego, CA 92108 619-500-3090

October 26, 2012

NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5 ET SEQ. (PROPOSITION 65)

Dear Alleged Violators and the Appropriate Public Enforcement Agencies:

I am the Executive Director of the Environmental Research Center ("ERC"). 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.

ERC has identified violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at California Health & Safety Code §25249.5 et seq., with respect to the products identified below. These violations have occurred and continue to occur because the alleged Violators identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violators and the appropriate public enforcement agencies. Pursuant to Section 25249.7(d) of the statute, ERC intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

<u>General Information about Proposition 65</u>. A copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is an attachment with the copy of this letter served to the alleged Violators identified below.

Alleged Violators. The names of the companies covered by this notice that violated Proposition 65 (hereinafter collectively referred to as "the Violators") are:

Meta Labs, Inc. Meta Labs, LLC

Exhibit A

<u>Consumer Products and Listed Chemicals</u>. The products that are the subject of this notice and the chemical in that product identified as exceeding allowable levels are:

Meta Labs LLC Amo-O T Maximum Strength Testosterone Booster - Lead

Meta Labs LLC Mega-Gen Ultimate X Suppressor - Lead

MetaLabs Ultimate T Libido Builder High Potency Formula - Lead

Meta Labs LLC Tiro De Brasil - Lead

Meta Labs LLC Mega-Gen MT-3000 (kit includes) - Lead

Meta Labs LLC Mega-Gen MT-3000 Muscle Test -1 Homeopathic Testosterone Body Cream

Meta Labs LLC Mega-Gen MT-3000 Muscle Test -2 Muscle Matrix

Meta Labs LLC Mega-Gen MT-3000 Muscle Test -3 Resveratrol

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 and lead compounds as chemicals known to cause cancer.

It should be noted that ERC may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

Route of Exposure. The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling and recommended use of these products. Consequently, the primary route of exposure to these chemicals has been and continues to be through ingestion, but may have also occurred and may continue to occur through inhalation and/or dermal contact.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least October 26, 2009, as well as every day since the products were introduced into the California marketplace, and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until these known toxic chemicals are either removed from or reduced to allowable levels in the products. 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 label. The Violators violated Proposition 65 because it failed to provide persons handling and/or using these products with appropriate warnings that they are being exposed to these chemicals.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violators to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemicals, or provide appropriate warnings on the labels of these products; and (2) pay

an appropriate civil penalty. Such a resolution will prevent further unwarned consumer exposures to the identified chemicals, as well as an expensive and time consuming litigation.

Please direct all questions concerning this notice to ERC at the above listed address and telephone number.

Sincerely,

Chris Heptinstall
Executive Director

Environmental Research Center

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to Meta Labs, LLC, Meta Labs, Inc. and its Registered Agent for Service of Process only)

Additional Supporting Information for Certificate of Merit (to AG only)

Re: Environmental Research Center's Notice of Proposition 65 Violations by Meta Labs, Inc. and Meta Labs, LLC

CERTIFICATE OF MERIT Health and Safety Code Section 25249.7(d)

I, Chris Heptinstall, declare:

- 1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged the parties identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
 - 2. I am the Executive Director 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 chemicals that are 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 Violators 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 Attorney General attaches to it factual information sufficient to establish the basis for this certificate, including the information identified in Health and 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.

	SHAMI
Dated: October 26, 2012	
2	Chris Heptinstall

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. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at Fort Oglethorpe, Georgia.

On October 26, 2012, 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 with the postage fully prepaid for delivery by Certified Mail:

Meta Labs, Inc. 13515 Providence Lake Drive Alpharetta, GA 30004

Meta Labs, Inc. Current President or CEO 13515 Providence Lake Drive Alpharetta, GA 30004

Falak Krkotli (Registered Agent of Meta Labs, Inc.) 13515 Providence Lake Drive Alpharetta, GA 30004 Meta Labs, LLC 1009 Mansell Road, Suite L Alpharetta, GA 30076

Meta Labs, LLC Current President or CEO 1009 Mansell Road, Suite L Alpharetta, GA 30076

On October 26, 2012, 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 with the postage fully prepaid 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 October 26, 2012, 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 with the postage fully prepaid for delivery by Priority Mail.

Executed on October 26, 2012, in Fort Oglethorpe, Georgia.

Amber Schaub

John Elit

Service List

District Attorney, Alameda County
1225 Fallon Street, Suite 900
Oakland, CA 94612

District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120

District Attorney, Amador County 708 Court Street, Suite 202 Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932

District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553

District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, Suite 1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street 4th Floor Eureka, CA 95501

District Attorney, Imperial County 940 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, Suite 18000 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center Drive, 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 550 W. Main 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 Post Office Box 1131 Salinas, CA 93902

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 West Civic Center Drive Santa Ana, CA 92701

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 3960 Orange Street Riverside, CA 92501

District Attorney, Sacramento County 901 "G" Street Sacramento, CA 95814

District Attorney, San Benito County 419 Fourth Street, 2nd 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, Suite 1300 San Diego, CA 92101

District Attorney, San Francisco County 850 Bryant Street, Suite 322 San Francsico, CA 94103

District Attorney, San Joaquin County 222 E. Weber Ave. Rm. 202 Stockton, CA 95202

District Attorney, San Luis Obispo County 1035 Palm St, Room 450 San Luis Obispo, CA 93408

District Attorney, San Mateo County 400 County Ctr., 3rd Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1112 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 1355 West Street Redding, CA 96001

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 95354

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 Blvd., Room 224 Visalia, CA 93291 District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Ventura County 800 South Victoria Ave, Suite 314 Ventura, CA 93009

District Attorney, Yolo County 301 2nd Street Woodland, CA 95695

District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901

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

San Diego City Attorney's Office 1200 3rd Avenue, Ste 1620 San Diego, CA 92101

San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett PL San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street, 16th Floor San Jose, CA 95113