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10 Attorneys for Plaintiff
CENTER FOR ENVIRONMENTAL HEALTH
11

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 COUNTY OF ALAMEDA

14 CENTER FOR ENVIRONMENTAL HEALTH,)
15 a non-profit corporation,)
16 Plaintiff,)

v.)

17 ALBERTO-CULVER USA, INC.; ADDED)
EXTRAS LLC; ASPIRE BRANDS; AVLON)
18 INDUSTRIES, INC.; BLISS WORLD LLC;)
JC PENNEY CORPORATION, INC.; KOHL'S)
19 CORPORATION; LENDA, INC.; MACY'S)
WEST STORES, INC.; MARSHALLS OF MA,)
20 INC.; MARSHALLS OF CA, LLC; MCBRIDE)
RESEARCH LABORATORY, INC.;)
21 NATERRA INTERNATIONAL, INC.;)
PERFECT PLUS, INC.; PH BEAUTY LABS,)
22 INC.; SALLY BEAUTY SUPPLY, LLC;)
SALLY BEAUTY HOLDINGS, INC.; SOAP &)
23 GLORY USA LLC; TPR HOLDINGS LLC;)
TRADER JOE'S COMPANY; TRANS-INDIA)
24 PRODUCTS, INC. DBA SHIKAI PRODUCTS;)
25 TRI-COASTAL DESIGN GROUP, INC.; and)
DOES 1 through 700, inclusive,)

26 Defendants.)
27
28

ENDORSED
FILED
ALAMEDA COUNTY

SEP 30 2013

CLERK OF THE SUPERIOR COURT
By Angela Yansuan Deputy

Case No. **RG13 697455**

COMPLAINT FOR INJUNCTIVE
RELIEF AND CIVIL PENALTIES

Health & Safety Code § 25249.6, *et seq.*

(Other)

1 Plaintiff Center for Environmental Health, in the public interest, based on
2 information and belief and investigation of counsel, except for information based on knowledge,
3 hereby makes the following allegations:

4 **INTRODUCTION**

5 1. This Complaint seeks to remedy Defendants' continuing failure to warn
6 individuals in California that they are being exposed to coconut oil diethanolamine condensate
7 (cocamide diethanolamine) (hereinafter, "Cocamide DEA"), a chemical known to the State of
8 California to cause cancer. Cocamide DEA is a toxic chemical that is used as a foam stabilizer,
9 emulsifier and viscosity builder in cosmetic products. This Complaint addresses exposures that
10 have occurred, and continue to occur, through the manufacture, distribution, sale, and/or use of
11 shampoo and liquid soaps, such as hand soap, body wash and bubble bath (collectively,
12 "Products"). Individuals in California, including pregnant women and children, are exposed to
13 Cocamide DEA through ordinary use of the Products.

14 2. Under California's Proposition 65, Health & Safety Code § 25249.5, *et*
15 *seq.*, it is unlawful for businesses to knowingly and intentionally expose individuals in California
16 to chemicals known to the State to cause cancer without providing clear and reasonable warnings
17 to individuals prior to their exposure. Defendants introduce Products contaminated with
18 significant quantities of Cocamide DEA into the California marketplace, exposing consumers of
19 their Products to Cocamide DEA.

20 3. Despite the fact that Defendants expose pregnant women, children, and
21 other people to Cocamide DEA, Defendants provide no warnings whatsoever about the
22 carcinogenic hazards associated with these Cocamide DEA exposures. Defendants' conduct thus
23 violates the warning provision of Proposition 65. Health & Safety Code § 25249.6.

24 **PARTIES**

25 4. Plaintiff CENTER FOR ENVIRONMENTAL HEALTH ("CEH") is a
26 non-profit corporation dedicated to protecting the public from environmental health hazards and
27 toxic exposures. CEH is based in Oakland, California and is incorporated under the laws of the
28 State of California. CEH is a "person" within the meaning of Health & Safety Code §

1 25249.11(a) and brings this enforcement action in the public interest pursuant to Health & Safety
2 Code § 25249.7(d). CEH is a nationally recognized non-profit environmental advocacy group
3 that has prosecuted a large number of Proposition 65 cases in the public interest. These cases
4 have resulted in significant public benefit, including the reformulation of thousands of products
5 to remove toxic chemicals to make them safer. CEH also provides information to Californians
6 about the health risks associated with exposure to hazardous substances, where manufacturers
7 and other responsible parties fail to do so.

8 5. Defendant ALBERTO-CULVER USA, INC. is a person in the course of
9 doing business within the meaning of Health & Safety Code § 25249.11. ALBERTO-CULVER
10 USA, INC. manufactures, distributes, and/or sells Products for sale or use in California.

11 6. Defendant ADDED EXTRAS LLC is a person in the course of doing
12 business within the meaning of Health & Safety Code § 25249.11. ADDED EXTRAS LLC
13 manufactures, distributes, and/or sells Products for sale or use in California.

14 7. Defendant ASPIRE BRANDS is a person in the course of doing business
15 within the meaning of Health & Safety Code § 25249.11. ASPIRE BRANDS manufactures,
16 distributes, and/or sells Products for sale or use in California.

17 8. Defendant AVLON INDUSTRIES, INC. is a person in the course of doing
18 business within the meaning of Health & Safety Code § 25249.11. AVLON INDUSTRIES, INC.
19 manufactures, distributes, and/or sells Products for sale or use in California.

20 9. Defendant BLISS WORLD LLC is a person in the course of doing
21 business within the meaning of Health & Safety Code § 25249.11. BLISS WORLD LLC
22 manufactures, distributes, and/or sells Products for sale or use in California.

23 10. Defendant JC PENNEY CORPORATION, INC. is a person in the course
24 of doing business within the meaning of Health & Safety Code § 25249.11. JC PENNEY
25 CORPORATION, INC. manufactures, distributes, and/or sells Products for sale or use in
26 California.

27 11. Defendant KOHL'S CORPORATION is a person in the course of doing
28 business within the meaning of Health & Safety Code § 25249.11. KOHL'S CORPORATION

1 manufactures, distributes, and/or sells Products for sale or use in California.

2 12. Defendant LENDA, INC. is a person in the course of doing business
3 within the meaning of Health & Safety Code § 25249.11. LENDA, INC. manufactures,
4 distributes, and/or sells Products for sale or use in California.

5 13. Defendant MACY'S WEST STORES, INC. is a person in the course of
6 doing business within the meaning of Health & Safety Code § 25249.11. MACY'S WEST
7 STORES, INC. manufactures, distributes, and/or sells Products for sale or use in California.

8 14. Defendant MARSHALLS OF CA, LLC is a person in the course of doing
9 business within the meaning of Health & Safety Code § 25249.11. MARSHALLS OF CA, LLC
10 manufactures, distributes, and/or sells Products for sale or use in California.

11 15. Defendant MARSHALLS OF MA, INC. is a person in the course of doing
12 business within the meaning of Health & Safety Code § 25249.11. MARSHALLS OF MA, INC.
13 manufactures, distributes, and/or sells Products for sale or use in California.

14 16. Defendant MCBRIDE RESEARCH LABORATORY, INC. is a person in
15 the course of doing business within the meaning of Health & Safety Code § 25249.11.
16 MCBRIDE RESEARCH LABORATORY, INC. manufactures, distributes, and/or sells Products
17 for sale or use in California.

18 17. Defendant NATERRA INTERNATIONAL, INC. is a person in the course
19 of doing business within the meaning of Health & Safety Code § 25249.11. NATERRA
20 INTERNATIONAL, INC. manufactures, distributes, and/or sells Products for sale or use in
21 California.

22 18. Defendant PERFECT PLUS, INC. is a person in the course of doing
23 business within the meaning of Health & Safety Code § 25249.11. PERFECT PLUS, INC.
24 manufactures, distributes, and/or sells Products for sale or use in California.

25 19. Defendant PH BEAUTY LABS, INC. is a person in the course of doing
26 business within the meaning of Health & Safety Code § 25249.11. PH BEAUTY LABS, INC.
27 manufactures, distributes, and/or sells Products for sale or use in California.

28 20. Defendant SALLY BEAUTY SUPPLY, LLC is a person in the course of

1 doing business within the meaning of Health & Safety Code § 25249.11. SALLY BEAUTY
2 SUPPLY, LLC manufactures, distributes, and/or sells Products for sale or use in California.

3 21. Defendant SALLY BEAUTY HOLDINGS, INC. is a person in the course
4 of doing business within the meaning of Health & Safety Code § 25249.11. SALLY BEAUTY
5 HOLDINGS, INC. manufactures, distributes, and/or sells Products for sale or use in California.

6 22. Defendant SOAP & GLORY USA LLC is a person in the course of doing
7 business within the meaning of Health & Safety Code § 25249.11. SOAP & GLORY USA LLC
8 manufactures, distributes, and/or sells Products for sale or use in California.

9 23. Defendant TPR HOLDINGS LLC is a person in the course of doing
10 business within the meaning of Health & Safety Code § 25249.11. TPR HOLDINGS LLC
11 manufactures, distributes, and/or sells Products for sale or use in California.\

12 24. Defendant TRADER JOE'S COMPANY is a person in the course of doing
13 business within the meaning of Health & Safety Code § 25249.11. TRADER JOE'S
14 COMPANY manufactures, distributes, and/or sells Products for sale or use in California.

15 25. Defendant TRANS-INDIA PRODUCTS, INC. DBA SHIKAI
16 PRODUCTS is a person in the course of doing business within the meaning of Health & Safety
17 Code § 25249.11. TRANS-INDIA PRODUCTS, INC. DBA SHIKAI PRODUCTS
18 manufactures, distributes, and/or sells Products for sale or use in California.

19 26. Defendant TRI-COASTAL DESIGN GROUP, INC. is a person in the
20 course of doing business within the meaning of Health & Safety Code § 25249.11. TRI-
21 COASTAL DESIGN GROUP, INC. manufactures, distributes, and/or sells Products for sale or
22 use in California.

23 27. DOES 1 through 700 are each a person in the course of doing business
24 within the meaning of Health & Safety Code § 25249.11. DOES 1 through 700 manufacture,
25 distribute, and/or sell Products for sale or use in California.

26 28. The true names of DOES 1 through 700 are unknown to CEH at this time.
27 When their identities are ascertained, the Complaint shall be amended to reflect their true names.

28 29. The defendants identified in paragraphs 5 through 26 and DOES 1 through

1 700 are collectively referred to herein as “Defendants.”

2 **JURISDICTION AND VENUE**

3 30. The Court has jurisdiction over this action pursuant to Health & Safety
4 Code § 25249.7, which allows enforcement in any court of competent jurisdiction, and pursuant
5 to California Constitution Article VI, Section 10, because this case is a cause not given by statute
6 to other trial courts.

7 31. This Court has jurisdiction over Defendants because each is a business
8 entity that does sufficient business, has sufficient minimum contacts in California or otherwise
9 intentionally avails itself of the California market through the sale, marketing, or use of Products
10 in California and/or by having such other contacts with California so as to render the exercise of
11 jurisdiction over it by the California courts consistent with traditional notions of fair play and
12 substantial justice.

13 32. Venue is proper in the Alameda Superior Court because one or more of the
14 violations arise in the County of Alameda.

15 **BACKGROUND FACTS**

16 33. The People of the State of California have declared by initiative under
17 Proposition 65 their right “[t]o be informed about exposures to chemicals that cause cancer, birth
18 defects, or other reproductive harm.” Proposition 65, § 1(b).

19 34. To effectuate this goal, Proposition 65 prohibits exposing people to
20 chemicals listed by the State of California as known to cause cancer, birth defects, or other
21 reproductive harm without a “clear and reasonable warning” unless the business responsible for
22 the exposure can prove that it fits within a statutory exemption. Health & Safety Code § 25249.6
23 states, in pertinent part:

24 No person in the course of doing business shall knowingly and
25 intentionally expose any individual to a chemical known to the
26 state to cause cancer or reproductive toxicity without first giving
clear and reasonable warning to such individual ...

27 35. On October 21, 2010, the California Environmental Protection Agency’s
28 Office of Environmental Health Hazard Assessment (“OEHHA”) requested information as to

1 whether Cocamide DEA meets the criteria for listing under Proposition 65 by the authoritative
2 bodies mechanism. On January 20, 2012, OEHHA published a notice of intent to list Cocamide
3 DEA in the California Regulatory Notice Register. The publication of the notice initiated a
4 public comment period that closed on April 6, 2012. On June 22, 2012, the State of California
5 officially listed Cocamide DEA as a chemical known to cause cancer. 27 C.C.R. § 27001(b).

6 36. On June 22, 2013, one year after it was listed as a chemical known to
7 cause cancer, Cocamide DEA became subject to the clear and reasonable warning requirement
8 regarding carcinogens under Proposition 65. 27 C.C.R. § 27001(b); Health & Safety Code §
9 25249.10(b). The chief purpose of the one-year grace period between the listing date of a
10 chemical under Proposition 65 and the effective date of the warning requirement is to give
11 potentially liable parties sufficient time to come into complete compliance with this requirement,
12 such that all illegal exposures can be averted.

13 37. Cocamide DEA is used in Products as a foam stabilizer, emulsifier and
14 viscosity builder in cosmetic products.

15 38. Defendants' Products contain sufficient quantities of Cocamide DEA such
16 that individuals, including infants and children, are exposed to Cocamide DEA through the
17 average use of Products. The routes of exposure include dermal absorption and ingestion by
18 individuals when, for example, they apply the Products to their hair, scalp or skin.

19 39. Any person acting in the public interest has standing to enforce violations
20 of Proposition 65 provided that such person has supplied the requisite public enforcers with a
21 valid 60-Day Notice of Violation and such public enforcers are not diligently prosecuting the
22 action within such time. Health & Safety Code § 25249.7(d).

23 40. More than sixty days prior to naming each Defendant in this lawsuit, CEH
24 provided a 60-Day "Notice of Violation of Proposition 65" to the California Attorney General,
25 the District Attorneys of every county in California, the City Attorneys of every California city
26 with a population greater than 750,000, and to each of the named Defendants. In compliance
27 with Health & Safety Code § 25249.7(d) and 27 C.C.R. § 25903(b), each Notice included the
28 following information: (1) the name and address of each violator; (2) the statute violated; (3) the

1 time period during which violations occurred; (4) specific descriptions of the violations,
2 including (a) the routes of exposure to Cocamide DEA from Products, and (b) the specific type of
3 Products sold and used in violation of Proposition 65; and (5) the name of the specific
4 Proposition 65-listed chemical that is the subject of the violations described in each Notice.

5 41. More than sixty days prior to naming each Defendant in this lawsuit,
6 concurrent with sending the Notices described in the preceding paragraph, CEH also sent a
7 Certificate of Merit for each Notice to the California Attorney General, the District Attorneys of
8 every county in California, the City Attorneys of every California city with a population greater
9 than 750,000, and to the named Defendants. In compliance with Health & Safety Code §
10 25249.7(d) and 11 C.C.R. § 3101, each of the Certificates certified that CEH's counsel: (1) has
11 consulted with one or more persons with relevant and appropriate experience or expertise who
12 reviewed facts, studies, or other data regarding the exposures to Cocamide DEA alleged in each
13 of the Notices; and (2) based on the information obtained through such consultations, believes
14 that there is a reasonable and meritorious case for a citizen enforcement action based on the facts
15 alleged in each of the Notices. In compliance with Health & Safety Code § 25249.7(d) and 11
16 C.C.R. § 3102, each of the Certificates served on the Attorney General included factual
17 information – provided on a confidential basis – sufficient to establish the basis for the
18 Certificate, including the identity of the person(s) consulted by CEH's counsel and the facts,
19 studies, or other data reviewed by such persons.

20 42. None of the public prosecutors with the authority to prosecute violations
21 of Proposition 65 has commenced and/or is diligently prosecuting a cause of action against
22 Defendants under Health & Safety Code § 25249.5, *et seq.*, based on the claims asserted in the
23 Notices.

24 43. Defendants both know and intend that consumers in California, including
25 infants and children, will use, touch, and/or handle the Products, thus exposing them to
26 Cocamide DEA.

27 44. Under Proposition 65, an exposure is “knowing” where the party
28 responsible for such exposure has:

1 knowledge of the fact that a[n] ... exposure to a chemical listed
2 pursuant to [Health and Safety Code § 25249.8(a)] is occurring.
3 No knowledge that the ... exposure is unlawful is required.

4 27 C.C.R. § 25102(n). This knowledge may be either actual or constructive. *See, e.g.*, Final
5 Statement of Reasons Revised (November 4, 1988) (pursuant to former 22 C.C.R. Division 2, §
6 12201).

7 45. No clear and reasonable warning is provided with the Products regarding
8 the carcinogenic hazards of Cocamide DEA.

9 46. Defendants have been informed of the Cocamide DEA in their Products by
10 the 60-Day Notice of Violation and accompanying Certificate of Merit served on them by CEH.

11 47. As companies that manufacture, import, distribute, and/or sell Products for
12 use in the California marketplace, Defendants know or should know that Products contain
13 Cocamide DEA and that individuals who use the Products will be exposed to Cocamide DEA.
14 These Cocamide DEA exposures are a natural and foreseeable consequence of Defendants'
15 placing the Products into the stream of commerce.

16 48. Nevertheless, Defendants continue to expose consumers in California,
17 including infants and children, to Cocamide DEA without prior clear and reasonable warnings
18 regarding the carcinogenic hazards of Cocamide DEA.

19 49. CEH has engaged in good-faith efforts to resolve the claims alleged herein
20 prior to filing this Complaint.

21 50. Any person "violating or threatening to violate" Proposition 65 may be
22 enjoined in any court of competent jurisdiction. Health & Safety Code § 25249.7. "Threaten to
23 violate" is defined to mean "to create a condition in which there is a substantial probability that a
24 violation will occur." Health & Safety Code § 25249.11(e). Proposition 65 provides for civil
25 penalties not to exceed \$2,500 per day for each violation of Proposition 65. Health & Safety
26 Code § 25249.7(b).

1 **FIRST CAUSE OF ACTION**
2 **(Violations of Health & Safety Code § 25249.6)**

3 51. CEH realleges and incorporates by reference as if specifically set forth
4 herein Paragraphs 1 through 50, inclusive.

5 52. Cocamide DEA is a chemical listed by the State of California as known to
6 cause cancer.

7 53. By placing their Products into the stream of commerce, Defendants are
8 each a person in the course of doing business within the meaning of Health & Safety Code §
9 25249.11.

10 54. Defendants know that average use of their Products will expose users of
11 the Products to Cocamide DEA. Defendants intend that their Products be used in a manner that
12 results in users of their Products being exposed to Cocamide DEA contained therein.

13 55. Defendants have failed, and continue to fail, to provide prior clear and
14 reasonable warnings regarding the carcinogenicity of Cocamide DEA to users of their Products.

15 56. By committing the acts alleged above, Defendants have at all times
16 relevant to this Complaint violated Proposition 65 by knowingly and intentionally exposing
17 individuals to Cocamide DEA without first giving clear and reasonable warnings to such
18 individuals regarding the carcinogenicity of Cocamide DEA.

19 Wherefore, CEH prays for judgment against Defendants, as set forth hereafter.

20 **PRAYER FOR RELIEF**

21 Wherefore, CEH prays for judgment against Defendants as follows:

22 1. That the Court, pursuant to Health & Safety Code § 25249.7(b), assess
23 civil penalties against each Defendant in the amount of \$2,500 per day for each violation of
24 Proposition 65 alleged herein according to proof;

25 2. That the Court, pursuant to Health & Safety Code § 25249.7(a),
26 preliminarily and permanently enjoin Defendants from offering Products for sale in California
27 without providing prior clear and reasonable warnings, as CEH shall specify in further
28 application to the Court;

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3. That the Court, pursuant to Health & Safety Code § 25249.7(a), order Defendants to take action to stop ongoing unwarned exposures to Cocamide DEA resulting from use of Products sold by Defendants, as CEH shall specify in further application to the Court;

4. That the Court, pursuant to Code of Civil Procedure § 1021.5 or any other applicable theory, grant CEH its reasonable attorneys' fees and costs of suit; and

5. That the Court grant such other and further relief as may be just and proper.

Dated: September 30, 2013

Respectfully submitted,

LEXINGTON LAW GROUP



Mark N. Todzo
Attorneys for Plaintiff
CENTER FOR ENVIRONMENTAL HEALTH