ELLISON FOLK (State Bar No. 149232) LAURA D. BEATON (State Bar No. 294466) SHUTE, MIHALY & WEINBERGER LLP 396 Hayes Street San Francisco, California 94102 Telephone: (415) 552-7272 (415) 552-5816 Facsimile: Folk@smwlaw.com Beaton@smwlaw.com 5 Attorneys for Plaintiff AS YOU SOW 7 8 **COUNTY OF SAN FRANCISCO** 9 Case No. AS YOU SOW, a California Non-Profit Public Benefit Corporation, 11 Plaintiff, 12 v. 13 HORMEL FOODS CORPORATION, MEGAMEX FOODS, LLC, and DOES 1 14 through 10, inclusive, 15 Defendants. 16 17 18 19 20 21 22 23 24 25 26 27

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

CGC-14-542879

**COMPLAINT FOR INJUNCTIVE** RELIEF AND CIVIL PENALTIES

California Health and Safety Code § 25249.5 et seq.

Complaint for Injunctive Relief and Civil Penalties CASE NO.

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Plaintiff As You Sow alleges as follows:

# I. INTRODUCTION

1. This Complaint seeks an injunction and civil penalties to remedy the continuing failure of MegaMex Foods, LLC, and Hormel Foods Corporation (collectively, "Defendants") to give clear and reasonable warnings to residents of California prior to exposing those residents to products containing lead. The State of California has listed lead as a chemical known to cause reproductive harm. Under the Safe Drinking Water and Toxic Enforcement Act of 1986 – also known as "Proposition 65" – businesses must provide persons with a "clear and reasonable warning" before exposing them to such chemicals. Health & Saf. Code § 25249.6.

## II. PARTIES

- 2. Plaintiff As You Sow is a 501(c)(3) nonprofit organization based in Oakland, California, and incorporated under the laws of the State of California. As You Sow is dedicated to, among other causes, the protection of the environment, the promotion of human health, the improvement of worker and consumer safety, and environmental education. As You Sow is a "person" pursuant to Health and Safety Code section 25249.11(a). As You Sow brings this action in the interest of the general public pursuant to Health and Safety Code section 25249.7.
- 3. Defendant MegaMex Foods, LLC is a business entity that manufactures, distributes, markets, and/or sells hot sauce products that contain lead to consumers within the State of California.
- 4. Defendant Hormel Foods Corporation is a business entity that manufactures, distributes, markets, and/or sells hot sauce products that contain lead to consumers within the State of California.
- 5. The true names and capacities of Defendants sued herein as Does 1 through 10 are unknown to Plaintiff, who therefore sues them by fictitious names. Plaintiff will amend this Complaint to allege the true names and capacities of these Defendants when they have been determined. Each of the fictitiously named Defendants is responsible for the manufacture, distribution, marketing, and/or sale of products containing lead to consumers in California.
  - 6. Wherever reference is made to "Defendants" in this Complaint, such reference

includes the Defendants named in Paragraphs 3 and 4 and Does 1 through 10, inclusive.

## III. JURISDICTION AND VENUE

- 7. 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.
- 8. This court has jurisdiction over Defendants named above because they do sufficient business in California, have sufficient minimum contacts in California, or otherwise intentionally avail themselves of the California market, through the manufacture, distribution, sale, marketing, and/or use of their products in California, rendering the exercise of jurisdiction over Defendant by the California courts consistent with traditional notions of fair play and substantial justice.
- 9. Venue is proper in this Court because Defendants' manufacturing, distributing, marketing, and/or sales of products containing lead have occurred in the County of San Francisco, and/or Defendants sold the products containing lead to people who live in the County of San Francisco, which causes people to be exposed to lead while they are physically present in the County of San Francisco.
- 10. On August 30, 2013, Plaintiff provided a Notice of Violation of Proposition 65 to the California Attorney General, the District Attorney of each county in California, the City Attorney of each California city with a population over 750,000 persons, and Defendants, pursuant to Health and Safety Code section 25249.7(d). This Notice of Violation included the following products manufactured, distributed, marketed, and/or sold by Defendants:
  - Bufalo brand Picante Bufalo Salsa Picante Clasica (Clasica Mexican Hot Sauce)
  - Bufalo brand Picante Bufalo Salsa Chipotle (Chipotle Mexican Hot Sauce)
  - Bufalo brand Picante Bufalo Salsa Jalapeno Rojo (Jalapeno Mexican Hot Sauce)
- 11. The Notice of Violation included a Certificate of Merit that Plaintiff's attorneys had consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding exposure to lead from the products manufactured, distributed, marketed, and/or sold by Defendants. The Certificate of Merit confirms that, based on that information, Plaintiff's attorneys believe that there is a reasonable

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and meritorious case for this private action. The Notice of Violation also included a Certificate of Service. The Notice of Violation mailed to Defendants included a document entitled "The Safe Drinking Water and Toxic Enforcement Act of 1986: A Summary." In compliance with Health and Safety Code section 25249.7(d) and title 11, section 3102 of the California Code of Regulations, the Attorney General was served with a Notice of Violation and Certificate of Merit that included confidential factual information sufficient to establish the basis of the Certificate of Merit, including the identity of individual(s) with whom Plaintiff's attorneys consulted and the facts, studies, or other data that was reviewed by such person(s).

- 12. None of the public prosecutors that received the Notices of Violation has commenced and is diligently prosecuting an action against the named Defendants for the violations alleged in this Complaint, although the notice period established in Health and Safety Code section 25249.7(d) has elapsed since the Notices of Violation were served by mail.
- 13. Because Plaintiff has fully complied with the requirements of Health and Safety Code section 25249.7(d), and neither the Attorney General nor any District Attorney, City Attorney, or prosecutor has commenced and is diligently pursuing an action against the violations alleged herein, Plaintiff has standing to bring this Complaint.

#### IV. STATUTORY BACKGROUND

- 14. The Safe Drinking Water and Toxic Enforcement Act of 1986 is an initiative statute passed as "Proposition 65" by a vote of the people in November of 1986.
- 15. The warning requirement of Proposition 65 is contained in Health and 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 Health and Safety Code section 25249.10.

16. Regulations promulgated to implement Proposition 65 provide that the warning method "must be reasonably calculated, considering the alternative methods available under the circumstances, to make the warning message available to the individual prior to exposure." 27 Cal. Code Regs. § 25601(a).

- 17. Proposition 65 also 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 & Saf. Code § 25249.8. No warning need be given concerning a listed chemical until one year after the chemical first appears on the list.
- 18. Proposition 65 provides that any person "violat[ing] or threaten[ing] to violate" the statute may be enjoined in any court of competent jurisdiction. Health & Saf. Code § 25249.7. To "threaten to violate" is defined to mean "to create a condition in which there is a substantial probability that a violation will occur." Health & Saf. Code § 25249.11(e). In addition, violators are liable for civil penalties of up to \$2,500 per day for each violation, recoverable in a civil action. Health & Saf. Code § 25249.7(b).
- 19. Private actions to enforce Proposition 65 "may be brought by a person in the public interest" if the action is commenced more than sixty days from the date that the person has given notice of an alleged violation of Health and Safety Code section 25249.5 or 25249.6 to the Attorney General; to the District Attorney, City Attorney, or prosecutor in whose jurisdiction the violation occurred; and to the alleged violator. Health & Saf. Code § 25249.7(d). A certificate of merit shall be included with the notification to the Attorney General, District Attorney, City Attorney, or prosecutor in each jurisdiction where the violation occurred. *Id.* If no public prosecutors commence enforcement within sixty days, then the person giving notice may sue. *Id.*

### V. FACTS

- 20. Lead is listed under Proposition 65 as a chemical known to the State of California to cause reproductive harm.
- 21. Defendants manufacture, distribute, market, and/or sell products that contain lead for sale or use in the State of California. Specifically, Defendants sold to consumers in the State of California the following products containing lead:
  - Bufalo brand Picante Bufalo Salsa Picante Clasica (Clasica Mexican Hot Sauce)
  - Bufalo brand Picante Bufalo Salsa Chipotle (Chipotle Mexican Hot Sauce)
  - Bufalo brand Picante Bufalo Salsa Jalapeno Rojo (Jalapeno Mexican Hot Sauce)

- 22. Use of the products identified in Paragraph 21 results in human exposure to lead through ingestion when consumers use the products as directed on the label.
- 23. Defendants knew or reasonably should have known that the products that they manufactured, distributed, marketed, and/or sold contained lead. Defendants have intended that individuals use and ingest these products. Defendants know that individuals use the products that Defendants have manufactured, distributed, marketed, and/or sold. Defendants have knowingly and intentionally exposed individuals to lead through their deliberate act(s) of manufacturing, distributing, marketing, and/or selling the products.
- 24. The products described in this Complaint were tested in a certified laboratory and were found to contain sufficiently high levels of lead to necessitate clear and reasonable warnings under Proposition 65 that use of the products results in exposure to a chemical known to the State of California to cause reproductive harm.
- 25. Defendants have failed to provide clear and reasonable warnings that the use of the products described above results in exposure to a chemical known to the State of California to cause reproductive harm, and no such warning was provided to consumers using those products.

### VI. FIRST CAUSE OF ACTION

- 26. Paragraphs 1 through 25 are realleged as if fully set forth herein.
- 27. Plaintiff is informed and believes, and based on such information and belief, alleges that Defendants employ ten or more persons.
- 28. By committing the acts alleged above, Defendants have, within the previous twelve months and in the course of doing business, knowingly and intentionally exposed individuals in the State of California to lead, a chemical known to the State of California to cause reproductive harm, without first giving clear and reasonable warning to such individuals within the meaning of Health and Safety Code section 25249.6.
- 29. Said violations render Defendants liable for civil penalties of up to \$2,500 per day for each violation, as well as other remedies.

# PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that the Court:

- 1. Pursuant to the First Cause of Action, assess civil penalties against Defendants in the amount of up to \$2,500 per day for each violation of Proposition 65;
- 2. Pursuant to Health and Safety Code section 25249.7, enter such temporary restraining orders, preliminary injunctions, permanent injunctions, or other orders prohibiting Defendants from exposing persons within the State of California to lead by use of their products without providing clear and reasonable warnings, as Plaintiff shall specify in further application to the court:
  - 3. Award Plaintiff its costs of suit;
- 4. Pursuant to section 1021.5 of the Code of Civil Procedure and any other applicable provision of law, order Defendants to pay Plaintiff such attorneys' fees and costs as Plaintiff incurs in bringing this enforcement action; and
  - 5. Grant such other and further relief as the court deems just and proper.

DATED: November 24, 2014

SHUTE, MIHALY & WEINBERGER LLP

By:

ELLISON FOLK LAURA D. BEATON

Attorneys for Plaintiff AS YOU SOW

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