ALAMPIOA OVNINTO 1 Josh Voorhees, State Bar No. 241436 Troy C. Bailey, State Bar No. 277424 JUN 26 2014 2 THE CHANLER GROUP 2560 Ninth Street 3 Parker Plaza, Suite 214 Berkeley, CA 94710-2565 Telephone: (510) 848-8880 4 Facsimile: (510) 848-8118 5 Attorneys for Plaintiff WHITNEY R. LEEMAN, PH.D. 6 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 UNLIMITED CIVIL JURISDICTION 11 12 WHITNEY R. LEEMAN, PH.D., 13 Plaintiff, **COMPLAINT FOR CIVIL PENALTIES** AND INJUNCTIVE RELIEF 14 v. (Health & Safety Code § 25249.5 et seq.) STILLWATER DESIGNS AND AUDIO, INC.; 15 and DOES 1-150, inclusive, 16 Defendant. 17 18 19 20 21 22 23 24 25 26 27

COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELIEF

NATURE OF THE ACTION

- 1. This Complaint is a representative action brought by plaintiff WHITNEY R. LEEMAN, PH.D. in the public interest of the citizens of the State of California to enforce the People's right to be informed of the health hazards caused by exposures to di(2-ethylhexyl)phthalate ("DEHP"), a toxic chemical found in vinyl/PVC keychains sold by defendants in California.
- 2. By this Complaint, plaintiff seeks to remedy defendants' continuing failure to warn California citizens and other individuals about the risks of exposure to DEHP present in and on vinyl/PVC keychains manufactured, distributed, and offered for sale or use to consumers and other individuals throughout the State of California.
- 3. Detectable levels of DEHP are found in and on the vinyl/PVC keychains that defendants manufacture, distribute, and offer for sale to consumers and other individuals throughout the State of California.
- 4. Under the Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code section 25249.6 *et seq.* ("Proposition 65"), "[n]o 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 . . . " Health & Safety Code § 25249.6.
- 5. Pursuant to Proposition 65, on October 24, 2003, California identified and listed DEHP as a chemical known to cause birth defects (and other reproductive harm). DEHP became subject to the "clear and reasonable warning" requirements of the act one year later on October 24, 2004. Cal. Code Regs. tit. 27, § 27001(c); Health & Safety Code §§ 25249.8 & 25249.10(b).
- 6. Defendants manufacture, distribute, import, sell, and offer for sale without health hazard warnings in California, vinyl/PVC keychains containing DEHP.
- 7. Defendants also manufacture, distribute, import, sell and/or offer for sale without health hazard warnings in California, the *KICKER Key Chain, Item 12KEYCHAIN*. All

vinyl/PVC keychains containing DEHP are referred to collectively hereinafter as "PRODUCTS."

- 8. Defendants' failure to warn consumers and other individuals in the State of California of the health hazards associated with exposures to DEHP in conjunction with defendants' sales of the PRODUCTS are violations of Proposition 65, and subject defendants, and each of them, to enjoinment of such conduct as well as civil penalties for each violation. Health & Safety Code § 25249.7(a) & (b)(1).
- 9. For defendants' violations of Proposition 65, plaintiff seeks preliminary and permanent injunctive relief to compel defendants to provide purchasers or users of the PRODUCTS with the required warning regarding the health hazards associated with exposures to DEHP. Health & Safety Code § 25249.7(a).
- 10. Pursuant to Health and Safety Code section 25249.7(b), plaintiff also seeks civil penalties against defendants for their violations of Proposition 65.

PARTIES

- 11. Plaintiff WHITNEY R. LEEMAN, PH.D. is a citizen of the State of California who is dedicated to protecting the health of California citizens through the elimination or reduction of toxic exposures from consumer products; and she brings this action in the public interest pursuant to Health and Safety Code section 25249.7(d).
- 12. Defendant STILLWATER DESIGNS AND AUDIO, INC. ("STILLWATER") is a person in the course of doing business within the meaning of Health and Safety Code sections 25249.6 and 25249.11.
- 13. STILLWATER manufactures, imports, distributes, sells, and/or offers the PRODUCTS for sale or use in the State of California, or implies by its conduct that it manufactures, imports, distributes, sells, and/or offers the PRODUCTS for sale or use in the State of California.

- 14. Defendants DOES 1-50 ("MANUFACTURER DEFENDANTS") are each a person in the course of doing business within the meaning of Health and Safety Code sections 25249.6 and 25249.11.
- 15. MANUFACTURER DEFENDANTS research, test, design, assemble, fabricate, and manufacture, or imply by their conduct that they research, test, design, assemble, fabricate, and manufacture one or more of the PRODUCTS offered for sale or use in the State of California.
- 16. Defendants DOES 51-100 ("DISTRIBUTOR DEFENDANTS") are each a person in the course of doing business within the meaning of Health and Safety Code sections 25249.6 and 25249.11.
- 17. DISTRIBUTOR DEFENDANTS distribute, exchange, transfer, process, and transport one or more of the PRODUCTS to individuals, businesses, or retailers for sale or use in the State of California.
- 18. Defendants DOES 101-150 ("RETAILER DEFENDANTS") are each a person in the course of doing business within the meaning of Health and Safety Code sections 25249.6 and 25249.11.
- 19. RETAILER DEFENDANTS offer the PRODUCTS for sale to individuals in the State of California.
- 20. At this time, the true names of defendants DOES 1 through 150, inclusive, are unknown to plaintiff, who, therefore, sues said defendants by their fictitious names pursuant to Code of Civil Procedure section 474. Plaintiff is informed and believes, and on that basis alleges, that each of the fictitiously named defendants is responsible for the acts and occurrences alleged herein. When ascertained, their true names shall be reflected in an amended complaint.
- 21. STILLWATER, MANUFACTURER DEFENDANTS, DISTRIBUTOR
 DEFENDANTS, and RETAILER DEFENDANTS shall, where appropriate, collectively be referred to as "DEFENDANTS."

VENUE AND JURISDICTION

- 22. Venue is proper in Alameda County Superior Court, pursuant to Code of Civil Procedure sections 393, 395, and 395.5, because this Court is a court of competent jurisdiction, because plaintiff seeks civil penalties against DEFENDANTS, because one or more instances of wrongful conduct occurred, and continue to occur, in this county, and/or because DEFENDANTS conducted, and continue to conduct, business in Alameda County with respect to the PRODUCTS.
- 23. The California Superior Court has jurisdiction over this action 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." The statute under which this action is brought does not specify any other basis of subject matter jurisdiction.
- 24. The California Superior Court has jurisdiction over DEFENDANTS based on plaintiff's information and good faith belief that each defendant is a person, firm, corporation or association that is a citizen of the State of California, has sufficient minimum contacts in the State of California, and/or otherwise purposefully avails itself of the California market.

 DEFENDANTS' purposeful availment renders the exercise of personal jurisdiction by California courts consistent with traditional notions of fair play and substantial justice.

FIRST CAUSE OF ACTION

(Violation of Proposition 65 - Against All Defendants)

- 25. Plaintiff realleges and incorporates by reference, as if fully set forth herein, Paragraphs 1 through 24, inclusive.
- 26. In enacting Proposition 65, in the preamble to the Safe Drinking Water and Toxic Enforcement Act of 1986, the People of California expressly declared their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm."
- 27. Proposition 65 states, "[n]o 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 . . . " Health & Safety Code § 25249.6.

- 28. On December 30, 2013, plaintiff served a sixty-day notice of violation, together with the requisite certificate of merit, on STILLWATER and certain public enforcement agencies alleging that, as a result of DEFENDANTS' sales of the PRODUCTS containing DEHP, purchasers and users in the State of California were being exposed to DEHP resulting from their reasonably foreseeable use of the PRODUCTS, without the individual purchasers and users first having been provided with a "clear and reasonable warning" regarding the harms associated with such exposures, as required by Proposition 65.
- 29. DEFENDANTS manufacture, import, distribute, sell, and offer the PRODUCTS for sale or use in violation of Health and Safety Code section 25249.6, and DEFENDANTS' violations have continued beyond their receipt of plaintiff's sixty-day notice of violation.

 DEFENDANTS' violations are ongoing and continuous in nature, and, as such, will continue in the future.
- 30. After receiving plaintiff's sixty-day notice of violation, none of the appropriate public enforcement agencies have commenced and diligently prosecuted a cause of action against DEFENDANTS under Proposition 65 to enforce the alleged violations that are the subject of plaintiff's notice of violation.
- 31. The PRODUCTS that DEFENDANTS manufacture, import, distribute, sell, and offer for sale or use in California cause exposures to DEHP as a result of the reasonably foreseeable use of the PRODUCTS. Such exposures caused by DEFENDANTS and endured by consumers and other individuals in California are not exempt from the "clear and reasonable" warning requirements of Proposition 65, yet DEFENDANTS provide no warning.
- 32. DEFENDANTS knew or should have known that the PRODUCTS they manufactured, imported, distributed, sold, and offered for sale or use in California contained DEHP.

- 33. DEHP is present in or on the PRODUCTS in such a way as to expose individuals to DEHP through dermal contact and/or ingestion during reasonably foreseeable use.
- 34. The normal and reasonably foreseeable use of the PRODUCTS has caused, and continues to cause, consumer exposures to DEHP, as defined by title 27 of the California Code of Regulations, section 25602(b).
- 35. DEFENDANTS had knowledge that the normal and reasonably foreseeable use of the PRODUCTS exposed individuals to DEHP through dermal contact and/or ingestion.
- 36. DEFENDANTS intended that exposures to DEHP from the reasonably foreseeable use of the PRODUCTS would occur by their deliberate, non-accidental participation in the manufacture, importation, distribution, sale, and offering of the PRODUCTS for sale or use to consumers and other individuals in California.
- 37. DEFENDANTS failed to provide a "clear and reasonable warning" to those consumers and other individuals in California who were or who would become exposed to DEHP through dermal contact and/or ingestion resulting from their use of the PRODUCTS.
- 38. Contrary to the express policy and statutory prohibition of Proposition 65 enacted directly by California voters, individuals exposed to DEHP through dermal contact and/or ingestion as a result of their use of the PRODUCTS that DEFENDANTS sold without a "clear and reasonable" health hazard warning, have suffered, and continue to suffer, irreparable harm for which they have no plain, speedy, or adequate remedy at law.
- 39. Pursuant to Health and Safety Code section 25249.7(b), as a consequence of the above-described acts, DEFENDANTS are liable for a maximum civil penalty of \$2,500 per day for each violation.
- 40. As a consequence of the above-described acts, Health and Safety Code section 25249.7(a) also specifically authorizes the Court to grant injunctive relief against DEFENDANTS.

PRAYER FOR RELIEF

Wherefore, plaintiff prays for judgment against DEFENDANTS as follows:

- 1. That the Court, pursuant to Health and Safety Code section 25249.7(b), assess civil penalties against DEFENDANTS, and each of them, in the amount of \$2,500 per day for each violation;
- 2. That the Court, pursuant to Health and Safety Code section 25249.7(a), preliminarily and permanently enjoin DEFENDANTS from manufacturing, distributing, or offering the PRODUCTS for sale or use in California without first providing a "clear and reasonable warning" in accordance with title 27 of the California Code of Regulations, section 25601 *et seq.*, regarding the harms associated with exposures DEHP;
- 3. That the Court, Pursuant to Health and Safety Code section 25249.7(a), issue preliminary and permanent injunctions mandating that DEFENDANTS recall all PRODUCTS currently in the chain of commerce in California without a "clear and reasonable warning" as defined by California Code of Regulations title 27, section 25601 et seq.;
 - 4. That the Court grant plaintiff her 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: June 26, 2014

Respectfully Submitted,
THE CHANLER GROUP

Troy C. Bailey

Attorneys for Plaintiff

WHITNEY R. LEEMAN, PH.D.