

1 “Proposition 65,” businesses with ten or more employees must provide a “clear and reasonable
2 warning” prior to exposing people to this chemical.

3 II

4 PARTIES

5 2. Plaintiff ERC is a California non-profit corporation dedicated to, among other causes,
6 helping safeguard the public from health hazards by reducing the use and misuse of hazardous and
7 toxic chemicals, facilitating a safe environment for consumers and employees and encouraging
8 corporate responsibility.

9 3. Defendant Gano Excel is a business that develops, manufactures, distributes and/or sells
10 nutritional health products that have exposed users to lead in the State of California within the
11 relevant statute of limitations period. These “Covered Products” are Gano Excel (U.S.A.) Inc.
12 Sakanno, Gano Excel (U.S.A.) Inc. GanoCafe’ Ginseng Tongkat Ali, Gano Excel International
13 (Canada) Inc. Gano Schokolade, and Gano Excel International (Canada) Inc. Ganocafe’ Mocha.
14 Gano Excel is a company subject to Proposition 65 as it employs ten or more persons, and has
15 employed ten or more persons at all times relevant to this action.

16 4. Defendants Does 1-100, are named herein under fictitious names, as their true names and
17 capacities are unknown to ERC. ERC is informed and believes, and thereon alleges, that each of
18 said Does is responsible, in some actionable manner, for the events and happenings hereinafter
19 referred to, either through said Defendant’s conduct, or through the conduct of its agents, servants or
20 employees, or in some other manner, causing the harms alleged by ERC in this complaint. When
21 said true names and capacities of Does are ascertained, ERC will seek leave to amend this complaint
22 to set forth the same.

23 III

24 JURISDICTION AND VENUE

25 5. This Court has jurisdiction pursuant to California Constitution Article VI, Section 10
26 because this case is a cause not given by statute to other trial courts.

27 6. The Complaint is based on allegations contained in a Notice of Violation dated August
28 29, 2014, served on the California Attorney General, other public enforcers and Gano Excel. The
Notice of Violation constitutes adequate notice to Gano Excel because it provided adequate

1 information to allow the company to assess the nature of the alleged violation, consistent with
2 Proposition 65 and its implementing regulations. Each copy of the Notice of Violation was
3 accompanied by a certificate of merit and a certificate of service, both of which comply with
4 Proposition 65 and its implementing regulations. The Notice of Violation served on Gano Excel
5 also included a copy of "The Safe Drinking Water and Toxic Enforcement Act of 1986
6 (Proposition 65): A Summary". Service of the Notice of Violation and accompanying documents
7 complied with Proposition 65 and its implementing regulations. A true and correct copy of the
8 Notice of Violation and associated documents is attached hereto as Exhibit A. More than 60 days
9 have passed since the Notice of Violation was mailed and no public enforcement entity has filed a
10 complaint in this case.

11 7. This Court is the proper venue for the action because the causes of action have arisen in
12 the County of Alameda where some of the violations of law have occurred. Furthermore, this Court
13 is the proper venue under Code of Civil Procedure section 395.5 and Health & Safety Code section
14 25249.7.

15 IV

16 STATUTORY BACKGROUND

17 8. The Safe Drinking Water and Toxic Enforcement Act of 1986 is an initiative statute
18 passed as "Proposition 65" by an overwhelming majority vote of the people in November of 1986.

19 9. The warning requirement of Proposition 65 is contained in Health & Safety Code section
20 25249.6, which provides:

21 No person in the course of doing business shall knowingly and intentionally expose
22 any individual to a chemical known to the state to cause cancer or reproductive
23 toxicity without first giving clear and reasonable warning to such individual, except
as provided in Section 25249.10.

24 10. Implementing regulations for Proposition 65 define expose as "to cause to ingest, inhale,
25 contact via body surfaces or otherwise come into contact with a listed chemical." An individual may
26 come into contact with a listed chemical through water, air, food, consumer products and any other
27 environmental exposure as well as occupational exposures." (Cal. Code Regs., tit. 27, § 25102,
28 subd. (i).)

1
2 11. In this case, the exposures at issue are caused by consumer products. Implementing
3 regulations for Proposition 65 define a consumer product exposure as “ an exposure which results
4 from a person’s acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a
5 consumer good, or any exposure that results from receiving a consumer service.” (Cal. Code Regs.,
tit. 27, § 25602, subd. (b).)

6 12. Whenever a clear and reasonable warning is required under Health & Safety Code
7 section 25249.6, the “method employed to transmit the warning must be reasonably calculated
8 considering the alternative methods available under the circumstances, to make the warning message
9 available prior to exposure.” (Cal. Code Regs., tit. 27, § 25601.) The warning requirement may be
10 satisfied by a warning that appears on a product’s label or other labeling, shelf labeling, signs, a
11 system of signs, public advertising identifying the system and toll-free information services, or any
12 other system, that provides clear and reasonable warnings. (Cal. Code Regs., tit. 27, § 25603.1,
13 subd. (a)-(d).)

14 13. Proposition 65 establishes a procedure by which the State is to develop a list of
15 chemicals “known to the State to cause cancer or reproductive toxicity.” (Health & Safety Code,
16 § 25249.8.) There is no duty to provide a clear and reasonable warning until 12-months after the
17 chemical was published on the State list. (Health & Safety Code, § 25249.10, subd. (b).) Lead was
18 listed as a chemical known to the State of California to cause developmental toxicity in the fetus and
19 male and female reproductive toxicity on February 27, 1987. Lead was listed as a chemical known
20 to the State of California to cause cancer on October 1, 1992. (Cal. Code Regs., tit. 27, § 27001.)

21 14. The Maximum Allowable Dose Level for lead as a chemical known to cause
22 reproductive toxicity is 0.5 micrograms per day. (Cal. Code Regs., tit. 27, § 25805.) The No
23 Significant Risk Level for lead as a carcinogen is 15 micrograms per day. (Cal. Code Regs., tit.
24 27, § 25705.)

25 15. Proposition 65 may be enforced by any person in the public interest who provides notice
26 sixty days before filing suit to both the violator and designated law enforcement officials. The
27 failure of law enforcement officials to file a timely complaint enables a citizen suit to be filed
28 pursuant to Health & Safety Code section 25249.7, subdivisions (c) and (d).

1
2
3
4
5
6
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).)

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

V

STATEMENT OF FACTS

17. Gano Excel has developed, manufactured, distributed and/or sold the Covered Products containing lead into 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. Gano Excel was established in 1995 and is one of the largest companies in the world specializing exclusively in wellness supplements and products. Gano Excel is a privately-held company based in Malaysia with centers in Irwindale, Rialto and Fresno, California and Las Vegas, Phoenix, Dallas and Denver. Gano is the largest wellness direct marketing company in Asia and the company’s products are available in more than 100 countries around the world.

18. For many years, Gano Excel has knowingly and intentionally exposed numerous persons to lead, without providing a Proposition 65 warning. Both prior to and subsequent to ERC’s Notice of Violation, Gano Excel failed to provide a warning on the label of the Covered Products or otherwise warn its customers of their exposure to lead. The company 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. Gano Excel is an experienced company in the nutritional supplement field, with a highly qualified staff. Given the company’s attention to product formulation, its team of nutritional experts involved in the manufacture, formulation and distribution of the products, and the testing purportedly conducted on the ingredients used in the company’s products, Gano Excel has undoubtedly been aware of the presence of lead in the Covered Products.

19. For years prior to ERC’s Notice of Violation and continuing after receiving the Notice of Violation, Gano Excel 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

1 cause cancer, birth defects and other reproductive harm.

2
3 **FIRST CAUSE OF ACTION**

4 **(Violation of Section 25249.6 of the Health and Safety Code, Failure to Provide Clear**
5 **and Reasonable Warning under Proposition 65)**

6 20. ERC refers to paragraphs 1-19, inclusive, and incorporates them herein by this reference.

7 21. By committing the acts alleged above, Gano Excel has, in the course of doing business,
8 knowingly and intentionally exposed users of the Covered Products to lead, a chemical known to the
9 State of California to cause cancer, birth defects and other reproductive harm without first giving
10 clear and reasonable warning to such individuals, within the meaning of Health & Safety Code
11 section 25249.6.

12 22. Said violations render Gano Excel liable for civil penalties up to \$2,500 per day, for
13 each violation.

14 **SECOND CAUSE OF ACTION**

15 **(Declaratory Relief)**

16 23. ERC refers to paragraphs 1-22, inclusive, and incorporates them herein by this reference.

17 24. There exists an actual controversy relating to the legal rights and duties of the parties,
18 within the meaning of Code of Civil Procedure section 1060, between ERC and Gano Excel
19 concerning whether the company has exposed individuals to a chemical known to the State of
20 California to cause cancer, birth defects and other reproductive harm without providing clear and
21 reasonable warning.

22 **VI**

23 **PRAYER**

24 WHEREFORE ERC prays for relief as follows:

25 1. On the First Cause of Action, for civil penalties for each and every violation according to
26 proof;

27 2. On the First Cause of Action, and pursuant to Health & Safety Code section 25249.7,
28 subdivision (a), for such temporary restraining orders, preliminary and permanent injunctive orders,

1 or other orders as are necessary to prohibit Gano Excel from exposing persons to lead without
2 providing clear and reasonable warning;

3 3. On the Second Cause of Action, for a declaratory judgment pursuant to Code of Civil
4 Procedure section 1060 declaring that Gano Excel has exposed individuals to a chemical known to
5 the State of California to cause birth defects and other reproductive harm without providing clear and
6 reasonable warning; and

7 4. On all Causes of Action, for reasonable attorneys' fees pursuant to section 1021.5 of the
8 Code of Civil Procedure or the substantial benefit theory;

9 5. For costs of suit herein; and

10 6. For such other relief as the Court may deem just and proper.

11 Dated: December 24, 2014

12 By



13 _____
14 Michael Freund
15 Ryan Hoffman
16 Attorneys for Environmental Research Center
17
18
19
20
21
22
23
24
25
26
27
28

Michael Freund & Associates

1919 Addison Street, Suite 105
Berkeley, CA 94704
Voice: 510.540.1992 • Fax: 510.540.5543

Michael Freund, Esq.
Ryan Hoffman, Esq.

OF COUNSEL:
Denise Ferkich Hoffman, Esq.

August 29, 2014

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

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

I represent Environmental Research Center, Inc. ("ERC"), 3111 Camino Del Rio North, Suite 400, San Diego, CA 92108; Tel. (619) 500-3090. ERC's Executive Director is Chris Heptinstall. 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 Violator 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 Violator and the appropriate public enforcement agencies. Pursuant to Health and Safety Code Section 25249.7(d), 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.

General Information about Proposition 65. A copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is enclosed with this letter served to the alleged Violator identified below.

Alleged Violator. The name of the company covered by this notice that violated Proposition 65 (hereinafter the "Violator") is:

Gano Excel (U.S.A.) Inc.

Consumer Products and Listed Chemicals. The products that are the subject of this notice and the chemical in those products identified as exceeding allowable levels are:

Gano Excel (USA) Inc. Sakanno – Lead
Gano Excel (USA) Inc. GanoCafé Ginseng Tongkat Ali – Lead
Gano Excel International (Canada) Inc. Gano Schokolade – Lead
Gano Excel International (Canada) Inc. Ganocafé Mocha – Lead

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.

Exhibit A

Notice of Violation of California Health & Safety Code §25249.5 *et seq.*

August 29, 2014

Page 2

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 August 29, 2011, 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 Violator 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 Violator 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; and (3) provide clear and reasonable warnings compliant with Proposition 65 to all persons who purchased the above products in the last three years. Such a resolution will prevent further unwarned consumer exposures to the identified chemicals, as well as an expensive and time consuming litigation.

ERC has retained me as legal counsel in connection with this matter. **Please direct all communications regarding this Notice of Violation to my attention at the law office address and telephone number indicated on the letterhead.**

Sincerely,



Michael Freund

Attachments

Certificate of Merit

Certificate of Service

OEHHA Summary (to Gano Excel (U.S.A.) Inc. and its Registered Agents for Service of Process only)

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

CERTIFICATE OF MERIT

Re: Environmental Research Center, Inc.'s Notice of Proposition 65 Violations by Gano Excel (U.S.A.) Inc.

I, Michael Freund, declare:

1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged that the party identified in the notice violated California Health & Safety Code Section 25249.6 by failing to provide clear and reasonable warnings.

2. I am an attorney 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 Violator will be able to establish any of the affirmative defenses set forth in the statute.

5. Along with the copy of this Certificate of Merit served on the Attorney General is attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code §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.

Dated: August 29, 2014



Michael Freund

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 August 29, 2014, I served the following documents: **NOTICE OF VIOLATION 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 at a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Current President or CEO
Gano Excel (U.S.A.) Inc.
4828 4th Street
Irwindale, CA 91706

Matthew Nguyen
(Gano Excel (U.S.A.) Inc.'s Registered
Agent for Service of Process)
4828 4th Street
Irwindale, CA 91706

Current President or CEO
Gano Excel (U.S.A.) Inc.
4981 Irwindale Avenue
Irwindale, CA 91706

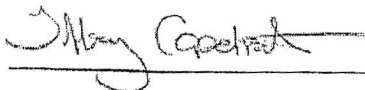
Law Office of Gene R. Moses PS
(Gano Excel (U.S.A.) Inc.'s Registered
Agent for Service of Process)
2200 Rimland Drive, Suite 115
Bellingham, WA 98226

On August 29, 2014, I electronically 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 party by uploading a true and correct copy thereof on the California Attorney General's website, which can be accessed at <https://oag.ca.gov/prop65/add-60-day-notice>:

Office of the California Attorney General
Prop 65 Enforcement Reporting
1515 Clay Street, Suite 2000
Oakland, CA 94612-0550

On August 29, 2014, 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 at a U.S. Postal Service Office with the postage fully prepaid for delivery by Priority Mail.

Executed on August 29, 2014, in Fort Oglethorpe, Georgia.



Tiffany Capehart

Notice of Violation of California Health & Safety Code §25249.5 *et seq.*

August 29, 2014

Page 5

Service List

District Attorney, Alameda County 1225 Fallon Street, Suite 900 Oakland, CA 94612	District Attorney, Los Angeles County 210 West Temple Street, Suite 18000 Los Angeles, CA 90012	District Attorney, San Diego County 330 West Broadway, Suite 1300 San Diego, CA 92101	District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370
District Attorney, Alpine County P.O. Box 248 Markleeville, CA 96120	District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637	District Attorney, San Francisco County 850 Bryant Street, Suite 322 San Francisco, CA 94103	District Attorney, Ventura County 800 South Victoria Ave, Suite 314 Ventura, CA 93009
District Attorney, Amador County 708 Court Street Jackson, CA 95642	District Attorney, Marin County 3501 Civic Center Drive, Room 130 San Rafael, CA 94903	District Attorney, San Joaquin County 222 E. Weber Ave. Rm. 202 Stockton, CA 95202	District Attorney, Yolo County 301 2 nd Street Woodland, CA 95695
District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965	District Attorney, Mariposa County Post Office Box 730 Mariposa, CA 95338	District Attorney, San Luis Obispo County 1035 Palm St, Room 450 San Luis Obispo, CA 93408	District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901
District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249	District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482	District Attorney, San Mateo County 400 County Ctr., 3 rd Floor Redwood City, CA 94063	Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Suite 800 Los Angeles, CA 90012
District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932	District Attorney, Merced County 550 W. Main Street Merced, CA 95340	District Attorney, Santa Barbara County 1112 Santa Barbara Street Santa Barbara, CA 93101	San Diego City Attorney's Office 1200 3 rd Avenue, Ste 1620 San Diego, CA 92101
District Attorney, Contra Costa County 900 Ward Street Martinez, CA 94553	District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020	District Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110	San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett PL San Francisco, CA 94102
District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531	District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517	District Attorney, Santa Cruz County 701 Ocean Street, Room 200 Santa Cruz, CA 95060	San Jose City Attorney's Office 200 East Santa Clara Street, 16 th Floor San Jose, CA 95113
District Attorney, El Dorado County 515 Main Street Placerville, CA 95667	District Attorney, Monterey County Post Office Box 1131 Salinas, CA 93902	District Attorney, Shasta County 1355 West Street Redding, CA 96001	
District Attorney, Fresno County 2220 Tulare Street, Suite 1000 Fresno, CA 93721	District Attorney, Napa County 931 Parkway Mall Napa, CA 94559	District Attorney, Sierra County PO Box 457 Downieville, CA 95936	
District Attorney, Glenn County Post Office Box 430 Willows, CA 95988	District Attorney, Nevada County 201 Commercial Street Nevada City, CA 95959	District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097	
District Attorney, Humboldt County 825 5th Street 4 th Floor Eureka, CA 95501	District Attorney, Orange County 401 West Civic Center Drive Santa Ana, CA 92701	District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533	
District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243	District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678	District Attorney, Sonoma County 600 Administration Drive, Room 212J Santa Rosa, CA 95403	
District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514	District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971	District Attorney, Stanislaus County 832 12 th Street, Ste 300 Modesto, CA 95354	
District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301	District Attorney, Riverside County 3960 Orange Street Riverside, CA 92501	District Attorney, Sutter County 446 Second Street Yuba City, CA 95991	
District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230	District Attorney, Sacramento County 901 "G" Street Sacramento, CA 95814	District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080	
District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453	District Attorney, San Benito County 419 Fourth Street, 2 nd Floor Hollister, CA 95023	District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093	
District Attorney, Lassen County 220 South Lassen Street, Ste. 8 Susanville, CA 96130	District Attorney, San Bernardino County 316 N. Mountain View Avenue San Bernardino, CA 92415-0004	District Attorney, Tulare County 221 S. Mooney Blvd., Room 224 Visalia, CA 93291	

APPENDIX A

OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY

The following summary has been prepared by the California Office of Environmental Health Hazard Assessment (OEHHA), the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65"). A copy of this summary must be included as an attachment to any notice of violation served upon an alleged violator of the Act. The summary provides basic information about the provisions of the law, and is intended to serve only as a convenient source of general information. It is not intended to provide authoritative guidance on the meaning or application of the law. The reader is directed to the statute and OEHHA's implementing regulations (see citations below) for further information.

FOR INFORMATION CONCERNING THE BASIS FOR THE ALLEGATIONS IN THE NOTICE RELATED TO YOUR BUSINESS, CONTACT THE PERSON IDENTIFIED ON THE NOTICE.

Proposition 65 appears in California law as Health and Safety Code Sections 25249.5 through 25249.13. The statute is available online at: <http://oehha.ca.gov/prop65/law/P65law72003.html>. Regulations that provide more specific guidance on compliance, and that specify procedures to be followed by the State in carrying out certain aspects of the law, are found in Title 27 of the California Code of Regulations, sections 25102 through 27001.¹ These implementing regulations are available online at: <http://oehha.ca.gov/prop65/law/P65Regs.html>.

WHAT DOES PROPOSITION 65 REQUIRE?

The "Governor's List." Proposition 65 requires the Governor to publish a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. This means that chemicals are placed on the Proposition 65 list if they are known to cause cancer and/or birth defects or other reproductive harm, such as

¹ All further regulatory references are to sections of Title 27 of the California Code of Regulations unless otherwise indicated. The statute, regulations and relevant case law are available on the OEHHA website at: <http://www.oehha.ca.gov/prop65/law/index.html>.

damage to female or male reproductive systems or to the developing fetus. This list must be updated at least once a year. The current Proposition 65 list of chemicals is available on the OEHHA website at:
http://www.oehha.ca.gov/prop65/prop65_list/Newlist.html.

Only those chemicals that are on the list are regulated under this law. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before "knowingly and intentionally" exposing that person to a listed chemical unless an exemption applies; for example, when exposures are sufficiently low (see below). The warning given must be "clear and reasonable." This means that the warning must: (1) clearly make known that the chemical involved is known to cause cancer, or birth defects or other reproductive harm and (2) be given in such a way that it will effectively reach the person before he or she is exposed. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

Prohibition from discharges into drinking water. A business must not knowingly discharge or release a listed chemical into water or onto land where it passes or probably will pass into a source of drinking water. Some discharges are exempt from this requirement under certain circumstances discussed below.

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

Yes. You should consult the current version of the statute and regulations (<http://www.oehha.ca.gov/prop65/law/index.html>) to determine all applicable exemptions, the most common of which are the following:

Grace Period. Proposition 65 warning requirements do not apply until 12 months after the chemical has been listed. The Proposition 65 discharge prohibition does not apply to a discharge or release of a chemical that takes place less than 20 months after the listing of the chemical.

Governmental agencies and public water utilities. All agencies of the federal, state or local government, as well as entities operating public water systems, are exempt.

Businesses with nine or fewer employees. Neither the warning requirement nor the discharge prohibition applies to a business that employs a total of nine or fewer employees. This includes all employees, not just those present in California.

Exposures that pose no significant risk of cancer. For chemicals that are listed as known to the State to cause cancer ("carcinogens"), a warning is not required if the business can demonstrate that the exposure occurs at a level that poses "no significant risk." This means that the exposure is calculated to result in not more than one excess case of cancer in 100,000 individuals exposed over a 70-year lifetime. The Proposition 65 regulations identify specific "No Significant Risk Levels" (NSRLs) for many listed carcinogens. Exposures below these levels are exempt from the warning requirement. See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of NSRLs, and Section 25701 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures that will produce no observable reproductive effect at 1,000 times the level in question. For chemicals known to the State to cause reproductive toxicity, a warning is not required if the business can demonstrate that the exposure will produce no observable effect, even at 1,000 times the level in question. In other words, the level of exposure must be below the "no observable effect level" divided by a 1,000. This number is known as the Maximum Allowable Dose Level (MADL). See OEHHA's website at: <http://www.oehha.ca.gov/prop65/getNSRLs.html> for a list of MADLs, and Section 25801 *et seq.* of the regulations for information concerning how these levels are calculated.

Exposures to Naturally Occurring Chemicals in a Food. Certain exposures to chemicals that occur in foods naturally (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

Discharges that do not result in a "significant amount" of the listed chemical entering into any source of drinking water. The prohibition from discharges into drinking water does not apply if the discharger is able to demonstrate that a "significant amount" of the listed chemical has not, does not, or will not pass into or probably pass into a source of drinking water, and that the discharge complies with all other applicable laws, regulations, permits, requirements, or orders. A "significant amount" means any detectable amount, except an amount that would meet the "no significant risk" level for chemicals that cause cancer or that is 1,000 times below the "no observable effect" level for chemicals that cause reproductive toxicity, if an individual were exposed to that amount in drinking water.

² See Section 25501(a)(4)

HOW IS PROPOSITION 65 ENFORCED?

Enforcement is carried out through civil lawsuits. These lawsuits may be brought by the Attorney General, any district attorney, or certain city attorneys. Lawsuits may also be brought by private parties acting in the public interest, but only after providing notice of the alleged violation to the Attorney General, the appropriate district attorney and city attorney, and the business accused of the violation. The notice must provide adequate information to allow the recipient to assess the nature of the alleged violation. The notice must comply with the information and procedural requirements specified in Section 25903 of the regulations and in Title 11, sections 3100-3103. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an action within sixty days of the notice.

A business found to be in violation of Proposition 65 is subject to civil penalties of up to \$2,500 per day for each violation. In addition, the business may be ordered by a court to stop committing the violation.

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS...

Contact the Office of Environmental Health Hazard Assessment's Proposition 65 Implementation Office at (916) 445-6900 or via e-mail at P65Public.Comments@oehha.ca.gov.

Revised: July, 2012

NOTE: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.9, 25249.10 and 25249.11, Health and Safety Code.