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Facsimile: (510) 540-5543

Attorneys for Plaintiff Environmental Research Center, Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ALAMEDA

ENVIRONMENTAL RESEARCH CENTER, INC., a California non-profit corporation

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ENZYMES, INC. and DOES 1-100

Defendants.

CASE NO. R. 15790620

COMPLAINT FOR INJUNCTIVE AND DECLARATORY RELIEF AND CIVIL PENALTIES

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

Plaintiff Environmental Research Center hereby alteges:

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INTRODUCTION

1. Plaintiff Environmental Research Center, Inc. (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). The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code section 25249.5 et seq.) also known as "Proposition 65," mandates that businesses with ten or more employees must provide a "clear and reasonable warning" prior to exposing any individual to a chemical known to the state to cause cancer or reproductive toxicity. Lead is a chemical known to the State of California to cause cancer, birth defects and other reproductive harm. This complaint seeks injunctive and declaratory relief and civil penalties to remedy the ongoing failure of Defendant Enzymes, Inc. and Does 1-100 (hereinafter "Defendant") to warn consumers that they have been

COMPLAINT FOR INJUNCTIVE AND DECLARATORY RELIEF AND CIVIL PENALTIES

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PARTIES

- 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 is a business that develops, 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" are Enzymes Inc. NESS Formula 701s Circulatory Support; Enzymes Inc. NESS Thyroid Support; Enzymes Inc. NESS Formula 401 Intestinal Support; Enzymes Inc. NESS Formula 9 Kidney Support; Enzymes Inc. NESS Formula 601 Gastric Comfort; Enzymes Inc. NESS Formula 501 Hormone Balance; Enzymes Inc. NESS Formula 301 Sinus Support; Enzymes Inc. NESS Formula 6 Gi Relief; and Enzymes Inc. NESS Formula 12 Detox. Defendant is a business subject to Proposition 65 as the company employs ten or more persons, and have employed ten or more persons at all times relevant to this action.
- 4. Defendants Does 1-100, are named berein 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 Defendants' 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.

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JURISDICTION AND VENUE

5. This Court has jurisdiction pursuant to California Constitution Article VI, Section 10

COMPLAINT FOR INJUNCTIVE AND DECLARATORY RELIEF AND CIVIL PENALTIES

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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 for jurisdiction.

- 6. This Court has jurisdiction over Defendants because each Defendant is a business having sufficient minimum contacts with California, or otherwise intentionally availing itself of the California market through the distribution and/or sale of the Covered Products in the State of California to render the exercise of jurisdiction over it by the California courts consistent with traditional notions of fair play and substantial justice.
- 7. The Complaint is based on allegations contained in a Notice of Violation dated December 22, 2014, served on the California Attorney General, other public enforcers and Defendant. The Notice of Violation constitutes adequate notice to Defendant because it provided adequate information to allow Defendant to assess the nature of the alleged violation, consistent with Proposition 65 and its implementing regulations. Each copy of the Notice of Violation was accompanied by a certificate of merit and a certificate of service, both of which comply with Proposition 65 and its implementing regulations. The Notice of Violation served on Defendant also included a copy of "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary". Service of the Notice of Violation and accompanying documents complied with Proposition 65 and its implementing regulations. A true and correct copy of this Notice of Violation and associated documents is attached hereto as Exhibit A. More than 60 days have passed since the Notice of Violation was mailed and no public enforcement entity has fited a complaint in this case.
- 8. This Court is the proper venue for the action because the causes of action have arisen in the County of Alameda 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.

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STATUTORY BACKGROUND

 The Safe Drinking Water and Toxic Enforcement Act of 1986 is an initiative statute passed as "Proposition 65" by an overwholming majority vote of the people in November of 1986. 25249.6, which provides:

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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.

11. 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.

10. The warning requirement of Proposition 65 is contained in Health & Safety Code section

- 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 foresecable use of a consumer good, or any exposure that results from receiving a consumer service." (Cal. Code Regs., tit. 27, § 25602, subd. (b).)
- 13. 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).)
- 14. 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.)

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I5. The Maximum Allowable Dose Level for lead as a chemical known to cause reproductive 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.)

16. 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).

17. 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).)

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STATEMENT OF FACTS

18. Defendant has developed, manufactured, distributed and/or sold the Covered Products containing lead into the State of California. Consumption of the Covered Products according to the directions and/or recommendations provided for said products causes consumers to be exposed to lead at levels requiring a warning. Consumers have been ingesting these products for many years, without any knowledge of their exposure to lead, a very dangerous chemical.

19. Since at least December 22, 2011, Defendant has knowingly and intentionally exposed numerous persons to lead, without providing a Proposition 65 warning. Both prior and subsequent to ERC's Notice of Violation, Defendant failed to provide a warning on the label of the Covered Products. Defendant 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. Through its website, Defendant has made various representations regarding the quality and beneficial nature of the company's products, as well as the steps purportedly taken to ensure these qualities:

" NESS, TM: The first professional-strength line of enzyme supplements, NESS was introduced in

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 1985. Dr. Edward Howell MD, the pioneering founder of vegetarian enzyme therapy, created the NESS line on more than 50 years of research."

"Enzyme therapy has come a long way since 1932. Thousands of individuals have used our enzyme blends, some combined with herbs and other nutrients, to enhance digestion and assist with a wide variety of health concerns.... In the process of using these highly effective products to treat their patients, practitioners have realized the financial benefits of adding enzyme therapy to their practices....More and more practitioners are learning about the health and financial benefits of enzyme therapy...."

"A new era of enzyme therapy

In 2000, Lynn Greaves and her husband, Jim purchased Enzymes, Inc. and their strong belief in the health benefits from enzyme supplementation remains the primary focus of the company. Enzymes, Inc. continues to grow thanks to its products' proven effectiveness, quality customer service, proficient technical support and overall desire to help practitioners make Enzymes Work for Better Patient Health and Great Practice Wealth."

"Mission Statement

Quality Statement We are individually committed to promote and conduct business in a dynamic team environment that develops and supports quality internal processes to improve products and services for our customers."

"Enzymes, Inc. wants you to make informed decisions about the products you use in your practice."

Given Defendant's attention to product formulation, quality control and the many years of research purportedly conducted on the ingredients used in the company's products. Defendant must have been aware of the presence of lead in the Covered Products. Nevertheless, the company's website touts its commitment to consumers, and represents to the public that's its products are science-based and clinically proven. Defendant has been aware of lead in the Covered Products and have failed to disclose the presence of this chemical to the public, who undoubtedly believe they have been ingesting totally healthy and pure products pursuant to the company's statements.

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

other orders as are necessary to prevent Defendant from exposing persons to lead without providing clear and reasonable warning;

- 3. On the Second Cause of Action, for a declaratory judgment pursuant to Code of Civil Procedure section 1060 declaring that Defendant has exposed individuals to a chemical known to the State of California to cause birth defects and other reproductive barm without providing clear and reasonable warning; and
- On all Causes of Action, for reasonable attorneys' fees pursuant to Code of Civil Procedure section 1021.5 or the substantial benefit theory;
 - 5. For costs of suit herein; and
 - 6. For such other relief as the Court may deem just and proper.

DATED: October 21, 2015

MICHAEL FREUND & ASSOCIATES

me

Michael Freund Ryan Hoffman Attorneys for Plaintiff

ENVIRONMENTAL RESEARCH CENTER, INC.

EXHIBIT A

Michael Freund & Associates

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

Michael Preund, Esq. Ryan Hoffman, Esq. OF COURSEL.

Denite Ferkich Hoffman, Esq.

December 22, 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:

Enzymes, Inc.

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

- 1) Enzymes Inc. NESS Pormula 701s Circulatory Support Lead
- 2) Enzymes Inc. NESS Thyroid Support Lead
- 3) Enzymes Inc. NESS Formula 401 Intestinal Support Lead
- 4) Enzymes Inc. NESS Formula 9 Kidney Support Lead
- 5) Enzymes Inc. NESS Formula 601 Gastrie Comfort Leud
- 6) Enzymes Inc. NESS Formula 501 Hormone Balance Lead
- 7) Enzymes Inc. NESS Formula 361 Sixus Support Lead
- 8) Enzymes Inc. NESS Formula 17 Immune Support Lead
- 9) Enzymes Inc. NESS Formula 6 Gl Relief Lead
- 10) Enzymes Inc. NESS Formula 12 Detox Lead

Notice of Violation of California Health & Safety Code §25249.5 et seq. December 22, 2014
Page 2

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 dermat contact.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least December 22, 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 engoing 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 located in California 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

Mild French

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to Enzymes, Inc. and its Registered Agent for Service of Process only)
Additional Supporting Information for Certificate of Merit (to AG only)

Notice of Violation of California Health & Safety Code §25249.5 et seq. December 22, 2014
Page 3

CERTIFICATE OF MERIT

Re: Environmental Research Center, Inc.'s Notice of Proposition 65 Violations by Enzymes, Inc.

Michael Freund, declare:

- I. 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.
 - 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(b)(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: December 22, 2014

Michael Freund

Mild French

Notice of Violation of California Health & Safety Code §25249.5 et seq. December 22, 2014
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CERTIFICATE OF SERVICE

 the undersigned, declare under penalty of perjuty 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 emitted action. My business address as 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 December 22, 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. Possal Service Office with the possage fully prepald for delivery by Certified Mail:

Current President or CEO Enzymes, Inc. 19601 NW Ambasandor Drive, Suite E Kansas City, MO 64153

Lynn Greaves
(Enzymes, Inc.'s Registered Agent for Service of Process)
10601 NW Ambassador Drive, Suite E
Kansas City, MO 64153

On December 22, 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://org.co.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 December 22, 2014, I served the following documents: NOTICE OF VIOLATION, CALIFORNIA HEALTH & SAFETY CODE §25249-5 ET SEQ.; CERTIFICATE OF MERIF 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 December 22, 2014, in Port Oglethorpe, Georgia.

Tiffany Capebart

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

December 22, 2014

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Service List

District Ascerney, Alameda County 1235 Fallon Street, Sorie 900 Oaklaed, CA 94612

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

District Attorney, Armelor Councy 709 Court Street Jackson, UA 95642

Disuset Attorney, Butte County 25 Courry Center Drive, Suita 345 Occount, CA 95965

Discrict Affective, Calaryme County 891 Mountain Reach Road Sep Andress, CA 95242

District Allertey, Column County 346 Fifth Street State 103 Colons, CA 95932

District Attentity, Contro Costa County 900 Ward Street Mediator, CA 94553

District Attorney, Del Norte County 450 H Street, Room 175 Crescott City, CA 95531

District Attaces, El Derado County S | 5 Maio Street Placerville, CA 9366T

Disertal Attorney, Frence County 2220 Tulere Street, Scritz 1000 Frențiu, CA 93723

District Attorney, Glenn County Poss Office Box 430 Willows, CA 93988

Dustriet America, Humbolit County 825) (\$ Sages) of Floor Gurota, CA 9550)

Digurte: Afformey, Imperial County 940 West Main Street, Ste 182 El Centro, CA 97243

District Attornay, heyo County 230 W. Line Suess Bishop, CA 93114

Desired Amorney, Kern County 1215 Treated Amorae Bakers field, CA 93301

District Arromey, Kinga County 1400 West Lacey Boulevard Hanford, CA 93230

District Anomey, Lake County 255 N. Forbes Street Lakeport, CA 95451

District Assency, Lasses County 220 South Lasses Street, Sec. 8 Sucarrelle, CA 96130 District Attorney, Les Angeles County 210 West Temple Street, Sude 18000 Los Angeles, CA 90012

District Attorney, Maders County 309 West Vocamité Avenue Meders, CA 93637

District Americs, Marin County 3501 Case Center Drive, Room 130 Sun Rafael, CA 94903

District Acomey, Mariposa County Post Office Box 730 Mariposa, CA 95338

District Attorney, Mesopoino Couery Post Diffee Box 1000 Ukish, CA 95482

District Amarsey, Metcod Crursy 550 W. Maio Street Morced, CA 95340

District Americy, Modes County 204 S Court Street, Room 202 Affurat, CA 96101-4020

Classics Attorney, Mone County Post Office Box 617 Bridgepon, CA 93517

Qaurke Assensy, Mentury County Post Offste Boz | 131 Sellipsi, CA 93902

District Attorney, Nape County Pear Office Bea, 720 Napa, CA 94339

District Assumery, Nevada County 201 Commercial Sect Nevada City, CA 95959

District Attorney, Orange County 403 West Civer Center Drive Seate Ana, CA 93701

District Attorney, Placer County 1088D Justice Center Drive, Sto 240 Reservate, CA 93678

District Attorney, Platter County 520 Main Street, Room 404 Quinty, CA 93971

Distrier Absency, Riverside County 3960 Orenge Street Riverside, CA 92501

District Affectory, Settemento County 901 "G" Street Sectemento, CA 95814

District Amoracy, See Benito County 419 Fourth Street, 2nd Floor Hollinett, CA 95023

District Attemny, San Bernardine County 316 N. Mountain View Avenue San Bernardine, CA 92415-0004 District Alloyeey, See Diago Cromy 330 West Broadway, Spite 1300 Seo Diago, CA 92101

District Altophey, San Transisso County 850 Bryann Steed, Suite 322 San Francisco, CA 94103

District Actorsky, Sun Jenquin County 222 E. Weber Avo. Rm. 202 Specialan, CA 95202

District Attenuty, San Lais Obispo County 1035 Palm St. Room 450 San Luis Obispo, CA 93408

District Attorney, See Mateo County 400 County Cir., 3rd Floor Redwood City, CA 94063

Discriot Administ, Santa Berbers County 1112 Sente Restern Screet Sente Berbers, CA 93181

Destrict Attorney, Santa Clara County 70 West Hedding Street San Jose, CA 95110

District Attorney, Sans Cruz County 701 Ocean Strict, Room 200 Santa Cruz, CA 95060

District Attempty, Steems County 1355 West Steed Redding, CA 95001

District Attorney, Signs County PO Box 457 Downley:lie, CA 95936

District Assembly, Stakiyou County Post Office Box 986 Yreka, CA 96097

Digiriet Attorney, Solano County 675 Texas Street, Sie 4300 Feirfein, CA 94333

Diseria: Americay, Sonome County 600 Administration Drive, Room 2123 Sente Room, CA 93400

Disoriet Attomory, Standalaus Comoty 632 (2th Street, Soc 300 Modesto, CA 95354

District Attenuty, Sweet County 446 Second Street Yuba City, CA 95991

Dertrict Attorney, Tehrenz County Post Office Box 519 Red Bluff, CA 96080

District Anumey, Trinity Crusty Post Diffice Box 310 Wesverville, CA 96093

District Attorney, Tulter County 221 S. Mouney Blvd., Room 224 V[selia, CA 9329] Discred Atlantes, Tuchered County 421 N. Weshingere, Street Soutes, CA 95970

District Anotacy, Ventura County 800 South Victoria Ave. Softe 314 Venture, CA 93009

District Attorney, Yello CAMBY 301 2nd State) Woodland, CA 95695

Dising Attorney, Yubs County 215 Fefth Screet, Suito 152 Marywriths, CA 95901

Los Angeles City Attempts Office City Hell East 200 M. Main Street, Suste 800 Los Angeles, CA 90012

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

Sen Francisco, City Attorney Cyty Hell, Room 234 I Dr Cartion B Goodket PL San Francisco, CA 94102

San Jere, City Actomey's Office 200 East Serva Clare Street, 16th Ploor San Jose, CA, 95813

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 Hazerd Assessment (OEHHA), the lead agency for the implementation of the Safe Drinking Water and Toxic Enforcement Act of 1988 (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 26249.5 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. 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 Celifornia Code of Regulations unless otherwise indicated. The statute, regulations and relevant case taw are available on the OEFRA website at: http://www.celiha.ca.gov/prop85/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 wabsite 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 chamical 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 66 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 tist 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 lewauits. 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) 445-8900 or via e-mail at P65Public.Comments@cehha.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 Sefety Code.