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From: Lexington Law Group

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May 08, 2015 LEXINGTON LAW GROUP 1 **CLERK OF** Eric S. Somers, State Bar No. 139050 THE SUPERIOR COURT By Burt Moskaira, Deputy 2 Howard Hirsch, State Bar No. 213209 503 Divisadero Street CASE NUMBER: San Francisco, CA 94117 Telephone: (415) 913-7800 3 RG15765590 Facsimile: (415) 759-4112 esomers@lexlawgroup.com 5 hhirsch@lexlawgroup.com 6 Attorneys for Plaintiff CENTÉR FOR ENVIRONMENTAL HEALTH 7 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA 0 COUNTY OF ALAMEDA 10 11 CENTER FOR ENVIRONMENTAL Case No. RG 15-765590 HEALTH, a non-profit corporation, 12 13 Plaintiff, FIRST AMENDED COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL 14 PENALTIES 15 CHARMING CHARLIE LLC; 6PM.COM LLC;) Health & Safety Code §25249.6, et seq. ASHLEY STEWART, INC.; THE CATO 16 CORPORATION; COLONÝ BRANDS, INC.; (Other) DAISO CALIFORNIA LLC; DIAMOND SUPPLY COMPANY; DIAMOND SUPPLY MANAGEMENT, INC.; DND FASHION, INC.; DRAPER'S & DAMON'S LLC; 18 DREAMWAY TRADING LLC: EASTSTAR 19 SOLUTIONS, LTD.; E.S. ORIGINALS INC.; E.S.I. CASES & ACCESSORIES, INC.; ESQUIRE FOOTWEAR LLC; FÁMILY 20 DOLLAR, INC.; GINA CONCEPTS LLC; 21 GINA GROUP LLC; REALPLAY CORP.; RIPLAY, INC.; ROYAL FOOTWEAR AND 22 ACCESSORIES LLC; SEVENTH AVENUE, INC.; SPRING FOOTWEAR CORP.; VAN DALE INDUSTRIES, INC.; and DOES 1 23 through 700, inclusive, 24 Defendants. 25 26 27 28

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

INTRODUCTION

- 1. This First Amended Complaint seeks to remedy Defendants' continuing failure to warn individuals in California that they are being exposed to lead and lead compounds (collectively, "Lead"), chemicals known to the State of California to cause cancer and birth defects and other reproductive harm. Such exposures have occurred, and continue to occur, through the manufacture, distribution, sale and/or use of three types of fashion accessories: (i) wallets, handbags, purses and clutches made with leather, vinyl or imitation leather materials (collectively, "Handbags"); (ii) footwear made with leather, vinyl or imitation leather materials ("Footwear"); and (iii) belts made with leather, vinyl or imitation leather materials ("Belts"). Handbags, Footwear and Belts are collectively referred to herein as "Fashion Accessories." Individuals in California, including pregnant women and children, are exposed to Lead when they wear, use, touch or handle Defendants' Fashion Accessories.
- 2. Under California's Proposition 65, Health & Safety Code §25249.5, et seq., it is unlawful for businesses to knowingly and intentionally expose individuals in California to chemicals known to the State to cause cancer, birth defects or other reproductive harm without providing clear and reasonable warnings to individuals prior to their exposure. Defendants introduce Fashion Accessories contaminated with significant quantities of Lead into the California marketplace, exposing consumers of their Fashion Accessories, many of whom are pregnant women and children, to Lead.
- 3. Despite the fact that Defendants expose pregnant women, children and other people who come into contact with the Fashion Accessories to Lead, Defendants provide no warnings whatsoever about the carcinogenic or reproductive hazards associated with these Lead exposures. Defendants' conduct thus violates the warning provision of Proposition 65. Health & Safety Code §25249.6.

PARTIES

- 4. Plaintiff CENTER FOR ENVIRONMENTAL HEALTH ("CEH") is a non-profit corporation dedicated to protecting the public from environmental health hazards and toxic exposures. CEH is based in Oakland, California and incorporated under the laws of the State of California. CEH is a "person" within the meaning of Health & Safety Code \$25249.11(a) and brings this enforcement action in the public interest pursuant to Health & Safety Code \$25249.7(d). CEH is a nationally recognized non-profit environmental advocacy group that has prosecuted a large number of Proposition 65 cases in the public interest. These cases have resulted in significant public benefit, including the reformulation of thousands of products to remove toxic chemicals to make them safer. CEH also provides information to Californians about the health risks associated with exposure to hazardous substances, where manufacturers and other responsible parties fail to do so.
- 5. Defendant CHARMING CHARLIE LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Charming Charlie LLC manufactures, distributes and/or sells Handbags for sale or use in California.
- 6. Defendant 6PM.COM LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. 6pm.com LLC manufactures, distributes and/or sells Footwear for sale or use in California.
- 7. Defendant ASHLEY STEWART, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Ashley Stewart, Inc. manufactures, distributes and/or sells Belts for sale or use in California.
- 8. Defendant THE CATO CORPORATION is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. The Cato Corporation manufactures, distributes and/or sells Handbags and Footwear for sale or use in California.
- 9. Defendant COLONY BRANDS, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Colony Brands, Inc. manufactures, distributes and/or sells Footwear for sale or use in California.
 - 10. Defendant DAISO CALIFORNIA LLC is a person in the course of doing

doing business within the meaning of Health & Safety Code §25249.11. Esquire Footwear LLC manufactures, distributes and/or sells Footwear for sale or use in California.

- 20. Defendant FAMILY DOLLAR, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Family Dollar, Inc. manufactures, distributes and/or sells Handbags for sale or use in California.
- 21. Defendant GINA CONCEPTS LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Gina Concepts LLC manufactures, distributes and/or sells Handbags and Footwear for sale or use in California.
- 22. Defendant GINA GROUP LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Gina Group LLC manufactures, distributes and/or sells Handbags and Footwear for sale or use in California.
- 23. Defendant REALPLAY CORP. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Realplay Corp. manufactures, distributes and/or sells Footwear for sale or use in California.
- 24. Defendant RIPLAY, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Riplay, Inc. manufactures, distributes and/or sells Footwear for sale or use in California.
- 25. Defendant ROYAL FOOTWEAR AND ACCESSORIES LLC is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Royal Footwear and Accessories LLC manufactures, distributes and/or sells Footwear for sale or use in California.
- 26. Defendant SEVENTH AVENUE, INC. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Seventh Avenue, Inc. manufactures, distributes and/or sells Footwear for sale or use in California.
- 27. Defendant SPRING FOOTWEAR CORP. is a person in the course of doing business within the meaning of Health & Safety Code §25249.11. Spring Footwear Corp. manufactures, distributes and/or sells Footwear for sale or use in California.
 - 28. Defendant VAN DALE INDUSTRIES, INC. is a person in the course of

- doing business within the meaning of Health & Safety Code §25249.11. Van Dale Industries, Inc. manufactures, distributes and/or sells Belts for sale or use in California. DOES 1 through 100 are each a person in the course of doing business
- within the meaning of Health & Safety Code §25249.11. DOES 1 through 100 manufacture, distribute and/or sell Handbags for sale or use in California.
- DOES 101 through 200 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 101 through 200 manufacture, distribute and/or sell Footwear for sale or use in California.
- DOES 201 through 300 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 201 through 300 manufacture, distribute and/or sell Belts for sale or use in California.
- DOES 301 through 400 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 301 through 400 manufacture, distribute and/or sell Handbags and Footwear for sale or use in California.
- DOES 401 through 500 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 401 through 500 manufacture, distribute and/or sell Handbags and Belts for sale or use in California.
- DOES 501 through 600 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 501 through 600 manufacture, distribute and/or sell Footwear and Belts for sale or use in California.
- DOES 601 through 700 are each a person in the course of doing business within the meaning of Health & Safety Code §25249.11. DOES 601 through 700 manufacture, distribute and/or sell Handbags, Footwear and Belts for sale or use in California.
- 36. The true names of DOES 1 through 700 are unknown to CEH at this time. When their identities are ascertained, the Complaint shall be amended to reflect their true names.
- 37. The defendants identified in paragraphs 5 through 28 and DOES 1 through 700 are collectively referred to herein as "Defendants."

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JURISDICTION AND VENUE

- 38. The Court has jurisdiction over this action pursuant to Health & Safety Code §25249.7, which allows enforcement in any court of competent jurisdiction, and pursuant to California Constitution Article VI, Section 10, because this case is a cause not given by statute to other trial courts.
- 39. This Court has jurisdiction over Defendants because each is a business entity that does sufficient business, has sufficient minimum contacts in California or otherwise intentionally avails itself of the California market through the sale, marketing or use of Fashion Accessories in California and/or by having such other contacts with California so as to render the exercise of jurisdiction over it by the California courts consistent with traditional notions of fair play and substantial justice.
- 40. Venue is proper in the Alameda Superior Court because one or more of the violations arise in the County of Alameda.

BACKGROUND FACTS

- 41. The People of the State of California have declared by initiative under Proposition 65 their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Proposition 65, §1(b).
- 42. To effectuate this goal, Proposition 65 prohibits exposing people to chemicals listed by the State of California as known to cause cancer, birth defects or other reproductive harm without a "clear and reasonable warning" unless the business responsible for the exposure can prove that it fits within a statutory exemption. Health & Safety Code §25249.6 states, in pertinent part:

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. . .

43. On February 27, 1987, the State of California officially listed lead as a chemical known to cause reproductive toxicity. Lead is specifically identified as a reproductive toxicant under three subcategories: "developmental reproductive toxicity," which means harm to

the developing fetus, "female reproductive toxicity," which means harm to the female reproductive system, and "male reproductive toxicity," which means harm to the male reproductive system. 27 Cal. Code Regs. ("C.C.R.") §27001(c). On February 27, 1988, one year after it was listed as a chemical known to cause reproductive toxicity, lead became subject to the clear and reasonable warning requirement regarding reproductive toxicants under Proposition 65. 27 C.C.R. §27001(c); Health & Safety Code §25249.10(b).

- 44. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer. On October 1, 1993, one year after they were listed as chemicals known to cause cancer, lead and lead compounds became subject to the clear and reasonable warning requirement regarding carcinogens under Proposition 65. 27 C.C.R. §27001(c); Health & Safety Code §25249.10(b).
- Children show a greater sensitivity to Lead's effects than do adults. Adverse health impacts from Lead exposure generally occur in children at lower blood Lead levels than in adults. Children absorb and retain more Lead in proportion to their weight than do adults. Young children also show a greater prevalence of iron deficiency, a condition that can increase gastrointestinal absorption of Lead. The body accumulates Lead over a lifetime and releases it slowly, so even small doses received in childhood, over time, can cause adverse health impacts, including but not limited to reproductive toxicity, later in life. For example, in times of physiological stress, such as pregnancy, the body can mobilize accumulated stores of Lead in tissue and bone, thereby increasing the level of Lead in the blood and increasing the risk of harm to the fetus.
- 46. There is no safe level of exposure to Lead and even minute amounts of Lead exposure have been shown to permanently reduce mental capacity. Studies have repeatedly concluded that concentrations of Lead in children's blood previously deemed acceptable can have adverse health effects. See, e.g., Canfield, R.L., et al., "Intellectual Impairment in Children with Blood Lead Concentrations below 10 ug per Deciliter," New England Journal of Medicine 348:16, 2003. Another recent study found that childhood Lead

exposure predicts intellectual functioning in early adulthood in that adult IQ levels are inversely associated with blood Lead concentrations from childhood. Mazumdar, M., et al., "Low-Level Environmental Lead Exposure in Childhood and Adult Intellectual Function: A Follow-Up Study," Environmental Health 10:24, 2011; see also Lanphear, B.P., et al., "Subclinical Lead Toxicity in U.S. Children and Adolescents," Neurodevelopmental Disabilities II Platform, 2000 (concluded that even the smallest detectable amount of blood Lead levels in children can mean the difference between an A or B grade in school).

- 47. Lead exposures for pregnant women are also of particular concern in light of evidence that even short-term Lead exposures *in utero* may have long-term harmful effects. Hu, H., *et al.*, "Fetal Lead Exposure at Each State of Pregnancy as a Predictor of Infant Mental Development," *Environmental Health Perspectives* 114:11, 2006; Schnaas, L., *et al.*, "Reduced Intellectual Development in Children with Prenatal Lead Exposure," *Environmental Health Perspectives* 114:5, 2006.
- As the California Office of Environmental Health Hazard Assessment ("OEHHA") recently found, "[p]otentially unsafe levels of lead in products such as jewelry and fashion accessories imported into the U.S. still pose a significant concern." OEHHA, Initial Statement of Reasons for Proposed Adoption of New Title 27, Article 6, at 20 (Jan. 16, 2015). Lead is found in the fabric and/or material from which many Fashion Accessories are made. Lead is found in Fashion Accessories as a stabilizer in the vinyl or imitation leather materials, as a chemical ingredient in some of the dies, paints and other coloring agents used in Fashion Accessories and in the chemicals used in the leather tanning process. Lead is also found in the metallic components such as zippers, zipper pulls and buckles used on some Fashion Accessories.
- 49. Defendants' Fashion Accessories contain sufficient quantities of Lead such that individuals, including pregnant women and children, who wear, use, touch and/or handle Fashion Accessories are exposed to Lead through the average use of Fashion Accessories. Consumer exposures to Lead occur through ingestion via hand-to-mouth contact after consumers touch and/or handle Fashion Accessories and dermal absorption directly through the skin when

- 50. Some Fashion Accessories are designed for and marketed to children. Young children are also exposed to Lead from Fashion Accessories when they touch or play with Fashion Accessories that are owned or used by their parents or caretakers. In addition, young children are exposed to Lead from Handbags when they eat food that is stored or carried in Handbags or touch or play with non-food items that are stored or carried in Handbags.

 Additional childhood exposures to Lead occur when children touch their hands to their mouths after their hands have touched Fashion Accessories or items stored or carried in Handbags.
- 51. Any person acting in the public interest has standing to enforce violations of Proposition 65 provided that such person has supplied the requisite public enforcers with a valid 60-Day Notice of Violation and such public enforcers are not diligently prosecuting the action within such time. Health & Safety Code §25249.7(d).
- 52. More than sixty days prior to naming each Defendant in this lawsuit, CEH provided a 60-Day "Notice of Violation of Proposition 65" to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to each of the named Defendants. In compliance with Health & Safety Code §25249.7(d) and 27 C.C.R. §25903(b), each Notice included the following information: (1) the name and address of each violator; (2) the statute violated; (3) the time period during which violations occurred; (4) specific descriptions of the violations, including (a) the routes of exposure to Lead from Fashion Accessories, and (b) the specific type of Fashion Accessories sold and used in violation of Proposition 65; and (5) the name of the specific Proposition 65-listed chemical that is the subject of the violations described in each Notice.
- 53. CEH also sent a Certificate of Merit for each Notice to the California Attorney General, the District Attorneys of every county in California, the City Attorneys of every California city with a population greater than 750,000 and to the named Defendants. In compliance with Health & Safety Code §25249.7(d) and 11 C.C.R. §3101, each of the Certificates certified that CEH's counsel: (1) has consulted with one or more persons with

relevant and appropriate experience or expertise who reviewed facts, studies or other data regarding the exposures to Lead alleged in each of the Notices; and (2) based on the information obtained through such consultations, believes that there is a reasonable and meritorious case for a citizen enforcement action based on the facts alleged in each of the Notices. In compliance with Health & Safety Code §25249.7(d) and 11 C.C.R. §3102, each of the Certificates served on the Attorney General included factual information – provided on a confidential basis – sufficient to establish the basis for the Certificate, including the identity of the person(s) consulted by CEH's counsel and the facts, studies or other data reviewed by such persons.

- 54. None of the public prosecutors with the authority to prosecute violations of Proposition 65 has commenced and/or is diligently prosecuting a cause of action against Defendants under Health & Safety Code §25249.5, *et seq.*, based on the claims asserted in the Notices.
- 55. Defendants both know and intend that consumers in California, including pregnant women and children, will wear, use, touch and/or handle Fashion Accessories, thus exposing them to Lead.
- 56. Under Proposition 65, an exposure is "knowing" where the party responsible for such exposure has:

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

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

- 57. No clear and reasonable warning is provided with Fashion Accessories regarding the carcinogenic or reproductive hazards of Lead.
- 58. Defendants have been informed of the Lead in their Fashion Accessories by the 60-Day Notice of Violation and accompanying Certificate of Merit served on them by CEH.

1	5.	That the Court grant such other and further relief as may be just and
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4	Dated: May 8, 2015	Respectfully submitted,
5		LEXINGTON LAW GROUP
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8		Howard Hirsch Attorneys for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH
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