ENDORSED FILED ALAMEDA COUNTY

JUL 77 2010

CLEDING STEPERIOR COURT

Deputy

MATTHEW C. MACLEAR (SBN 209228) ANTHONY M. BARNES (SBN 199048) AOUA TERRA AERIS LAW GROUP

7425 Fairmount Ave.

El Cerrito, CA 94530

Ph: 415-568-5200

Email: mcm@atalawgroup.com

Attorneys for Plaintiff

ENVIRONMENTAL RESEARCH CENTER, INC.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ALAMEDA

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

Plaintiff.

v.

APRICOT POWER, INC., a Nevada corporation,) and DOES 1 – 25,

Defendants.

) Case No.

MC16822787

COMPLAINT FOR PERMANENT INJUNCTION, CIVIL PENALTIES AND OTHER RELIEF

Health & Safety Code §25249.5, et seq.

Plaintiff Environmental Research Center, Inc. ("PLAINTIFF" or "ERC") brings this action in the interests of the general public and, on information and belief, hereby alleges:

INTRODUCTION

1. This action seeks to remedy the continuing failure of Defendants APRICOT POWER, INC. ("APRICOT POWER") and DOES 1-25 (hereinafter individually referred to as "DEFENDANT" or collectively as "DEFENDANTS") to warn consumers in California that they are being exposed to lead and cadmium, chemicals known to the State of California to cause cancer, birth defects, and other reproductive harm. According to the Safe Drinking Water and Toxics Enforcement Act of 1986, Health and Safety Code ("H&S Code") section 25249.5 (also known as and referred to hereinafter as "Proposition 65"), businesses must provide persons with

1	MATTHEW C. MACLEAR (SBN 209228)		
2	ANTHONY M. BARNES (SBN 199048)		
3	AQUA TERRA AERIS LAW GROUP 7425 Fairmount Ave.		
4	El Cerrito, CA 94530 Ph: 415-568-5200		
5	Email: mcm@atalawgroup.com		
6	Attorneys for Plaintiff		
7	ENVIRONMENTAL RESEARCH CENTER, INC.		
8			
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF ALAMEDA		
11			
12	ENVIRONMENTAL RESEARCH CENTER, INC., a non-profit California corporation,) Case No.	
13	Plaintiff,	COMPLAINT FOR PERMANENT	
14	ν,	INJUNCTION, CIVIL PENALTIES AND OTHER RELIEF	
15	APRICOT POWER, INC., a Nevada corporation,	Health & Safety Code §25249.5, et seq.	
16	and DOES $1-25$,		
17	Defendants.		
18			
19	Plaintiff Environmental Research Center, Inc. ("PLAINTIFF" or "ERC") brings this		
20	action in the interests of the general public and, on information and belief, hereby alleges:		
21	INTRODUCTION		
22	1. This action seeks to remedy the continuing failure of Defendants APRICOT POWER,		
23	INC. ("APRICOT POWER") and DOES 1-25 (hereinafter individually referred to as		
24	"DEFENDANT" or collectively as "DEFENDANTS") to warn consumers in California that they		
25	are being exposed to lead and cadmium, chemicals known to the State of California to cause		
26	cancer, birth defects, and other reproductive harm. According to the Safe Drinking Water and		
27	Toxics Enforcement Act of 1986, Health and Safety Code ("H&S Code") section 25249.5 (also		
28		known as and referred to bereinafter as "Proposition 65") businesses must provide persons with	

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a "clear and reasonable warning" before exposing individuals to chemicals known to the state to cause cancer or reproductive harm. DEFENDANTS manufacture, package, distribute, market, and/or sell in California certain products containing lead and/or cadmium (the "SUBJECT PRODUCTS"):

- Apricot Power Probiotic Shield Lead
- Only Natural Inc. Yeast Therapy Lead
- Apricot Power Ground SuperFood Mix Chocolate Brownie Lead, Cadmium
- Apricot Power Green Phytofoods Lead
- Apricot Power Chlorella Lead
- Apricot Power Megazyme Forte 1018 mg Lead
- Diamond Interest USA Ganoderma Chocolate Instant Chocolate Mixture with Ganoderma Powder - Lead, Cadmium
- Apricot Power Valerian Root 500 mg Lead
- Apricot Power Coral Calcium Cadmium
- 2. Lead and cadmium (hereinafter, the "LISTED CHEMICALS") are chemicals known to the State of California to cause cancer, birth defects, and other reproductive harm.
- 3. The use and/or handling of the SUBJECT PRODUCTS causes exposures to the LISTED CHEMICALS at levels requiring a "clear and reasonable warning" under Proposition 65. DEFENDANTS exposed consumers, users, and handlers to the LISTED CHEMICALS and have failed to provide the health hazard warnings required by Proposition 65.
- 4. DEFENDANTS' continued manufacturing, packaging, distributing, marketing and/or sales of the SUBJECT PRODUCTS without the required health hazard warnings, causes, or threatens to cause, individuals to be involuntarily, unknowingly and unwittingly exposed to levels of the LISTED CHEMICALS that violate Proposition 65.

PARTIES

 PLAINTIFF is a non-profit corporation organized under California law. ERC is dedicated to, among other causes, reducing the use and misuse of hazardous and toxic substances, consumer protection, worker safety, and corporate responsibility.

- 6. ERC is a person within the meaning of H&S Code §25249.11 and brings this enforcement action in the public interest pursuant to H&S Code §25249.7(d). H&S Code § 25249.7 (d) specifies that actions to enforce Proposition 65 may be brought by a person in the public interest, provided certain notice requirements and no other public prosecutor is diligently prosecuting an action for the same violation(s).
- 7. APRICOT POWER is now, and was at all times relevant herein, a corporation organized under the laws of Nevada and is doing business within the meaning of H&S Code §25249.11.
- 8. DEFENDANTS own, administer, direct, control and/or operate facilities and/or agents, distributors sellers, marketers or other retail operations who place its SUBJECT PRODUCTS into the stream of commerce in California (including but not limited to Alameda County) under the brand name Apricot Power and other brand names, which contain the LISTED CHEMICALS without first giving clear and reasonable warnings.
- 9. DEFENDANTS, separately and each of them, are or were, at all times relevant to the claims in this Complaint and continuing through the present, legally responsible for compliance with the provisions of Proposition 65. Whenever an allegation regarding any act of a DEFENDANT is made herein, such allegation shall be deemed to mean that DEFENDANT, or its agent, officer, director, manager, supervisor, or employee did, or so authorized, such acts while engaged in the affairs of DEFENDANT's business operations and/or while acting within the course and scope of their employment or while conducting business for DEFENDANT(S) for a commercial purpose.
- 10. In this Complaint, when reference is made to any act of a DEFENDANT, such allegation shall mean that the owners, officers, directors, agents, employees, contractors, or representatives of DEFENDANT acted or authorized such actions, and/or negligently failed and omitted to act or adequately and properly supervise, control or direct its employees and agents while engaged in the management, direction, operation or control of the affairs of the business organization. Whenever reference is made to any act of any DEFENDANT, such allegation shall be deemed to mean the act of each DEFENDANT acting individually, jointly, and severally as

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11. PLAINTIFF does not know the true names, capacities and liabilities of DEFENDANT's DOES Nos. 1-25, inclusive, and therefore sues them under fictitious names. PLAINTIFF will amend this Complaint to allege the true name and capacities of the DOE Defendants upon being ascertained. Each of these Defendants was in some way legally responsible for the acts, omissions, and/or violations alleged herein.

JURISDICTION AND VENUE

- 12. This Court has jurisdiction over this action pursuant to California Constitution Article VI, Section 10, which grants the Superior Court "original jurisdiction in all causes except those given by statute to other trial courts." The statute under which this action is brought does not specify any other court with jurisdiction.
- 13. This Court has jurisdiction over DEFENDANTS because they are business entities that do sufficient business, have sufficient minimum contacts in California or otherwise intentionally avail themselves of the California market, through the sale, marketing and use of their SUBJECT PRODUCTS in California, to render the exercise of jurisdiction over them by the California courts consistent with traditional notions of fair play and substantial justice.
- 14. Venue in this action is proper in the Alameda County Superior Court because the cause, or part thereof, arises in the County of Alameda since DEFENDANTS' products are marketed, offered for sale, sold, used, and/or consumed in this county.

STATUTORY BACKGROUND

- 15. The People of the State of California declared in Proposition 65 their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." (Section 1(b) of Initiative Measure, Proposition 65).
- 16. To effect this goal, Proposition 65 requires that individuals be provided with a "clear and reasonable warning" before being exposed to chemicals listed by the State of California as causing cancer or reproductive toxicity. H&S 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....

17. An exposure to a chemical in a consumer product is one "which results from a person's acquisition, purchase, storage, consumption, or other reasonably foreseeable use of a consumer good, or any exposure that results from receiving a consumer service." (Cal. Code Regs., tit. 22, § 12601, subd. (b).)

18. Proposition 65 provides that any "person who violates or threatens to violate" the statute may be enjoined in a court of competent jurisdiction. (H&S Code §25249.7). The phrase "threaten to violate" is defined to mean creating "a condition in which there is a substantial probability that a violation will occur" (H&S Code §25249.11(e)). Violators are liable for civil penalties of up to \$2,500 per day for each violation of the Act. (H&S Code §25249.7.)

FACTUAL BACKGROUND

19. On February 27, 1987, the State of California officially listed lead as a chemical known to cause reproductive toxicity. Lead became subject to the warning requirement one year later and was therefore subject to the "clear and reasonable" warning requirements of Proposition 65 beginning on February 27, 1988. (27 California Code of Regulations ("CCR") §25000, et seq.; H&S Code §25249.5, et seq.).

20. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer. Lead and lead compounds became subject to the warning requirement one year later and were therefore subject to the "clear and reasonable" warning requirements of Proposition 65 beginning on October 1, 1993. (27 CCR § 25000, et seq.; H&S Code §25249.6, et seq.). Due to the high toxicity of lead, the maximum allowable dose level for lead is 0.5 μg/day (micrograms a day) for reproductive toxicity and the no significant risk level for carcinogens is 15μg/day (oral).

21. On May 1, 1997, the State of California officially listed the chemical cadmium as a chemical known to cause reproductive toxicity. Cadmium became subject to the warning requirement one year later and was therefore subject to the "clear and reasonable" warning requirements of Proposition 65 beginning on May 1, 1998. (27 CCR §25000, et seq.; H&S Code §25249.5, et seq.). Due to the high toxicity of cadmium, the maximum allowable dose level for cadmium is 4.1 μg/day (micrograms a day) for reproductive toxicity. (27 CCR §

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25805(b).)

- 22. On October 1, 1987, the State of California officially listed the chemicals cadmium and cadmium compounds as chemicals known to cause cancer. Cadmium and cadmium compounds became subject to the warning requirement one year later and were therefore subject to the "clear and reasonable" warning requirements of Proposition 65 beginning on October 1, 1988 (27 CCR §25000, et seq.; H&S Code §25249.6 et seq.).
- 23. To test DEFENDANTS' SUBJECT PRODUCTS for lead and cadmium, PLAINTIFF hired a well-respected and accredited testing laboratory. The results of testing undertaken by PLAINTIFF of DEFENDANTS' SUBJECT PRODUCTS show that the SUBJECT PRODUCTS tested were in violation of the 0.5 μg/day and/or 15 μg/day "safe harbor" daily dose limits set forth for lead, and/or in violation of the 4.1 μg/day "safe harbor" daily dose limits for cadmium, in Proposition 65's regulations. Very significant is the fact that people are being exposed to lead and/or cadmium through ingestion as opposed to other not as harmful methods of exposure such as dermal exposure. Ingestion of lead and/or cadmium produces much higher exposure levels and health risks than does dermal exposure to these chemicals.
- 24. At all times relevant to this action, DEFENDANTS, therefore, have knowingly and intentionally exposed the users, consumers and/or handlers of the SUBJECT PRODUCTS to the LISTED CHEMICALS without first giving a clear and reasonable warning to such individuals.
- 25. The SUBJECT PRODUCTS have allegedly been sold by DEFENDANTS for use in California since at least April 29, 2013. The SUBJECT PRODUCTS continue to be distributed and sold in California without the requisite warning information.
- 26. As a proximate result of acts by DEFENDANTS, as persons in the course of doing business within the meaning of Health & Safety Code §25249.11, individuals throughout the State of California, including in the County of Alameda have been exposed to the LISTED CHEMICALS without a clear and reasonable warning on the SUBJECT PRODUCTS. The individuals subject to the violative exposures include normal and foreseeable users of the SUBJECT PRODUCTS, as well as all other persons exposed to the SUBJECT PRODUCTS.
 - 27. On April 29, 2016, ERC served each of the DEFENDANTS and each of the

appropriate public enforcement agencies with a document entitled "Notice of Violations of California Health & Safety Code Section 25249.5" that provided DEFENDANTS and the public enforcement agencies with notice that DEFENDANTS were in violation of Proposition 65 for failing to warn purchasers and individuals using the SUBJECT PRODUCTS that the use of the SUBJECT PRODUCTS exposes them to lead and/or cadmium, chemicals known to the State of California to cause cancer and/or reproductive toxicity ("Prop. 65 Notice"). A true and correct copy of the 60-Day Notice ("NOTICE") is attached hereto as Exhibit A and is hereby incorporated by reference, and is available on the Attorney General's website located at http://oag.ca.gov/prop65.

28. The NOTICE was issued pursuant to, and in compliance with, the requirements of H&S Code §25249.7(d) and the statute's implementing regulations regarding the notice of the violations to be given to certain public enforcement agencies and to the violator. The NOTICE included, *inter alia*, the following information: the name, address, and telephone number of the noticing individual; the name of the alleged violator; the statute violated; the approximate time period during which violations occurred; and descriptions of the violations including the chemicals involved, the routes of toxic exposure, and the specific product or type of product causing the violations.

- 29. APRICOT POWER was also provided copies of the document entitled "The Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary," which is also known as Appendix A to Title 27 of CCR §25903, via Certified Mail.
- 30. The California Attorney General was provided a copy of the NOTICE and a Certificate of Merit by the attorney for the noticing party, stating that there is a reasonable and meritorious case for this action, and attaching factual information sufficient to establish a basis for the certificate, including the identity of the persons consulted with and relied on by the certifier, and the facts, studies, or other data reviewed by those persons, pursuant to H&S Code §25249.7(h) (2) via online submission.
- 31. After expiration of the sixty (60) day notice period, The appropriate public enforcement agencies failed to commence and diligently prosecute a cause of action under H&S

Code §25249.5, et seq. against DEFENDANTS based on the allegations herein.

FIRST CAUSE OF ACTION

(Injunctive Relief for Violations of Health and Safety Code § 25249.5, et seq. concerning the SUBJECT PRODUCTS described in the April 29, 2016 Prop. 65 Notice of Violation)

Against DEFENDANTS

- 32. PLAINTIFF re-alleges and incorporates by reference Paragraphs 1 through 31, inclusive, as if specifically set forth herein.
- 33. By committing the acts alleged in this Complaint, DEFENDANTS at all times relevant to this action, and continuing through the present, have violated, or threaten to violate, H&S Code §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals in California to chemicals known to the State of California to cause cancer or reproductive toxicity without first giving clear and reasonable warnings to such persons who use, consume or handle the SUBJECT PRODUCTS containing the LISTED CHEMICALS, pursuant to H&S Code §§ 25249.6 and 25249.11(f).
- 34. By the above-described acts, DEFENDANTS have violated, or threaten to violate, H&S Code § 25249.6 and are therefore subject to preliminary and permanent injunctions ordering DEFENDANTS to stop violating Proposition 65, to provide warnings to all present and future customers, and to provide warnings to DEFENDANTS' past customers who purchased or used the SUBJECT PRODUCTS without receiving a clear and reasonable warning.
- 35. An action for injunctive relief under Proposition 65 is specifically authorized by H&S Code §25249.7(a).
- 36. Continuing commission by DEFENDANTS of the acts alleged above will irreparably harm the citizens of the State of California, for which harm they have no plain, speedy, or adequate remedy at law.
- 37. In the absence of preliminary and then permanent injunctive relief, DEFENDANTS will continue to create a substantial risk of irreparable injury by continuing to cause consumers to be involuntarily, unknowingly and unwittingly exposed to the LISTED CHEMICALS through the use, consumption and/or handling of the SUBJECT PRODUCTS.

SECOND CAUSE OF ACTION

(Civil Penalties for Violations of Health and Safety Code § 25249.5, et seq. concerning the SUBJECT PRODUCTS described in the April 29, 2016, Prop. 65 Notice of Violation)

Against DEFENDANTS

- 38. PLAINTIFF re-alleges and incorporates by reference Paragraphs 1 through 37, inclusive, as if specifically set forth herein.
- 39. By committing the acts alleged in this Complaint, DEFENDANTS at all times relevant to this action, and continuing through the present, have violated H&S Code §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals in California to chemicals known to the State of California to cause cancer or reproductive toxicity without first giving clear and reasonable warnings to such persons who use, consume or handle the SUBJECT PRODUCTS containing the LISTED CHEMICALS, pursuant to H&S Code §§ 25249.6 and 25249.11(f).
- 40. By the above-described acts, DEFENDANTS are liable, pursuant to H&S Code \$25249.7(b), for a civil penalty of up to \$2,500 per day per violation for each unlawful exposure to the LISTED CHEMICALS from the SUBJECT PRODUCTS, in an amount in excess of \$1 million.

THE NEED FOR INJUNCTIVE RELIEF

- 41. PLAINTIFF re-alleges and incorporates by this reference Paragraphs 1 through 40, as if set forth below.
- 42. By committing the acts alleged in this Complaint, DEFENDANTS have caused or threaten to cause irreparable harm for which there is no plain, speedy or adequate remedy at law. In the absence of equitable relief, DEFENDANTS will continue to create a substantial risk of irreparable injury by continuing to cause consumers to be involuntarily and unwittingly exposed to the LISTED CHEMICALS through the use and/or handling of the SUBJECT PRODUCTS.

PRAYER FOR RELIEF

Wherefore, PLAINTIFF prays for the following relief:

A. A preliminary and permanent injunction, pursuant to H&S Code §25249.7(b),

enjoining DEFENDANTS, their agents, employees, assigns and all persons acting in concert or participating with DEFENDANTS, from manufacturing, distributing, marketing or selling the SUBJECT PRODUCTS in California without first providing a clear and reasonable warning, within the meaning of Proposition 65, that the users and/or handlers of the SUBJECT PRODUCTS are exposed to the LISTED CHEMICALS;

- B. An injunctive order, pursuant to H&S Code §25249.7(b), compelling DEFENDANTS to identify and locate each individual who has purchased the SUBJECT PRODUCTS since June 5, 2012, and to provide a warning to such person that the use of the SUBJECT PRODUCTS will expose the user to chemicals known to cause cancer, birth defects, and other reproductive harm;
- C. An assessment of civil penalties pursuant to Health & Safety Code §25249.7(b), against DEFENDANTS in the amount of \$2,500 per day for each violation of Proposition 65, in an amount in excess of \$1 million, according to proof;
- D. An award to PLAINTIFF of its reasonable attorney's fees and costs of suit pursuant to California Code of Civil Procedure §§ 1032 et. seq and 1021.5, as PLAINTIFF shall specify in further applications to the Court; and,
 - E. Such other and further relief as may be just and proper.

DATED: February , 2016

AQUA TERRA AERIS LAW GROUP

vanda

Matthew C. Maclear Anthony M. Barnes Attorneys for Plaintiff

Environmental Research Center, Inc.

EXHIBIT A



Matthew M. Maclear mcm@atalawgroup.com 415.568.5200

April 29, 2016

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.

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

Apricot Power, Inc.

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

- 1. Apricot Power Probiotic Shield Lead
- 2. Only Natural Inc. Yeast Therapy Lead



- 3. Apricot Power Ground SuperFood Mix Chocolate Brownie Lead, Cadmium
- 4. Apricot Power Green Phytofoods Lead
- 5. Apricot Power Chlorella Lead
- 6. Apricot Power Megazyme Forte 1018 mg Lead
- 7. Diamond Interest USA Ganoderma Chocolate Instant Chocolate Mixture with Ganoderma Powder
- Lead, Cadmium 8. Apricot Power Valerian Root 500 mg - Lead
- 9. Apricot Power Coral Calcium Cadmium

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.

Cadmium was officially listed as a chemical known to cause developmental toxicity and male reproductive toxicity on May 1, 1997 while cadmium and cadmium compounds were listed as chemicals known to the State of California to cause cancer on October 1, 1987.

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 dermal contact.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least April 29, 2013, 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

El Cerrito, CA 94530



products so as to eliminate further exposures to the identified chemicals, or provide appropriate warnings on the labels of these products; (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,
Morlean

Matthew Maclear

AQUA TERRA AERIS LAW GROUP

Attachments

Certificate of Merit Certificate of Service

OEHHA Summary (to Apricot Power, Inc. and its Registered Agent 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 Apricot Power, Inc.

I, Matthew Maclear, 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: April 29, 2016

Matthew Maclear

INSH Morlear



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 April 29, 2016, 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 Apricot Power, Inc. 720 South Main Street Lakeport, CA 95453 Incorp Services, Inc. (Apricot Power, Inc.'s Registered Agent for Service of Process) 3773 Howard Hughes Parkway, Suite 500S Las Vegas, NV 89169

On April 29, 2016, I verified the following documents NOTICE OF VIOLATIONS, 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) were served on the following party when a true and correct copy thereof was uploaded 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 April 29, 2016, I verified the following documents NOTICE OF VIOLATIONS, CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT were served on the following parties when a true and correct copy thereof was sent via electronic mail to the party listed below:

Stacey Grassini, Deputy District Attorney Contra Costa County 900 Ward Street Martinez, CA 94553 sgrassini@contracostada.org

Michelle Latimer, Program Coordinator Lassen County 220 S. Lassen Street Susanville, CA 96130 mlatimer@co.lassen.ca.us Dije Ndreu, Deputy District Attorney Monterey County 1200 Aguajito Road Monterey, CA 93940 Prop65DA@co.monterey.ca.us

Gary Lieberstein, District Attorney Napa County 931 Parkway Mall Napa, CA 94559 CEPD@countyofnapa.org



Paul E. Zellerbach, District Attorney Riverside County 3072 Orange Street Riverside, CA 92501 Prop65@rivcoda.org

Anne Marie Schubert, District Attorney Sacramento County 901 G Street Sacramento, CA 95814 Prop65@sacda.org

Gregory Alker, Assistant District Attorney San Francisco County 732 Brannan Street San Francisco, CA 94103 gregory.alker@sfgov.org

Eric J. Dobroth, Deputy District Attorney
San Luis Obispo County
County Government Center Annex, 4th Floor
San Luis Obispo, CA 93408
edobroth@co.slo.ca.us

Yen Dang, Supervising Deputy District Attorney Santa Clara County 70 W Hedding St San Jose, CA 95110 EPU@da.sccgov.org

Stephan R. Passalacqua, District Attorney Sonoma County 600 Administration Dr Sonoma, CA 95403 jbarnes@sonoma-county.org

Phillip J. Cline, District Attorney Tulare County 221 S Mooney Blvd Visalia, CA 95370 Prop65@co.tulare.ca.us

Gregory D. Totten, District Attorney Ventura County 800 S Victoria Ave Ventura, CA 93009 daspecialops@ventura.org

Jeff W. Reisig, District Attorney Yolo County 301 Second Street Woodland, CA 95695 cfepd@yolocounty.org

On April 29, 2015, 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 April 29, 2016, in Fort Oglethorpe, Georgia.



Service List

District Attorney, Alameda County 1225 Fallon Street, Suite 900 Oakland, CA 94612

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

District Attorney, Amador County 708 Court Street Jackson, CA 95642

District Attorney, Butte County 25 County Center Drive, Suite 245 Oroville, CA 95965

District Attorney, Calaveras County 891 Mountain Ranch Road San Andreas, CA 95249

District Attorney, Colusa County 346 Fifth Street Suite 101 Colusa, CA 95932

District Attorney, Del Norte County 450 H Street, Room 171 Crescent City, CA 95531

District Attorney, El Dorado County 515 Main Street Placerville, CA 95667

District Attorney, Fresno County 2220 Tulare Street, Suite 1000 Fresno, CA 93721

District Attorney, Glenn County Post Office Box 430 Willows, CA 95988

District Attorney, Humboldt County 825 5th Street 4th Floor Eureka, CA 95501

District Attorney, Imperial County 940 West Main Street, Ste 102 El Centro, CA 92243

District Attorney, Inyo County 230 W. Line Street Bishop, CA 93514

District Attorney, Kern County 1215 Truxtun Avenue Bakersfield, CA 93301

District Attorney, Kings County 1400 West Lacey Boulevard Hanford, CA 93230

District Attorney, Lake County 255 N. Forbes Street Lakeport, CA 95453

District Attorney, Los Angeles County 210 West Temple Street, Suite 18000 Los Angeles, CA 90012

District Attorney, Madera County 209 West Yosemite Avenue Madera, CA 93637

District Attorney, Marin County 3501 Civic Center Drive, Room 130 San Rafael, CA 94903

District Attorney, Mariposa County Post Office Box 730 Maciposa, CA 95338

District Attorney, Mendocino County Post Office Box 1000 Ukiah, CA 95482

District Attorney, Merced County 550 W. Main Street Merced, CA 95340

District Attorney, Modoc County 204 S Court Street, Room 202 Alturas, CA 96101-4020

District Attorney, Mono County Post Office Box 617 Bridgeport, CA 93517

District Attorney, Nevada County 201 Commercial Street Nevada City, CA 93959

District Attorney, Orange County 401 West Civic Center Drive Santa Ana, CA 92701

District Attorney, Placer County 10810 Justice Center Drive, Ste 240 Roseville, CA 95678

District Attorney, Plumas County 520 Main Street, Room 404 Quincy, CA 95971

District Attorney, San Benito County 419 Fourth Street, 2nd Floor Hollister, CA 95023

District Attorney, San Bernardino 316 N. Mountain View Avenue San Bernardino, CA 92415-0004

District Attorney, San Diego County 330 West Broadway, Suite 1300 San Diego, CA 92101

District Attorney, San Joaquin 222 E. Weber Ave. Rm. 202 Stockton, CA 95202

District Attorney, San Mateo County 400 County Ctr., 3rd Floor Redwood City, CA 94063

District Attorney, Santa Barbara County 1112 Santa Barbara Street Santa Barbara, CA 93101

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

District Attorney, Shasta County 1355 West Street Redding, CA 96001

District Attorney, Sierra County PO Box 457 Downieville, CA 95936

District Attorney, Siskiyou County Post Office Box 986 Yreka, CA 96097

District Attorney, Solano County 675 Texas Street, Ste 4500 Fairfield, CA 94533

District Attorney, Stanislaus County 832 12th Street, Ste 300 Modesto, CA 95354

District Attorney, Sutter County 446 Second Street Yuba City, CA 95991

District Attorney, Tehama County Post Office Box 519 Red Bluff, CA 96080

District Attorney, Trinity County Post Office Box 310 Weaverville, CA 96093

District Attorney, Tuolumne County 423 N. Washington Street Sonora, CA 95370

District Attorney, Yuba County 215 Fifth Street, Suite 152 Marysville, CA 95901

Los Angeles City Attorney's Office City Hall East 200 N. Main Street, Suite 800 Los Angeles, CA 90012

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

San Francisco, City Attorney City Hall, Room 234 1 Dr Carlton B Goodlett PL San Francisco, CA 94102

San Jose City Attorney's Office 200 East Santa Clara Street, 16th Floor San Jose, CA 95113

EXHIBIT B

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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 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 those 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 CHEMICALS 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 CHEMICALS 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 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

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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 CHEMICALS 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 CHEMICALS 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 such an amount in drinking water.

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 of law 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.

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.

HISTORY

- 1. New Appendix A filed 4-22-97; operative 4-22-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 17).
- 2. Amendment filed 1-7-2003; operative 2-6-2003 (Register 2003, No. 2).
- 3. Change without regulatory effect renumbering title 22, section 12903 and Appendix A to title 27, section 25903 and Appendix A, including amendment of appendix, filed 6-18-2008 pursuant to section 100, title 1, California Code of Regulations (Register 2008, No. 25).
- 4. Amendment filed 11-19-2012; operative 12-19-2012 (Register 2012, No. 47).

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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.

² See Section 25501(a)(4).

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