1 2 3 4 5 6 7 8	LEXINGTON LAW GROUP Howard Hirsch, State Bar No. 213209 Joseph Mann, State Bar No. 207968 Ryan B. Berghoff, State Bar No. 308812 503 Divisadero Street San Francisco, CA 94117 Telephone: (415) 913-7800 Facsimile: (415) 759-4112 hhirsch@lexlawgroup.com jmann@lexlawgroup.com rberghoff@lexlawgroup.com Attorneys for Plaintiff CENTER FOR ENVIRONMENTAL HEALTH	AUG 17 2017 Description of the control of the cont
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10	STIDEDTOD COTIDE OF THE C	TTATE OF CALIFORNIA
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ALAMEDA	
12	COUNTIOFA	LAMEDA
13	CENTER FOR ENVIRONMENTAL HEALTH,) Case No. RG 17-870238
14	Plaintiff,))
15	ŕ) FIRST AMENDED COMPLAINT
16	V.) FOR INJUNCTIVE RELIEF AND) CIVIL PENALTIES
17	GOYA FOODS, INC.; GOYA FOODS OF CALIFORNIA, INC.; 99 CENTS ONLY) Health & Safety Code § 25249.6, et seq.
18	STORES LLC; CALBEE NORTH AMERICA, LLC; DAISO CALIFORNIA LLC;) (Other)
19	FOODSERVICEDIRECT INC.; JET.COM, INC.; THE KROGER CO.; KSF ACQUISITION))
20	CORP.; OLD LYME GOURMET COMPANY; PAPER HOUSE, INC.; SF MARKETS, LLC;	·)
21	TYRRELLS POTATO CRISPS LIMITED; TYRRELLS INC.; VITACOST.COM, INC.;	,))
22	BOULDER BRANDS USA, INC.; WHOLE FOODS MARKET CALIFORNIA, INC.; MRS.))
23	GOOCH'S NATURAL FOOD MARKETS,)
24	INC.; NONGSHIM AMERICA, INC.; GALLERIA MARKET, LP; GALLERIA	<i>)</i>
25	MARKET/NORTHRIDGE, LP and DOES 1 through 300, inclusive,))
26 27	Defendants.))
28))
DOCUMENT PREPARED ON RECYCLED PAPER	FIRST AMENDED COMPLAINT FOR INJUNCT	TVE RELIEF AND CIVIL PENALTIES

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 Complaint seeks to remedy Defendants' continuing failure to warn individuals in California that they are being exposed to acrylamide, a chemical known to the State of California to cause cancer. Such exposures have occurred, and continue to occur, through the manufacture, distribution, sale, and consumption of two types of food products: (i) fried or baked potato or sweet potato based snack foods (the "Potato or Sweet Potato Snack Products"); and (ii) fried or baked vegetable chips (the "Vegetable Chip Products"). Potato or Sweet Potato Snack Products and Vegetable Chip Products are collectively referred to herein as "Products." Consumers, including children, are exposed to acrylamide when they consume the Products.
- 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 Products contaminated with significant quantities of acrylamide into the California marketplace, thereby exposing consumers of their Products, many of whom are children, to acrylamide.
- 3. Despite the fact that Defendants expose children and other consumers to acrylamide, Defendants provide no warnings whatsoever about the carcinogenic hazards associated with acrylamide exposure. 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 and 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 GOYA FOODS, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant GOYA FOODS, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.
- 6. Defendant GOYA FOODS OF CALIFORNIA, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant GOYA FOODS OF CALIFORNIA, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.
- 7. Defendant 99 CENTS ONLY STORES LLC is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant 99 CENTS ONLY STORES LLC manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant 99 CENTS ONLY STORES LLC in this action are limited to Potato or Sweet Potato Snack Products sold by Defendant KSF ACQUISITION CORP.
- 8. Defendant CALBEE NORTH AMERICA, LLC is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant CALBEE NORTH AMERICA, LLC manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.
- 9. Defendant DAISO CALIFORNIA LLC is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant DAISO CALIFORNIA LLC manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and

consumption in California. CEH's allegations and claims against Defendant DAISO CALIFORNIA LLC in this action are limited to Potato or Sweet Potato Snack Products sold by Koikeya Co., Ltd. and Defendant CALBEE NORTH AMERICA, LLC.

- 10. Defendant FOODSERVICEDIRECT INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant FOODSERVICEDIRECT INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant FOODSERVICEDIRECT INC. in this action are limited to Potato or Sweet Potato Snack Products sold by Defendants GOYA FOODS, INC. and GOYA FOODS OF CALIFORNIA, INC.
- 11. Defendant JET.COM, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant JET.COM, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products and Vegetable Chip Products for sale and consumption in California. CEH's allegations and claims against Defendant JET.COM, INC. in this action are limited to Potato or Sweet Potato Snack Products sold by Liwayway Marketing Corp. and to Vegetable Chip Products sold by Defendants TYRRELLS POTATO CRISPS LIMITED and TYRRELLS INC.
- 12. Defendant THE KROGER CO. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant THE KROGER CO. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant THE KROGER CO. in this action are limited to Potato or Sweet Potato Snack Products sold by Defendants TYRRELLS POTATO CRISPS LIMITED and TYRRELLS INC.
- 13. Defendant KSF ACQUISITION CORP. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant KSF ACQUISITION CORP. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.

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- 14. Defendant OLD LYME GOURMET COMPANY is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant OLD LYME GOURMET COMPANY manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.
- 15. Defendant PAPER HOUSE, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant PAPER HOUSE, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant PAPER HOUSE, INC. in this action are limited to Potato or Sweet Potato Snack Products sold by Defendants GOYA FOODS, INC. and GOYA FOODS OF CALIFORNIA, INC.
- 16. Defendant SF MARKETS, LLC is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant SF MARKETS, LLC manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant SF MARKETS, LLC in this action are limited to Potato or Sweet Potato Snack Products sold by Defendant OLD LYME GOURMET COMPANY.
- 17. Defendant TYRRELLS POTATO CRISPS LIMITED is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant TYRRELLS POTATO CRISPS LIMITED manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products and Vegetable Chip Products for sale and consumption in California.
- 18. Defendant TYRRELLS INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant TYRRELLS INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products and Vegetable Chip Products for sale and consumption in California.
- 19. Defendant VITACOST.COM, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant VITACOST.COM, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant VITACOST.COM,

INC. in this action are limited to Potato or Sweet Potato Snack	Products sold by Defendants
TYRRELLS POTATO CRISPS LIMITED and TYRRELLS IN	C.

- 20. Defendant BOULDER BRANDS USA, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant BOULDER BRANDS USA, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.
- 21. Defendant WHOLE FOODS MARKET CALIFORNIA, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant WHOLE FOODS MARKET CALIFORNIA, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant WHOLE FOODS MARKET CALIFORNIA, INC. in this action are limited to Potato or Sweet Potato Snack Products sold by Defendant BOULDER BRANDS USA, INC.
- 22. Defendant MRS. GOOCH'S NATURAL FOOD MARKETS, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant MRS. GOOCH'S NATURAL FOOD MARKETS, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant MRS. GOOCH'S NATURAL FOOD MARKETS, INC. in this action are limited to Potato or Sweet Potato Snack Products sold by Defendant BOULDER BRANDS USA, INC.
- 23. Defendant NONGSHIM AMERICA, INC. is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant NONGSHIM AMERICA, INC. manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California.
- 24. Defendant GALLERIA MARKET, LP is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant GALLERIA MARKET, LP manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant GALLERIA

MARKET, LP in this action are limited to Potato or Sweet Potato Snack Products sold by Defendant NONGSHIM AMERICA, INC.

- 25. Defendant GALLERIA MARKET/NORTHRIDGE, LP is a person in the course of doing business within the meaning of Health & Safety Code § 25249.11. Defendant GALLERIA MARKET/NORTHRIDGE, LP manufactures, distributes, and/or sells Potato or Sweet Potato Snack Products for sale and consumption in California. CEH's allegations and claims against Defendant GALLERIA MARKET/NORTHRIDGE, LP in this action are limited to Potato or Sweet Potato Snack Products sold by Defendant NONGSHIM AMERICA, INC.
- 26. 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 Potato or Sweet Potato Snack Products for sale and consumption in California. Defendants GOYA FOODS, INC.; GOYA FOODS OF CALIFORNIA, INC.; 99 CENTS ONLY STORES LLC; CALBEE NORTH AMERICA, LLC; DAISO CALIFORNIA LLC; FOODSERVICEDIRECT INC.; THE KROGER CO.; KSF ACQUISITION CORP.; OLD LYME GOURMET COMPANY; PAPER HOUSE, INC.; SF MARKETS, LLC; VITACOST.COM, bINC.; JET.COM, INC.; TYRRELLS POTATO CRISPS LIMITED; TYRRELLS INC.; BOULDER BRANDS USA, INC.; WHOLE FOODS MARKET CALIFORNIA, INC.; MRS. GOOCH'S NATURAL FOOD MARKETS, INC.; NONGSHIM AMERICA, INC.; GALLERIA MARKET, LP; GALLERIA MARKET/NORTHRIDGE, LP; and DOES 1 through 100 are collectively referred to herein as "Potato or Sweet Potato Snack Products Defendants."
- 27. 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 Vegetable Chip Products for sale and consumption in California.

 Defendants JET.COM, INC.; TYRRELLS POTATO CRISPS LIMITED; TYRRELLS INC.; and DOES 101 through 200 are collectively referred to herein as "Vegetable Chip Products Defendants."
- 28. 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,

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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. . .

- 36. On January 1, 1990, the State of California officially listed acrylamide as a chemical known to cause cancer. On January 1, 1991, one year after it was listed as a chemical known to cause cancer, acrylamide became subject to the clear and reasonable warning requirement regarding carcinogens under Proposition 65. 27 California Code of Regulations ("C.C.R.") § 27001(b); Health & Safety Code § 25249.10(b). Acrylamide's listing as a known carcinogen is well supported by numerous scientific studies establishing a link between acrylamide exposure and cancer. See generally Beland, F., et al., "Carcinogenicity of acrylamide in B6C3F1 mice and F344/N rats from a 2-year drinking water exposure," Food & Chemical Toxicology (2013) Vol 51:149; World Health Organization International Agency for Research on Cancer, IARC Monographs on the Evaluation of Carcinogenic Risks to Humans (1994) Vol. 60:389; Vogt, R., et al., "Cancer and non-cancer health effects from food contaminant exposures for children and adults in California: a risk assessment," Environmental Health (2012) Vol. 11:83.
- 37. Acrylamide is found in cigarette smoke and is produced industrially for use in products such as plastics, grouts, water treatment products, and cosmetics. Acrylamide is also found in certain food products, including the Products at issue. Acrylamide is formed during the manufacturing process when the Products are cooked at high temperatures. The problem of acrylamide in food products first came to light in 2002 when researchers at the Swedish National Food Agency and Stockholm University reported finding acrylamide in a variety of fried and baked foods. Since then, numerous government reports and academic studies have confirmed the presence of high levels of acrylamide in certain foods, including the Products. See, e.g., U.S. Food and Drug Administration ("FDA"), "Survey Data on Acrylamide in Food: Individual Food Products," publicly available online at http://www.fda.gov/Food/FoodborneIllnessContaminants/

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<u>ChemicalContaminants/ucm053549.htm</u> (updated July 2006); FDA, "Survey Data on Acrylamide in Food: Total Diet Study Results," publicly available online at http://www.fda.gov/Food/
<u>FoodborneIllnessContaminants/ChemicalContaminants/ucm053566.htm</u> (updated October 2006).

- 38. Defendants' Products contain sufficient quantities of acrylamide such that consumers, including children, who consume the Products are exposed to acrylamide. The route of exposure for the violations is direct ingestion when consumers eat the Products. These exposures occur in homes, schools, workplaces, and everywhere else throughout California where the products are consumed.
- 39. No clear and reasonable warning is provided with the Products regarding the carcinogenic hazards of acrylamide.
- 40. 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).
- 41. 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, to the District Attorneys of every county in California, to 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 acrylamide from the Products, and (b) the specific type of Products 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.
- 42. CEH also sent a Certificate of Merit for each Notice to the California Attorney General, to the District Attorneys of every county in California, to 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 11 C.C.R. § 3101, each Certificate

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 acrylamide alleged in each Notice; 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 Notice. In compliance with Health & Safety Code § 25249.7(d) and 11 C.C.R. § 3102, each Certificate 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.

- 43. 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 each of CEH's Notices.
- 44. Defendants both know and intend that individuals, including children, will consume the Products, thus exposing them to acrylamide.
- 45. 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 & 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, § 12601).
- 46. As companies that manufacture, import, distribute, and/or sell the Products for use in the California marketplace, Defendants know or should know that the Products contain acrylamide and that individuals who consume the Products will be exposed to acrylamide. The acrylamide exposures to consumers who consume the Products are a natural and foreseeable consequence of Defendants' placing the Products into the stream of commerce.

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- 47. Defendants have been informed of the acrylamide in their Products by the 60-Day Notice of Violation and accompanying Certificate of Merit served on them by CEH.
- 48. Defendants also have constructive knowledge that their Products contain acrylamide due to the widespread media coverage concerning the problem of acrylamide in food products in general.
- 49. Nevertheless, Defendants continue to expose consumers, including children, to acrylamide without prior clear and reasonable warnings regarding the carcinogenic hazards of acrylamide.
- 50. CEH has engaged in good-faith efforts to resolve the claims alleged herein prior to filing this Complaint.
- 51. Any person "violating or threatening to violate" Proposition 65 may be enjoined in any court of competent jurisdiction. Health & Safety Code § 25249.7. "Threaten to violate" is defined to mean "to create a condition in which there is a substantial probability that a violation will occur." Health & Safety Code § 25249.11(e). Proposition 65 provides for civil penalties not to exceed \$2,500 per day for each violation of Proposition 65.

FIRST CAUSE OF ACTION

(Violations of Health & Safety Code § 25249.6) (Against Potato or Sweet Potato Snack Products Defendants)

- CEH realleges and incorporates by reference as if specifically set forth herein 52. Paragraphs 1 through 51, inclusive.
- 53. By placing the Potato or Sweet Potato Snack Products into the stream of commerce, Potato or Sweet Potato Snack Products Defendants are each a person in the course of doing business within the meaning of Health & Safety Code § 25249.11.
- 54. Acrylamide is a chemical listed by the State of California as known to cause cancer.
- 55. Each Potato or Sweet Potato Snack Products Defendant knows that average use of the Potato or Sweet Potato Snack Products will expose users of its Potato or Sweet Potato Snack Products to acrylamide. Each Potato or Sweet Potato Snack Products Defendant intends that its

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FIRST AMENDED COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES

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