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FILED BY FAX
ALAMEDA COUNTY

September 08, 2017

CLERK OF
THE SUPERIOR COURT
By Dajuana Turner, Deputy

CASE NUMBER:

RG17874563

MATTHEW C. MACLEAR (SBN 209228)
 ANTHONY M. BARNES (SBN 199048)
 AQUA TERRA AERIS LAW GROUP
 828 San Pablo Ave, Suite 115B
 Albany, CA 94706
 Ph: 415-568-5200
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Attorneys for Plaintiff
 ENVIRONMENTAL RESEARCH CENTER, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF ALAMEDA

ENVIRONMENTAL RESEARCH CENTER, INC., a non-profit California corporation,) Case No.
Plaintiff,)
v.) COMPLAINT FOR PERMANENT
) INJUNCTION, CIVIL PENALTIES AND
) OTHER RELIEF
XYNGULAR CORPORATION, a Delaware corporation, and DOES 1 – 25,) Health & Safety Code §25249.5, <i>et seq.</i>
Defendants.)

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 XYNGULAR CORPORATION ("XYNGULAR") 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, a chemical 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 a "clear

1 and reasonable warning” before exposing individuals to a chemical known to the state to cause
2 cancer or reproductive harm. DEFENDANTS manufacture, package, distribute, market, and/or
3 sell in California certain products containing lead (the “SUBJECT PRODUCTS”):

- 4 • Xyngular Lean Vanilla Shake
- 5 • Xyngular Global Blend Xypstix
- 6 • Xyngular Hormone Optimizer Women's Shine

7 2. Lead (hereinafter, the “LISTED CHEMICAL”) is a chemical known to the State of
8 California to cause cancer, birth defects, and other reproductive harm.

9 3. The use and/or handling of the SUBJECT PRODUCTS causes exposures to the
10 LISTED CHEMICAL at levels requiring a “clear and reasonable warning” under Proposition
11 65. DEFENDANTS exposed consumers, users, and handlers to the LISTED CHEMICAL and
12 have failed to provide the health hazard warnings required by Proposition 65.

13 4. DEFENDANTS’ continued manufacturing, packaging, distributing, marketing,
14 and/or sales of the SUBJECT PRODUCTS without the required health hazard warnings, causes,
15 or threatens to cause, individuals to be involuntarily, unknowingly and unwittingly exposed to
16 levels of the LISTED CHEMICAL that violate Proposition 65.

17 **PARTIES**

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

21 6. ERC is a person within the meaning of H&S Code §25249.11 and brings this
22 enforcement action in the public interest pursuant to H&S Code §25249.7(d). H&S Code §
23 25249.7 (d) specifies that actions to enforce Proposition 65 may be brought by a person in the
24 public interest, provided certain notice requirements and no other public prosecutor is diligently
25 prosecuting an action for the same violation(s).

26 7. XYNGULAR CORPORATION is now, and was at all times relevant herein, a
27 corporation organized under the laws of Delaware and is doing business within the meaning of
28 H&S Code §25249.11.

1 8. DEFENDANTS own, administer, direct, control and/or operate facilities and/or
2 agents, distributors, sellers, marketers, or other retail operations who place their SUBJECT
3 PRODUCTS into the stream of commerce in California (including but not limited to Alameda
4 County) under the brand name Xyngular, which contain the LISTED CHEMICAL without first
5 giving clear and reasonable warnings.

6 9. DEFENDANTS, separately and each of them, are or were, at all times relevant to the
7 claims in this Complaint and continuing through the present, legally responsible for compliance
8 with the provisions of Proposition 65. Whenever an allegation regarding any act of a
9 DEFENDANT is made herein, such allegation shall be deemed to mean that DEFENDANT, or
10 its agent, officer, director, manager, supervisor, or employee did, or so authorized, such acts while
11 engaged in the affairs of DEFENDANT's business operations and/or while acting within the
12 course and scope of their employment or while conducting business for DEFENDANT(S) for a
13 commercial purpose.

14 10. In this Complaint, when reference is made to any act of a DEFENDANT, such
15 allegation shall mean that the owners, officers, directors, agents, employees, contractors, or
16 representatives of DEFENDANT acted or authorized such actions, and/or negligently failed and
17 omitted to act or adequately and properly supervise, control or direct its employees and agents
18 while engaged in the management, direction, operation or control of the affairs of the business
19 organization. Whenever reference is made to any act of any DEFENDANT, such allegation shall
20 be deemed to mean the act of each DEFENDANT acting individually, jointly, and severally as
21 defined by Civil Code Section 1430 *et seq.*

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

27 **JURISDICTION AND VENUE**

28 12. This Court has jurisdiction over this action pursuant to California Constitution Article

1 VI, Section 10, which grants the Superior Court “original jurisdiction in all causes except those
2 given by statute to other trial courts.” The statute under which this action is brought does not
3 specify any other court with jurisdiction.

4 13. This Court has jurisdiction over DEFENDANTS because they are business entities
5 that do sufficient business, have sufficient minimum contacts in California or otherwise
6 intentionally avail themselves of the California market, through the sale, marketing and use of
7 their SUBJECT PRODUCTS in California, to render the exercise of jurisdiction over them by
8 the California courts consistent with traditional notions of fair play and substantial justice.

9 14. Venue in this action is proper in the Alameda County Superior Court because the
10 cause, or part thereof, arises in the County of Alameda since DEFENDANTS’ products are
11 marketed, offered for sale, sold, used, and/or consumed in this county.

12 **STATUTORY BACKGROUND**

13 15. The People of the State of California declared in Proposition 65 their right “[t]o be
14 informed about exposures to chemicals that cause cancer, birth defects, or other reproductive
15 harm.” (Section 1(b) of Initiative Measure, Proposition 65).

16 16. To effect this goal, Proposition 65 requires that individuals be provided with a “clear
17 and reasonable warning” before being exposed to chemicals listed by the State of California as
18 causing cancer or reproductive toxicity. H&S Code §25249.6 states, in pertinent part:

19 No person in the course of doing business shall knowingly and intentionally
20 expose any individual to a chemical known to the state to cause cancer or
21 reproductive toxicity without first giving clear and reasonable warning to such
individual....

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

26 18. Proposition 65 provides that any “person who violates or threatens to violate” the
27 statute may be enjoined in a court of competent jurisdiction. (H&S Code §25249.7). The phrase
28 “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. To test the SUBJECT PRODUCTS for lead, 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 in Proposition 65’s regulations. Very significant is the fact that people are being exposed to lead through ingestion as opposed to other not as harmful methods of exposure such as dermal exposure. Ingestion of lead produces much higher exposure levels and health risks than dermal exposure to this chemical.

22. 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 CHEMICAL without first giving a clear and reasonable warning to such individuals.

23. The SUBJECT PRODUCTS have allegedly been sold by DEFENDANTS for use in California since at least June 15, 2014. The SUBJECT PRODUCTS continue to be distributed

1 and sold in California without the requisite warning information.

2 24. As a proximate result of acts by DEFENDANTS, as persons in the course of doing
3 business within the meaning of Health & Safety Code §25249.11, individuals throughout the
4 State of California, including in the County of Alameda have been exposed to the LISTED
5 CHEMICAL without a clear and reasonable warning on the SUBJECT PRODUCTS. The
6 individuals subject to the violative exposures include normal and foreseeable users of the
7 SUBJECT PRODUCTS, as well as all other persons exposed to the SUBJECT PRODUCTS.

8 25. On June 15, 2017, ERC served XYNGULAR and each of the appropriate public
9 enforcement agencies with a document entitled "Notice of Violations of California Health &
10 Safety Code Section 25249.5" that provided XYNGULAR and the public enforcement agencies
11 with notice that XYNGULAR was in violation of Proposition 65 for failing to warn purchasers
12 and individuals using the SUBJECT PRODUCTS that the use of the SUBJECT PRODUCTS
13 exposes them to lead, a chemical known to the State of California to cause cancer and/or
14 reproductive toxicity ("Prop. 65 Notice"). A true and correct copy of the 60-Day Notice
15 ("NOTICE") is attached hereto as Exhibit A and is hereby incorporated by reference, and is
16 available on the Attorney General's website located at <http://oag.ca.gov/prop65>.

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

25 27. XYNGULAR was also provided copies of the document entitled "The Safe Drinking
26 Water and Toxic Enforcement Act of 1986 (Proposition 65): A Summary," which is also known
27 as Appendix A to Title 27 of CCR §25903, via Certified Mail.

28 28. The California Attorney General was provided a copy of the NOTICE and a Certificate

1 of Merit by the attorney for the noticing party, stating that there is a reasonable and meritorious
2 case for this action, and attaching factual information sufficient to establish a basis for the
3 certificate, including the identity of the persons consulted with and relied on by the certifier, and
4 the facts, studies, or other data reviewed by those persons, pursuant to H&S Code §25249.7(h)
5 (2) via online submission.

6 29. After expiration of the sixty (60) day notice period, The appropriate public
7 enforcement agencies failed to commence and diligently prosecute a cause of action under H&S
8 Code §25249.5, *et seq.* against DEFENDANTS based on the allegations herein.

9 **FIRST CAUSE OF ACTION**
10 **(Injunctive Relief for Violations of Health and Safety Code § 25249.5, *et seq.* concerning**
11 **the SUBJECT PRODUCTS described in the June 15, 2017 Prop. 65 Notice of Violation)**
12 **Against DEFENDANTS**

13 30. PLAINTIFF re-alleges and incorporates by reference Paragraphs 1 through 29,
14 inclusive, as if specifically set forth herein.

15 31. By committing the acts alleged in this Complaint, DEFENDANTS at all times relevant
16 to this action, and continuing through the present, have violated, or threaten to violate, H&S Code
17 §25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals
18 in California to a chemical known to the State of California to cause cancer or reproductive
19 toxicity without first giving clear and reasonable warnings to such persons who use, consume or
20 handle the SUBJECT PRODUCTS containing the LISTED CHEMICAL, pursuant to H&S Code
21 §§ 25249.6 and 25249.11(f).

22 32. By the above-described acts, DEFENDANTS have violated, or threaten to violate,
23 H&S Code § 25249.6 and are therefore subject to preliminary and permanent injunctions ordering
24 DEFENDANTS to stop violating Proposition 65, to provide warnings to all present and future
25 customers, and to provide warnings to DEFENDANTS' past customers who purchased or used
26 the SUBJECT PRODUCTS without receiving a clear and reasonable warning.

27 33. An action for injunctive relief under Proposition 65 is specifically authorized by H&S
28 Code §25249.7(a).

34. Continuing commission by DEFENDANTS of the acts alleged above will irreparably

1 harm the citizens of the State of California, for which harm they have no plain, speedy, or
2 adequate remedy at law.

3 35. In the absence of preliminary and then permanent injunctive relief, DEFENDANTS
4 will continue to create a substantial risk of irreparable injury by continuing to cause consumers
5 to be involuntarily, unknowingly and unwittingly exposed to the LISTED CHEMICAL through
6 the use, consumption and/or handling of the SUBJECT PRODUCTS.

7 **SECOND CAUSE OF ACTION**

8 **(Civil Penalties for Violations of Health and Safety Code § 25249.5, *et seq.* concerning the**
9 **SUBJECT PRODUCTS described in the June 15, 2017 Prop. 65 Notice of Violation)**
10 **Against DEFENDANTS**

11 36. PLAINTIFF re-alleges and incorporates by reference Paragraphs 1 through 35,
12 inclusive, as if specifically set forth herein.

13 37. By committing the acts alleged in this Complaint, DEFENDANTS at all times
14 relevant to this action, and continuing through the present, have violated H&S Code §25249.6 by,
15 in the course of doing business, knowingly and intentionally exposing individuals in California
16 to a chemical known to the State of California to cause cancer or reproductive toxicity without
17 first giving clear and reasonable warnings to such persons who use, consume or handle the
18 SUBJECT PRODUCTS containing the LISTED CHEMICAL, pursuant to H&S Code §§
19 25249.6 and 25249.11(f).

20 38. By the above-described acts, DEFENDANTS are liable, pursuant to H&S Code
21 §25249.7(b), for a civil penalty of up to \$2,500 per day per violation for each unlawful exposure
22 to the LISTED CHEMICAL from the SUBJECT PRODUCTS, in an amount in excess of \$1
23 million.

24 **THE NEED FOR INJUNCTIVE RELIEF**

25 39. PLAINTIFF re-alleges and incorporates by this reference Paragraphs 1 through 38,
26 as if set forth below.

27 40. By committing the acts alleged in this Complaint, DEFENDANTS have caused or
28 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 CHEMICAL 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 CHEMICAL;

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 15, 2014, and to provide a warning to such person that the use of the SUBJECT PRODUCTS will expose the user to a chemical 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: September 8, 2017

AQUA TERRA AERIS LAW GROUP



Matthew C. Maclear
Anthony M. Barnes
Attorneys for Plaintiff
Environmental Research Center, Inc.

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EXHIBIT A



Matthew Maclear
mcm@atalawgroup.com
415-568-5200

June 15, 2017

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

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

I represent Environmental Research Center, Inc. ("ERC"), 3111 Camino Del Rio North, Suite 400, San Diego, CA 92108; Tel. (619) 500-3090. ERC's Executive Director is Chris Heptinstall. ERC is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

ERC has identified violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at California Health & Safety Code §25249.5 *et seq.*, with respect to the products identified below. These violations have occurred and continue to occur because the alleged Violator identified below failed to provide required clear and reasonable warnings with these products. This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to Health and Safety Code Section 25249.7(d), ERC intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

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

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

Xyngular Corporation



Notice of Violation of California Health & Safety Code §25249.5 *et seq.*
June 15, 2017
Page 2

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

1. **Xyngular Lean Vanilla Shake - Lead**
2. **Xyngular Global Blend Xypstix - Lead**
3. **Xyngular Hormone Optimizer Women's Shine - Lead**

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer.

It should be noted that ERC may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

Route of Exposure. The consumer exposures that are the subject of this notice result from the recommended use of these products. Consequently, the route of exposure to this chemical has been and continues to be through ingestion.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least June 15, 2014, 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 this known toxic chemical is 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 chemical. 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 this chemical.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, ERC is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemical, 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 chemical, as well as an expensive and time consuming litigation.



Notice of Violation of California Health & Safety Code §25249.5 *et seq.*
June 15, 2017
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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,

A handwritten signature in dark ink, appearing to read "Matthew Maclear". The signature is written in a cursive, flowing style.

Matthew Maclear
AQUA TERRA AERIS LAW GROUP

Attachments

Certificate of Merit
Certificate of Service
OEHHA Summary (to Xyngular Corporation and its Registered Agents for Service of Process only)
Additional Supporting Information for Certificate of Merit (to AG only)



Notice of Violation of California Health & Safety Code §25249.5 *et seq.*
June 15, 2017
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CERTIFICATE OF MERIT

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

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 chemical that is 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: June 15, 2017

Matthew Maclear



Notice of Violation of California Health & Safety Code §25249.5 *et seq.*
June 15, 2017
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CERTIFICATE OF SERVICE PURSUANT 27 CCR § 25903

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 and over the age of 18 years of age. 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 June 15, 2017 between 10:00 a.m. and 4:30 p.m. Eastern Time, 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 each of the parties 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
Xyngular Corporation
1250 East 200 South, Suite 2C
Lehi, UT 84043

Bart L Graser
(Xyngular Corporation's Registered
Agent for Service of Process)
1250 East 200 South, Suite 2C
Lehi, UT 84043

Current President or CEO
Xyngular Corporation
Post Office Box 783
American Fork, UT 84003

Legallnc Corporate Services Inc.
(Xyngular Corporation's Registered
Agent for Service of Process)
2035 Sunset Lake Road, B-2
Newark, DE 19702

Current President or CEO
Xyngular Corporation
6077 West Wells Park Road
West Jordan, UT 84081

On June 15, 2017 between 10:00 a.m. and 4:30 p.m. Eastern Time, 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



Notice of Violation of California Health & Safety Code §25249.5 *et seq.*
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On June 15, 2017 between 10:00 a.m. and 4:30 p.m. Eastern Time, 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 each of the parties listed below:

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

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

Michelle Latimer, Program Coordinator
Lassen County
220 S. Lassen Street
Susanville, CA 96130
mlatimer@co.lassen.ca.us

Tori Verber Salazar, District Attorney
San Joaquin County
222 E. Weber Avenue, Room 202
Stockton, CA 95202
DAConsumer.Environmental@sjcda.org

Dije Ndreu, Deputy District Attorney
Monterey County
1200 Aguajito Road
Monterey, CA 93940
Prop65DA@co.monterey.ca.us

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

Allison Haley, District Attorney
Napa County
931 Parkway Mall
Napa, CA 94559
CEPD@countyofnapa.org

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

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

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

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

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



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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 June 15, 2017 between 10:00 a.m. and 4:30 p.m. Eastern Time, 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 First Class Mail.

Executed on June 15, 2017, in Fort Oglethorpe, Georgia.

A handwritten signature in black ink, appearing to read "Phyllis Dunwoody", is written over a horizontal line.

Phyllis Dunwoody



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

June 15, 2017

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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, Suite 202
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
Hall of Justice
211 West Temple St., Ste 1200
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
Mariposa, 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 95959

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
County
316 N. Mountain View Avenue
San Bernardino, CA 92401

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

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

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. Please refer 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.

The text of Proposition 65 (Health and Safety Code Sections 25249.5 through 25249.13) 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 “Proposition 65 List.” Under Proposition 65, the lead agency (OEHHA) publishes a list of chemicals that are known to the State of California to cause cancer and/or reproductive toxicity. 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 Proposition 65. Businesses that produce, use, release or otherwise engage in activities involving listed chemicals must comply with the following:

Clear and reasonable warnings. A business is required to warn a person before “knowingly and intentionally” exposing that person to a listed chemical unless an exemption applies. The warning given must be “clear and

reasonable.” This means that the warning must: (1) clearly say 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 to that chemical. Some exposures are exempt from the warning requirement under certain circumstances discussed below.

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

DOES PROPOSITION 65 PROVIDE ANY EXEMPTIONS?

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

Grace Periods. 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 under Proposition 65 as known to the State to cause cancer, a warning is not required if the business causing the exposure 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 causing the exposure 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 Food. Certain exposures to chemicals that naturally occur in foods (i.e., that do not result from any known human activity, including activity by someone other than the person causing the exposure) are exempt from the warning requirements of the law. If the chemical is a contaminant² it must be reduced to the lowest level feasible. Regulations explaining this exemption can be found in Section 25501.

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

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 Title 27 and sections 3100-3103 of Title 11. A private party may not pursue an independent enforcement action under Proposition 65 if one of the governmental officials noted above initiates an enforcement action within sixty days of the notice.

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

A private party may not file an enforcement action based on certain exposures if the alleged violator meets specific conditions. For the following types of exposures, the Act provides an opportunity for the business to correct the alleged violation:

- An exposure to alcoholic beverages that are consumed on the alleged violator's premises to the extent onsite consumption is permitted by law;
- An exposure to a Proposition 65 listed chemical in a food or beverage prepared and sold on the alleged violator's premises that is primarily intended for immediate consumption on- or off- premises. This only applies if the chemical was not intentionally added to the food, and was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination;

- An exposure to environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises;
- An exposure to listed chemicals in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking non-commercial vehicles.

If a private party alleges that a violation occurred based on one of the exposures described above, the private party must first provide the alleged violator a notice of special compliance procedure and proof of compliance form.

A private party may not file an action against the alleged violator for these exposures, or recover in a settlement any payment in lieu of penalties any reimbursement for costs and attorney's fees, if the notice was served on or after October 5, 2013, and the alleged violator has done *all* of the following within 14 days of being served notice:

- Corrected the alleged violation;
- Agreed to pay a civil penalty of \$5B500 (subject to change as noted below) to the private party within 30 days; and
- Notified the private party serving the notice in writing that the violation has been corrected.

The written notification to the private-party must include a notice of special compliance procedure and proof of compliance form completed by the alleged violator as directed in the notice. On April 1, 2019, and every five years thereafter, the dollar amount of the civil penalty will be adjusted by the Judicial Council based on the change in the annual California Consumer Price Index. The Judicial Council will publish the dollar amount of the adjusted civil penalty at each five-year interval, together with the date of the next scheduled adjustment.

An alleged violator may satisfy these conditions only one time for a violation arising from the same exposure in the same facility or on the same premises. The satisfaction of these conditions does not prevent the Attorney General, a district attorney, a city attorney of a city of greater than 750,000 population, or any full-time city prosecutor with the consent of the district attorney, from filing an enforcement action against an alleged violator. The amount of any civil penalty for a violation shall be reduced to reflect any payment made by the alleged violator for the same alleged violation to a private-party.

A copy of the notice of special compliance procedure and proof of compliance form is included with this notice and can be downloaded from OEHHA's website at: <http://oehha.ca.gov/prop65/law/p65law72003.html>.

The notice is reproduced here:

Date: June 15, 2017

Name of Noticing Party or attorney for Noticing Party: Environmental Research Center, Inc.

Address: 3111 Camino Del Rio North, Suite 400, San Diego, CA 92108

Phone number: 619-500-3090

SPECIAL COMPLIANCE PROCEDURE

PROOF OF COMPLIANCE

You are receiving this form because the Noticing Party listed above has alleged that you are violating California Health and Safety Code §25249.6 (Prop. 65).

The Noticing Party may not bring any legal proceedings against you for the alleged violation checked below if:

- 1. You have actually taken the corrective steps that you have certified in this form**
- 2. The Noticing Party has received this form at the address shown above, accurately completed by you, postmarked within 14 days of your receiving this notice**
- 3. The Noticing Party receives the required \$500 penalty payment from you at the address shown above postmarked within 30 days of your receiving this notice.**
- 4. This is the first time you have submitted a Proof of Compliance for a violation arising from the same exposure in the same facility on the same premises.**

PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE NOTICING PARTY

The alleged violation is for an exposure to: (check one)

☐ Alcoholic beverages that are consumed on the alleged violator's premises to the extent on-site consumption is permitted by law.

☐ A chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises for immediate consumption on or off premises to the extent: (1) the chemical was not intentionally added; and (2) the chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

☐ Environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

☐ Chemicals known to the State to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

IMPORTANT NOTES:

- 1. You have no potential liability under California Health and Safety Code §25249.6 if your business has nine (9) or fewer employees.**
- 2. Using this form will NOT prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action over the same alleged violations, and that in any such action, the amount of civil penalty shall be reduced to reflect any payment made at this time.**

Date: June 15, 2017

Name of Noticing Party or attorney for Noticing Party: Environmental Research Center, Inc.

Address: 3111 Camino Del Rio North, Suite 400, San Diego, CA 92108

Phone number: 619-500-3090

PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED REPRESENTATIVE

Certification of Compliance

Accurate completion of this form will demonstrate that you are now in compliance with California Health and Safety Code §25249.6 for the alleged violation listed above. You must complete and submit the form below to the Noticing Party at the address shown above, postmarked within 14 days of you receiving this notice.

I hereby agree to pay, within 30 days of completion of this notice, a civil penalty of \$500 to the Noticing Party only and certify that I have complied with Health and Safety Code §25249.6 by (check only one of the following):

- ☐ Posting a warning or warnings about the alleged exposure that complies with the law, and attaching a copy of that warning and a photograph accurately showing its placement on my premises;
- ☐ Posting the warning or warnings demanded in writing by the Noticing Party, and attaching a copy of that warning and a photograph accurately its placement on my premises; OR
- ☐ Eliminating the alleged exposure, and attaching a statement accurately describing how the alleged exposure has been eliminated.

Certification

My statements on this form, and on any attachments to it, are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I have carefully read the instructions to complete this form. I understand that if I make a false statement on this form, I may be subject to additional penalties under the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).

Signature of alleged violator or authorized representative Date

Name and title of signatory

FOR FURTHER INFORMATION ABOUT THE LAW OR REGULATIONS. . .

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

Revised: May 2014

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).

Note: Authority cited: Section 25249.12, Health and Safety Code. Reference: Sections 25249.5, 25249.6, 25249.7, 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).
5. Amendment of appendix and Note filed 11-19-2014; operative 1-1-2015 (Register 2014, No. 47).

This database is current through 9/18/15 Register 2015, No. 38

27 CCR Appendix A, 27 CA ADC Appendix A