under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result

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Judicial Council of California CM-010 [Rev. July 1, 2007]

• If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.

Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

| 1 | Mark Morrison (State Bar No. 152561) | |
|----|--|---|
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| 4 | Telephone: (949) 610-0834 | AUG - 7 2018 |
| 5 | Email: mark@morlawllc.com | CLERK OF THE SUPERIOR COURT |
| 6 | Attorney for Plaintiff | By Lanette Buffin, Deputy |
| 7 | Clean Cannabis Initiative, LLC | Sar y |
| 8 | | |
| 9 | SUPERIOR COURT OF THE STATE OF CALIFORNIA COUNTY OF ALAMEDA | |
| 10 | COUNTY | OF ALAMEDA |
| 11 | CV FAN GANDA DIG DIEVATIVE ALG | 18915781 |
| 12 | CLEAN CANNABIS INITIATIVE, LLC, | Case No. 18313101 |
| 13 | | |
| 14 | | COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELIEF |
| 15 | Plaintiff, | · |
| 16 | v. | Health & Safety Code § 25249.5, et seq. |
| 17 | THCLEAR, et al., | |
| 18 | | |
| 19 | Defendants. | |
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| | | NATURAL AND DIMINISTRAL DEVICE |
| | COMPLAINT FOR CIVIL PE | NALITIES AND INJUNCTIVE RELIF |

Plaintiff Clean Cannabis Initiative, LLC, ("Plaintiff") brings this action in the interests of the general public and on information and belief, hereby alleges:

INTRODUCTION

- 1. According to the Safe Drinking Water and Toxic Enforcement Act of 1986, Health and Safety Code, section 25249.5 *et seq.* (also known as, and referred to hereafter as, "Proposition 65"), businesses must provide persons with a "clear and reasonable warning" before exposing them to chemicals known to the state to cause cancer or reproductive toxicity.
 - 2. This action is brought against the following entities:
 - a. THClear
 - b. Caviar Gold
 - c. Nameless Genetics
 - d. LOL Edibles
 - e. Kurvana
 - f. Spliffin
 - g. Absolute Extracts
 - h. Dixie Elixers and Edibles
 - i. Bloom
 - i. FlavRx
 - k. The Clear
 - 1. Pure Vape
 - m. Delta 9
 - n. Marley Naturals
 - o. Heavy Hitters
 - p. Buddha's Best
 - q. Open Vape
 - r. KIVA Confections
 - 3. Collectively, these entities will be referred to as the Defendants.
- 4. The Defendants manufacture, package, distribute, market, and/or sell in California medical marijuana products that consumers purchase and ingest. By ingesting the products manufactured by the Defendants, consumers are exposed to chemicals known to the state to cause cancer or reproductive toxicity. Because the Defendants' products contain such chemicals, they are required to provide a "clear and reasonable" warning under Proposition 65. Here, the Defendants exposed

consumers to actionable chemicals but have failed to provide the health hazard warnings required under Proposition 65.

- 5. This action seeks to remedy the continuing failure of the Defendants to warn consumers in California they are being exposed to chemicals known in the State of California to cause cancer or reproductive toxicity.
- 6. The Defendants' continuing manufacturing, packaging, distributing, marketing and/or sales of products containing actionable chemicals without the required health hazard warnings causes or threatens to cause, individuals to be involuntarily, unknowingly, and unwittingly exposed to actionable chemicals in violation of Proposition 65, and subjects the Defendants to injunctive relief for such conduct as well as civil penalties for each violation. (H&S Code § 25249.7(a) & (b)(1).)

PARTIES

- 7. The Plaintiff is a limited liability company organized under California law. The Plaintiff is dedicated to, among other causes, providing information to consumers regarding the hazards of toxins in marijuana products and enforcing state and federal environmental laws and regulations through citizen suits.
- 8. The Plaintiff is a person within the meaning of Health and Safety Code, section 25249.11 and brings this enforcement action in the public interest pursuant to Health and Safety Code, section 25249.7, subdivision (d). Health and Safety Code, section 25249.7, subdivision (d) specifies a person may bring an action to enforce Proposition 65 in the public interest, provided certain notice requirements are satisfied and that no other public prosecutor is diligently prosecuting an action for the same violation(s).
- 9. Each of the Defendants is now, and was at all times relevant herein, an entity doing business in California within the meaning of Health and Safety Code, section 25249.11.
- 10. The Defendants own, administer, direct, control, and/or operate facilities and/or agents, distributors, sellers, marketers, or other retail operations who place its products into the stream of commerce in California (including but not limited to Alameda County) which contain chemicals actionable under Proposition 65 without first giving clear and reasonable warnings.
- 11. The 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 meant that Defendant, or its agents, officers, directors, managers, supervisors, or employees 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 Defendants for a commercial purpose.

12. 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 organizations.

JURISDICTION AND VENUE

- 13. Venue is proper in the San Francisco County Superior Court, pursuant to Code of Civil Procedure sections 393, 395, and 395.5, because this Court is a court of competent jurisdiction, because one or more instances of wrongful conduct occurred, and continue to occur, in Alameda County, and because a number of the Defendants conducted, and continue to conduct, business in this County with respect to their products.
- 14. 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.
- 15. This Court has jurisdiction over the 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 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.
- 16. 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 the Defendants' products are marketed, offered for sale, sold, used, and/or consumed in this county.

STATUTORY BACKGROUND

17. 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." (Health & Saf. Code Div. 20, Ch. 6.6 Note [Section 1, subdivision (b) of Initiative Measure, Proposition 65].) To effect this goal, Proposition 65 requires that individuals be provided with a "clear and reasonable warning" before being exposed to substances listed by the State of California as causing cancer or reproductive toxicity. (Health & Saf. Code, § 25249.6.) Health and Safety Code, section

25249.6 states, in pertinent part, "[n]o 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"

- 18. 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).)
- 19. Proposition 65 provides that any "person who violates or threatens to violate" the statute may be enjoined in a court of competent jurisdiction. (Health & Saf. Code, § 25249.7). Health and Safety Code section 25603(c) states that "a person in the course of doing business . . . shall provide a warning to any person to whom the product is sold or transferred unless the product is packaged or labeled with a clear and reasonable warning."
 - 20. Pursuant to H&S Code section 25603.1:

The warning may be provided by using one or more of the following methods singly or in combination:

- (a) A warning that appears on a product's label or other labeling.
- (b) Identification of the product at the retail outlet in a manner which provides a warning. Identification may be through shelf labeling, signs, menus, or a combination thereof.
- (c) The warnings provided pursuant to subparagraphs (a) and (b) shall be prominently placed upon a product's label or other labeling or displayed at the retail outlet with such conspicuousness, as compared with other words, statements, designs, or devices in the label, labeling or display as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use.
- (d) A system of signs, public advertising identifying the system and toll-free information services, or any other system that provides clear and reasonable warnings
- 21. 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" (*Id.*, § 25249.11, subd. (e).) Violators are liable for civil penalties of up to \$2,500

per day for each violation of the Act. (*Id.*, § 25249.7.)

FACTUAL BACKGROUND

- 22. The consumer exposures that are the subject of this Complaint result from consumer's ingestion of the Defendants' products resulting in exposure to several chemicals that are known to the State of California to cause cancer or reproductive toxicity.
- 23. Specifically, the following Defendants have violated (and continue to violate) section 25249.6 by exposing consumers within the State of California to chemicals in the following, listed products:
 - a. **THClear Vape Syringe** (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
 - b. Caviar Gold Cavi Cone Grape (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; Malathion, which was added to the list of chemicals known by the state to cause cancer on May 20, 2016; and Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
 - Nameless Genetics Nameless Genetics Vape Cartridge (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
 - d. **LOL Edibles LOL Watermelon Sour Belts** (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; and Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
 - e. **Kurvana Kurvana Naturals Vape Cartridge** (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
 - f. **Spliffin Spliffin Jack Herer Vape Cartridge** (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; Malathion, which was added to the list of chemicals known by the state to cause

- cancer on May 20, 2016; and Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999;
- g. Absolute Extracts Absolute Extracts Girl Scout Cookie (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; and Malathion, which was added to the list of chemicals known by the state to cause cancer on May 20, 2016);
- h. **Dixie Elixirs and Edibles Dixie Elixirs Sparkling Blueberry** (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; Malathion, which was added to the list of chemicals known by the state to cause cancer on May 20, 2016; and Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999;
- Bloom Bloom Vape Cartridge Sativa (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- j. FlavRx FlavRx Jack Herer Vape Cartridge (tested positive for Myclobutanil, which
 was added to the list of chemicals known by the state to cause reproductive toxicity on
 April 16, 1999);
- k. The Clear The Clear Lemon Haze Vape Cartridge (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- Pure Vape Pure Vape Hybrid Cali Kush Vape Cartridge (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- m. Delta 9 Delta 9 Vape Cartridge Strawberry (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- n. **Marley Naturals Marley Naturals Black Indica** (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);

- o. Heavy Hitters Heavy Hitters Vape Cartridge Jack Herer (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- p. Buddha's Best Buddha's Best Chocolate Lover's Ecstasy (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; and Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- q. Open Vape Open Vape Reserve Cartridge Sativa (tested positive for Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999);
- r. **KIVA Confections Kiva Blueberry Terra Bites** (tested positive for Carbaryl, which was added to the list of chemicals known by the state to cause cancer on February 5, 2010 and to the list of chemicals known by the state to cause reproductive toxicity on August 7, 2009; Malathion, which was added to the list of chemicals known by the state to cause cancer on May 20, 2016; and Myclobutanil, which was added to the list of chemicals known by the state to cause reproductive toxicity on April 16, 1999;
- 24. At all times relevant to this action, the Defendants, have knowingly and intentionally exposed the users, consumers, and/or handlers of the above products, which include the listed chemicals, without first giving a clear and reasonable warning to such individuals.
- 25. The Defendants have manufactured, processed, marketed, distributed, offered to sell and/or sold the above products for use and consumption by ingestion in California since at least July 1, 2015. The Defendants continue to distribute and sell their products in California without the requisite warning information.
- 26. At all times relevant to this action, the Defendants, therefore, have knowingly and intentionally exposed the users, consumers and/or patients to their products and the actionable chemicals therein without first giving a clear and reasonable warning(s) to such individuals.
- 27. As a proximate result of acts by the Defendants, as persons in the course of doing business within the meaning of Health and Safety Code, section 25249.11, individuals throughout the State of California, including in the County of Alameda, have been exposed to the chemicals delineated above without a clear and reasonable warnings on the Defendants' products. The individuals subject to

the violative exposures include normal and foreseeable users, consumers and patients of the Defendants', as well as all other persons exposed to the products.

- 28. On August 7, 2017, the Plaintiff served the Defendants and the appropriate public enforcement agencies with a document entitled "Notice of Violation of California Health & Safety Code Section 25249.6. (Proposition 65)" that provided the Defendants and the public enforcement agencies with notice that the Defendants were in violation of Proposition 65 for failing to warn purchasers and individuals using the Defendants' products that the use of the products exposed them to chemicals known in the State of the California to cause cancer or reproductive toxicity. True and correct copies of the 60-Day Notices are attached hereto as **Exhibits A to R**, which are hereby incorporated by reference, and are available on the Attorney General's website located at https://oag.ca.gov/prop65.
- 29. The notice was issued pursuant to, and in compliance with, the requirements of Health and Safety Code, section 25249.7, subdivision (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 alleged that the Defendants were in violation of Proposition 65 for failing to warn consumers, users or patients that using their products would expose them to chemicals known to the State of California to cause cancer or reproductive toxicity.
- 30. The notice included, *inter alia*, the following information: the name, address, and telephone number of the noticing individual; the name of the alleged violators; 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.
- 31. The Defendants were provided copies of the notice and 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 the California Code of Regulations, section 25903.
- 32. 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 Health and Safety Code, section 25249.7, subdivision (h)(2) via online submission.
- 33. After expiration of the sixty (60) day notice period, the appropriate public enforcement agencies have failed to commence and diligently prosecute a cause of action under Health and Safety

Code, section 25249.5, et seq. against the Defendants based on the allegations herein.

34. Based on information and belief, the Defendants sold the above-listed products containing chemicals actionable under Proposition 65 without giving clear and reasonable warnings that their products contained chemicals known to cause cancer or reproductive toxicity. The Defendants have sold thousands, of units of products requiring such warnings to a Person¹ in the State of California during each and every month from July 1, 2015 through the present, amounting to numerous violative products sold in that period.

Basis for Injunctive Relief for Violations of Health and Safety Code § 25249.5, *et seq.* concerning the products described in the August 7, 2017 Prop. 65 Notice of Violation to Defendants

- 35. The Plaintiff re-alleges and incorporates by reference Paragraphs 1 through 34, inclusive, as specifically set forth herein.
- 36. By committing the acts alleged in this Complaint, the Defendants at all times relevant to this action, and continuing through the present, have violated Health and Safety Code, section 25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals in California to chemicals knowing in 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 products, pursuant to Health and Safety Code, sections 25249.6 and 25249.11, subdivision (f).
- 37. By committing the acts alleged in this Complaint, the 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 injunctive relief, the Defendants will continue to create a substantial risk of irreparable injury by continuing to cause patients and consumers to be involuntarily and unwittingly exposed to chemicals known by the state to cause cancer or reproductive toxicity through the foreseeable future.
- 38. By the above-described acts, the Defendants have violated Health and Safety Code, section 25249.6 and are therefore subject to preliminary and permanent injunctions ordering the Defendants to stop violating Proposition 65, to provide warnings to all present and future customers, and possibly to provide warnings to the Defendants' past customers or patients who purchased or used their products without receiving a clear and reasonable warning.
- 39. An action for injunctive relief under Proposition 65 is specifically authorized by Health and Safety Code, section 25249.7, subdivision (a).
- ¹ "PERSON" includes a natural person, firm, association, organization, partnership, business, trust, corporation, public entity, joint venture, and any other incorporated or unincorporated association, business or enterprise.

- 40. Continuing commission by the 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
- 41. In the absence of preliminary and then permanent injunctive relief, the 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 their products.

FIRST CAUSE OF ACTION

(Civil Penalties for Violations of Health and Safety Code, section 25249.5, et seq. Concerning the Products Described in the August 7, 2017 Prop. 65 Notice of Violation)

- 42. The Plaintiff re-alleges and incorporates by reference Paragraphs 1 through 34, inclusive, as if specifically set forth herein.
- 43. By committing the acts alleged in this Complaint, the Defendants at all times relevant to this action, and continuing through the present, have violated H&S Code section 25249.6 by, in the course of doing business, knowingly and intentionally exposing individuals in California to a chemical 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 ingest the Defendants' products containing the actionable chemicals listed above, pursuant to H&S Code sections 25249.6 and 25249.11, subdivision (f).
- 44. By the above-described acts, the Defendants are liable, pursuant to Health and Safety Code, section 25249.7, subdivision (b), for a civil penalty of up to \$2,500 per day per violation for each unlawful exposure to the actionable chemicals in the Defendants' products, according to proof.

PRAYER FOR RELIEF

Wherefore, the Plaintiff prays for the following relief:

- A. A preliminary and permanent injunction, pursuant to Health and Safety Code, section 25249.7, subdivision (b), enjoining the Defendants, their agents, employees, assigns, and all persons acting in concert or participating with the Defendants, from manufacturing, distributing, marketing, or selling the products subject to this complaint to consumers or patients in California without first providing a "clear and reasonable warning" regarding exposure to the actionable chemical within the meaning of Proposition 65 in the Defendants' products;
- B. An injunctive order, pursuant to H&S Code section 25249.7(b) and California Code of Regulations, title 27, sections 25603 and 25603.1, compelling the Defendants to provide "clear and

reasonable" warnings at the entrance to the Defendants' facilities; on the Defendants' website; inside the Defendants' membership agreement; on the labels of the Defendants' products; at the point of sale; inside display cases; at concerts and conventions that the Defendants participate in; and/or on receipts for the Defendants' products that are delivered to consumers. The warnings should indicate that the Defendants' products will expose the user, consumer or patient to chemicals known to the State of California to cause cancer or reproductive toxicity;

- C. An assessment of civil penalties pursuant to Health and Safety Code, section 25249.7, subdivision (b), against the Defendants in the amount on \$2,500 per day for each violation of Proposition 65, according to proof;
- D. An award to the Plaintiff of its reasonable attorney's fees and cost of suit pursuant to California Code of Civil Procedure, sections 1032 *et seq.* and 1021.5, as the Plaintiff shall specify in further applications to the Court; and
 - E. Such other and further relief the Court deems just and proper.

Dated: August 6, 2018 Respectfully submitted,

Morrison Law Firm

/s/ Mark Morrison

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