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ENDORSED FILED ALAMEDA COUNTY

MAY 2 5 2018



SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ALAMEDA

ANTHONY FERREIRO,

Plaintiff,

٧.

ARSENAL GAMING, INC., FRY'S ELECTRONICS, INC.,

Defendants.

RG18906448

Case No.:

COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELEIF

(Violation of Health & Safety Code §25249.5 et seq.)

Plaintiff Anthony Ferreiro ("Plaintiff"), by and through his attorneys, alleges the following cause of action in the public interest of the citizens of the State of California.

BACKGROUND OF THE CASE

- 1. Plaintiff brings this representative action on behalf of all California citizens to enforce relevant portions of Safe Drinking Water and Toxic Enforcement Act of 1986, codified at the Health and Safety Code § 25249.5 et seq ("Proposition 65"), which reads, in relevant part, "Inlo 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 ...". Health & Safety Code § 25249.6.
- 2. This complaint is a representative action brought by Plaintiff in the public interest of the citizens of the State of California to enforce the People's right to be informed of the health hazards caused by exposure to Diisononyl phthalate (DINP), a toxic chemical found in Arsenal Gaming Xbox 360 Headsets (the "Products") sold and/or distributed for sale in California by

defendants Arsenal Gaming, Inc. ("Arsenal") and Fry's Electronics, Inc. ("Fry's Electronics") (collectively, "Defendants").

- 3. DINP is a harmful chemical known to the State of California to cause cancer. On December 20, 2013, the State of California listed DINP as a chemical known to the State to cause cancer thereby causing DINP to come under the purview of Proposition 65 regulations since that time. Cal. Code Regs. Tit. 27, § 27001(c); Health & Safety Code §§ 25249.8 & 25249.10(b).
- 4. Proposition 65 requires all businesses with ten (10) or more employees that operate within California or sell products therein to comply with Proposition 65 regulations. Included in such regulations is the requirement that businesses must label any product containing a Proposition 65-listed chemical with a "clear and reasonable" warning before "knowingly and intentionally" exposing any person to it.
- 5. Proposition 65 allows for civil penalties of up to \$2,500.00 per day per violation to be imposed upon defendants in a civil action for violations of Proposition 65. Health & Safety Code § 25249.7(b). Proposition 65 also allows for any court of competent jurisdiction to enjoin the actions of a defendant which "violate[s] or threaten[s] to violate" the statute. Health & Safety Code § 25249.7.
- 6. Plaintiff alleges that Defendants import, distribute, sell and/or offer for sale in California, without the required Proposition 65 exposure warning, the Products that contain DINP.
- 7. Defendants' failure to warn consumers and other individuals in California of the health hazards associated with exposure to DINP in conjunction with the sale, manufacture, and/or distribution of the Products is a violation of Proposition 65 and subjects Defendants to the enjoinment and civil penalties described herein.
- 8. Plaintiff seeks civil penalties against Defendants for their violations of Proposition 65 in accordance with Health and Safety Code § 25249.7(b).
- 9. Plaintiff also seeks injunctive relief, preliminarily and permanently, requiring
 Defendants to provide purchasers or users of the Products with the required exposure warnings

related to the dangers and health hazards associated with exposure to DINP pursuant to Health and Safety Code § 25249.7(a).

PARTIES

- 10. Plaintiff is a citizen of the State of California acting in the interest of the general public to promote awareness of exposures to toxic chemicals in products sold in California and to improve human health by reducing hazardous substances contained in such items. He brings this action in the public interest pursuant to Health and Safety Code § 25249.7(d).
- 11. Defendant Arsenal, through its business, effectively imports, distributes, sells, and/or offers the Products for sale or use in the State of California, or it implies by its conduct that it manufactures, imports, distributes, sells, and/or offers the Product for sale or use in the State of California. Defendant Arsenal is alleged to be a "person" in the course of doing business within the meaning of Health & Safety Code sections 25249.6 and 25249.11.
- 12. Defendant Fry's Electronics, through its business, effectively imports, distributes, sells, and/or offers the Products for sale or use in the State of California, or it implies by its conduct that it manufactures, imports, distributes, sells, and/or offers the Product for sale or use in the State of California. Defendant Fry's Electronics is alleged to be a "person" in the course of doing business within the meaning of Health & Safety Code sections 25249.6 and 25249.11.

VENUE AND JURISDICTION

- 13. Venue is proper in the County of Alameda because one or more of the instances of wrongful conduct occurred, and continue to occur in this county and/or because Defendants conducted, and continue to conduct, business in the County of Alameda with respect to the Product.
- 14. This Court has jurisdiction over this action pursuant to California Constitution Article VI, § 10, which grants the Superior Court original jurisdiction in all causes except those given by statute to other trial courts. Health and Safety Code § 25249.7 allows for the enforcement of violations of Proposition 65 in any Court of competent jurisdiction; therefore, this Court has jurisdiction over this lawsuit.

15. This Court has jurisdiction over Defendants because each is either a citizen of the State of California, has sufficient minimum contacts with the State of California, is registered with the California Secretary of State as foreign corporations authorized to do business in the State of California, and/or has otherwise purposefully availed itself of the California market. Such purposeful availment has rendered the exercise of jurisdiction by California courts consistent and permissible with traditional notions of fair play and substantial justice.

SATISFACTION OF NOTICE REQUIREMNTS

- 16. On February 19, 2018, Plaintiff gave notice of alleged violation of Health and Safety Code § 25249.6 (the "Notice") to Defendants concerning the exposure of California citizens to DINP contained in the Products without proper warning, subject to a private action to Defendants and to the California Attorney General's office and the offices of the County District attorneys and City Attorneys for each city with a population greater than 750,000 persons wherein the herein violations allegedly occurred.
- 17. The Notice complied with all procedural requirements of Proposition 65 including the attachment of a Certificate of Merit affirming that Plaintiff's counsel had consulted with at least one person with relevant and appropriate expertise who reviewed relevant data regarding DINP exposure, and that counsel believed there was meritorious and reasonable cause for a private action.
- 18. After receiving the Notice, and to Plaintiff's best information and belief, none of the noticed appropriate public enforcement agencies have commenced and diligently prosecuted a cause of action against Defendants under Proposition 65 to enforce the alleged violations which are the subject of Plaintiff's notice of violation.
- 19. Plaintiff is commencing this action more than sixty (60) days from the date of the Notice to Defendants, as required by law.

FIRST CAUSE OF ACTION

(By Plaintiff against Defendants for the Violation of Proposition 65)

20. Plaintiff hereby repeats and incorporates by reference paragraphs 1 through 19 of this complaint as though fully set forth herein.

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- Defendants have, at all times mentioned herein, acted as manufacturer, distributer, 21. and/or retailer of the Products.
- 22. The Products contain DINP, a hazardous chemical found on the Proposition 65 list of chemicals known to be hazardous to human health.
 - The Products do not comply with the Proposition 65 warning requirements. 23.
- Plaintiff, based on his best information and belief, avers that at all relevant times 24. herein, and at least since December 13, 2017, continuing until the present, that Defendants have continued to knowingly and intentionally expose California users and consumers of the Products to DINP without providing required warnings under Proposition 65.
- 25. The exposures that are the subject of the Notice result from the purchase, acquisition, handling and recommended use of the product. Consequently, the primary route of exposure to these chemicals is through dermal absorption. Dermal absorption of DINP can occur through direct skin contact with the cord during routine use when the cord is manipulated with bare hands during use of the headphones. If the headphones are stored or transported in a carrier, DINP that leaches from the product may contaminate other articles contained within these closed spaces are subsequently hand, worn, mouthed, or consumed. Finally, while mouthing of the product does not seem likely, some amount of exposure through ingestion can occur by touching the product with subsequent touching of the user's hand to mouth.
- 26. Plaintiff, based on his best information and belief, avers that such exposures will continue every day until clear and reasonable warnings are provided to the purchasers and users of the Products, or until these known toxic chemicals are removed from the Products.
- 27. Defendants have knowledge that the normal and reasonably foreseeable use of the Products exposes individuals to DINP, and Defendants intend that exposures to DINP will occur by its deliberate, non-accidental participation in the manufacture, importation, distribution, sale and offering of the Products to consumers in California.
- Plaintiff has engaged in good faith efforts to resolve the herein claims prior to this 28. Complaint.