19STCV30306

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Ruth Ann Kwan

Electronically FILED by Superior Court of California, County of Los Angeles on 08/26/2019 04:06 PM Sherri R. Carter, Executive Officer/Clerk of Court, by K. Vargas, Deputy Clerk

1 2 3 4 5 6 7 8 9	Jonathan M. Genish (SBN 259031) jgenish@blackstonepc.com Michael N. Jones (SBN 244320) mjones@blackstonepc.com BLACKSTONE LAW, APC. 8383 Wilshire Blvd., Suite 745 Beverly Hills, California 90211 Telephone: 310.622.4278 Facsimile:855.786.6356 Attorneys for Plaintiff, Consumer Protection Group, LLC SUPERIOR COURT OF TH	E STATE OF CALIFORNIA	
10	COUNTY OF LOS ANGELES		
11			
12	CONSUMER PROTECTION GROUP, LLC,	CASE NO. 1987 CV 30306	
13	in the public interest,		
14	Plaintiff,	PLAINTIFF CONSUMER	
15	v.	PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND	
16	SHAXON INDUSTIRES, INC., a California	INJUNCTION	
17	Corporation and FRY'S ELECTRONICS, INC., a California Corporation.	Violation of Proposition 65, the Safe Drinking Water and Toxic Enforcement	
18	Defendants.	Act of 1986 (Health & Safety Code, § 25249.5, et seq.)	
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20		UNLIMITED CIVIL (Demand exceeds \$25,000)	
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22	Plaintiff CONSUMER PROTECTION GROUP, LLC alleges a cause of action against		
23	Defendants SHAXON INDUSTRIES, INC. and FRY'S ELECTRONICS, INC.		
24	("DEFENDANT or collectively DEFENDANTS").		
25	THE PARTIES		
26	1. Plaintiff, CONSUMER PROTECTION GROUP LLC ("Plaintiff" or "CPG"), is		
27	an organization qualified to do business in the State of California. CPG is a person within the		
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	PLAINTIFF CONSUMER PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND INJUNCTION		

meaning of Health and Safety Code section 25249.11, subdivision (a). CPG, acting as a private attorney general, brings this action in the public interest as defined under Health and Safety Code section 25249.7, subdivision (d).

2. Defendant SHAXON INDUSTRIES, INC., is a California corporation, doing business in the State of California at all relative times herein.

3. Defendant FRY'S ELECTRONICS, INC., is a California corporation, doing business in the State of California at all relative times herein.

8 4. Plaintiff is informed and believes, and thereon alleges that Defendants at all
9 times mentioned herein have conducted business within the State of California.

5. Upon information and belief, at all times relevant to this action, Defendants were
agents, servants, or employees of the Defendants. In conducting the activities alleged in this
Complaint, Defendants were acting within the course and scope of this agency, service, or
employment, and were acting with the consent, permission, and authorization of the
Defendants.

6. Plaintiff is informed, believes, and thereon alleges that at all relevant times the
Defendants were a person doing business within the meaning of Health and Safety Code section
25249.11, subdivision (b), and that the Defendants had ten (10) or more employees at all
relevant times.

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JURISDICTION

7. The Court has jurisdiction over this lawsuit 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. This Court has jurisdiction over this action pursuant
to Health and Safety Code section 25249.7, which allows enforcement of violations of
Proposition 65 in any Court of competent jurisdiction.

8. This Court has jurisdiction over Defendants named herein because Defendants
either reside or are located in this State or are foreign corporations authorized to do business in
California, are registered with the California Secretary of State, or who do sufficient business

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in California, have sufficient minimum contacts with California, or otherwise intentionally avail
 themselves of the markets within California through their manufacture, distribution, promotion,
 marketing, or sale of their products within California to render the exercise of jurisdiction by
 the California courts permissible under traditional notions of fair play and substantial justice.

9. Venue is proper in the County of Los Angeles because one or more of the instances of wrongful conduct occurred, and continues to occur, in the County of Los Angeles and/or because Defendants conducted, and continues to conduct, business in the County of Los Angeles with respect to the consumer product that is the subject of this action.

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BACKGROUND AND PRELIMINARY FACTS

10 10. In 1986, California voters approved an initiative to address growing concerns 11 about exposure to toxic chemicals and declared their right "[t]o be informed about exposures to 12 chemicals that cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed 13 Law, Gen. Elec. (Nov. 4, 1986) at p. 3. The initiative, The Safe Drinking Water and Toxic 14 Enforcement Act of 1986, codified at Health and Safety Code sections 25249.5, et seq. 15 ("Proposition 65"), helps to protect California's drinking water sources from contamination, to 16 allow consumers to make informed choices about the products they buy, and to enable persons 17 to protect themselves from toxic chemicals as they see fit.

18 11. Proposition 65 requires the Governor of California to publish a list of chemicals
19 known to the state to cause cancer, birth defects, or other reproductive harm. *Health & Safety*20 *Code* § 25249.8. The list, which the Governor updates at least once a year, contains over 700
21 chemicals and chemical families. Proposition 65 imposes warning requirements and other
22 controls that apply to Proposition 65-listed chemicals.

12. All businesses with ten (10) or more employees that operate or sell products in California must comply with Proposition 65. Under Proposition 65, businesses are: (1) prohibited from knowingly discharging Proposition 65-listed chemicals into sources of drinking water (*Health & Safety Code* § 25249.5), and (2) required to provide "clear and reasonable"

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warnings before exposing a person, knowingly and intentionally, to a Proposition 65-listed chemical (*Health & Safety Code* § 25249.6).

13. Proposition 65 provides that any person "violating or threatening to violate" the statute may be enjoined in any court of competent jurisdiction. *Health & Safety Code* § 25249.7. "Threaten to violate" means "to create a condition in which there is a substantial probability that a violation will occur." *Health & Safety Code* § 25249.11(e). Defendants are also liable for civil penalties of up to \$2,500.00 per day per violation, recoverable in a civil action. *Health & Safety Code* § 25249.7(b).

9 14. On January 1, 1988, the Governor of California added Di(2-ethylhexyl)
10 phthalate ("DEHP") to the list of chemicals known to the state to cause cancer. Thereafter, on
11 October 24, 2003, the Governor of California added DEHP to the list of chemicals known to
12 the state to cause developmental toxicity and male reproductive toxicity.

13 15. On December 20. 2013, the Governor of California added Diisononyl Phthalate
14 ("DINP") to the list of chemicals known to the state to cause cancer.

15 16. Plaintiff identified certain practices of manufacturers and distributors of
products bearing DINP and DEHP, exposing, knowingly, and intentionally, persons in
17 California to said Proposition 65-listed chemical without first providing clear and reasonable
warnings to the exposed persons prior to the time of exposure. Plaintiff later learned that
Defendants have engaged in such practice.

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SATISFACTION OF PRIOR NOTICE

17. On or about November 12, 2018 and on or about November 26, 2018 Plaintiff gave notices of alleged violations of Health and Safety Code section 25249.6, concerning consumer product exposures, subject to a private action to Shaxon Industries, Inc., Fry's Electronics, Inc., and to the California Attorney General, County District Attorneys, and City Attorneys for each County containing a population of at least 750,000 people in whose jurisdiction the violations allegedly occurred, concerning copper wire solid core ("WIRE")

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PLAINTIFF CONSUMER PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND INJUNCTION

containing DINP and Shaxon network cables tester ("TESTER") containing DEHP, collectively referred to as ("NOTICED PRODUCTS").

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18. Before sending the notice of alleged violations, Plaintiff investigated the consumer products involved, the likelihood that such products would cause users to suffer significant exposures to DINP, DEHP, and the corporate structure of the Defendants.

6 19. Plaintiff's notices of alleged violations included a Certificate of Merit executed 7 by the attorney for the noticing party, CPG. The Certificate of Merit stated that the attorney for 8 Plaintiff who executed the certificate had consulted with at least one person with relevant and 9 appropriate expertise who reviewed data regarding the exposures to DINP and DEHP, the 10 subject Proposition 65-listed chemicals of this action. Based on that information, the attorney 11 for Plaintiff who executed the Certificate of Merit believed there was a reasonable and 12 meritorious case for this private action. The attorney for Plaintiff attached to the Certificate of 13 Merit served on the Attorney General the confidential factual information sufficient to establish 14 the basis of the Certificate of Merit.

15 20. Plaintiff's notices of alleged violations also included a Certificate of Service and
16 a document titled "The Safe Drinking Water & Toxic Enforcement Act of 1986 (Proposition
17 65) A Summary." *Health & Safety Code* § 25249.7(d).

18 21. Plaintiff is commencing this action more than sixty (60) days from the dates that
19 Plaintiff gave notices of the alleged violations to Defendants and the public prosecutors
20 referenced in Paragraphs 16.

21 22. Plaintiff is informed, believes, and thereon alleges that neither the Attorney
22 General, nor any applicable district attorney or city attorney has commenced and is diligently
23 prosecuting an action against the Defendants.

PLAINTIFF CONSUMER PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND INJUNCTION

FIRST CAUSE OF ACTION

(By CONSUMER PROTECTION GROUP, LLC against SHAXON INDUSTRIES, INC. and FRY'S ELECTRONICS, INC., for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (*Health & Safety Code*, §§ 25249.5, *et seq.*))

COPPER WIRE SOLID CORE

23. Plaintiff repeats and incorporates by reference paragraphs 1 through 20 of this complaint as though fully set forth herein. The Defendant is, and at all times mentioned herein was a manufacturer of the WIRE.

24. Plaintiff is informed, believes, and thereon alleges that the WIRE contains DINP.

25. Defendants knew or should have known that DINP has been identified by the State of California as a chemical known to cause Cancer and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of DINP in the WIRE within Plaintiff's notice of alleged violations further discussed above at Paragraph 17.

26. Plaintiff's allegations regarding the WIRE concerns "[c]onsumer products exposure[s]," which "is an exposure that 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. 27, § 25602(b). The WIRE is a consumer product, and, as mentioned herein, exposures to DINP took place as a result of such normal and foreseeable consumption and use.

27. Plaintiff is informed, believes, and thereon alleges that between November 12, 2015 and the present, Defendants knowingly and intentionally exposed California consumers and users of the WIRE, which Defendants manufactured, distributed, or sold as mentioned above, to DINP, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants distributed and sold the WIRE in

California. Defendants knew and intended that California consumers will use and consume the WIRE, thereby exposing them to DINP. Defendants thereby violated Proposition 65.

28. The principal routes of exposure with regard to the WIRE are and were through dermal contact and ingestion. Persons sustain exposures by handling or otherwise using the WIRE with bare skin, without wearing gloves, or by touching bare skin or mucous membranes with the WIRE after handling the WIRE as well as through direct and indirect hand to mouth contact, hand to food to mouth, direct contact to food then to mouth, hand to mucous membrane, or breathing in particulate matter dispersed from the WIRE.

9 29. Plaintiff is informed, believes, and thereon alleges that Defendants violations of
10 Proposition 65 as to the WIRE have been ongoing and continuous to the date of the signing of
11 this complaint, as Defendants engaged and continue to engage in conduct which violates Health
12 and Safety Code section 25249.6, including the manufacture, distribution, promotion, and sale
13 of the WIRE, so that a separate and distinct violation of Proposition 65 occurred each and every
14 time a person was exposed to DINP by the WIRE as mentioned herein.

30. Plaintiff is informed, believes, and thereon alleges that each violation of Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that the violations alleged herein will continue to occur into the future.

18 31. Based on the allegations herein, Defendant is liable for civil penalties of up to
19 \$2,500.00 per day per individual exposure to DINP from the WIRE pursuant to Health and
20 Safety Code section 25249.7(b).

32. In the absence of equitable relief, the general public will continue to be involuntarily exposed to DINP that is contained in the WIRE, creating a substantial risk of irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused irreparable harm for which there is no plain, speedy, or adequate remedy at law.

25 33. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein
26 prior to filing this Complaint.

PLAINTIFF CONSUMER PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND INJUNCTION

SECOND CAUSE OF ACTION

(By CONSUMER PROTECTION GROUP, LLC against SHAXON INDUSTRIES, INC. and FRY'S ELECTRONICS, INC., for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

SHAXON NETWORK CABLES TESTER

34. Plaintiff repeats and incorporates by reference paragraphs 1 through 20 of this complaint as though fully set forth herein. The Defendant is, and at all times mentioned herein was a manufacturer of the TESTER.

35. Plaintiff is informed, believes, and thereon alleges that the TESTER contains DEHP.

36. Defendants knew or should have known that DEHP has been identified by the State of California as a chemical known to cause cancer and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of DEHP in the TESTER within Plaintiff's notice of alleged violations further discussed above at Paragraph 17.

37. Plaintiff's allegations regarding the TESTER concerns "[c]onsumer products exposure[s]," which "is an exposure that 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. 27, § 25602(b). The TESTER is a consumer product, and, as mentioned herein, exposures to DEHP took place as a result of such normal and foreseeable consumption and use.

38. Plaintiff is informed, believes, and thereon alleges that between November 26, 2015 and the present, Defendants knowingly and intentionally exposed California consumers and users of the TESTER, which Defendants manufactured, distributed, or sold as mentioned above, to DEHP, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants distributed and sold the TESTER.

in California. Defendants knew and intended that California consumers will use TESTER, thereby exposing them to DEHP. Defendants thereby violated Proposition 65.

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39. The principal routes of exposure with regard to the TESTER are and were through dermal contact and ingestion. Persons sustain exposures by handling or otherwise using the TESTER with bare skin, without wearing gloves, or by touching bare skin or mucous membranes with the TESTER after handling the TESTER as well as through direct and indirect hand to mouth contact, hand to food to mouth, direct contact to food then to mouth, hand to mucous membrane, or breathing in particulate matter dispersed from the TESTER.

9 40. Plaintiff is informed, believes, and thereon alleges that Defendants violations of
10 Proposition 65 as to the TESTER have been ongoing and continuous to the date of the signing
11 of this complaint, as Defendants engaged and continue to engage in conduct which violates
12 Health and Safety Code section 25249.6, including the manufacture, distribution, promotion,
13 and sale of the TESTER, so that a separate and distinct violation of Proposition 65 occurred
14 each and every time a person was exposed to DEHP by the TESTER as mentioned herein.

41. Plaintiff is informed, believes, and thereon alleges that each violation of
Proposition 65 mentioned herein is ever continuing. Plaintiff further alleges and believes that
the violations alleged herein will continue to occur into the future.

42. Based on the allegations herein, Defendant is liable for civil penalties of up to
\$2,500.00 per day per individual exposure to DEHP from the TESTER pursuant to Health and
Safety Code section 25249.7(b).

43. In the absence of equitable relief, the general public will continue to be
involuntarily exposed to DEHP that is contained in the TESTER, creating a substantial risk of
irreparable harm. Thus, by committing the acts alleged herein, Defendants have caused
irreparable harm for which there is no plain, speedy, or adequate remedy at law.

44. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein
prior to filing this Complaint.

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> PLAINTIFF CONSUMER PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND INJUNCTION

1	PRAYER FOR RELIEF		
2	Plaintiff demands against the Defendants as follows:		
3	1. A permanent injunction mandating Proposition 65-compliant warnings for any		
4	further sales of the NOTICED PRODUCTS;		
5	2. Penalties pursuant to Health and Safety Code section 25249.7, subdivision (b);		
6	3. Costs of suit;		
7	4. Reasonable attorney fees and costs; and		
8	5. Any further relief that the court may deem just and equitable.		
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11	Dated: August 26, 2019 BLACKSTONE LAW, APC		
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14	By:		
15	Michael Nicholas Jones Attorneys for Plaintiff,		
16	Consumer Protection Group, LLC		
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	PLAINTIFF CONSUMER PROTECTION GROUP, LLC'S COMPLAINT FOR PENALTY AND INJUNCTION		