04/06/2021 19:01

3106231930

YEROUSHALMI

PAGE 02/18

FILED BY FAX ALAMEDA COUNTY Reuben Yeroushalmi (SBN 193981) 1 April 07, 2021 reuben@yeroushalmi.com YEROUSHALMI & YEROUSHALMI* CLERK OF THE SUPERIOR COURT By Shabra Iyamu, Deputy 2 9100 Wilshire Boulevard, Suite 240W 3 Beverly Hills, California 90212 CASE NUMBER: Telephone: (310) 623-1926 4 RG21094630 Facsimile: (310) 623-1930 5 Attorneys for Plaintiff. CONSUMER ADVOCACY GROUP, INC. 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF ALAMEDA 9 10 CONSUMER ADVOCACY GROUP, INC., CASE NO. 11 in the public interest. 12 Plaintiff, COMPLAINT FOR PENALTY AND 13 INJUNCTION 14 Violation of Proposition 65, the Safe WHOLE FOODS MARKET CALIFORNIA, Drinking Water and Toxic Enforcement 15 Act of 1986 (Health & Safety Code, § INC., a California Corporation; 16 MRS. GOOCH'S NATURAL FOOD 25249.5, et seq.) MARKETS, INC. DBA WHOLE FOODS 17 MARKET, a California Corporation; ACTION IS AN UNLIMITED CIVIL and DOES 1-20, CASE (exceeds \$25,000) 18 19 Defendants. 20 21 22 23 Plaintiff CONSUMER ADVOCACY GROUP, INC. alleges two causes of action 24 against defendants WHOLE FOODS MARKET CALIFORNIA, INC., MRS. GOOCH'S 25 NATURAL FOOD MARKETS, INC. DBA WHOLE FOODS MARKET, and DOES 1-20 as 26 follows: 27 28 Page 1 of 13 YEROUSHALMI YBROUSHALMI
"An Independent
Association of Law
Corporations COMPLAINT FOR VIOLATION OF PROPOSITION 65, THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (HEALTH AND SAFETY CODE § 25249.5, ET SEQ.)

YEROUSHALMI & YEROUSHALMI *An Independent Association of Law

THE PARTIES

- 1. Plaintiff CONSUMER ADVOCACY GROUP, INC. ("Plaintiff" or "CAG") is an organization qualified to do business in the State of California. CAG is a person within the meaning of Health and Safety Code Section 25249.11, subdivision (a). CAG, 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).
- Defendant WHOLE FOODS MARKET CALIFORNIA, INC. ("WHOLE FOODS") is a
 California Corporation, qualified to do business and doing business in the State of
 California at all relevant times herein.
- Defendant MRS. GOOCH'S NATURAL FOOD MARKETS, INC DBA WHOLE
 FOODS MARKET ("MRS. GOOCH'S") is a California Corporation, qualified to do
 business and doing business in the State of California at all relevant times herein.
- 4. Plaintiff is presently unaware of the true names and capacities of defendants DOES 1-20, and therefore sues these defendants by such fictitious names. Plaintiff will amend this Complaint to allege their true names and capacities when ascertained. Plaintiff is informed, believes, and thereon alleges that each fictitiously named defendant is responsible in some manner for the occurrences herein alleged and the damages caused thereby.
- At all times mentioned herein, the term "Defendants" includes WHOLE FOODS, MRS.
 GOOCH'S and DOES 1-20.
- 6. Plaintiff is informed and believes, and thereon alleges that each of the Defendants at all times mentioned herein have conducted business within the State of California.
- 7. Upon information and belief, at all times relevant to this action, each of the Defendants, including DOES 1-20, was an agent, servant, or employee of each of the other Defendants and Defendants WHOLE FOODS and MRS GOOCH'S are a joint enterprise. In conducting the activities alleged in this Complaint, each of the Defendants was acting within the course and scope of this agency, service, or employment, and was

Page 2 of 13

acting with the consent, permission, and authorization of each of the other Defendants. All actions of each of the Defendants alleged in this Complaint were ratified and approved by every other Defendant or their officers or managing agents. Alternatively, each of the Defendants aided, conspired with and/or facilitated the alleged wrongful conduct of each of the other Defendants.

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

JURISDICTION

- 9. 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.
- 10. 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 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.
- 11. Venue is proper in the County of Alameda because one or more of the instances of wrongful conduct occurred, and continues to occur, in the County of Alameda and/or because Defendants conducted, and continue to conduct, business in the County of Alameda with respect to the consumer product that is the subject of this action.

YEROUSHALMI
&
YEROUSHALMI
*An Independent
Association of Law

Corporation

BACKGROUND AND PRELIMINARY FACTS

- 12. In 1986, California voters approved an initiative to address growing concerns about exposure to toxic chemicals and declared their right "[t]o be informed about exposures to chemicals that cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed Law, Gen. Elec. (Nov. 4, 1986) at p. 3. The initiative, The Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code Sections 25249.5, et seq. ("Proposition 65"), helps to protect California's drinking water sources from contamination, to allow consumers to make informed choices about the products they buy, and to enable persons to protect themselves from toxic chemicals as they see fit.
- 13. Proposition 65 requires the Governor of California to publish a list of chemicals known to the state to cause cancer, birth defects, or other reproductive harm. *Health & Safety Code* § 25249.8. The list, which the Governor updates at least once a year, contains over 700 chemicals and chemical families. Proposition 65 imposes warning requirements and other controls that apply to Proposition 65-listed chemicals.
- 14. 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" warnings before exposing a person, knowingly and intentionally, to a Proposition 65-listed chemical (*Health & Safety Code* § 25249.6).
- 15. 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).

- 16. Plaintiff identified certain practices of manufacturers and distributors of Seaweed of exposing, knowingly and intentionally, persons in California to Lead and Lead Compounds, Cadmium and Cadmium Compounds, Inorganic Arsenic Compounds, and/or Inorganic Arsenic Oxides of such products without first providing clear and reasonable warnings of such to the exposed persons prior to the time of exposure. Plaintiff later discerned that Defendants engaged in such practice.
- 17. On October 1, 1992 the Governor of California added Lead and Lead Compounds ("Lead") to the list of chemicals known to the State to cause cancer (Cal. Code Regs. tit. 27, § 27001(b)). Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause cancer, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 18. On February 27, 1987, the Governor of California added Lead to the list of chemicals known to the State to cause developmental and reproductive toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Lead is known to the State to cause developmental, female, and male reproductive toxicity. Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Lead to the list of chemicals known to the State to cause developmental and reproductive toxicity, Lead became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 19. On October 1, 1987 the Governor of California added Cadmium and Cadmium Compounds ("Cadmium") to the list of chemicals known to the State to cause cancer (Cal. Code Regs. tit. 27, § 27001(b)). Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium to the list of chemicals known to the State to cause cancer, Cadmium became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 20. On May 1, 1997, the Governor of California added Cadmium to the list of chemicals known to the State to cause developmental and reproductive toxicity (*Cal. Code Regs*.

- tit. 27, § 27001(c)). Cadmium is known to the State to cause developmental, and male reproductive toxicity. Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Cadmium to the list of chemicals known to the State to cause developmental and reproductive toxicity, Cadmium became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 21. On February 27, 1987 the Governor of California added Inorganic Arsenic Compounds to the list of chemicals known to the State to cause cancer (*Cal. Code Regs.* tit. 27, § 27001(b)). Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Inorganic Arsenic Compounds to the list of chemicals known to the State to cause cancer, Inorganic Arsenic Compounds became fully subject to Proposition 65 warning requirements and discharge prohibitions.
- 22. On May 1, 1997, the Governor of California added Inorganic Arsenic Oxides to the list of chemicals known to the State to cause developmental toxicity (*Cal. Code Regs.* tit. 27, § 27001(c)). Inorganic Arsenic Oxides is known to the State to cause developmental, toxicity. Pursuant to Health and Safety Code Sections 25249.9 and 25249.10, twenty (20) months after addition of Inorganic Arsenic Oxides to the list of chemicals known to the State to cause developmental toxicity, Inorganic Arsenic Oxides became fully subject to Proposition 65 warning requirements and discharge prohibitions. Inorganic Arsenic Compounds and Inorganic Arsenic Oxides is hereinafter referred to as "Arsenic".

SATISFACTION OF PRIOR NOTICE

- 23. Plaintiff served the following notices for alleged violations of Health and Safety Code Section 25249.6, concerning consumer products exposures:
 - a. On or about September 2, 2020, Plaintiff gave notice of alleged violations of Health and Safety Code Section 25249.6, concerning consumer products exposures subject to a private action to WHOLE FOODS, MRS GOOCH'S and to the California Attorney General, County District Attorneys, and City

Corporat

- Attorneys for each city containing a population of at least 750,000 people in whose jurisdictions the violations allegedly occurred, concerning the Seaweed.
- b. On or about October 16, 2020 Plaintiff gave notice of alleged violations of Health and Safety Code Section 25249.6, concerning consumer products exposures subject to a private action to WHOLE FOODS, MRS. GOOCH'S and to the California Attorney General, County District Attorneys, and City Attorneys for each city containing a population of at least 750,000 people in whose jurisdictions the violations allegedly occurred, concerning the Seaweed.
- 24. 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 Lead, Cadmium, and Arsenic, and the corporate structure of each of the Defendants.
- 25. Plaintiff's notice of alleged violation included a Certificate of Merit executed by the attorney for the noticing party, CAG. The Certificate of Merit stated that the attorney for Plaintiff who executed the certificate had consulted with at least one person with relevant and appropriate expertise who reviewed data regarding the exposures to Lead, Cadmium, and Arsenic, the subject Proposition 65-listed chemical of this action. Based on that information, the attorney for Plaintiff who executed the Certificate of Merit believed there was a reasonable and meritorious case for this private action. The attorney for Plaintiff attached to the Certificate of Merit served on the Attorney General the confidential factual information sufficient to establish the basis of the Certificate of Merit.
- 26. Plaintiff's notice of alleged violations also included a Certificate of Service and a document entitled "The Safe Drinking Water & Toxic Enforcement Act of 1986 (Proposition 65) A Summary." *Health & Safety Code* § 25249.7(d).

Corporation

27

- 27. Plaintiff is commencing this action more than sixty (60) days from the dates that Plaintiff gave notice of the alleged violations to WHOLE FOODS, MRS. GOOCH'S and the public prosecutors referenced in Paragraph 23.
- 28. Plaintiff is informed, believes, and thereon alleges that neither the Attorney General, nor any applicable district attorney or city attorney has commenced and is diligently prosecuting an action against the Defendants.

FIRST CAUSE OF ACTION

(By CONSUMER ADVOCACY GROUP, INC. and against WHOLE FOODS, MRS. GOOCH'S and DOES 1-10 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (*Health & Safety Code*, §§ 25249.5, et seq.))

Seaweed

- 29. Plaintiff repeats and incorporates by reference paragraphs 1 through 28 of this complaint as though fully set forth herein.
- 30. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of Seaweed ("Seaweed I"), including but not limited to:
 - "The Original Seasnax"; "Strangely Addictive! TM"; "6 pack 30g/1.8oz (6x 5g/0.18oz)"; 1"5 g (0.18 oz) G&G"; "Vegan"; "Olive oil 100%"; "UPC 7 28028 02318 3"; "Product of Korea"; and
 - "The Original Seasnax"; "Strangely Addictive! TM"; "Organic Premium Roasted Seaweed Snack"; "Seasnax 5 Large Sheets"; "Net Wt. 0.54oz (15g)"; "Vegan"; "Olive oil 100%"; "UPC 7 28028 01220 0"; "Product of Korea;
- 31. Seaweed I contains Lead and Cadmium.
- 32. Defendants knew or should have known that Lead and Cadmium has been identified by the State of California as a chemical known to cause cancer, and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead and Cadmium in Seaweed I within Plaintiff's notice of alleged violations further discussed above at Paragraph 23a.

Page 8 of 13

26

- 33. Plaintiff's allegations regarding Seaweed I 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). Seaweed I is a consumer product, and, as mentioned herein, exposures to Lead and Cadmium took place as a result of such normal and foreseeable consumption and use.
- 34. Plaintiff is informed, believes, and thereon alleges that between September 2, 2017 and the present, each of the Defendants knowingly and intentionally exposed California consumers and users of Seaweed I, which Defendants manufactured, distributed, or sold as mentioned above, to Lead and Cadmium, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants have distributed and sold Seaweed I in California. Defendants know and intend that California consumers will use and consume Seaweed I, thereby exposing them to Lead and Cadmium.
- 35. Further, Plaintiff is informed, believes, and thereon alleges that Defendants are selling Seaweed I under a brand or trademark that is owned or licensed by the Defendants or an entity affiliated thereto; have knowingly introduced Lead and Cadmium into Seaweed I or knowingly caused Lead and Cadmium to be created in Seaweed I; have covered, obscured or altered a warning label that has been affixed to Seaweed I by the manufacturer, producer, packager, importer, supplier or distributor of Seaweed I; have received a notice and warning materials for exposure from Seaweed I without conspicuously posting or displaying the warning materials; and/or have actual knowledge of potential exposure to Lead and Cadmium from Seaweed I. Defendants thereby violated Proposition 65.
- 36. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Seaweed I without wearing gloves or any other personal protective equipment, or by touching bare skin or mucous membranes with

27

28 YEROUSHALMI

An Indepe

Corporation

gloves after handling Seaweed I, as well as through direct and indirect hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Seaweed I.

- 37. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Seaweed I have been ongoing and continuous, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code Section 25249.6, including the manufacture, distribution, promotion, and sale of Seaweed I, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Lead and Cadmium by Seaweed I as mentioned herein.
- 38. 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.
- 39. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Lead and Cadmium from Seaweed I, pursuant to Health and Safety Code Section 25249.7(b).
- 40. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

SECOND CAUSE OF ACTION

(By CONSUMER ADVOCACY GROUP, INC. and against WHOLE FOODS, MRS. GOOCH'S and DOES 11-20 for Violations of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code, §§ 25249.5, et seq.))

Seaweed

- 41. Plaintiff repeats and incorporates by reference paragraphs 1 through 40 of this complaint as though fully set forth herein.
- 42. Each of the Defendants is, and at all times mentioned herein was, a manufacturer, distributor, promoter, or retailer of Seaweed ("Seaweed II"), including but not limited to:

Page 10 of 13

26

- "Seasnax ® Strangely Addictive! TM"; "Organic Seaweed"; 'Vegan"; "Raw"; "Paleo Friendly"; "Certified Kosher"; "Net Wt 28g (1.0oz)"; "SS-Raw UPC 7 28028 02323 7"; "Product of Korea"; and
- "Classic Olive"; "Family 4-Pack"; "Vegan Gluten Free"; "The Original Seasnax ® Strangely Addictive! "M"; "Organic Premium Roasted Seaweed Made With Extra Virgin Olive Oil"; "Contains 20 large Sheets (4 Packs of 5)"; "Net Wt 2.16 oz (60g)"; "SS-CLASS-4PK UPC 7 28028 01221 7"
- 43. Seaweed II contains Arsenic, Lead and Cadmium.
- 44. Defendants knew or should have known that Arsenic, Lead and Cadmium has been identified by the State of California as a chemical known to cause cancer, and reproductive toxicity and therefore was subject to Proposition 65 warning requirements. Defendants were also informed of the presence of Lead and Cadmium in Seaweed II within Plaintiff's notice of alleged violations further discussed above at Paragraph 23b.
- 45. Plaintiff's allegations regarding Seaweed II 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). Seaweed II is a consumer product, and, as mentioned herein, exposures to Arsenic, Lead and Cadmium took place as a result of such normal and foreseeable consumption and use.
- 46. Plaintiff is informed, believes, and thereon alleges that between October 16, 2017 and the present, each of the Defendants knowingly and intentionally exposed California consumers and users of Seaweed II, which Defendants manufactured, distributed, or sold as mentioned above, to Arsenic, Lead and Cadmium, without first providing any type of clear and reasonable warning of such to the exposed persons before the time of exposure. Defendants have distributed and sold Seaweed II in California. Defendants know and

- intend that California consumers will use and consume Seaweed II, thereby exposing them to Arsenic, Lead and Cadmium.
- 47. Further, Plaintiff is informed, believes, and thereon alleges that Defendants are selling Seaweed II under a brand or trademark that is owned or licensed by the Defendants or an entity affiliated thereto; have knowingly introduced Arsenic, Lead and Cadmium into Seaweed II or knowingly caused Arsenic, Lead and Cadmium to be created in Seaweed II; have covered, obscured or altered a warning label that has been affixed to Seaweed II by the manufacturer, producer, packager, importer, supplier or distributor of Seaweed II; have received a notice and warning materials for exposure from Seaweed II without conspicuously posting or displaying the warning materials; and/or have actual knowledge of potential exposure to Arsenic, Lead and Cadmium from Seaweed II. Defendants thereby violated Proposition 65.
- 48. The principal routes of exposure are through dermal contact, ingestion and inhalation. Persons sustain exposures by handling Seaweed II without wearing gloves or any other personal protective equipment, or by touching bare skin or mucous membranes with gloves after handling Seaweed II, as well as through direct and indirect hand to mouth contact, hand to mucous membrane, or breathing in particulate matter dispersed from Seaweed II.
- 49. Plaintiff is informed, believes, and thereon alleges that each of Defendants' violations of Proposition 65 as to Seaweed II have been ongoing and continuous, as Defendants engaged and continue to engage in conduct which violates Health and Safety Code Section 25249.6, including the manufacture, distribution, promotion, and sale of Seaweed II, so that a separate and distinct violation of Proposition 65 occurred each and every time a person was exposed to Arsenic, Lead and Cadmium by Seaweed II as mentioned herein.

YEROUSHALMI
*An Independent
Association of Law

- 50. 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.
- 51. Based on the allegations herein, Defendants are liable for civil penalties of up to \$2,500.00 per day per individual exposure to Arsenic, Lead and Cadmium from Seaweed II, pursuant to Health and Safety Code Section 25249.7(b).
- 52. Plaintiff has engaged in good faith efforts to resolve the claims alleged herein prior to filing this Complaint.

PRAYER FOR RELIEF

Plaintiff demands against each of the Defendants as follows:

- 53. A permanent injunction mandating Proposition 65-compliant warnings;
- 54. Penalties pursuant to Health and Safety Code Section 25249.7, subdivision (b);
- 55. Costs of suit;
 - 56. Reasonable attorney fees and costs; and
 - 57. Any further relief that the court may deem just and equitable.

g Dated: April 6, 2021

YEROUSHALMI & YEROUSHALMI*



Reuben Yeroushalmi
Attorneys for Plaintiff,
CONSUMER ADVOCACY GROUP, INC.

Page 13 of 13