| 1 | Laralei Schmohl Paras, State Bar No. 203319 Kimberly Gates Johnson, State Bar No. 282369 | ELECTRONICALLY | |
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| 2 | Seven Hills LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111 | FILED Superior Court of California, | |
| 4 | Telephone: (415) 926-7247 laralei@sevenhillsllp.com | County of San Francisco 09/17/2021 | |
| 5 | kimberly@sevenhillsllp.com | Clerk of the Court BY: JACKIE LAPREVOTTE Deputy Clerk | |
| 6 7 | Attorneys for Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL | | |
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| 9 | SUPERIOR COURT OF TH | E STATE OF CALIFORNIA | |
| 10 | COUNTY OF SAN FRANCISCO | | |
| 11 | UNLIMITED CIV | IL JURISDICTION | |
| 12 | | CGC-21-595276 | |
| 13 | KEEP AMERICA SAFE AND BEAUTIFUL, | Case No. | |
| 14 | Plaintiff, | COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELIEF | |
| 15 | v. WALMART INC.; and DOES 1-30, inclusive, | Violation of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of 1986 | |
| 16 | Defendants. | (Health & Safety Code § 25249.5 et seq.) | |
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| | COMPLAINT FOR CIVIL PENAL | TIES AND INJUNCTIVE RELIEF | |
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Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL, acting in the public interest, alleges a cause of action against DEFENDANTS WALMART INC. and DOES 1-30.

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INTRODUCTION AND NATURE OF THE ACTION

1. This Complaint is a representative action brought by plaintiff Keep America Safe and Beautiful ("KASB") in the public interest of the citizens of the State of California ("State" or "California") to enforce the People's right to be informed of the health hazards caused by exposures to di(2-ethylhexyl) phthalate ("DEHP"), a toxic chemical found in and on clapper mitts manufactured, imported, distributed, sold or offered for sale by defendants in California (referred to, hereinafter, as the "PRODUCTS").

By this Complaint, plaintiff seeks to remedy defendants' continuing failure to warn
 individuals not covered by California's Occupational Safety Health Act, Labor Code § 6300 *et seq.* ("consumers") they are being exposed to substances known to the State to cause cancer, birth defects
 and other reproductive harm through exposures to DEHP, a chemical present in and on the
 PRODUCTS manufactured, imported, distributed, shipped, marketed, sold or offered for sale
 throughout California by defendants and purchased by California consumers who handle or use the
 PRODUCTS.

17 3. Detectable levels of DEHP are found in and on the PRODUCTS defendants
18 manufacture, import, sell or distribute for sale to individuals throughout California.

Pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, codified at
 Health and Safety Code § 25249.6 *et seq.* ("**Proposition 65**"), it is unlawful for a person in the course
 of doing business to knowingly and intentionally expose consumers in California to chemicals known
 to the State to cause cancer, birth defects or other reproductive harm, without first providing a "clear
 and reasonable" health hazard warning to such individuals prior to purchase or use.

5. KASB contends defendants manufacture, import, distribute, sell, and offer for sale, in
and into California, PRODUCTS containing DEHP without Proposition 65's requisite health hazard
warning regarding the harms associated with exposures to the chemicals. Defendants' conduct
subjects them to civil penalties for each violation, as well an enjoinment and preliminary and
permanent injunctive relief. Health & Safety Code § 25249.7(a) and (b).

6. KASB further alleges, through its online marketplace, Defendant Walmart Inc. ("WALMART") provides a platform for small businesses to sell PRODUCTS containing DEHP to California consumers, and WALMART profits from these sales. KASB contends WALMART provides these small businesses with e-commerce storefronts, retail outlets in California, customer service, payment processing, warehousing, and/or shipping, enabling them to maximize sales of the PRODUCTS to California consumers, thereby increasing WALMART's profits, particularly during the coronavirus pandemic when there has been a substantial increase in online commerce.

PARTIES

7. Plaintiff KASB is a non-profit corporation organized under the laws of California and
acting in the interest of the general public, dedicated to protecting the health of California citizens and
the environment through the elimination or reduction of toxic chemicals utilized in manufacturing
consumer products and to increasing public awareness of those chemicals through the promotion of
sound environmental practices and corporate responsibility. KASB is a person within the meaning of
Health & Safety Code § 25249.11(a), and it brings this action in the public interest, pursuant to
Health and Safety Code § 25249.7(d).

8. Plaintiff is informed, believes, and thereon alleges, at all relevant times, Defendant
WALMART was and is a "person" "in the course of doing business" with ten (10) or more
employees, within the meanings of Health and Safety Code §§ 25249.6 and 25249.11.

9 9. WALMART manufactures, imports, distributes, sells, and/or offers the PRODUCTS
9 1 for sale or use in California, or implies by its conduct that it manufactures, imports, distributes, sells,
1 and/or offers the PRODUCTS for sale or use in California.

10. Defendants DOES 1-10 ("MANUFACTURER DEFENDANTS") are each a person in the course of doing business within the meaning of Health and Safety Code §§ 25249.6 and 25249.11. MANUFACTURER DEFENDANTS, and each of them, assemble, fabricate, and manufacture, or each impliedly does so by its conduct, one or more of the PRODUCTS offered for sale or use in California.

27 11. Defendants DOES 11-20 ("DISTRIBUTOR DEFENDANTS") are each a person in
28 the course of doing business within the meaning of Health and Safety Code §§ 25249.6 and 25249.11.

DISTRIBUTOR DEFENDANTS, and each of them, distribute, transfer, and transport, or each impliedly does so by its conduct, one or more of the PRODUCTS to individuals, businesses, or retailers for sale or use in California

12. Defendants DOES 21-30 ("RETAILER DEFENDANTS") are each a person in the course of doing business within the meaning of Health and Safety Code §§ 25249.6 and 25249.11. RETAILER DEFENDANTS, and each of them, by and through their conduct, offer the PRODUCTS for sale to individuals in California.

13. At this time, the true names of Defendants DOES 1 through 30, inclusive, are unknown to plaintiff, who, therefore, sues said DOES Defendants by their fictitious names, pursuant to Code of Civil Procedure § 474. Plaintiff is informed and believes, and on that basis alleges, each of the fictitiously named Defendants is responsible in some manner for the acts and occurrences alleged herein and the damages caused thereby. When ascertained, their true names and capacities shall be reflected in an amended complaint.

14. At all times mentioned herein, WALMART, MANUFACTURER DEFENDANTS, DISTRIBUTOR DEFENDANTS, and RETAILER DEFENDANTS shall, hereinafter, where appropriate, be referred to collectively as the "DEFENDANTS."

JURISDICTION AND VENUE

15. This Court has jurisdiction over this action, pursuant to Cal. Health & Safety Code § 25249.7, allowing enforcement by any court of competent jurisdiction. The California Superior 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 basis of subject matter jurisdiction.

24 16. The California Superior Court has jurisdiction over DEFENDANTS, based on 25 plaintiff's information and good faith belief DEFENDANTS are each a person, firm, corporation or association that is a citizen of the State, does sufficient business in California, has sufficient minimum 26 27 contacts in California, and/or otherwise purposefully and intentionally avail themselves of the 28 California market through their manufacture, importation, distribution, shipment, promotion,

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marketing or sale of PRODUCTS within the State. DEFENDANTS' purposeful availment renders 2 the exercise of personal jurisdiction by California courts consistent with traditional notions of fair 3 play and substantial justice.

17. Venue is proper in the Superior Court for the County of San Francisco, pursuant to 4 5 Code of Civil Procedure §§ 393, 395, and 395.5, because this Court is a court of competent jurisdiction, because plaintiff seeks civil penalties against DEFENDANTS, because one or more 6 7 instances of wrongful conduct occurred, and continue to occur, in this county, and/or because 8 DEFENDANTS conducted, and continue to conduct, business in the County of San Francisco with 9 respect to the PRODUCTS that are the subject of this action.

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REGULATORY BACKGROUND AND LAW

18. 11 In 1986, the people of the State approved an initiative addressing the harms caused by 12 hazardous chemicals and declared their right "[t]o be informed about exposures to chemicals that 13 cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed General Law, Gen, 14 Elec. (Nov. 4, 1986) at p.3.

15 19. Formally known as the Safe Drinking Water and Toxic Enforcement Act of 1986 and codified at Health & Safety Code § 25249.6 et seq., Proposition 65 states, in relevant part, "[n]o 16 17 person in the course of doing business shall knowingly and intentionally expose any individual to a 18 chemical known to cause cancer or reproductive toxicity without first giving a clear and reasonable 19 warning to such individual..."

20 20. Under the Act, a "person in the course of doing business" is defined as a business with ten (10) or more employees. Health & Safety Code § 25249.11(b). Businesses are prohibited from 21 exposing individuals to hazardous chemicals without first giving a "clear and reasonable" warning. 22 23 Health & Safety Code § 25249.6.

24 21. Exposing individuals to hazardous chemicals means to cause individuals to ingest, 25 inhale, contact via body surfaces or otherwise come into contact with a listed chemical. Title 27, 26 California Code of Regulations ("C.C.R."), Section 25102(i). An exposure to a hazardous chemical 27 is defined as one that "results from a person's acquisition, purchase, storage, consumption or other 28 reasonably foreseeable use of a product..." 27 C.C.R. § 25600(h).

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22. Under the Act, "[t]he retail seller is responsible for providing the warning required by Section 25249.6 of the Act for a consumer product exposure" when it has "actual knowledge of the potential consumer product exposure requiring the warning, and there is no manufacturer, producer, packager, importer, supplier, or distributor of the product who: (A) [i]s a "person in the course of doing business" under Section 25249.11(b) of the Act, and (B) [h]as designated an agent for service of process in California, or has a place of business in California." 27 C.C.R. § 25600.2(e)(5).

23. Under the statute, actual knowledge is defined as, "specific knowledge of the consumer product exposure received by the retail seller from any reliable source. If the source of this knowledge is a notice served pursuant to Section 25249.7 (d)(1) of the Act, the retail seller shall not be deemed to have actual knowledge of any consumer product exposure that is alleged in the notice until five business days after the retail seller receives a notice that provides a description of the product with sufficient specificity for the retail seller to readily identify the product in accordance with Article 9, section 25903(b)(2)(D)." 27 C.C.R. § 25600.2(f).

4 24. Under Proposition 65, persons violating the statute may be enjoined in any court of
5 competent jurisdiction and may be subject to civil penalties of up to \$2,500 per day, per violation.
6 Health & Safety Code § 25249.7.

17 25. On October 24, 2003, pursuant to Proposition 65's implementing regulations,
18 California identified and listed DEHP as a chemical known to the State cause cancer, birth defects,
19 and reproductive harm. DEHP became subject to the "clear and reasonable warning" requirements
20 one year later, on October 24, 2004. 27 C.C.R. § 27001(c); Health & Safety Code §§ 25249.8,
21 25249.10(b).

22

STATEMENT OF FACTS

23 26. Plaintiff purchased, or caused to be purchased, on Walmart.com, DEFENDANTS'
24 PRODUCTS for sale in or into California, without a warning.

25 27. Plaintiff investigated and tested DEFENDANTS' PRODUCTS at an accredited lab,
and consulted with a person with relevant and appropriate knowledge and expertise, who, after
reviewing the collected data and analyzing the risk of exposure to DEHP, determined the
PRODUCTS subject consumers in California to exposure to the listed chemical at levels requiring a

warning under the statute, based on touching, handling or otherwise utilizing the PRODUCTS in accordance with their reasonably foreseeable and intended usages.

28. Based on the foregoing, Plaintiff's attorneys executed certificates of merit, attesting there was a reasonable and meritorious case for this private action based on the allegations in each 60-Day Notice of Violation ("60-Day Notice(s)") and included the factual information supporting the certificates served on the Office of the California Attorney General ("OAG"), as required, with a copy of each 60-Day Notice. In the regular course of business, the OAG assigned a number to each 60-Day Notice ("Notice No."). Health & Safety Code § 25249.7(d); Title 11 C.C.R. § 3102.

9 29. Each Notice KASB served on Walmart included specific PRODUCT identifying
10 information for the PRODUCTS alleged to contain DEHP sold without the requisite clear and
11 reasonable warning, to allow DEFENDANTS to locate the allegedly violative PRODUCTS easily
12 and promptly upon receipt of the Notices.

30. On September 9, 2020, plaintiff served 60-Day Notice No. 2020-02299, together with
the certificate of merit, on WALMART, the OAG, and the requisite public enforcement agencies,
alleging, consumers in California were, and are, being exposed to DEHP through their reasonably
foreseeable use of the products as intended without first receiving a "clear and reasonable warning,"
as required by Proposition 65, as a result of DEFENDANTS' sales of PRODUCTS, including but not
limited to, the *Black Single Training Clapper Mitt karate Taekwondo Martial arts, bbs-single- clapper, Walmart Product No. 142028706.*

31. Five days after the receipt of each of the above referenced Notices, WALMART
continued to distribute, ship, sell, and offer for sale to consumers in California each and every one of
the PRODUCTS without the requisite warning.

32. After receiving plaintiff's Notices, no public enforcement agency has commenced and
is diligently prosecuting a cause of action against DEFENDANTS under Proposition 65 to enforce
the alleged violations that are the subject of the Notices.

| 1 | FIRST CAUSE OF ACTION | | |
|----|--------------------------------------------------------------------------------------------------------|--|--|
| 2 | (Violation of Proposition 65 - Against All DEFENDANTS) | | |
| 3 | 33. KASB realleges and incorporates by reference, as if fully stated herein, the allegations | | |
| 4 | set forth in Paragraphs 1 through 32, inclusive. | | |
| 5 | 34. DEFENDANTS' PRODUCTS contain DEHP at levels requiring a clear and | | |
| 6 | reasonable warning under Proposition 65. | | |
| 7 | 35. DEFENDANTS know or should have known the PRODUCTS they manufacture, | | |
| 8 | import, distribute, sell, and offer for sale in California contain DEHP. | | |
| 9 | 36. Through Plaintiff's Notices, DEFENDANTS were informed and have actual | | |
| 10 | knowledge of the presence of DEHP in the PRODUCTS. | | |
| 11 | 37. The PRODUCTS DEFENDANTS manufacture, import, distribute, sell, and offer for | | |
| 12 | sale in or into the State cause exposures to DEHP, through dermal contact and both direct and indirect | | |
| 13 | ingestion, based on the reasonably foreseeable use of the PRODUCTS. | | |
| 14 | 38. The normal and reasonably foreseeable use of the PRODUCTS has caused, and | | |
| 15 | continues to cause, exposures to DEHP. | | |
| 16 | 39. DEFENDANTS know, should have known, or have actual knowledge the normal and | | |
| 17 | reasonably foreseeable uses of the PRODUCTS expose individuals to DEHP through dermal contact | | |
| 18 | and both direct and indirect ingestion. | | |
| 19 | 40. DEFENDANTS intend exposures to DEHP from the reasonably foreseeable use of the | | |
| 20 | PRODUCTS will occur, by their deliberate, non-accidental participation in the California | | |
| 21 | marketplace. | | |
| 22 | 41. The exposures to DEHP, caused by DEFENDANTS and endured by consumers and | | |
| 23 | other individuals in California, are not exempt from the "clear and reasonable" warning requirements | | |
| 24 | of Proposition 65. | | |
| 25 | 42. DEFENDANTS failed to provide a "clear and reasonable warning" to those consumers | | |
| 26 | and other individuals in California who have been, or who will be, exposed to DEHP through dermal | | |
| 27 | contact and both direct and indirect ingestion resulting from the use of the PRODUCTS as intended. | | |
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43. DEFENDANTS failed to provide "clear and reasonable warnings" to consumers, despite having actual knowledge about DEHP in the Products and potential for consumer harms.

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44. Contrary to the express policy and statutory prohibition of Proposition 65, consumers and other individuals, exposed to DEHP through dermal contact and ingestion as a result of their use of the PRODUCTS DEFENDANTS sold without a "clear and reasonable" health hazard warning, have suffered, and continue to suffer, irreparable harm for which they have no plain, speedy, or adequate remedy at law.

8 45. DEFENDANTS manufacture, import, distribute, sell, and offer the PRODUCTS for
9 sale or use in violation of Health and Safety Code § 25249.6, and DEFENDANTS' violations have
10 continued beyond their receipt of plaintiff's Notices. As such, DEFENDANTS' violations are
11 ongoing and continuous in nature and, unless enjoined, will continue in the future.

46. Pursuant to Health and Safety Code § 25249.7(b), as a consequence of the abovedescribed acts, DEFENDANTS, and each of them, are liable for a maximum civil penalty of \$2,500
per day for each violation.

47. As a consequence of the above-described acts, Health and Safety Code § 25249.7(a)
also specifically authorizes the Court to grant injunctive relief against DEFENDANTS.

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PRAYER FOR RELIEF

18 Wherefore, KASB prays for relief and judgment against DEFENDANTS, and each of them,19 as follows:

That the Court, pursuant to Health and Safety Code § 25249.7(a), preliminarily and
 permanently enjoin DEFENDANTS from manufacturing, distributing, importing, marketing or
 otherwise offering the PRODUCTS for sale or use in California without first providing a "clear and
 reasonable warning" to consumers addressing the harms associated with exposures to DEHP;

24 2. That the Court, pursuant to Health and Safety Code § 25249.7(a), issue preliminary
25 and permanent injunctions mandating DEFENDANTS recall all PRODUCTS sold to consumers in
26 California and currently in the chain of commerce in California that do not bear a clear and
27 reasonable health hazard warning;

| 1 | 3. That the Court assess civil penalties against DEFENDANTS, and each of them, in the | | | |
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| 2 | amount of \$2,500 per day for each violation of Proposition 65, in an amount to be determined at trial; | | | |
| 3 | 4. | That the Court award plaintiff its reasonable attorneys' fees and costs of suit, incurred | | |
| 4 | herein; and | | | |
| 5 | 5. | That the Court grant any further relief as it deems just and equitable. | | |
| 6 | Dated: Septe | ember 16, 2021 Respectfully submitted, | | |
| 7 | | SEVEN HILLS LLP | | |
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| 9 10 | | By: Laralei Paras | | |
| 11 | | Attorneys for Plaintiff Keep America Safe and Beautiful | | |
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