| 1 2 3 4 5 | Kimberly Gates Johnson, State Bar No. 282369 Seven Hills LLP 4 Embarcadero Center, Suite 1400 San Francisco, CA 94111 Telephone: (415) 926-7247 kimberly@sevenhillsllp.com Attorneys for Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL | FILED Superior Court of California, County of San Francisco 11/16/2021 Clerk of the Court BY: EDWARD SANTOS Deputy Clerk |
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| 6 7 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | |
| 8 | COUNTY OF SAN FRANCISCO | |
| 9 | UNLIMITED CIVIL JURISDICTION | |
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| 11 | KEEP AMERICA SAFE AND BEAUTIFUL, | Case No. CGC-21-591666 |
| 12 | Plaintiff, | FIRST AMENDED COMPLAINT FOR |
| 13 | v. | CIVIL PENALTIES AND INJUNCTIVE RELIEF |
| 14 | CPI GROUP INC. <i>D/B/A</i> BIGKITCHEN; WALMART, INC.; and DOES 1-30, inclusive, | Violation of Proposition 65, The Safe Drinking Water and Toxic Enforcement Act of |
| 15 | DEFENDANTS. | 1986 (Health & Safety Code § 25249.5 et seq.) |
| 16 | DEFENDANTS. | UNLIMITED CIVIL |
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COMPLAINT FOR CIVIL PENALTIES AND INJUNCTIVE RELIEF

Plaintiff KEEP AMERICA SAFE AND BEAUTIFUL, acting in the public interest, alleges a cause of action against DEFENDANTS CPI GROUP INC. D/B/A BIGKITCHEN, WALMART, INC., and DOES 1-30.

INTRODUCTION AND NATURE OF THE ACTION

- 1. This First Amended 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 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 the shower curtains and PU leather game components manufactured, imported, distributed, sold or offered for sale by Defendants in the State of California.
- 2. By this First Amended 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 of California to cause cancer, birth defects and other reproductive harm through exposures to DEHP when they purchase, use or handle Defendants' shower curtains and PU leather game components in accordance with their intended uses.
- 3. Detectable levels of DEHP are found in and on the shower curtains and in and on the PU leather game components Defendants manufacture, import, sell or distribute for sale to individuals throughout California.
- 4. Pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Health and Safety Code § 25249.6 *et seq.* ("Proposition 65" or the "statute"), 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 and alleges Defendants manufacture, distribute, import, sell, and offer for sale, in and into California, shower curtains and PU leather game components (collectively, hereinafter, the "PRODUCTS") containing DEHP without Proposition 65's requisite health hazard

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warning regarding the harms associated with exposures to the chemical, including, but not limited to, the Linens and Bath Vinyl Shower Curtain with 7 Mesh Pockets; Model # 17127; UPC #0 79522 17127 7 ("SHOWER CURTAIN PRODUCTS") and the Vinyl Dice Cup Set (Black Faux Leather), Model No. 489552, UPC 0 29441 04536 4 ("FAUX LEATHER PRODUCTS.") 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).

PARTIES

- 6. Plaintiff KASB is a non-profit corporation organized under the laws of California and acting in the interest of the general public. KASB is dedicated to protecting the health of California's citizens and its environment through the elimination or reduction of toxic chemicals utilized in the manufacture of consumer products and by 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).
- 7. Plaintiff is informed, believes and, thereon, alleges at all relevant times Defendant CPI GROUP INC. D/B/A BIGKITCHEN ("BIGKITCHEN") 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. BIGKITCHEN is an e-commerce entity operating in the kitchenware industry as a wholesaler to the kitchenware trade and to consumers in California.
- BIG KITCHEN manufactures, imports, distributes, sells, and/or offers the PRODUCTS for sale or use in the State of California, or implies by its conduct that it manufactures, imports, distributes, sells, and/or offers the PRODUCTS for sale or use in the State of California.
- 9. Plaintiff is informed, believes and thereon alleges, at all relevant times, Defendant WALMART, INC. ("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. Walmart is an American-based multinational corporation operating a chain of hypermarkets, grocery and department stores within the United States.
 - 10. WALMART manufactures, imports, distributes, sells, and/or offers the PRODUCTS

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

- 11. 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, manufacture, and export, or each implies by its conduct that it does such, for one or more of the PRODUCTS offered for sale or use in California.
- 12. Defendants DOES 11-20 ("Distributor Defendants") are each a person in 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 the State of California
- 13. 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 the State of California.
- 14. At this time, the true names of Defendants DOES ("Doe Defendants") 1 through 30, inclusive, are unknown to plaintiff, who, therefore, sues said Doe 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.
- 15. At all times mentioned herein, BIGKITCHEN, WALMART, Manufacturer Defendants, Distributor Defendants, Retailer Defendants and Doe Defendants shall, hereinafter, where appropriate, be referred to collectively as the "DEFENDANTS."

JURISDICTION AND VENUE

16. 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.

- 17. The California Superior Court has jurisdiction over DEFENDANTS, based on plaintiff's information and good faith belief DEFENDANTS are each a person, firm, corporation or association that is a citizen of the State of California; does sufficient business in California; has sufficient minimum contacts in California, and/or otherwise purposefully and intentionally avail themselves of the California market through their manufacture, importation, distribution, promotion, marketing or sale of PRODUCTS within the State. DEFENDANTS' purposeful availment renders the exercise of personal jurisdiction by California courts consistent with traditional notions of fair play and substantial justice.
- 18. Venue is proper in the Superior Court for the County of San Francisco, pursuant to 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 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 San Francisco with respect to the PRODUCTS that are the subject of this action.

REGULATORY BACKGROUND AND LAW

- 19. In 1986, the people of the State of California approved an initiative addressing the harms caused by hazardous chemicals and declared their right "[t]o be informed about exposures the chemicals that cause cancer, birth defects, or other reproductive harm." Ballot Pamp., Proposed General Law, Gen, Elec. (Nov. 4, 1986) at p.3.
- 20. 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 person in the course of doing business shall knowingly and intentionally expose any individual to a chemical known to cause cancer or reproductive toxicity without first giving a clear and reasonable warning to such individual..."

- 21. Under the Act, a "person 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 exposing individuals to hazardous chemicals without first giving a "clear and reasonable" warning. Health & Safety Code § 25249.6
- 22. Exposing individuals to hazardous chemicals means to cause individuals to ingest, inhale, contact via body surfaces or otherwise come into contact with a listed chemical. 27 CCR § 25102(i). An exposure to a hazardous chemical is defined as one that "results from a person's acquisition, purchase, storage, consumption or other reasonably foreseeable use of a product..." 27 C.C.R. § 25600(h).
- 23. Under Proposition 65, persons violating the statute may be enjoined in any court of competent jurisdiction and may be subject to civil penalties of up to \$2,500 per day, per violation. Health & Safety Code § 25249.7.
- 24. On October 24, 2003, pursuant to Proposition 65's implementing regulations, California identified and listed DEHP as a chemical known to the State cause cancer, birth defects, and reproductive harm. DEHP became subject to the "clear and reasonable warning" requirements one year later, on October 24, 2004. Cal. Code Regs. tit. 27, § 27001(c); Health & Safety Code §§ 25249.8, 25249.10(b).

STATEMENT OF FACTS

- 25. Plaintiff purchased DEFENDANTS' SHOWER CURTAIN PRODUCTS in California without a warning.
- 26. Plaintiff investigated and tested DEFENDANTS' SHOWER CURTAIN 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 SHOWER CURTAIN PRODUCTS subject consumers in California to exposure to the listed chemical at levels requiring a warning under the statute, based on consumers touching, handling or otherwise utilizing SHOWER CURTAIN PRODUCTS in accordance with their reasonably foreseeable and intended usages.
 - 27. DEFENDANTS are each a person in the course of doing business.

- 28. Based on the foregoing, Plaintiff's attorney executed a certificate of merit, attesting there was a reasonable and meritorious case for this private action and included the factual information supporting the certificate when it served the notice on the California Attorney General's Office, as required. Health &Safety Code § 25249.7(d); Title 11 C.C.R. § 3102.
- 29. Thereafter, on October 7, 2020, plaintiff served a 60-Day Notice of Violation ("Notice"), together with the certificate of merit, on BIGKITCHEN, the California Attorney General's Office, and the requisite public enforcement agencies, alleging, as a result of DEFENDANTS' sales of the SHOWER CURTAIN PRODUCTS, consumers in the State of 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.
- 30. Thereafter, Plaintiff subsequently purchased the FAUX LEATHER PRODUCTS without a warning in California. Plaintiff tested the FAUX LEATHER PRODUCTS at an accredited laboratory, and, after tests showed elevated levels of DEHP, Plaintiff retained an expert to evaluate DEFENDANT'S FAUX LEATHER PRODUCTS and consumers' potential exposure at levels requiring a warning, based on consumers utilizing the FAUX LEATHER PRODUCTS in accordance with their intended uses. After consulting with the expert, Plaintiff's attorney executed a certificate of merit attesting the basis for a new Notice and prepared the factual information to support the certificate required to be filed with the Attorney General confidentially.
- 31. Thereafter, on September 3, 2021, plaintiff served a Supplemental 60-Day Notice of Violation ("Supplemental Notice"), together with the certificate of merit, on BIGKITCHEN, WALMART, the California Attorney General's Office, and the requisite public enforcement agencies, alleging, as a result of DEFENDANTS' sales of the FAUX LEATHER PRODUCTS, consumers in the State of 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.
- 32. After receiving plaintiff's Notice, 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 Notice.

FIRST CAUSE OF ACTION

(Violation of Proposition 65 - Against All DEFENDANTS)

- 33. KASB realleges and incorporates by reference, as if fully stated herein, the allegations set forth in Paragraphs 1 through 28, inclusive.
- 34. DEFENDANTS' PRODUCTS contain DEHP in levels requiring a clear and reasonable warning under Proposition 65.
- 35. DEFENDANTS know or should have known the PRODUCTS they manufacture, import, distribute, sell, and offer for sale in California contain DEHP. As a result of Plaintiff's Notice, DEFENDANTS also have actual knowledge of the presence of DEHP in the PRODUCTS.
- 36. The PRODUCTS DEFENDANTS manufacture, import, distribute, sell, and offer for sale in or into the State of California cause exposures to DEHP, both direct and indirect dermal contact and ingestion, through the reasonably foreseeable use of the PRODUCTS.
- 37. The normal and reasonably foreseeable use of the PRODUCTS has caused, and continues to cause, exposures to DEHP.
- 38. DEFENDANTS know the normal and reasonably foreseeable use of the PRODUCTS exposes individuals to DEHP through direct and indirect dermal contact and ingestion.
- 39. Through their deliberate, non-accidental participation in the California marketplace, DEFENDANTS intend the result of their actions.
- 40. DEFENDANTS' intentional, non-accidental participation in the California marketplace resulted in consumer exposures to DEHP, arising from the reasonably foreseeable use of the PRODUCTS as intended.
- 41. The exposures to DEHP, caused by DEFENDANTS and endured by consumers and other individuals in California, are not exempt from the "clear and reasonable" warning requirements of Proposition 65.
- 42. DEFENDANTS failed to provide a "clear and reasonable warning" to those consumers and other individuals in California who have been, or who will be, exposed to DEHP through dermal contact and ingestion resulting from the use of the PRODUCTS as intended.

- 43. 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 that 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.
- 44. DEFENDANTS manufacture, import, distribute, sell, and offer the PRODUCTS for sale or use in violation of Health and Safety Code § 25249.6, and DEFENDANTS' violations have continued beyond their receipt of Plaintiff's Notice and Plaintiff's Supplemental Notice. As such, DEFENDANTS' violations are ongoing and continuous in nature and, unless enjoined, will continue in the future.
- 45. Pursuant to Health and Safety Code § 25249.7(b), as a consequence of the above-described acts, DEFENDANTS, and each of them, are liable for a maximum civil penalty of \$2,500 per day for each violation.
- 46. 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.

PRAYER FOR RELIEF

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

- 1. 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;
- 2. That the Court, pursuant to Health and Safety Code § 25249.7(a), issue preliminary and permanent injunctions mandating DEFENDANTS recall all PRODUCTS currently in the chain of commerce in California that do not bear a clear and reasonable health hazard warnings;
- 3. That the Court assess civil penalties against DEFENDANTS, and each of them, in the amount of \$2,500 per day for each violation of Proposition 65, in an amount to be determined at trial;