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Superior Court of California,
County of San Francisco

01/21/2025
Clerk of the Court
BY: SAHAR ENAYATI
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

GABRIEL ESPINOZA,

Plaintiff,

vs.

SCHEELS ALL SPORTS, INC.,

Defendant.

Case No.:

**COMPLAINT FOR CIVIL PENALTIES AND
INJUNCTIVE RELIEF**

CGC-25-621578

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

Plaintiff Gabriel Espinoza ("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, "[n]o 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 di(2-ethylhexyl) phthalate (DEHP), a toxic chemical found in CBK™ trays with faux leather sold and/or distributed by defendant Scheels All Sports, Inc. ("Scheels" or "Defendant") in California.

1 3. DEHP is a harmful chemical known to the State of California to cause cancer and
2 reproductive toxicity. On January 1, 1988, the State of California listed DEHP as a chemical known
3 to the State to cause cancer and it has come under the purview of Proposition 65 regulations since
4 that time. Cal. Code Regs. Tit. 27, § 27001(c); Health & Safety Code §§ 25249.8 & 25249.10(b).
5 On October 24, 2003, the State of California listed DEHP as a chemical known to cause
6 reproductive toxicity.

7 4. Proposition 65 requires all businesses with ten (10) or more employees that operate
8 within California or sell products therein to comply with Proposition 65 regulations. Included in
9 such regulations is the requirement that businesses must label any product containing a Proposition
10 65-listed chemical that will create an exposure above safe harbor levels with a “clear and
11 reasonable” warning before “knowingly and intentionally” exposing any person to any such listed
12 chemical.

13 5. Proposition 65 allows for civil penalties of up to \$2,500.00 per day per violation
14 for up to 365 days to be imposed upon defendants in a civil action for violations of Proposition 65.
15 Health & Safety Code § 25249.7(b). Proposition 65 also allows for any court of competent
16 jurisdiction to enjoin the actions of a defendant which “violate or threaten to violate” the statute.
17 Health & Safety Code § 25249.7.

18 6. Plaintiff alleges that Defendant distributes and/or offers for sale in California,
19 without a requisite exposure warning, *CBK*TM trays with faux leather (the “Products”) that expose
20 persons to DEHP when used for their intended purpose.

21 7. Defendant’s failure to warn consumers and other individuals in California of the
22 health hazards associated with exposure to DEHP in conjunction with the sale and/or distribution
23 of the Products is a violation of Proposition 65 and subjects Defendant to the enjoinder and civil
24 penalties described herein.

25 8. Plaintiff seeks civil penalties against Defendant for their violations of Proposition
26 65 in accordance with Health and Safety Code § 25249.7(b).

27 9. Plaintiff also seeks injunctive relief, preliminarily and permanently, requiring
28 Defendant to provide purchasers or users of the Products with required warnings related to the

1 dangers and health hazards associated with exposure to DEHP pursuant to Health and Safety Code
2 § 25249.7(a).

3 10. Plaintiff further seeks a reasonable award of attorney's fees and costs.

4 **PARTIES**

5 11. Plaintiff is a citizen of the State of California acting in the interest of the general
6 public to promote awareness of exposures to toxic chemicals in products sold in California and to
7 improve human health by reducing hazardous substances contained in such items. He brings this
8 action in the public interest pursuant to Health and Safety Code § 25249.7(d).

9 12. Defendant Scheels All Sports, Inc., through its business, effectively imports,
10 distributes, sells, and/or offers the Products for sale or use in the State of California, or it implies
11 by its conduct that it imports, distributes, sells, and/or offers the Products for sale or use in the
12 State of California. Plaintiff alleges that defendant Scheels All Sports, Inc. is a "person" in the
13 course of doing business within the meaning of Health & Safety Code sections 25249.6 and
14 25249.11.

15 **VENUE AND JURISDICTION**

16 13. Venue is proper in the County of San Francisco because one or more of the
17 instances of wrongful conduct occurred and continue to occur in this county and/or because
18 Defendant conducted, and continues to conduct, business in the County of San Francisco with
19 respect to the Products.

20 14. This Court has jurisdiction over this action pursuant to California Constitution
21 Article VI, § 10, which grants the Superior Court original jurisdiction in all causes except those
22 given by statute to other trial courts. Health and Safety Code § 25249.7 allows for the enforcement
23 of violations of Proposition 65 in any Court of competent jurisdiction; therefore, this Court has
24 jurisdiction over this lawsuit.

25 15. This Court has jurisdiction over Defendant because Defendant is either a citizen of
26 the State of California, has sufficient minimum contacts with the State of California, is registered
27 with the California Secretary of State as foreign corporations authorized to do business in the State
28 of California, and/or has otherwise purposefully availed itself of the California market. Such

1 purposeful availment has rendered the exercise of jurisdiction by California courts consistent and
2 permissible with traditional notions of fair play and substantial justice.

3 **STATUTORY BACKGROUND**

4 16. The people of the State of California declared in Proposition 65 their right “[t]o be
5 informed about exposures to chemicals that cause cancer, birth defects, or other reproductive
6 harm.” (Section 1(b) of Initiative Measure, Proposition 65.)

7 17. To effect this goal, Proposition 65 requires that individuals be provided with a
8 “clear and reasonable warning” before being exposed to substances listed by the State of California
9 as causing cancer or reproductive toxicity. H&S Code § 25249.6 states, in pertinent part:

10 No person in the course of doing business shall knowingly and intentionally expose any
11 individual to a chemical known to the state to cause cancer or reproductive toxicity without
12 first giving clear and reasonable warning to such individual...

13 18. An exposure to a chemical in a consumer product is one “which results from a
14 person’s acquisition, purchase, storage, consumption or other reasonably foreseeable use of a
15 consumer good, or any exposure that results from receiving a consumer service.” (27 CCR §
16 25602, para (b).) H&S Code § 25603(c) states that “a person in the course of doing business ...
17 shall provide a warning to any person to whom the product is sold or transferred unless the product
18 is packaged or labeled with a clear and reasonable warning.”

19 19. Pursuant to H&S Code § 25603.1, the warning may be provided by using one or
20 more of the following methods individually or in combination:¹

- 21 a. A warning that appears on a product’s label or other labeling.
- 22 b. Identification of the product at the retail outlet in a manner which provides
23 a warning. Identification may be through shelf labeling, signs, menus, or a combination
24 thereof.

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27 ¹ Alternatively, a person in the course of doing business may elect to comply with the warning
28 requirements set out in the amended version of 27 CCR 25601, *et.seq.* as amended on August 30,
2016, and operative on August 30, 2018.

c. The warnings provided pursuant to subparagraphs (a) and (b) shall be prominently placed upon a product's labels or other labeling or displayed at the retail outlet with such conspicuousness, as compared with other words, statements, designs, or devices in the label, labeling or display as to render it likely to be read and understood by an ordinary individual under customary conditions of purchase or use.

20. Proposition 65 provides that any “person who violates or threatens to violate” the statute may be enjoined in a court of competent jurisdiction. (H&S Code § 25249.7.) The phrase “threaten to violate” is defined to mean creating “a condition in which there is a substantial probability that a violation will occur.” (H&S Code § 25249.11(e).) Violators are liable for civil penalties of up to \$2,500.00 per day for each violation of the Act (H&S Code § 25249.7) for up to 365 days.

21. On January 1, 1988, the State of California listed DEHP as a chemical known to the State to cause cancer and it has 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). On October 24, 2003, the State of California listed DEHP as a chemical known to cause reproductive toxicity.

23. Defendant has manufactured, processed, marketed, distributed, offered to sell and/or sold the Products in California since at least April 22, 2024. The Products continue to be distributed and sold in California without the requisite warning information.

1 24. At all times relevant to this action, Defendant has knowingly and intentionally
2 exposed users of the Products to DEHP without first giving a clear and reasonable exposure
3 warning to such individuals.

4 25. As a proximate result of acts by Defendant, as a person in the course of doing
5 business within the meaning of H&S Code § 25249.11, individuals throughout the State of
6 California, including in San Francisco County, have been exposed to DEHP without a clear and
7 reasonable warning on the Products. The individuals subject to the violative exposures include
8 normal and foreseeable users and consumers that use the Products, as well as all others exposed to
9 the Products.

10 **SATISFACTION OF NOTICE REQUIREMENTS**

11 26. On March 19, 2024, Plaintiff purchased the Product from Scheels. At the time of
12 purchase, Scheels did not provide a Proposition 65 exposure warning for DEHP or any other
13 Proposition 65 listed chemical in a manner consistent with H&S Code § 25603.1 as described
14 *supra*.

15 27. The Product was sent to a testing laboratory for phthalate testing to determine the
16 phthalate content of the Product.

17 28. On April 17, 2024, the laboratory provided the results of its analysis. Results of this
18 test determined the Product exposes users to DEHP (the “Chemical Test Report”).

19 29. Plaintiff provided the Chemical Test Report and Product to an analytical chemist
20 to determine if, based on the findings of the Chemical Test Report and the reasonable and
21 foreseeable use of the Product, exposure to DEHP will occur at levels that require Proposition 65
22 warnings under the Clear and Reasonable Warnings section 25601 of Title 27 of the California
23 Code of Regulations.

24 30. On April 22, 2024, Plaintiff received from the analytical chemist an exposure
25 assessment report which concluded that persons in California who use the Products will be exposed
26 to levels of DEHP that require a Proposition 65 exposure warning.

27 31. On April 22, 2024, Plaintiff gave notice of alleged violation of Health and Safety
28 Code § 25249.6 (the “Notice”) to Defendant concerning the exposure of California citizens to

1 DEHP from use of the Products without proper warning, subject to a private action to Defendant
2 and to the California Attorney General's office and the offices of the County District attorneys and
3 City Attorneys for each city with a population greater than 750,000 persons wherein the herein
4 violations allegedly occurred.

5 32. The Notice complied with all procedural requirements of Proposition 65 including
6 the attachment of a Certificate of Merit affirming that Plaintiff's counsel had consulted with at
7 least one person with relevant and appropriate expertise who reviewed relevant data regarding
8 DEHP exposure, and that counsel believed there was meritorious and reasonable cause for a private
9 action.

10 33. After receiving the Notice, and to Plaintiff's best information and belief, none of
11 the noticed appropriate public enforcement agencies have commenced and diligently prosecuted a
12 cause of action against Defendant under Proposition 65 to enforce the alleged violations which are
13 the subject of the Notice.

14 34. Plaintiff is commencing this action more than sixty (60) days from the date of the
15 Notice to Defendant, as required by law.

16 **FIRST CAUSE OF ACTION**

17 **(By Plaintiff against Defendant for the Violation of Proposition 65)**

18 35. Plaintiff hereby repeats and incorporates by reference paragraphs 1 through 34 of
19 this Complaint as though fully set forth herein.

20 36. Defendant has, at all times mentioned herein, acted as distributor, and/or retailer of
21 the Products.

22 37. Use of the Products will expose users and consumers thereof to DEHP, a hazardous
23 chemical found on the Proposition 65 list of chemicals known to be hazardous to human health.

24 38. The Products do not comply with the Proposition 65 warning requirements.

25 39. Plaintiff, based on his best information and belief, avers that at all relevant times
26 herein, and at least since April 22, 2024, continuing until the present, that Defendant has continued
27 to knowingly and intentionally expose California users and consumers of the Products to DEHP
28 without providing required warnings under Proposition 65.

1 40. The exposures that are the subject of the Notice result from the purchase,
2 acquisition, handling and recommended use of the Product. The primary route of exposure to the
3 is through dermal absorption directly through the skin when consumers use, touch, or handle the
4 Products. Exposure through ingestion will occur by touching the Product with subsequent touching
5 of the user's hand to mouth. No clear and reasonable warning is provided with the Products
6 regarding the health hazards of exposure.

7 41. Plaintiff, based on his best information and belief, avers that such exposures will
8 continue every day until clear and reasonable warnings are provided to purchasers and users or
9 until this known toxic chemical is removed from the Products.

10 42. Defendant has knowledge that the normal and reasonably foreseeable use of the
11 Products exposes individuals to DEHP, and Defendant intends that exposures to DEHP will occur
12 by their deliberate, non-accidental participation in the importation, distribution, sale and offering
13 of the Products to consumers in California

14 43. Plaintiff has engaged in good faith efforts to resolve the herein claims prior to this
15 Complaint.

16 44. Pursuant to Health and Safety Code § 25249.7(b), as a consequence of the above
17 described acts, Defendant is liable for a maximum civil penalty of \$2,500 per day per violation.

18 45. Pursuant to Health and Safety Code § 25249.7(a), this Court is specifically
19 authorized to grant injunctive relief in favor of Plaintiff and against Defendant.
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1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff demands judgment against Defendant and requests the following
3 relief:

4 A. That the court assess civil penalties against defendant in the amount of \$2,500 per
5 day for each violation for up to 365 days in accordance with Health and Safety Code §
6 25249.7(b);

7 B. That the court preliminarily and permanently enjoin Defendant mandating
8 Proposition 65 compliant warnings on the Products;

9 C. That the court grant Plaintiff reasonable attorney's fees and costs of suit, in the
10 amount of \$50,000.00.

11 D. That the court grant any further relief as may be just and proper.

12 Dated: January 21, 2025

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