

## WASHINGTON, D.C. | VIRGINIA | PHOENIX

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July 5, 2016

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Kyle M. Van Dyke kvandyke@hurst-hurst.com 701 B Street Suite 1700 San Diego, CA 92101

## VIA E-MAIL AND UPS OVERNIGHT

Re: NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5 ET SEQ. (PROPOSITION 65)

Dear Messrs. Hafen, Schofield, and Van Dyke:

As you know, we represent Youngevity International, Corp. ("Youngevity") in Youngevity International Corp., et al. v. Wakaya Perfection, et. al., Case No. 3:16-cv-704-W-JLB (S.D. Cal.) ("YGYI v. Wakaya"). During its investigation of Wakaya's business and product offerings, Youngevity discovered that Wakaya violates California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Prop 65"), which is codified at California Health & Safety Code § 25248.5 et seq., with respect to the products identified below. These violations have occurred and continue to occur because Wakaya failed to provide clear and reasonable warnings concerning, inter alia, the excessive lead content in certain products. This letter serves as a notice of these violations to Wakaya and the appropriate enforcement agencies. Pursuant to Section 25249.7(d) of the statute, Youngevity will seek leave to amend its Complaint in YGYI v. Wakaya after the sixty-day statutory period following effective service of this notice, unless the parties can reach a remedial solution that prevents harmful consumer exposures. Youngevity

intends to add causes of action against Wakaya for Proposition 65 violations and related Lanham Act counts.

This notice provides the essential notice of violations of California's Proposition 65. Those violations are significant and pose an immediate threat to public safety. The lead and arsenic exposure levels caused by ingestion or use of Wakaya's products hereinbelow identified, including Wakaya's bentonite clay product, are significantly higher than permissible under state thresholds. Moreover, Wakaya promotes these products as non-toxic alternatives to competing products. Those advertising claims are apparently false or misleading, and encourage consumers to use the Wakaya products despite the known health risks associated with same. For example, Wakays sells a "Detox Cap" for use in its Bula Bottles that promises to cleanse the body of built-up wastes and toxins. Yet that Detox Cap itself contains elevated levels of lead and arsenic that exceed Prop 65 warning levels.

<u>General Information about Proposition 65.</u> A copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is attached with the copy of this letter served to the Alleged Violator.

<u>Alleged Violator.</u> The name of the company covered by this notice that violated Proposition 65 is:

# Wakaya Perfection, LLC

<u>Consumer Products and Listed Chemicals.</u> The products that are the subject of this notice and the chemical in those products identified as exceeding allowable levels are:

Wakaya Detox Caps – Lead and Arsenic Wakaya SAVA Daily Detox Masques – Lead and Arsenic Wakaya Calcium Bentonite Clay Powder – Lead and Arsenic

On February 27, 1987, the State of California officially listed lead as a chemical known to cause developmental toxicity, and male and female reproductive toxicity. On October 1, 1992, the State of California officially listed lead and lead compounds as chemicals known to cause cancer. Similarly, on February 27, 1987, the State of California officially listed arsenic as a chemical known to cause cancer.

Youngevity may continue to investigate other products that may reveal further violations and result in subsequent notices of violations.

Route of Exposure. The consumer exposures that are the subject of this notice result from the purchase, acquisition, handling, and recommended use of those products. Consequently, the primary route of exposure to those chemicals has been and continues to be through ingestion and/or dermal contact, but may have also occurred and may continue to occur through inhalation.

Approximate Time Period of Violations. Ongoing violations have occurred every day since at least approximately December 20, 2015, when the Alleged Violator became the exclusive distributor for those products, as well as every day since the products were introduced into the California marketplace, and will continue every day until clear and reasonable warnings are provided to product purchasers and users or until these known toxic chemicals are either removed from or reduced to allowable levels in the products. Proposition 65 requires that a clear and reasonable warning be provided prior to exposure to the identified chemicals. The method of warning should be a warning that appears on the product label. The Alleged Violator violated Proposition 65 because it failed to provide persons handling and/or using these products with appropriate warning that they are being exposed to those chemicals.

Youngevity is a company that promotes consumer well-being and longevity through sound dietary habits. Youngevity exercises great care to ensure that its products are lawful and safe for consumption. Consistent with the public interest goals of Proposition 65 and a preference to have these ongoing violations of California law remedied expeditiously, Youngevity seeks a constructive resolution that includes an enforceable agreement executed by Wakaya to: (1) reformulate the identified products so as to eliminate further exposures to the identified chemicals, or provide appropriate warnings on the labels of these products; and (2) pay an appropriate civil penalty. Such a resolution would prevent further undisclosed consumer exposures, as well as additional and expensive time consuming litigation. Absent such prompt remedial measures, Youngevity intends to pursue a claim under Prop 65 in the active litigation (*YGYI v. Wakaya*) and consistent with the public interest.

Please direct all communications regarding this Notice of Violations to my attention at the law office address and telephone number indicated on the letterhead.

Sincerely,

<u>/s/ Peter A. Arhangelsky</u>
Peter A. Arhangelsky
Counsel to Youngevity International Corp.

#### Attachments:

Certificate of Merit Certificate of Service OEHHA Summary (to Wakaya Perfection, LLC's counsel-of-record only) Additional Supporting Information for Certificate of Merit (to AG only)

## **CERTIFICATE OF MERIT**

Re: Youngevity International Corp.'s Notice of Proposition 65 Violations by Wakaya Perfection, LLC

I, Peter A. Arhangelsky, declare:

- 1. This Certificate of merit accompanies the attached 60-day notice in which it is alleged the party identified in the notice violated California Health and safety Code Section 25249.6 by failing to provide clear and reasonable warnings.
  - 2. I am an attorney for the noticing party.
- 3. I have consulted with one more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemicals that are the subject of this notice.
- 4. Based on information obtained through those consultants, which includes laboratory and analytical data related to the products at issue, and on other information in my possession, I believe there is a reasonable and meritorious case for the private action. I understand that "reasonable and meritorious case for the private action" means that the information provides credible bases that all elements of the plaintiff's case can be established and that the information did not prove that the alleged violator will be able to establish any of the affirmative defenses set forth in the statute.
- 5. Along with the copy of this Certificate of Merit served on the Attorney General, we have attached additional factual information sufficient to establish the basis for this certificate, including the information identified in California Health & Safety Code § 25249.7(h)(2), i.e., (1) the identity of the persons consulted with and relied on by the certifier, and (2) the facts, studies, or other data reviewed by those persons.

Dated: July 5, 2016

/s/ Peter A. Arhangelsky
Peter A. Arhangelsky

## **CERTIFICATE OF SERVICE**

I, the undersigned, declare under penalty of perjury under the laws of the State of California that the following is true and correct:

I am a citizen of the United States, over the age of 18 years of age, and am not a party to the within entitled action. My business address is 3210 S. Gilbert Rd., Suite #4, Chandler, AZ 85286. I am a resident or employed in the county where the mailing occurred. The enveloped or package was placed in the mail in Chandler, Arizona.

On July 5, 2016, I served the following documents: **NOTICE OF VIOLATIONS OF CALIFORNIA HEALTH & SAFETY CODE § 25249.5** *ET SEQ.*; **CERTIFICATE OF MERIT; "THE SAFE DRINKING WATER AND TOXIC ENFORCEMENT ACT OF 1986 (PROPOSITION 65): A SUMMARY"** on the following parties by e-mail and by placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and sending though UPS with the postage fully prepaid for delivery by Certified Mail:

Jonathan O. Hafen jhafen@parrbrown.com
Jonathan R. Schofield
jschofield@parrbrown.com
Cynthia D. Love
clove@parrbrown.com
Parr Brown Gee & Loveless
101 South 200 East
Salt Lake City, UT 84111

Kyle M. Van Dyke kvandyke@hurst-hurst.com 701 B Street Suite 1700 San Diego, CA 92101

ATTORNEYS FOR WAKAYA PERFECTION, LLC

On July 5, 2016, I served the following documents: **NOTICE OF VIOLATION**, **CALIFORNIA HEALTH & SAFETY CODE** § 25249.5 *ET SEQ*.; **CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFCATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE** § 25249.7(d)(1) on the following party by uploading a true and correct copy thereof on the California Attorney General's website, which can be accessed at https://oag.ca.gov/prop65/add-60-day-notice:

Office of the California Attorney General Prop 65 Enforcement Reporting 1515 Clay Street, Suite 2000 Oakland, CA 94612-0550 On July 5, 2016, I served the following documents: **NOTICE OF VIOLATION**, **CALIFORNIA HEALTH & SAFETY CODE § 25249.5** *ET SEQ*.; **CERTIFICATE OF MERIT** on each of the parties on the Distribution List attached hereto by placing a true and correct copy thereof in a sealed envelope addressed to each of the parties on the Service List attached hereto, and depositing it as a U.S. Postal Service Office with the postage fully prepaid for delivery by Priority Mail.

Executed on July 5, 2016

<u>/s/ Peter A. Arhangelsky</u> Peter A. Arhangelsky