

Matthew M. Maclear mcm@atalawgroup.com 415.568.5200

January 11, 2017

NOTICE OF VIOLATION OF CALIFORNIA HEALTH & SAFETY CODE SECTION 25249.5 *ET SEQ.* (PROPOSITION 65)

Dear Alleged Violator and the Appropriate Public Enforcement Agencies:

ATA Law Group represents the Center for Advanced Public Awareness, Inc. ("CAPA"), 180 Promenade Circle, Suite 300, Sacramento, CA 95834; CAPA is a California non-profit corporation dedicated to, among other causes, helping safeguard the public from health hazards by bringing about a reduction in the use and misuse of hazardous and toxic chemicals, fostering and increasing the public awareness of chemicals used to manufacture consumer products, facilitating a safe environment for consumers and employees, and encouraging corporate responsibility.

CAPA has identified violations of California's Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), which is codified at California Health & Safety Code §25249.5 *et seq.*, with respect to the product(s) identified below. These violations have occurred and continue to occur because the alleged Violator identified below failed to provide required clear and reasonable warnings with these products. Section 25249.6 of the statute provides that "[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 providing a clear and reasonable warning to such individual . . ." Without proper warnings regarding the toxic effects of exposures to this listed chemical(s) that results from contact with this product, California citizens lack the information necessary to make an informed decision on whether and/or how to eliminate (or reduce) their risk of exposure to the listed chemical(s) from the reasonably foreseeable use of the product.

This letter serves as a notice of these violations to the alleged Violator and the appropriate public enforcement agencies. Pursuant to Health and Safety Code Section 25249.7(d), CAPA intends to file a private enforcement action in the public interest 60 days after effective service of this notice unless the public enforcement agencies have commenced and are diligently prosecuting an action to rectify these violations.

<u>Certificate of Merit and General Information about Proposition 65</u>. Pursuant to Title 11 C.C.R. § 3100, a certificate of merit is attached hereto. Pursuant to Title 27, C.C.R. §25903(b), a copy of a summary of Proposition 65, prepared by the Office of Environmental Health Hazard Assessment, is enclosed with this letter served to the alleged Violator identified below.

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

Haze, Inc. 1761 Smith Avenue San Jose, CA 95112



<u>Consumer Products and Listed Chemical</u>. All the medical marijuana "flowers" or "buds" sold to California residents by Violators are the subject of this Notice and Violators failed to clearly and reasonably warn consumers that Marijuana Smoke¹ is a chemical known to the State of California to cause cancer.

One June 19, 2009, the Office of Environmental Health Hazard Assessment (OEHHA) of the California Environmental Protection Agency added marijuana smoke to the Proposition 65 list.

OEHHA announced the selection of marijuana smoke as a chemical for consideration for listing by the Carcinogen Identification Committee (CIC) in the *California Regulatory Notice Register* on December 12, 2007, subsequent to consultation with the CIC at their November 19, 2007 meeting. The CIC determined that marijuana smoke was clearly shown, through scientifically valid testing according to generally accepted principles, to cause cancer. Consequently, marijuana smoke was added to the Proposition 65 list, pursuant to Title 27, California Code of Regulations, section 25305(a)(1) (formerly Title 22, California Code of Regulations, section 12305(a)(1)).

In summary, marijuana smoke was listed under Proposition 65 as known to the State to cause cancer:

Chemical	CAS No.	Toxicological Endpoint	Listing Mechanism
Marijuana smoke ²		Cancer	State's qualified experts

<u>Violations.</u> The alleged Violator knowingly and intentionally has exposed and continues to knowingly and intentionally expose consumers within the State of California to marijuana smoke without providing clear and reasonable warning of this exposure. In particular, the products do not warn that they contain chemicals known to the State of California to cause cancer.

<u>Route of Exposure</u>. The consumer exposures that are the subject of this notice result from the combustion and inhalation of the products. Consequently, a primary route of exposure to the chemicals contained in marijuana is through direct smoking of the marijuana leaves, flowers, and stems.

Approximate Time of Violations. Ongoing violations have occurred every day since at least January 11, 2016, 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 this known toxic chemical is 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 chemical. The

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¹ Many of the chemical constituents that have been identified in marijuana smoke are carcinogens. The following 33 marijuana smoke constituents are listed under Proposition 65 as causing cancer: acetaldehyde, acetamide, acrylonitrile, 4-aminobiphenyl, arsenic, benz[a]anthracene, benzene, benzo[a]pyrene, benzo[b]fluoranthene, benzo[j]fluoranthene, benzo[k]fluoranthene, benzofuran, 1,3-butadiene, cadmium, carbazole, catechol, chromium (hexavalent compounds), chrysene, dibenz[a,h]anthracene, dibenz[a,i]pyrene, dibenzo[a,e]pyrene, diethylnitrosamine, dimethylnitrosamine, formaldehyde, indeno[1,2,3,- c,d]pyrene, isoprene, lead, mercury, 5-methylchrysene, naphthalene, nickel, pyridine, and quinoline.

² Marijuana Smoke Listed Effective June 19, 2009 as Known to the State of California to Cause Cancer, Office of Environmental Health Hazard Assessment, June 19, 2009, *available at*: http://oehha.ca.gov/proposition-65/crnr/marijuana-smoke-listed-effective-june-19-2009-known-state-california-cause (last visited: Dec. 27, 2016).



method of warning should be a warning that appears on the product label. The Violator violated Proposition 65 because it failed to provide persons handling and/or using these products with appropriate warnings that they are being exposed to this chemical.

Consistent with the public interest goals of Proposition 65 and a desire to have these ongoing violations of California law quickly rectified, CAPA is interested in seeking a constructive resolution of this matter that includes an enforceable written agreement by the Violator to: (1) recall products already sold or undertake best efforts to ensure that the requisite health hazard warnings are provided to those who have received such products; (2) pay an appropriate civil penalty; and (3) provide clear and reasonable warnings compliant with Proposition 65 for products sold in the future. Such a resolution will prevent further unwarned consumer exposures to the identified chemical, as well as an expensive and time consuming litigation.

CAPA has retained Aqua Terra Aeris (ATA) Law Group as legal counsel in connection with this matter. Please direct all communications regarding this Notice of Violation to my attention at the law office address and telephone number indicated herein.

Dated: January 11, 2017

Very truly yours,

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Matthew C. Maclear AQUA TERRA AERIS LAW GROUP Attorney for Center for Advanced Public Awareness

Attachments

Certificate of Merit Certificate of Service OEHHA Summary (to Haze, Inc.) Additional Supporting Information for Certificate of Merit (to AG only)



CERTIFICATE OF MERIT

Re: Center for Advanced Public Awareness, Inc.'s Notice of Proposition 65 Violations by Haze, Inc.

I, Matthew Maclear, declare:

1. This Certificate of Merit accompanies the attached 60-day notice in which it is alleged that the party identified in the notice violated California Health & 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 or more persons with relevant and appropriate experience or expertise who have reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the notice.

4. Based on the information obtained through those consultants, 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 a credible basis 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 is 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: January 11, 2017

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Matthew C. Maclear AQUA TERRA AERIS LAW GROUP Attorney for Center for Advanced Public Awareness



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 828 San Pablo Avenue, Albany, CA 94706. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at in Albany, California.

On January 11, 2017, I served the following documents: NOTICE OF VIOLATION 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 placing a true and correct copy thereof in a sealed envelope, addressed to the party listed below and depositing it at a U.S. Postal Service Office with the postage fully prepaid for delivery by Certified Mail:

Josh Santaga or Current President or CEO Haze, Inc. 1566 Hack Avenue Campbell, CA 95008

Silicon Valley Tax and Accounting Services Haze, Inc. – Agent for Service of Process 20111 Stevens Creek Boulevard, Suite 280 Cupertino, CA 95014

On January 11, 2017, I verified the following documents **NOTICE OF VIOLATIONS**, **CALIFORNIA HEALTH & SAFETY CODE §25249.5** *ET SEQ*.; **CERTIFICATE OF MERIT; ADDITIONAL SUPPORTING INFORMATION FOR CERTIFICATE OF MERIT AS REQUIRED BY CALIFORNIA HEALTH & SAFETY CODE §25249.7(d)(1)** were served on the following party when a true and correct copy thereof was uploaded 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

828 San Pablo Avenue, 115B Albany, CA 94706



On January 11, 2017, I verified the following documents **NOTICE OF VIOLATIONS**, **CALIFORNIA HEALTH & SAFETY CODE §25249.5 ET SEQ.; CERTIFICATE OF MERIT** were served on the following parties when a true and correct copy thereof was **sent via electronic mail** to the party listed below:

Santa Clara County District Attorney 70 W Hedding St., West Wing San Jose, CA 95110 EPU@da.sccgov.org

On January 11, 2017, 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 Service List below 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 at a U.S. Postal Service Office with the postage fully prepaid for delivery by US First Class Mail.

SERVICE LIST

San Jose City Attorney's Office 200 East Santa Clara Street, 16th Floor San Jose, CA 95113

Executed on January 11, 2017, in Albany, California.

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Anthony Barnes