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San Francisco County Superior Court

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CENTER FOR ENVIRONMENTAL HEALTH

CASE MANAGEMENT CONFERENCE SET

APR 14 2006 - 9 AM

DEPARTMENT 212

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

CENTER FOR ENVIRONMENTAL HEALTH,)
a non-profit corporation,)

Plaintiff,)

v.)

JACLYN, INC.; and Defendant DOES 1 through)
200, inclusive,)

Defendants.)

Case No. **CGC 05446642**

**COMPLAINT FOR INJUNCTIVE
RELIEF AND CIVIL PENALTIES**

Health & Safety Code §25249.6 *et seq.*;

(Other)

1 Plaintiff Center for Environmental Health, in the public interest, based on
2 information and belief and investigation of counsel, except for information based on personal
3 knowledge, hereby makes the following allegations:

4 **INTRODUCTION**

5 1. This complaint seeks to remedy defendants' continuing failure to warn
6 individuals in California that they are being exposed to lead and lead compounds (collectively,
7 "Lead"), chemicals known to the State of California to cause cancer, birth defects and other
8 reproductive harm. Such exposures have occurred, and continue to occur, through the
9 manufacture, distribution, sale and use of defendants' soft food and beverage containers that
10 contain Lead (the "Products"). The Products include, but are not limited to, soft lunch boxes,
11 lunch bags and coolers. Consumers, including children, are exposed to Lead when they handle
12 the Products and when they handle or ingest the food and drinks stored inside the Products.

13 2. Under California's Proposition 65, Health and Safety Code §25249.5 *et*
14 *seq.*, it is unlawful for businesses to knowingly and intentionally expose individuals in California
15 to chemicals known to the State to cause cancer, birth defects or other reproductive harm without
16 providing clear and reasonable warnings to individuals prior to their exposure. Defendants
17 introduce soft food and beverage containers contaminated with significant quantities of Lead
18 directly into the California marketplace, exposing consumers of their Products, many of whom
19 are children, to Lead.

20 3. Despite the fact that defendants expose children and other consumers to
21 Lead, defendants provide no warnings whatsoever about the carcinogenic or reproductive hazards
22 associated with Lead exposure. Defendants' conduct thus violates the warning provision of
23 Proposition 65. Health & Safety Code §25249.6.

24 **PARTIES**

25 4. Plaintiff Center For Environmental Health ("CEH") is a non-profit
26 corporation dedicated to protecting the public from environmental health hazards and toxic
27 exposures. CEH is based in Oakland, California and incorporated under the laws of the State of
28 California. CEH is a "person" within the meaning of Health & Safety Code §25249.11(a) and

1 intentionally avails itself of the California market through the sale, marketing or use of the
2 Products in California and/or by having such other contacts with California so as to render the
3 exercise of jurisdiction over it by the California courts consistent with traditional notions of fair
4 play and substantial justice.

5 11. Venue is proper in the San Francisco Superior Court because one or more
6 of the violations arise in the County of San Francisco.

7 **BACKGROUND FACTS**

8 12. The People of the State of California have declared by initiative under
9 Proposition 65 their right “[t]o be informed about exposures to chemicals that cause cancer, birth
10 defects, or other reproductive harm.” Proposition 65, §1(b).

11 13. To effectuate this goal, Proposition 65 requires that individuals be
12 provided with a “clear and reasonable warning” before being exposed to chemicals listed by the
13 State of California as known to cause cancer, birth defects and other reproductive harm unless
14 the business responsible for the exposure can prove that it fits within a statutory exemption.
15 Health & Safety Code §25249.6 states, in pertinent part:

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

20 14. On February 27, 1987, the State of California officially listed Lead as a
21 chemical known to cause reproductive toxicity. Lead is specifically identified as a reproductive
22 toxicant under three subcategories: “developmental reproductive toxicity,” which means harm to
23 the developing fetus, “female reproductive toxicity,” which means harm to the female
24 reproductive system, and “male reproductive toxicity,” which means harm to the male
25 reproductive system. 22 California Code of Regulations (“CCR”) §12000(c). On February 27,
26 1988, one year after it was listed as a chemical known to cause reproductive toxicity, Lead
27 became subject to the clear and reasonable warning requirement regarding reproductive toxicants
28 under Proposition 65. 22 CCR §12000(c); Health & Safety Code §25249.10(b).

15. On October 1, 1992, the State of California officially listed lead and lead

1 compounds as chemicals known to cause cancer. On October 1, 1993, one year after they were
2 listed as chemicals known to cause cancer, lead and lead compounds became subject to the clear
3 and reasonable warning requirement regarding carcinogens under Proposition 65. 22 CCR
4 §12000(c); Health & Safety Code §25249.10(b).

5 16. Young children are especially susceptible to the toxic effects of Lead.
6 Children show a greater sensitivity to Lead's effects than do adults. Adverse health impacts from
7 Lead exposure generally occur in children at lower blood Lead levels than in adults. Children
8 absorb and retain more Lead in proportion to their weight than do adults. Young children also
9 show a greater prevalence of iron deficiency, a condition that can increase gastrointestinal
10 absorption of Lead. The body accumulates Lead over a lifetime and releases it slowly, so even
11 small doses received in childhood, over time, can cause adverse health impacts, including but not
12 limited to reproductive toxicity, later in life. For example, in times of physiological stress, such
13 as pregnancy, the body can mobilize accumulated stores of Lead in tissue and bone, thereby
14 increasing the level of Lead in the blood and increasing the risk of harm to the fetus.

15 17. There is no safe level of exposure to Lead and even minute amounts of
16 Lead exposure have been shown to permanently reduce mental capacity. Davis, JM, Svendgaard,
17 DJ; "Lead and Child Development"; *Nature* 329:297-300, 1987. One recent study on the effect
18 of childhood Lead exposure declared that even the smallest detectable amount of blood Lead
19 levels in children can mean the difference between an A or B grade in school. Lanphear, BP,
20 Dietrich, K, Auinger, P, Cox, C; "Subclinical Lead Toxicity in U.S. Children and Adolescents";
21 *Neurodevelopmental Disabilities II Platform*, 2000. Another study followed children into
22 adulthood and found a sevenfold increase in the risk for developing a reading disability among
23 children exposed to sufficient levels of Lead as toddlers. Needleman, HL, Schell, A, Bellinger,
24 D, Leviton, A, Allred, EN; "The Long-Term Effects of Exposure to Low Doses of Lead in
25 Childhood: An 11-Year Follow-up Report"; *New England Journal of Medicine*; 322:83-88, 1990.

26 18. Defendants' Products contain sufficient quantities of Lead such that
27 consumers, including children, who handle the Products and handle and ingest items stored
28 inside the Products are exposed to Lead through the average use of the Products. These

1 exposures occur through direct ingestion when consumers place items that have been stored in
2 the Products in their mouths, ingestion via hand to mouth contact after consumers touch or
3 handle the Products or items that have been stored in the Products, and dermal absorption
4 directly through the skin when consumers touch or handle the Products or items that have been
5 stored in the Products.

6 19. Any person acting in the public interest has standing to enforce violations
7 of Proposition 65 provided that such person has supplied the requisite public enforcers with a
8 valid 60-Day notice of violation and such public enforcers are not diligently prosecuting the
9 action within such time. Health & Safety Code §25249.7(d).

10 20. On July 26, 2005, CEH provided a 60-Day "Notice of Violation of
11 Proposition 65" to the California Attorney General, the District Attorneys of every county in
12 California, the City Attorneys of every California city with a population greater than 750,000 and
13 to the named Defendant. The July 26, 2005 Notice of Violation is referred to herein as the
14 "Notice". In compliance with Health & Safety Code §25249.7(d) and 22 CCR §12903(b), the
15 Notice included the following information: (1) the name and address of the violator; (2) the
16 statute violated; (3) the time period during which violations occurred; (4) specific descriptions of
17 the violations, including (a) the routes of exposure to Lead from the Products and (b) Product
18 categories, with a specific non-exclusive example of a Product that is sold and used in violation
19 of Proposition 65; and (5) the name of the specific Proposition 65-listed chemical (Lead) that is
20 the subject of the violation described in the Notice.

21 21. On July 26, 2005, CEH also sent a Certificate of Merit for the Notice to
22 the California Attorney General, the District Attorneys of every county in California, the City
23 Attorneys of every California city with a population greater than 750,000 and to the named
24 Defendant. In compliance with Health & Safety Code §25249.7(d) and 11 CCR §3101, the
25 Certificate certified that CEH's counsel: (1) has consulted with one or more persons with
26 relevant and appropriate experience or expertise who reviewed facts, studies or other data
27 regarding the exposures to Lead alleged in the Notice; and (2) based on the information obtained
28 through such consultations, believes that there is a reasonable and meritorious case for a citizen

1 enforcement action based on the facts alleged in the attached Notice. In compliance with Health
2 & Safety Code §25249.7(d) and 11 CCR §3102, the Certificate served on the Attorney General
3 included factual information – provided on a confidential basis – sufficient to establish the basis
4 for the Certificate, including the identity of the person(s) consulted by CEH’s counsel and the
5 facts, studies or other data reviewed by such persons.

6 22. None of the public prosecutors with the authority to prosecute violations
7 of Proposition 65 has commenced and/or is diligently prosecuting a cause of action against the
8 Proposition 65 Defendants under Health & Safety Code §25249.5 *et seq.* based on the claims
9 asserted in the Notice.

10 23. Defendants both know and intend that individuals, including children, will
11 handle the Products and handle and ingest items stored inside the Products, thus exposing them
12 to Lead.

13 24. The Products are typically made from polyvinyl chloride (“PVC”). The
14 association between PVC and Lead exposure has been widely discussed in the media in recent
15 years, with particular attention given to products made from PVC that are marketed exclusively
16 to children. Defendants’ Products are also made with pigments, many of which contain Lead.
17 Many of the Defendants’ Products are exclusively made for and marketed to children.

18 25. Defendants have been informed of the Lead in their Products from the
19 Notice and from newspaper reports.

20 26. Nevertheless, Defendants continue to expose consumers, including
21 children, to Lead without prior clear and reasonable warnings regarding the carcinogenic or
22 reproductive hazards of Lead.

23 27. CEH has engaged in good-faith efforts to resolve the claims alleged herein
24 prior to filing this complaint.

25 28. Any person “violating or threatening to violate” Proposition 65 may be
26 enjoined in any court of competent jurisdiction. Health & Safety Code §25249.7. “Threaten to
27 violate” is defined to mean “to create a condition in which there is a substantial probability that a
28 violation will occur.” Health & Safety Code §25249.11(e). Proposition 65 provides for civil

1 penalties not to exceed \$2,500 per day for each violation of Proposition 65.

2 **FIRST CAUSE OF ACTION**
3 **(Violations of the Health & Safety Code §25249.6)**

4 29. Plaintiff realleges and incorporates by reference as if specifically set forth
5 herein Paragraphs 1 through 28 inclusive.

6 30. By placing the Products into the stream of commerce, Defendants are a
7 person in the course of doing business within the meaning of Health & Safety Code §25249.11.

8 31. Defendants know that average use of the Products will expose users of the
9 Products to Lead. Defendants intend that the Products be used in a manner that results in users
10 of the Products being exposed to Lead contained in the Products.

11 32. The Defendants have failed, and continue to fail, to provide clear and
12 reasonable warnings regarding the carcinogenicity and reproductive toxicity of Lead to users of
13 the Products.

14 33. Lead is a chemical listed by the State of California as known to cause
15 cancer, birth defects and other reproductive harm.

16 34. By committing the acts alleged above, the Defendants have at all times
17 relevant to this complaint violated Proposition 65 by knowingly and intentionally exposing
18 individuals to Lead without first giving clear and reasonable warnings to such individuals
19 regarding the carcinogenicity and reproductive toxicity of Lead.

20 Wherefore, plaintiff prays judgment against the Defendants, as set forth hereafter.

21 **PRAYER FOR RELIEF**

22 Wherefore, Plaintiff prays for judgment against Defendants as follows:

23 1. That the Court, pursuant to Health & Safety Code §25249.7(b), assess civil
24 penalties against each Defendant in the amount of \$2,500 per day for each violation of
25 Proposition 65 according to proof;

26 2. That the Court, pursuant to Health & Safety Code §25249.7(a),
27 preliminarily and permanently enjoin Defendants from offering the Products for sale in
28 California without providing clear and reasonable warnings, as CEH shall specify in further

1 application to the Court;

2 3. That the Court, pursuant to Health & Safety Code §25249.7(a), order
3 Defendants to take action to stop ongoing unwarned exposures to Lead resulting from use of
4 Products sold by Defendants, as CEH shall specify in further application to the Court;

5 4. That the Court, pursuant to Code of Civil Procedure §1021.5 and any other
6 applicable theory, grant Plaintiff its reasonable attorneys' fees and costs of suit; and

7 5. That the Court grant such other and further relief as may be just and
8 proper.

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10 Dated: November 10, 2005

Respectfully submitted,
LEXINGTON LAW GROUP, LLP

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15 Mark N. Todzo, Esq.
16 Attorneys for Plaintiff
17 CENTER FOR ENVIRONMENTAL
18 HEALTH
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NAME, ADDRESS, TELEPHONE NUMBER OF ATTORNEY(S)
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San Francisco Superior Court
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ATTORNEY(S) FOR:

AMENDMENT TO COMPLAINT	SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO	CASE NUMBER CGC-05-446642
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Center for Environmental Health vs. Jaclyn, Inc.
Plaintiff(s) Defendant(s)

FICTITIOUS NAME [SEC. 474 C.C.P.]

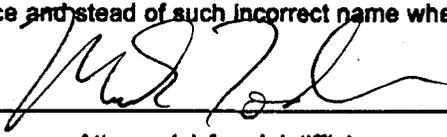
Upon filing the complaint herein, plaintiff(s) being ignorant of the true name of a defendant, and having designated said defendant in the complaint by the fictitious name of:

Doe 1

and having discovered the true name of the said defendant to be:

Betesh Group Holding Corporation

hereby amends the complaint by inserting such true name in place and instead of such incorrect name wherever it appears in said complaint.



Attorney(s) for plaintiff(s)

INCORRECT NAME [SEC. 473 (a)(1) C.C.P.]

Plaintiff(s) having designated a defendant in the complaint by the incorrect name of

and having discovered the true name of the said defendant to be

hereby amend(s) the complaint by inserting such true name in place and instead of such incorrect name wherever it appears in said complaint.

Attorney(s) for Plaintiff(s)

ORDER

Proper cause appearing, the above amendment to the complaint is allowed.

Dated: _____
Judge