1 2 3 4 5 6 7 8	ROB BONTA Attorney General of California HARINDER K. KAPUR Senior Assistant Attorney General JOSHUA B. EISENBERG Supervising Deputy Attorney General GREGORY M. CRIBBS Deputy Attorney General State Bar No. 175642 300 South Spring Street, Suite 1702 Los Angeles, CA 90013-1230 Telephone: (213) 269-6259 E-mail: Gregory.Cribbs@doj.ca.gov Attorneys for the People of the State of California	EXEMPT FROM FILING FEES GOVERNMENT CODE § 6103
9	SUPERIOR COURT OF TH	E STATE OF CALIFORNIA
10	FOR THE COUNT	TY OF ALAMEDA
11		
12	PEOPLE OF THE STATE OF	Case No.
13 14	CALIFORNIA, Plaintiff,	COMPLAINT FOR INJUNCTIVE RELIEF AND CIVIL PENALTIES
15	v.	[VERIFIED ANSWER REQUIRED
16	·	PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 446]
17	G.E.T. AGRICULTURE LTD DBA TWEEDLE FARMS; THE HEMPACCO	•
18	COMPANY, INC; IHF ONLINE LLC DBA INDUSTRIAL HEMP FARMS; CHEEF HOLDINGS DBA CHEEF BOTANICALS:	
19	EAGLE MOON HEMP, LLC; EAGLE MOON FARM, LLC; EMH WHOLESALE,	
20	LLC; BERKSHIRE CBD DBA CANNAFLOWER; BERKSHIRE FARM	
21	COLLECTIVE; AND DOES 1 THROUGH 50, INCLUSIVE,	·
22	Defendants.	
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26	·	nia by and through Rob Bonta, Attorney General
27	of the State of California, hereby alleges:	
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I. INTRODUCTION

- 1. This complaint seeks to remedy the defendants' illegal sale of inhalable hemp products and their failure to protect consumers from highly toxic chemicals that are present in all commercial hemp products¹ and their failure to warn consumers about the risks these products pose. The products include, but are not limited to, hemp flower (used for smoking/vaporizing), hemp flower pre-rolled cigarettes (used for smoking and inhaling), hemp waxes (used for vaporizing), hemp lotions (used for applying to the skin), hemp vape cartridges (used for smoking/vaporizing), and hemp distillate (used for ingesting or for applying to the skin) ("Products"). The Products contain Delta-9-Tetrahydrocannabinol (Delta-9-THC) and/or beta-Myrcene. Hemp flower, hemp flower pre-rolled cigarettes, hemp vape cartridges, and hemp waxes are hereinafter referred to as "inhalable hemp products."
- 2. Use of these products exposes Californians to increased risk of birth defects, reproductive harm, developmental delays and cancer.
- 3. The sale of these Products without warnings to consumers in California violates important state laws intended to protect consumers from exposure to dangerous chemicals and to inform them of the risks that exposure to these chemicals cause.
- 4. The sale of inhalable hemp products violates California law. (Health & Saf. Code, § 111921.6, subd. (a).)

II. PARTIES

5. Plaintiff is the People of the State of California. Plaintiff brings this action by and through the Attorney General of California, Rob Bonta ("Attorney General").

¹ The Health and Safety Code and Title 3, section 4890 of the California Code of Regulations distinguishes "hemp" from "cannabis" as follows: "Industrial hemp' or 'hemp' means an agricultural product, whether growing or not, that is limited to types of the plant Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a total delta-9 tetrahydrocannabinol [(THC)] concentration of no more than 0.3 percent on a dry weight basis." (Health & Saf. Code, § 11018.5; Cal. Code Regs., tit. 3, § 4890, subd. (a)(16).) Thus, the industrial hemp plant, and the products derived from the industrial hemp plant, do contain some levels of Delta-9-THC.

- 6. The Attorney General is the chief law officer of the State and has the authority to file civil actions in order to protect the public interest. (Cal. Cont., art. V, § 13; Bus. & Prof. Code, § 321.) Further, the Attorney General may bring actions in the name of the People of the State of California to prohibit unfair and unlawful business practices (Bus. & Prof. Code, § 17204) and enforce Proposition 65 (Health & Saf. Code, § 25249.7, subds. (b) & (c)).
- 7. The State of California has an interest in promoting the health of its residents.

 To that end, California seeks to eliminate the sale of inhalable hemp products, which are illegal under California law, and to reduce or eliminate the sale of all commercial hemp products containing dangerous chemicals to consumers in California without warnings.
- 8. Defendant G.E.T. Agriculture LTD dba Tweedle Farms ("G.E.T."), is a limited liability company organized and existing under the General Business Entity and Corporation Law of the State of Oregon. G.E.T. is a person within the meaning of Health and Safety Code section 25249.11 (Proposition 65) and Business and Professions Code section 17201 (unlawful and unfair business practices). G.E.T. has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.
- 9. Defendant The Hempacco Company, Inc. ("Hempacco"), is a corporation organized and existing under the General Corporation Law of the State of Nevada. Hempacco is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. Hempacco has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.
- 10. Defendant Cheef Holdings dba Cheef Botanicals ("Cheef") is a corporation organized and existing under the General Corporation Law of the State of California. Cheef is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. Cheef has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.

- 11. Defendant IHF Online LLC dba Industrial Hemp Farms ("IHF") is a limited liability company organized and existing under the General Business Entity and Corporation Law of the State of Wyoming. IHF is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. IHF has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.
- 12. Defendant Eagle Moon Hemp, LLC ("Eagle Moon Hemp") is a limited liability company organized and existing under the General Business Entity and Corporation Law of the State of New Mexico. Eagle Moon Hemp is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. Eagle Moon Hemp has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.
- 13. Defendant Eagle Moon Farm, LLC ("Eagle Moon Farm") is a limited liability company organized and existing under the General Business Entity and Corporation Law of the State of New Mexico. Eagle Moon Farm is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. Eagle Moon Farm has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.
- 14. Defendant EMH Wholesale, LLC ("EMH") is a limited liability company organized and existing under the General Business Entity and Corporation Law of the State of New Mexico. EMH is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. EMH has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.

- 15. Defendant Berkshire CBD dba Cannaflower ("Cannaflower") is a limited liability company organized and existing under the General Business Entity Corporation Law of the State of Massachusetts. Cannaflower is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. Cannaflower has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California.
- 16. Defendant Berkshire Farm Collective ("Berkshire") is a limited liability company organized and existing under the General Business Entity and Corporation Law of the State of Vermont. Berkshire is a person within the meaning of Health and Safety Code section 25249.11 and Business and Professions Code section 17201. Berkshire has over 10 employees and sells, or has sold, a variety of commercial hemp products, including inhalable/smokable hemp products, online via its website to consumers throughout the United States, including consumers in California
- 17. Defendants DOES 1 through 50 are business entities engaged in the offering for sale, holding, delivery, and distribution of the Products, including inhalable/smokable hemp products, in California. As part of their business activities, each of the Does 1 through 50, causes persons in California to be exposed to Delta-9-THC and/or beta-Myrcene contained in the Products. Does 1 through 50 also cause those exposures to occur without providing a clear and reasonable warning prior to such exposures. The true names and capacities of the defendants sued herein as Does 1 through 50 are unknown to plaintiff, who therefore sues them by such fictitious names. Plaintiff will amend this complaint to allege the true names and capacities of these defendants when they have been determined. Each of the fictitiously named defendants is responsible in some manner for the conduct alleged herein.
- 18. Whenever reference is made in this complaint to "Defendants," such reference, unless otherwise specified, includes the defendants named in paragraphs 7 through 17. References made to one or more specifically identified defendants do not include defendants not identified within the same reference.

III. JURISDICTION

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- 19. This Court has jurisdiction pursuant to California Constitution Article VI, section 10 because this case is a cause not given by statute to other trial courts.
- This Court has jurisdiction over Defendants because Defendants named above are 20. business entities that do sufficient business in California, or otherwise have sufficient minimum contacts in California, to render the exercise of jurisdiction over them by California courts consistent with traditional notions of fair play and substantial justice.
- 21. Venue is proper in this Court because this cause, or part thereof, arises in the County of Alameda wherein one or more Defendants' products are sold, consumed, inhaled, applied or available for purchase.

STATUTORY BACKGROUND IV.

Assembly Bill 45 (AB 45) Α.

- 22. On October 6, 2021, California Governor Gavin Newsom signed AB 45 into law, which allows for the inclusion of hemp and cannabinoids (e.g., CBD), extracts, or derivatives of hemp in food and beverages, dietary supplements, cosmetics, and processed pet food provided that they, among other things, contain less than 0.3% THC. (Bus. & Prof. Code, § 26013.2; Health & Saf. Code, §§ 11018.5, 100425, 110065110036, 110407, 110469, 110611, 111691, 111920 et seq., 111921.6, and 113091 (enacted and/or amended by AB 45 (Oct. 21, 2021).)
- 23. Among other things, AB 45 prohibits the sale of inhalable hemp products in California, (Health & Saf. Code, § 111921.6, subd. (a).)
- 24. A person who violates any provision of Article 1, Chapter 9 (commencing with section 111920) of the Health and Safety Code, including section 111921.6, is subject to fines and penalties established in Article 1 (commencing with section 111825), Chapter 8. Any person who violates any provision or any regulation shall be subject to a fine of not more than one thousand dollars (\$1,000), imprisonment, and/or both the fine and imprisonment. (*Ibid.*)

В. The Proposition 65 Warning Requirement

The Safe Drinking Water and Toxic Enforcement Act of 1986 is an initiative statute 25. passed as "Proposition 65" by a vote of the People in November of 1986.

26. The warning requirement of Proposition 65 is contained in Health and Safety Code section 25249.6, which provides:

No 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, except as provided in Section 25249.10.

- 27. Proposition 65 establishes a procedure by which California, through its Governor or a designee, develops and maintains a list of chemicals "known to the State to cause cancer or reproductive toxicity." (Health & Saf. Code, § 25249.8.) A warning concerning a listed chemical must be given beginning one year after the chemical first appears on the list. (*Id.*, at § 25249.10, subd. (b).)
- 28. Proposition 65 regulations provide that a warning is deemed to be "clear and reasonable" if it complies with the requirements of California Code of Regulations, title 27, section 25601 et seq., including if the name of the chemical is included in the warning, and the warning is prominently displayed on a label, labeling, or sign [...] with such conspicuousness as compared with other words, statements, designs or devices on the label, labeling or sign, as to render the warning likely to be seen, read, and understood by an ordinary individual under customary conditions of purchase or use." (Cal. Code Regs., tit. 27, § 25601.)
- 29. Actions to enforce Proposition 65 may be brought by the Attorney General in the name of the People of the State of California. (Health & Saf. Code, § 25249.7, subd. (c).) Proposition 65 provides that any person "violating or threatening to violate" the statute may be enjoined in any court of competent jurisdiction. (*Id.*, at § 25249.7, subd. (a).) Violators are liable for civil penalties of up to \$2,500 per day for each violation. (*Id.*, at § 25249.7, subd. (b).)

C. The Unfair Competition Law

30. California Business and Professions Code section 17200 provides that "unfair competition shall mean and include any unlawful, unfair or fraudulent business act or practice...." Section 17203 of the Business and Professions Code provides that "[a]ny person who engages, has engaged or proposes to engage in unfair competition may be enjoined in any court of

competent jurisdiction." Actions for relief under the Unfair Competition Law may be prosecuted by the Attorney General in "a court of competent jurisdiction...." (Bus. & Prof. Code, § 17204.)

31. Section 17206, subdivision (a) of the Business and Professions Code provides that "[a]ny person who engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General, [or] by any district attorney." These penalties are "cumulative to each other and to the remedies or penalties available under all other laws of this state." (*Id.*, at § 17205.)

V. FACTS

Defendants' Sale of Inhalable Hemp Products and Unfair Business Practices

- 32. Among other things, AB 45 prohibits the sale of inhalable hemp products in California. (Health & Saf. Code, §111921.6, subd. (a) (enacted by AB 45 (Oct. 21, 2021).)
- 33. As is set forth below, based upon information and belief, Defendants were selling inhalable hemp products in the State of California. Each sale represents a violation of section 111921.6. The exact dates, amounts, and identities of the inhalable hemp products illegally sold in the State of California by the Defendants will be determined at trial.

<u>Defendants' Failure to Provide Proposition 65 Warnings for Their Products and</u> <u>Unfair Business Practices</u>

- 34. The Office of Environmental Health Hazard Assessment ("OEHHA") is the State of California's lead agency for implementing Proposition 65, and is the agency in charge of listing chemicals pursuant to Proposition 65.
- 35. OEHHA listed Delta-9-THC under Proposition 65 as a chemical known to cause developmental harm (harm to the developing fetus), a form of reproductive toxicity, on January 3, 2020. (Cal. Code Regs., tit. 27, § 27001, subd. (c).)
- 36. OEHHA listed Beta-Myrcene under Proposition 65 as a chemical known to cause cancer on March 27, 2015. (*Id.*, § 27001, subd. (b).)

that on or about March 21, 2023 and May 16, 2023, additional inhalable hemp products were purchased online from Defendant IHF's website and were shipped to the address of a private party representative in Alameda County, California.

- 45. Plaintiff is informed and believes that on or about February 10, 2022, inhalable hemp products were purchased online from Defendant Cheef's website and were shipped to the address of a private party representative in Sonoma County, California. Plaintiff is informed and believes that on or about April 20, 2023, May 15, 2023, and May 18, 2023, additional inhalable hemp products were purchased online from Defendant Cheef's website and were shipped to the address of a private party representative in Alameda County, California.
- 46. Plaintiff is informed and believes that on or about January 31, 2022, inhalable hemp products were purchased online from Defendant Eagle Moon Hemp's website and were shipped to the address of a private party representative in Sonoma County, California. In addition, on August 14, 2023 and August 15, 2023, Plaintiff's investigator purchased inhalable hemp products online from Defendant Eagle Moon Hemp's website, which were shipped respectively on August 14, 2023 and August 16, 2023, and received respectively on August 21, 2023 and August 23, 2023, at an address in Fresno County, California.
- 47. Plaintiff is informed and believes that on or about January 31, 2022, inhalable hemp products were purchased online from Defendant Eagle Moon Farm's website and were shipped to the address of a private party representative in Sonoma County, California. Plaintiff is informed and believes that on or about May 8, 2023, additional inhalable hemp products were purchased online from Defendant Eagle Moon Farm's website and were shipped to the address of a private party representative in Alameda County, California. In addition, on August 14, 2023 and August 15, 2023, Plaintiff's investigator purchased inhalable hemp products online from Defendant Eagle Moon Farm's website, which were shipped respectively on August 14, 2023 and August 16, 2023, and received respectively on August 21, 2023 and August 23, 2023, at an address in Fresno County, California.
- 48. Plaintiff is informed and believes that on or about January 31, 2022, inhalable hemp products were purchased online from Defendant EMH's website and were shipped to the address

of a private party representative in Sonoma County, California. Plaintiff is informed and believes that on or about May 8, 2023, additional inhalable hemp products were purchased online from Defendant EMH's website and were shipped to the address of a private party representative in Alameda County, California. In addition, on August 14, 2023 and August 15, 2023, Plaintiff's investigator purchased inhalable hemp products online from Defendant EMH's website, which were shipped respectively on August 14, 2023 and August 16, 2023, and received respectively on August 21, 2023 and August 23, 2023, at an address in Fresno County, California.

- 49. Plaintiff is informed and believes that on or about February 16, 2022, inhalable hemp products were purchased online from Defendant Cannaflower's website and were shipped to the address of a private party representative in Sonoma County, California. Plaintiff is informed and believes that on or about March 25, 2023, additional inhalable hemp products were purchased online from Defendant Cannaflower's website and were shipped to the address of a private party representative in Alameda County, California. In addition, on August 15, 2023, Plaintiff's investigator purchased inhalable hemp products online from Defendant Cannaflower's website, which were shipped on August 17, 2023, and received on August 21, 2023, at an address in Fresno County, California.
- 50. Plaintiff is informed and believes that on or about February 16, 2022, inhalable hemp products were purchased online from Defendant Berkshire's website and were shipped to the address of a private party representative in Sonoma County, California. Plaintiff is informed and believes that on or about March 25, 2023, additional inhalable hemp products were purchased online from Defendant Berkshire's website and were shipped to the address of a private party representative in Alameda County, California. In addition, on August 15, 2023, Plaintiff's investigator purchased inhalable hemp products online from Defendant Berkshire's website, which were shipped on August 17, 2023, and received on August 21, 2023, at an address in Fresno County, California.
- 51. By committing the acts alleged above, Defendants are liable to Plaintiff for civil penalties of up to \$1,000 for each violation of Health and Safety Code section 111921.6.

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SECOND CAUSE OF ACTION

FAILURE TO WARN

(Violations of Proposition 65)

[Against All Defendants for All Products]

- 52. Plaintiff realleges and incorporates herein by reference all paragraphs above as though set forth herein.
 - 53. Defendants each employs ten or more persons.
- 54. Each Defendant is a "[p]erson in the course of doing business" as that term is used in Health and Safety Code sections 25249.6 and 25249.11, subdivision (b).
- 55. By committing the acts alleged above, each Defendant has, in the course of doing business, knowingly and intentionally exposed individuals to Delta-9-THC, a chemical known to the State of California to cause reproductive harm, and beta-Myrcene, a chemical known to the State of California to cause cancer, without first giving a clear and reasonable warning to such individuals within the meaning of Health and Safety Code section 25249.6.
- 56. Said violations render each defendant liable to plaintiff for civil penalties of up to \$2,500 per day for each violation, and provide the basis for other remedies.

THIRD CAUSE OF ACTION

UNFAIR BUSINESS PRACTICES

(Violations of Business and Professions Code Sections 17200 et seq.)

[Against All Defendants]

- 57. Plaintiff realleges and incorporates herein by reference all paragraphs above as though set forth herein.
- 58. Defendants have engaged, and continue to engage, in acts or practices that are unlawful, unfair, or fraudulent, and which constitute unfair competition within the meaning of section 17200 of the Business and Professions Code. These acts or practices include, but are not limited to, violating Health and Safety Code section 111921.6, as alleged in the First Cause of Action.

1	59. By committing the acts alleged, Defendants are liable to plaintiff for civil penalties of
2	up to \$2,500 for each violation.
3	FOURTH CAUSE OF ACTION
4	UNFAIR BUSINESS PRACTICES
5	(Violations of Business and Professions Code Sections 17200 et seq.)
6	[Against All Defendants]
7	60. Plaintiff realleges and incorporates herein by reference all paragraphs above as
8	though set forth herein.
9	61. Defendants have engaged, and continue to engage, in acts or practices that are
10	unlawful, unfair, or fraudulent, and which constitute unfair competition within the meaning of
11	section 17200 of the Business and Professions Code. These acts or practices include, but are not
12	limited to, violating Proposition 65 as alleged in the Second Cause of Action.
13	62. By committing the acts alleged, Defendants are liable to plaintiff for civil penalties of
14	up to \$2,500 for each violation.
15	PRAYER FOR RELIEF
16	WHEREFORE, Plaintiff prays that the Court:
17	(1) Pursuant to Health and Safety Code section 111900, and other applicable laws, enter
18	such preliminary injunctions, permanent injunctions, or other orders as Plaintiff shall specify in
19	further application to the court prohibiting Defendants, and their successors, agents,
20	representatives, employees and all persons who act in concert with them, from violating Health
21	and Safety Code section 111921.6 by selling inhalable commercial hemp products within the
22	State of California;
23	(2) Pursuant to Health and Safety Code section 25249.7 and other applicable laws, enter
24	such preliminary injunctions, permanent injunctions, or other orders as Plaintiff shall specify in
25	further application to the court prohibiting Defendants, and their successors, agents,
26	representatives, employees and all persons who act in concert with them, from exposing persons
27	within the State of California to Delta-9-THC and beta-Myrcene from commercial hemp products
28	without providing clear and reasonable warnings;
	13