NANCY E. O'MALLEY Exempt from Fees DISTRICT ATTORNEY OF THE COUNTY OF ALAMEDA Government Code section 6103 ALYCE SANDBACH, STATE BAR No. 141894 **DEPUTY DISTRICT ATTORNEY** ELECTRONICALLY FILED CONSUMER AND ENVIRONMENTAL PROTECTION UNIT Superior Court of California, 7677 OAKPORT STREET, SUITE 650 Oakland, California 94621 County of Alameda Telephone: (510) 383-8600 12/02/2022 at 01:04:49 PM Facsimile: (510) 383-8615 Additional Plaintiff's counsel listed in Appendix hereto By: Angela Linhares, Deputy Clerk Attorneys for The People of the State of California SUPERIOR COURT OF THE STATE OF CALIFORNIA 9 COUNTY OF ALAMEDA 10 11 22CV023017 THE PEOPLE OF THE STATE OF Case No. CALIFORNIA, 12 Plaintiff. 13 **COMPLAINT FOR PERMANENT** INUNCTION, CIVIL PENALTIES, AND V. 14 **OTHER RELIEF** 15 (Health & Safety Code, Div. 20, Chapters 6.5 FAIZAN CORPORATION, a California 6.67, 6.7 and 6.95; Bus. & Prof. Code § 17200 16 Corporation and MAHMOOD ALAM, et. seq.) 17 Defendants. 18 19 20 Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, brings this law 21 enforcement action to protect public health and the environment from harm due to releases of 22 hazardous substances, including harm from groundwater and surface water contamination and 23 indoor air impacts from leaking Underground Storage Tanks (UST's), and from other violations, 24 including unfair and unlawful business practices, and alleges the following based on information 26 and belief. 27 28

COMPLAINT FOR INJUNCTION, CIVIL PENALTIES, AND OTHER RELIEF

# **PLAINTIFF**

- 1. Plaintiff, the PEOPLE OF THE STATE OF CALIFORNIA, (the "People"), brings this action by and through Nancy E. O'Malley, District Attorney of Alameda County; Diana Becton, District Attorney of Contra Costa County; Susan J. Krones, District Attorney of Lake County; Lori E. Frugoli, District Attorney of Marin County; C. David Eyster, District Attorney of Mendocino County; Jill R. Ravitch, District Attorney of Sonoma County; and Jeff Reisig, District Attorney of Yolo County.
- 2. Pursuant to California Health and Safety Code sections 25299.01 and 25299.02, the People may bring a civil action for civil penalties and an injunction based on violations of the State's statutory scheme entitled "Underground Storage of Hazardous Substances," relating to underground storage tanks (UST's) containing fuel, which is set forth in Chapter 6.7 of Division 20 of the California Health and Safety Code (hereinafter "Chapter 6.7"), and which pursuant to which implementing regulations have been issued, which are set forth in California Code of Regulations, Title 23, Division 3, Chapter 16.
- 3. Pursuant to California Health and Safety Code sections 25181 and 25182, the People may bring a civil action for civil penalties and an injunction based on violation of the State's statutory scheme entitled "Hazardous Waste Control Act," which is set forth in Chapter 6.5 of Division 20 of the California Health and Safety Code (hereinafter "Chapter 6.5"), and pursuant to which implementing regulations have been issued, which are set forth in California Code of Regulations, Title 23, Division 4.5.
- 4. Pursuant to California Health and Safety Code sections 25515.6, 25515.7, and 25515.8, the People may bring a civil action for penalties and an injunction based on violations of the State's statutory scheme entitled, "Hazardous Materials Release Response Plans and Inventory," which is set forth at Chapter 6.95 of Division 20 of the California Health and Safety Code (hereinafter "Chapter 6.95") and pursuant to which implementing regulations have been issued, which are set forth in California Code of Regulations, Title 19, Division 2, Chapter 4.

- 5. Pursuant to California Health and Safety Code section 25270.12 (b) and (d), the People may bring a civil action for civil penalties and an injunction based on violations of the State's statutory scheme entitled "Aboveground Petroleum Storage Act" (APSA), set forth in Chapter 6.67 of Division 20 of the California Health and Safety Code (hereinafter "Chapter 6.67").
- 6. Pursuant to California Business and Professions Code sections 17203, 17204, and 17206, the People may bring a civil action for civil penalties and an injunction based on violations of the State's Unfair Competition Law (UCL) at California Business and Professions Code, section 17200.

## **DEFENDANTS**

- 7. Defendant FAIZAN CORPORATION is now, and at all times mentioned in this Complaint was, a California corporation duly registered with the California Secretary of State with its principal business address at 390 East Gobbi Street, Ukiah, California.
- 8. Defendant MAHMOOD ALAM is an individual who, at all times relevant herein, was the Chief Executive Officer of Defendant FAIZAN CORPORATION and was in a position of responsibility which allowed him to influence corporate policies and activities, including those related to Defendant FAIZAN CORPORATION'S compliance with applicable laws and regulations.
- 9. At all times relevant herein, Defendant MAHMOOD ALAM had the power and authority to prevent and promptly remedy Defendant FAIZAN CORPORATION'S violations of law, including violations alleged below that are indicated herein to be strict liability public welfare and regulatory offenses.
- 10. Defendant MAHMOOD ALAM failed to exercise his responsibilities, power and authority to use reasonable means to discover, prevent and remedy such strict liability public welfare and regulatory violations, and is liable for Defendant FAIZAN CORPORATION'S commission of such violations under the Responsible Corporate Officer Doctrine.

- 11. At all times relevant to the facts alleged herein, Defendants were legally responsible for compliance with the provisions of the Health and Safety Code, including Chapters 6.5, 6.67, 6.7, and 6.95 of Division 20, and corresponding implementing regulations, at Defendants' facilities in California.
- 12. In this Complaint, when reference is made to any act or omission of either Defendant, such allegations shall include the acts and omissions of owners, officers, directors, agents, employees, contractors, vendors, affiliates, and representatives of any such Defendant or Defendants while acting within the course and scope of their employment or agency on behalf of either or both Defendants.
- 13. Each Defendant is a "person" as defined by Health and Safety Code sections 25118(l)(g), 25270.2, 25281 and Business and Professions Code section 17201.

#### TOLLING OF STATUTES OF LIMITATIONS

14. Plaintiff has entered into a series of tolling agreements with Defendants to toll any applicable statute of limitations. As a result of those agreements, the period of time from July 31, 2019, to February 15, 2022 inclusive will not be included in computing the time limited by any statutes of limitation applicable to the causes of action alleged herein against Defendant FAIZAN CORPORATION and the period of time from September 30, 2021, to June 15, 2022, inclusive will not be included in computing the time limited by any statutes of limitation applicable to the causes of action alleged herein against Defendant MAHMOOD ALAM. The California Judicial Council's Emergency Rule 9(a) tolled the statute of limitations and repose for all civil causes of action that exceed one hundred eighty (180) days from April 6, 2020 through October 1, 2020. As such, Emergency Rule 9(a) will have an impact on any applicable statute of limitations related to the claims asserted in this matter

# JURISDICTION AND VENUE

- 15. Defendants, at all times mentioned herein, have transacted business within, *inter alia*, one or more of the following Counties: Alameda, Contra Costa, Lake, Marin, Mendocino, Sonoma, and Yolo, and all or some of the violations of law hereinafter described have been committed within said counties.
- 16. This court has jurisdiction pursuant to Article 6, section 10 of the California Constitution, Health and Safety Code sections 25181, 25182, 25270.12, Health and Safety Code section 25299.01, 25299.02,25515.6 and 25515.7.
- 17. Venue is proper in Alameda County pursuant to Health and Safety Code sections 25183 and 25299.03 and California Code of Civil Procedure section 393, subdivision (a) because a cause of action or some part of a cause of action arose in Alameda County.

## **GENERAL ALLEGATIONS**

- 18. At all relevant times alleged herein, including during the commission of the violations set forth below, Defendants owned, operated, managed, and/or controlled retail motor vehicle fuel facilities in all or some of the following counties: Alameda, Contra Costa, Lake, Marin, Mendocino, Sonoma, and Yolo, including at the following locations:
  - a) 712 Lewelling Boulevard in San Leandro;
  - b) 2799 Clayton Road in Concord;
  - c) 5200 Main Street in Kelseyville;
  - d) 170 Merrydale Road in San Rafael;
  - e) 998 South State Street in Ukiah;
  - f) 390 East Gobbi Street in Ukiah;
  - g) 615 Talmage Road in Ukiah;

- h) 1460 North Lovers Lane in Ukiah;
- i) 1004 South Main Street in Fort Bragg;
- j) 2225 Cleveland Ave. in Santa Rosa;
- k) 29029 County Road 6 in Dunnigan; and
- 1) 1785 South Main Street in Lakeport.

#### FIRST CAUSE OF ACTION

Violation of Underground Storage of Hazardous Substances Law (Health and Safety Code, Division 20, Chapter 6.7, Section 25281 et seq.)

- 19. The People reallege and incorporate by reference all paragraphs above.
- 20. At all times mentioned herein, Defendants were owners and/or operators of underground storage tanks (UST's) at the retail fuel facilities set forth above, and as such, are strictly liable for civil penalties and injunctive relief for violation of any requirement set forth in Health and Safety Code Chapter 6.7 and of any regulation issued pursuant thereto, pursuant to Health and Safety Code sections 25299(a)(6) and (b)(4).
- 21. Defendants committed the following violations of Health and Safety Code Chapter 6.7, and its implementing regulations set forth in title 23 of the California Code of Regulations:
  - a. Failure to install, maintain, operate, and calibrate all UST monitoring equipment such that the equipment was capable of detecting a release at the earliest possible opportunity as required by California Code of Regulations, title 23, sections 2630 and 2641.
  - b. Failure to annually certify all monitoring equipment for operability, proper operating condition, and proper calibration and failure to submit a copy of a Monitoring System Certification Form within 30 days after completion of the test as required by California Code of Regulations, title 23, sections 2638(c) and 2638(d).

- c. Failure to operate and maintain primary containment equipment in a product-tight condition as required by Health and Safety Code sections 25290.1(c) and 25290.2 (c), and California Code of Regulations, title 23, sections 2631 and 2632.
- d. Failure to maintain leak detection equipment with audible and visual alarms as required by California Code of Regulations, title 23, sections 2632(c)(2)(B), 2634(d)(1)(a) and 2636(f)(1).
- e. Failure to maintain functioning line leak detectors monitoring pressurized piping with the capability of detecting a release of three (3) gallons per hour at ten (10) pounds per square inch and restrict or shut off the flow of product through the piping when a leak is detected as required by California Code of Regulations, title 23, section 2636(f)(2).
- f. Failure to ensure that boots in turbine sumps, transition sumps and piping sumps were properly placed so that piping drained to a monitored sump as required by California Code of Regulations, title 23, sections 2630(d), 2636(c) and 2641(a).
- g. Failure to conduct initial and periodic Enhanced Leak Detection testing for UST systems located within one thousand (1,000) feet of a public drinking water well in violation of Health and Safety Code sections 25292.4 and 25292.5 and California Code of Regulations, title 23, sections 2640(e) and 2644.1.
- h. Failure to conduct secondary containment testing and to submit a secondary containment test report to the local agency as required by California Code of Regulations, title 23, section 2637.
- Failure to construct, operate, and maintain secondary containment such that it was product-tight as required by Health and Safety Code section 25290.1.

- j. Failure to install and maintain spill containers in good condition, product-tight, and with a minimum capacity of five (5) gallons as required by California Code of Regulations, title 23, sections 2635(b), 2637(b), 2637.1(a), 2637.1(c) and 2665.
- k. Failure to conduct spill container tightness testing upon completion of an installation and every twelve (12) months thereafter in violation of California Code of Regulations, title 23, section 2637.1.
- 1. Failure to submit a copy of the spill container testing results to the relevant local agency within thirty (30) days of testing as required by California Code of Regulations, title 23, section 2637.1.
- m. Failure to timely inspect the UST overfill prevention equipment and to submit to the relevant local agency proof of inspection of the UST system overfill prevention equipment as required by California Code of Regulations, title 23, section 2637.2.
- n. Failure to assure that Designated UST Operator visual inspections were conducted every thirty (30) days and that such monthly inspections were recorded in an inspection report that was maintained on site in accordance with section 2715 as required by California Code of Regulations, title 23, section 2715 and 2716).
- o. Failure to have at least one (1) facility employee present during operating hours that has been trained in the proper operation and maintenance of the UST system by a Designated UST Operator in violation of California Code of Regulations, title 23, section 2715(c).
- p. Failure to maintain a list of employees trained by the Designated UST Operator as required by California Code of Regulations, title 23, section 2715(c)(3).
- q. Failure to maintain a permit for a UST as required by Health and Safety Code section sections 25284(a)(1) and 25299(a)(1) and (b)(1).

- r. Failure to submit to the local agency all information required as part of the application for permit to operate a UST permit as required by California Code of Regulations, title 23, section 2711, and Health and Safety Code sections 25284, 25286 and 25299(a).
- s. Retained individuals to perform work relating to a UST system when such individuals did not possess the proper qualifications to perform such work as required by California Code of Regulations, title 23, sections 2715 and 2637.
- t. Failure to submit a current UST Response Plan as required by and in violation of California Code of Regulations, title 23, sections 2712(i), 2632(d)(2), 2634(e), 2641(h).
- u. Failure to submit the "Designated Underground Storage Tank Operator Identification Form" within thirty (30) days of a change in Designated Operator in violation of California Code of Regulations, title 23, section 2715(a)(1)(B).
- v. Failure to retain and maintain records of UST monitoring, testing, repairs as required by California Code of Regulations, title 23, section 2712 and Health and Safety Code section 25293.
- w. Failure to maintain records of cathodic protection system testing conducted within six months of installation and at least every three (3) years thereafter in violation of California Code of Regulations, title 23, sections 2635 and 2712(b).
- x. Failure to submit to the local agency proof of compliance with state and federal financial responsibility requirements applicable to USTs containing petroleum in violation of Health and Safety Code section 25292.2(a) and 25299.31 and California Code of Regulations, title 23, section 2711(a)(11).
- y. Failure to submit to submit a complete and accurate plot plan as required by California Code of Regulations, title 23, sections 2632(d)(1)(c), 2641(h) and 2711(a)(8).

- z. Failure to install, retrofit and maintain under dispenser secondary containment as required by Health and Safety Code sections 25290.1(c), 25290.2(c), 25291(a)(2), 25192(b)(5)-(e)(1) and (2).
- aa. Abandonment of the UST system and failure to properly close the UST system as required by Health and Safety Code sections 25298, 25299 and California Code of Regulations, title 23, sections 2670, and 2672.
- bb. Failure to pay the annual UST program fee as required by Health and Safety Code section 25287 (a) and (b).

## SECOND CAUSE OF ACTION

Violation of the Aboveground Storage of Petroleum Act (Health and Safety Code, Division 20, Chapter 6.67, Section 25270 et seq.)

- 22. The People reallege and incorporate by reference all paragraphs above.
- At all times mentioned herein, Defendants were owners and/or operators of an Aboveground Petroleum Storage Tank ("APST") facility as defined in Health and Safety Code sections 25170.2(a) and 25170.2(n), located at 1785 South Main Street, Lakeport, California. At all times relevant herein, the APST's at this facility had a storage capacity of more than 1,320 gallons.
- 24. Defendants committed the following violations in the course of their operation of APST systems at their Lakeport facility:
- a. Failure to prepare and submit a spill prevention control and countermeasure plan (SPCC plan) as required by Health and Safety Code section 25270.4.5(a) and Section 112.1 of Subchapter D of Chapter I of Title 40 of the Code of Federal Regulations.
- b. Storage of oil in an aboveground storage tank when the tank materials, conditions, and pressures were not compatible with the holding and storage of oil and were prohibited

for such use in violation of Title 40 of the Code of Federal Regulations section 112.8(c)(1) and Health and Safety Code section 25270.4.5(a).

- c. Failure to file a "tank facility statement" as required by Health and Safety Code section 25270.6(a)(1).
- d. Failure to pay to the relevant local agency permit fees as required by Health and Safety Code section 25270.6(b).

#### THIRD CAUSE OF ACTION

Intentional or Negligent Violations of the Hazardous Waste Control Law (Health and Safety Code, Division 20, Chapter 6.5, section 25100 et seq.)

- 25. The People reallege and incorporate by reference all paragraphs above.
- 26. Defendants, as owners and operators of the facilities described below, committed the following violations of the above-referenced Hazardous Waste Control Act statutes and regulations:
  - a. Failure to send hazardous waste offsite for treatment, storage, or disposal within one hundred and eighty (180) days after collection of such hazardous waste had been initially placed in a container in violation of California Code of Regulations, title 22, section 66262.34 and Health and Safety Code section 25189.
  - b. Storage of hazardous waste without affixing and clearly marking labels thereon with the words "Hazardous Waste" and writing on the label in a clearly legible manner the name and address of the generator, physical and chemical characteristics of the Hazardous Waste, and the accumulation start date as required by and in violation of California Code of Regulations, title 22, section 66262.34(f).
  - c. Failure to obtain an EPA Identification Number prior to treating, storing, disposing of, transporting, or offering for transportation a hazardous waste in violation of California Code of Regulations title 22, section 66262.12.

- d. Failure to provide employees with hazardous waste training within the first six (6) months after the date of their employment in violation of California Code of Regulations, title 22, sections 66262.34(a)(4) and 66265.16.
- e. Failure to keep and maintain training records for current and former personnel at the facility for at least three (3) years from the date such employees last worked at the facility as required by California Code of Regulations, title 22 sections 66262.34(a)(4) and 66265.16.
- f. Illegal disposal of hazardous waste in violation of Health and Safety Code section 25189 and 25189.2.
- g. Failure to inspect hazardous waste storage areas at least weekly to look for leaking and deteriorating containers and failure to maintain a copy of an inspection log demonstrating that the hazardous waste storage area is inspected weekly as required by California Code of Regulations, title 22, section 66262.34(d)(2).
- h. Failure to maintain and operate a facility to minimize the possibility of a fire, explosion or any unplanned sudden or non-sudden release of hazardous waste or hazardous waste constituents to ail, soil or surface water in violation of California Code of Regulations, title 22, section 66264.31.
- i. Failure to keep a copy of each hazardous waste manifest for at least three (3) years from the date the waste was accepted by the initial transporter as required by California Code of Regulations, title 22, section 66262.40(a).
- j. Failure to properly handle and store hazardous waste in violation of California Code of Regulations, title 22, sections 66262.34(d)(2), 40 CFR 1 262.34(d)(2), and 265.173.

## FOURTH CAUSE OF ACTION

Violation of the Hazardous Materials Release Response Plan and Inventory Law (Health and Safety Code, Division 20, Chapter 6.95, section 25500 et seq.)

27. The People reallege and incorporate by reference all paragraphs above.

- 28. Defendants, the owners and/or operators of the facilities described below, knowingly and after reasonable notice committed the following violations of Health and Safety Code, Chapter 6.95 and the regulations issued pursuant thereto:
- a. Failure to establish, submit to the local agency, and implement a business plan while storing a hazardous material as required by Health and Safety Code section 25505; HSC 6.95 25508(a)(1), 25508(d).
- b. Failure to submit a hazardous material inventory for all reportable hazardous materials on site at or above reportable quantities in violation of Health and Safety Code sections 25505(a)(1), 25506, 25508(a)(1).
- c. Failure to annually review and certify that the information in the business plan for the facility was complete, accurate, and up to date as required Health and Safety Code section 25508.2.
- d. Failure to have a business plan readily available to personnel of the business or the local agency as required by Health and Safety Code section 25505(c).
- e. Failure to provide initial and annual training to all employees in safety procedures in the event of a release or threatened release of hazardous materials and failure to document and maintain training records for a minimum of three (3) years as required by Health and Safety Code Section 25505(a)(4).

#### FIFTH CAUSE OF ACTION

# Violation of the Unfair Competition Law (Business and Professions Code section 17200 et. seq.)

- 29. The People reallege and incorporate the above paragraphs.
- 30. Defendants engaged in unlawful acts, omissions, and practices that constitute unfair competition and unlawful business practices within the meaning of Business and Professions Code sections 17200 et seq, to wit, all violations of law alleged in the First through Fourth Causes of Action above, and the following additional violations of law:

the newly installed gasoline dispensers without notifying the Department in violation of Business and Professions Code section 13413.

- m. Sale of 89 Octane motor vehicle fuel while falsely representing that the gasoline was 91 Octane, in violation of Business and Professions Code section 13486(a).
- n. False advertisement of 89.8 octane gasoline as 91 octane gasoline in violation of Business and Professions Code section 17500.
- o. Failure to post the price clearly and legibly per gallon of motor vehicle fuel on the fuel dispenser in violation of Business and Professions Code section 13474.
- p. Failure to post the price clearly and legibly per gallon of motor vehicle fuel on the fuel dispenser in violation of Business and Professions Code section 13474.
- q. Failure to properly label the premium fuel fill pipe as required by and in violation of Business and Professions Code section 13483.

# WHEREFORE, PLAINTIFF PRAYS FOR THE FOLLOWING RELIEF:

- 1. Injunctive relief, including but not limited to, a permanent injunction requiring Defendants, and each of them, to comply with the requirements of California Health and Safety Code, Division 20, Chapter 6.7 and all implementing regulations;
- 2. Injunctive relief, including but not limited to, a permanent injunction requiring Defendants, and each of them to comply with the requirements of California Health and Safety Code, Division 20, Chapter 6.67 and all implementing regulations;
- 3. Injunctive relief, including but not limited to, a permanent injunction requiring Defendants, and each of them, to comply with the requirements of California Health and Safety Code, Division 20, Chapter 6.5 and all implementing regulations;

- Injunctive relief, including but not limited to, a permanent injunction requiring Defendants, and each of them, to comply with the requirements of California Health and Safety Code, Division 20, Chapter 6.95 and all implementing regulations;
- Injunctive relief, including but not limited to, a permanent injunction requiring Defendants, and each of them, to comply with the requirements of California Business and
  - For civil penalties, according to proof;
  - For costs to Plaintiff of investigation and enforcement herein; and
  - That Plaintiff be given such other and further relief as the nature of this case may require and this Court deems equitable, just, and proper.

NANCY E. O'MALLEY District Attorney, Alameda County

Alyce Sandbach

Deputy District Attorney

# **APPENDIX**

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