

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

v.

LILY POPULAR VARIETIES & GIFTS,
INC., GREAT GREAT CORPORATION,
LI JING and CHENG FENG YOU,

Defendants.

CONSENT DECREE AND JUDGMENT

Civil Action No. CV - 17 - 3752

WHEREAS, the United States of America has filed a complaint against defendants Lily Popular Varieties & Gifts, Inc., Great Great Corporation, Li Jing and Cheng Feng You (“Defendants”) by filing a complaint in this court, a copy of which is annexed hereto as Exhibit A (the “Complaint”); and

WHEREAS, the Complaint, whose allegations are incorporated by reference herein, states a claim for relief, including for a permanent injunction for defendants’ alleged violations of statutes and regulations enforced by the U.S. Consumer Product Safety Commission (“CPSC” or “Commission”), including section 19 of the Consumer Product Safety Act (“CPSA”), 15 U.S.C. § 2068(a), and section 4 of the Federal Hazardous Substances Act (“FHSA”), 15 U.S.C. § 1263; and

WHEREAS, the United States and Defendants wish to settle this action without further litigation; and

WHEREAS, the United States and Defendants consent to entry of this Consent Decree and Judgment (the “Decree”), without contest, and before any testimony has been taken; and

WHEREAS, Defendants have waived service of the Summons and Complaint; and

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WHEREAS, the parties are represented by the attorneys whose names appear hereafter;
and

WHEREAS, the parties hereby agree to fully and finally settle this action upon the following terms and conditions, without adjudication of any issue of fact or law;

NOW THEREFORE, on the agreement of the parties, it is hereby ORDERED,
ADJUDGED, AND DECREED as follows:

FINDINGS

1. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1345.
2. This Court has jurisdiction, under 15 U.S.C. §§ 2071(a) and 1267(a), to restrain any violation of the CPSA and FHSA. All references to the CPSA and FHSA refer to those statutes and all terms used herein shall have the same meaning as defined and used in the CPSA and FHSA.
3. Venue in the Eastern District of New York is proper under 28 U.S.C. § 1391(b) and (c).
4. At all times relevant hereto, defendant Lily Popular Varieties & Gifts, Inc. ("Lily Popular") is a "distributor" and "manufacturer" of "consumer products," as those terms are defined in section 3 of the CPSA, 15 U.S.C. § 2052(a).
5. At all times relevant hereto, defendant Great Great Corporation ("Great Great") is a "distributor" and "manufacturer" of "consumer products," as those terms are defined in section 3 of the CPSA, 15 U.S.C. § 2052(a).
6. At all times relevant hereto, defendant Li Jing ("Jing") is and has been the owner of defendant Lily Popular. Defendants Jing and Cheng Feng You ("You") are the only

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employees of defendant Lily Popular. Defendants Jing and You are the individuals responsible for the acts and practices of Lily Popular including compliance with the requirements of the CPSA and the FHSA, and the regulations issued thereunder.

7. At all times relevant hereto, defendant You is and has been the owner of defendant Great Great. Defendants You and Jing are the only employees of Great Great. Defendants You and Jing are the individuals responsible for the acts and practices of Great Great including compliance with the requirements of the CPSA and the FHSA, and the regulations issued thereunder.

8. The Complaint states claims upon which relief may be granted against Defendants under section 19(a) of the CPSA, 15 U.S.C. § 2068(a), and section 4(a) and (c) of the FHSA, 15 U.S.C. § 1263(a) and (c).

9. The Complaint alleges that Defendants violated the CPSA, 15 U.S.C. § 2068(a)(1), by selling, offering for sale, manufacturing for sale, distributing in commerce, and importing into the United States, consumer products, or other products or substances that are regulated under the CPSA or any other Acts enforced by the Commission, that are not in conformity with an applicable consumer product safety rule under the CPSA, or any similar rule, regulation, standard, or ban under any other Act enforced by the Commission. Specifically, the Complaint alleges that Defendants violated the CPSA by importing, offering for sale, selling, and distributing in commerce, the following consumer products: (a) children's toys or child care articles, as defined by 15 U.S.C. § 2057c(g)(1)(B) and (C), that contain phthalate concentrations exceeding the allowable amount pursuant to 15 U.S.C. § 2057c; and (b) toys intended for children less than three years of age with batteries that are accessible without the use of a coin, screwdriver, or other common household tool per section 4.25 of the ASTM International

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standard F963-11 (“ASTM F963-11”). The Complaint also alleges that Lily Popular and Jing violated the CPSA by importing, offering for sale, selling, and distributing in commerce, the following consumer products: (a) bicycle helmets that do not meet the requirements of the Safety Standard for Bicycle Helmets, 16 C.F.R. part 1203; and (b) projectile toys that do not comply with the requirements for projectile toys specified in section 4.21 of ASTM F963-11.

10. The Complaint alleges that Defendants violated the CPSA, 15 U.S.C. § 2068(a)(1) and (2)(D), and the FHSA, 15 U.S.C. § 1263(a) and (c), by introducing or causing the introduction or delivery for introduction into interstate commerce of banned hazardous substances, and the receipt in interstate commerce of banned hazardous substances and the delivery or proffered delivery thereof for pay or otherwise. Additionally, the Complaint alleges that Defendants violated the CPSA and FHSA by importing, distributing and selling the following: (a) children’s products containing excessive lead, which are banned under 15 U.S.C. § 1278a; and (b) toys and other articles intended for use by children under three years of age, which present a choking, aspiration, or ingestion hazard because of small parts and are banned by 16 C.F.R. § 1500.18(a)(9). The Complaint also alleges that Lily Popular and Jing violated the CPSA and FHSA by importing, distributing and selling children’s products that bear lead-containing paint, which are prohibited under 16 C.F.R. part 1303.4(b).

11. The Complaint alleges that Defendants violated the CPSA, 15 U.S.C. § 2068(a)(1), and the FHSA, 15 U.S.C. § 1263(a) and (c), by introducing or causing the introduction or delivery for introduction into interstate commerce of misbranded hazardous substances, or the receipt in interstate commerce of misbranded hazardous substances and the delivery or proffered delivery thereof for pay or otherwise. Specifically, the Complaint alleges that Defendants violated the CPSA and FHSA by importing, distributing and selling art materials

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that do not meet the requirements of the Labeling of Hazardous Art Materials Act, 15 U.S.C. §§ 1262(b), 1277(a) and (b). The Complaint also alleges that Lily Popular and Jing violated the CPSA and FHSA by importing, distributing and selling toys or games containing a latex balloon that lack the required cautionary statement and are misbranded hazardous substances under 16 C.F.R. § 1500.19(b).

12. The Complaint alleges that Defendants violated the CPSA, 15 U.S.C. § 2068(a)(6), by failing to furnish certificates required by this Act or any other Act enforced by the Commission, and further, by failing to comply with a requirement of section 14 (including the requirement for tracking labels) or any rule or regulation under such section.

13. Defendants have entered into this Decree freely and without coercion.

14. Defendants hereby waive all rights to appeal or otherwise challenge or contest the validity of this Decree.

15. Entry of this Decree is in the public interest.

ORDER

16. Defendants represent, at the time of signing of this Decree, that there are no pending orders from foreign suppliers or foreign manufacturers, or shipments destined for arrival at a U.S. port of entry and containing any “children’s product”¹, toy, or other consumer product intended primarily for children 12 years of age or younger, and no such orders will be placed prior to entry of this order.

17. Defendants agree to exclusion of entry by the United States Customs and Border Protection and that Defendants will export any toy or other consumer product intended primarily

¹ This Consent Decree and Judgment adopts the definition of “children’s product” set forth in 15 U.S.C. § 2052(a)(2).

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for children 12 years of age or younger that is imported subsequent to entry of this order and prior to CPSC's written notification of compliance as discussed in paragraph (19.K) below.

18. Defendants agree to the following for each toy or other consumer product intended primarily for children 12 years of age or younger that is listed in Appendix A:

A. Defendants shall not sell, offer for sale, or distribute any product listed in Appendix A unless and until the CPSC's Office of Import Surveillance screens such product at Defendants' headquarters, located at 1710 Flushing Avenue, #12, Ridgewood, New York 11237, for possible violations of the CPSA, the FHSA, any other Act enforced by the CPSC, and any regulations issued thereunder (the "Inventory Screening"). The CPSC's Office of Import Surveillance shall conduct the Inventory Screening within three (3) weeks after the Court's entry of this Decree.

i. Defendants shall organize by supplier name, and segregate from Defendants' remaining inventory, each product listed in Appendix A to facilitate examination prior to the Inventory Screening. The CPSC's Office of Import Surveillance shall not screen any product listed in Appendix A that is not organized by supplier name and segregated.

ii. For each product that the Inventory Screening determines may violate the CPSA, the FHSA, any other Act enforced by the CPSC, or any regulations issued thereunder:

- a. Defendants shall not sell, offer for sale, or distribute the product;
- b. Defendants shall destroy the product and provide verification of such destruction pursuant to instructions issued by the CPSC's Office of Compliance and Field

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Operations (“Office of Compliance”); and

- c. Defendants shall provide to the CPSC’s Office of Import Surveillance a copy of the bill of lading or invoice for the product.

iii. For each product that the Inventory Screening determines does not reveal a possible violation of the CPSA, the FHSA, any other Act enforced by the CPSC, or any regulations issued thereunder, Defendants may sell, offer for sale, or distribute the product.

19. Defendants and each and all of their directors, officers, agents, servants, brokers, employees, successors, assigns, and attorneys, and all persons or entities in active concert or participation with any of them, who receive actual notice of this Decree by personal service or otherwise, are permanently enjoined from directly or indirectly selling, offering for sale, distributing, importing into the United States, or introducing or causing the introduction into interstate commerce any children’s product, toy or other consumer product intended primarily for children 12 years of age or younger, unless and until all of the following occur:

A. Defendants retain, at Defendants’ sole cost and expense, an independent person or entity (the “Product Safety Coordinator”), who certifies in writing to the CPSC that he or she is without any personal or financial ties (other than the agreement pursuant to which the Product Safety Coordinator is engaged to perform the functions described in Section 19.A) to Defendants, their families or any entity directly or indirectly controlled by Defendants or their families, who does not represent Defendants as legal counsel, and who, by reason of background, training, education, or experience is qualified to help Defendants fulfill the following requirements:

- i. Create a comprehensive product safety program;

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- ii. Establish and implement an effective and reasonable product safety testing program in compliance with the FHSA, the CPSA, and any other Act enforced by the CPSC;
- iii. Retain, for children's products, an accredited third party conformity assessment body or bodies accepted by the CPSC ("third party conformity assessment body") and listed on the CPSC's website to perform third party testing on children's products as required by law;
- iv. Establish procedures to ensure that Defendants only purchase art materials that have been reviewed by a toxicologist in accordance with the requirements in 15 U.S.C. § 1277, 16 C.F.R. § 1500.14(b)(8), and ASTM D-4236;
- v. Establish procedures to conduct product recalls; and
- vi. Develop procedures for adhering to CPSC reporting requirements in 15 U.S.C. § 2064(b);

B. Defendants submit the name and credentials of the Product Safety Coordinator to the Office of Compliance via overnight delivery, prior to using the services of the Product Safety Coordinator. If CPSC staff objects to the Product Safety Coordinator selected by Defendants, the staff must so notify Defendants within thirty (30) calendar days of Defendants' submission of a Product Safety Coordinator's name and credentials, at which time Defendants shall select a replacement, the name and credentials of whom shall be submitted to the Office of Compliance. If CPSC staff does not respond to Defendants' submission of a Product Safety Coordinator's credentials within thirty (30) days, Defendants may use the services of that

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Product Safety Coordinator;

C. The Product Safety Coordinator conducts an in-person product audit to review Defendants' merchandise and inventory for compliance with the CPSA, the FHSA, any other Act enforced by the CPSC, and any regulations issued thereunder. The Product Safety Coordinator shall quarantine all subject merchandise until the terms of the Decree have been satisfied. At the conclusion of the audit, the Product Safety Coordinator shall prepare a written report analyzing whether Defendants are operating in compliance with the CPSA, the FHSA, any other Act enforced by the CPSC, any regulations issued thereunder, and this Decree. The report shall include:

- i. The specific results of the Product Safety Coordinator's review, including references to product names and regulations addressed in the process of conducting the review;
- ii. A list of products in inventory that do not comply with current requirements and a plan for their disposition; and
- iii. Copies of all materials reviewed by the Product Safety Coordinator.

The Product Safety Coordinator shall submit this report concurrently to Defendants and the Office of Compliance no later than twenty (20) calendar days after completing this review;

D. Should the Product Safety Coordinator identify any deficiencies in the report as described in subparagraph (19.C), Defendants shall report to the Office of Compliance and the Product Safety Coordinator in writing the actions they have taken to correct all such deficiencies;

E. Defendants establish, with the assistance of the Product Safety

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Coordinator, a comprehensive, written product safety program with written standard operating procedures (“SOPs”) designed to ensure continuous compliance with applicable federal laws, standards, and regulations enforced by the CPSC. The written product safety program shall:

- i. Comply with the third party testing requirements pursuant to 15 U.S.C. § 2063(a)(2) and periodic testing at least once a year in accordance with the requirements of 16 C.F.R. part 1107. This periodic testing requirement applies to each children’s product that Defendants import into the United States or manufacture for sale that is subject to a children’s product safety rule, or any other consumer product safety rule or similar ban, standard, or regulation of children’s products under the CPSA, the FHSA, any other Act enforced by the CPSC, or any regulation passed thereunder;
- ii. Ensure that after testing in accordance with law and this Decree, Defendants issue, retain and provide to the CPSC on request, certificates of conformity for every consumer product that is subject to a consumer product safety rule, children’s product safety rule, or similar ban, standard, or regulation under the CPSA, the FHSA, when applicable, and any other Act enforced by the CPSC, or any regulation passed thereunder;
- iii. Ensure that Defendants apply all cautionary labeling required by the CPSA, the FHSA, any other Act enforced by the CPSC, and any applicable regulations;
- iv. Ensure that children’s products have permanent, distinguishing

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- marks (tracking labels) on the product and its packaging when practical and as required by 15 U.S.C. § 2063(a)(5);
- v. Ensure and verify regularly, through a written checklist or other written document, that the product safety program's SOPs are followed consistently;
 - vi. Include procedures to ensure that the Defendants: adequately correct any product violation cited by the CPSC (whether in connection with an inspection, a letter of advice or otherwise); conduct product recalls; and respond to CPSC letters of advice within the time specified in each letter of advice; and
 - vii. Establish systems to: investigate all reports of consumer incidents, property damage, injuries, warranty claims, insurance claims, and court complaints regarding consumer products that Defendants import, distribute or sell in the United States; adhere to applicable CPSC reporting requirements; address potentially defective products appropriately; and implement corrective internal procedures should systemic issues relating to compliance with CPSC requirements be identified;

F. Defendants ensure that a third party conformity assessment body has conducted certification testing on children's products. The Defendants shall hire or supervise the hiring of a third party conformity assessment body to test samples of each children's product, subject to any children's product safety rule including, but not limited to, the following:

- i. Small Parts: For each toy and other article intended for use by

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children under three years (36 months) of age, as determined by age grading analysis that includes the factors listed at 16 C.F.R. § 1501.2(b), in accordance with the requirements of 16 C.F.R. §§ 1500.51, 1500.52, and 16 C.F.R. part 1501;

- ii. Lead Paint and Lead Content: A third party conformity assessment body for lead paint and lead content testing shall test each model of children's product that bears a surface coating for compliance with the lead paint requirements of 16 C.F.R. part 1303, and test accessible substrates, when applicable, for the lead content requirements of 15 U.S.C. § 1278a(a)(2) and the applicable requirements of the effective version of ASTM F963-11;
- iii. Phthalates: A third party conformity assessment body for phthalates testing shall test each model of children's toy that contains plasticized components or child care article for compliance with the phthalate content requirements of 15 U.S.C. § 2057c;
- iv. ASTM International standard: A third party conformity assessment body for projectile toy and battery-operated toy testing shall test each model of children's toy that contains projectiles for compliance with section 4.21 of ASTM F963-11, or the applicable effective version, and test each model of toy intended for children under age three that contains batteries accessible without the use of a coin, screwdriver, or other household tool for compliance with

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section 4.25 of ASTM F963-11, or the applicable effective version;
and

- v. Children's Bicycle Helmets: A third party conformity assessment body for bicycle helmet testing shall test each model of children's bicycle helmet for compliance with the Safety Standard for Bicycle Helmets at 16 C.F.R. part 1203;

G. Defendants issue certificates of compliance for each children's product that is subject to any children's product safety rule, verifying that each of Defendants' children's products comply with such children's product safety rule, to the extent required by 15 U.S.C. § 2063(a)(2), 16 C.F.R. part 1110, and other applicable rules;

H. The Product Safety Coordinator inspects a representative sample of all consumer products, including children's products, in Defendants' inventory for compliance with all labeling requirements imposed by the CPSA, the FHSA, any other Act enforced by the CPSC, and all applicable regulations, including, but not limited to, the following:

- i. Small Parts: For each children's toy that is intended for children over three years of age and under six years of age, Defendants shall apply cautionary labeling to each such item, consistent with the requirements of 15 U.S.C. § 1278(a) and (b);
- ii. Art Materials: For each art material or art material product, Defendants shall ensure that all applicable labeling as required under 16 C.F.R. § 1500.14(b)(8)(i)(C) appears on the art material or art material product;
- iii. Bicycle Helmets: For each bicycle helmet, Defendants shall ensure

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that all applicable labeling as required under 16 C.F.R. § 1203.6(a) appears on the bicycle helmet and, where specified, the packaging; and

- iv. Toys or Games Containing a Latex Balloon: For each toy or game containing a latex balloon, Defendants shall apply the cautionary statement required under 15 U.S.C. § 1278(b)(2)(A) and 16 C.F.R. § 1500.19(b)(2) consistent with the requirements of 16 C.F.R. § 1500.19(b).

I. The Product Safety Coordinator submits, to the Office of Compliance, a copy of the comprehensive, written product safety program, including written standard operating procedures, specified in subparagraph (19.E) of this Decree and written certification that:

- i. Defendants have established a comprehensive product safety program and internal policies for implementing that program;
- ii. Defendants have corrected the violations brought to Defendants' attention by the CPSC, the Product Safety Coordinator, including in the Product Safety Coordinator's report as described in subparagraph (19.C) of this Decree, and any other source;
- iii. Defendants have recalled, at least to the retail level, all defective, potentially hazardous, and noncomplying consumer products they have sold, distributed or received in commerce, as instructed by the Office of Compliance;
- iv. The Product Safety Coordinator has identified each product in

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Defendants' product inventory that is subject to a consumer product safety rule or similar rule, ban, standard, or regulation under the CPSA, the FHSA, or any other Act enforced by the CPSC;

- v. All identified products have been tested for compliance with all applicable rules, bans, standards, or regulations, as required by 15 U.S.C. § 2063(a)(1) and (a)(2);
- vi. Defendants have purchased only those art materials that have been reviewed by a toxicologist in accordance with the requirements in 15 U.S.C. § 1277, 16 C.F.R. § 1500.14(b)(8), and ASTM D-4236, and that contain all applicable labeling as required by 16 C.F.R. § 1500.14(b)(8)(i)(C);
- vii. To the extent required by law, for each such product that passes the required testing, Defendants have issued a certificate that certifies that such consumer product complies with all rules, bans, standards, or regulations applicable to the product under the CPSA, the FHSA, and any other Act enforced by the CPSC;
- viii. The Product Safety Coordinator has identified and provided a list to Defendants of each product in Defendants' inventory or that Defendants intend to import for consumption, warehousing, or distribution in the United States that is a children's product subject to a children's product safety rule;
- ix. Defendants have submitted samples of each such children's

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- product to a third party conformity assessment body for compliance testing;
- x. For each such product that meets the requirements of applicable standards, regulations, or bans through the third-party testing, Defendants have issued a certificate for each applicable children's product safety rule, certifying that such children's product complies with each children's product safety rule based on testing by a third-party conformity assessment body accredited to conduct such testing;
- xi. Defendants have reconditioned or destroyed with CPSC staff guidance and supervision all consumer products, including children's products, in Defendants' inventory, that failed to meet any applicable consumer product safety rule, ban, standard, or regulation. This requirement also applies to all consumer products that are included in the Product Safety Coordinator's product list as specified in subparagraph (19.C) of this Decree. Defendants will give thirty-day notice to the CPSC of any products covered by this Decree that Defendants intend to destroy or export for purpose of sale, consistent with 15 U.S.C. §§ 2067, 2068(a), and 16 C.F.R. part 1019; and
- xii. Defendants have applied cautionary labeling to all products for which such labeling is required under the CPSA, the FHSA, any other Act enforced by the CPSC, and all applicable regulations;

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J. CPSC representatives inspect the Defendants' facility as soon as is practicable after receipt of the certification required in subparagraph (19.D);

K. If pursuant to the inspection the Defendants appear to be in compliance with the requirements set forth in subparagraphs (19.A)-(19.I) of this Decree, the CPSC shall notify the Defendants in writing. If Defendants are not in compliance or deficiencies have been identified by the CPSC in writing, Defendants agree to address the deficiencies identified to the satisfaction of the CPSC. The CPSC's silence shall not be construed as a substitute for written notification, unless the CPSC fails to respond to a written request from the Defendants for a notice under this paragraph within forty-five (45) days of the request.

20. For a period of at least two years from the date the CPSC notifies the Defendants in writing pursuant to paragraph (19.K) (the "monitoring period"), the Defendants shall retain the Product Safety Coordinator to monitor the Defendants' implementation of the comprehensive product safety program and compliance with the requirements of this Decree and all relevant statutes and regulations. If during the monitoring period, the CPSC finds that the Defendants are not in compliance with this Decree, the CPSC may give the Defendants written notice of a 180-day extension of the monitoring period.

21. Defendants, and each and all of their directors, officers, agents, servants, brokers, employees, attorneys, successors, assigns, and all persons or entities in active concert or participation with any of them who receive actual notice of this Decree by personal service or otherwise, are hereby permanently restrained and enjoined from directly or indirectly doing or causing to be done any of the following acts:

Violating the CPSA

A. Violating section 19(a)(1) of the CPSA, 15 U.S.C. § 2068(a)(1), by

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selling, offering for sale, manufacturing for sale, distributing in commerce, or importing into the United States any consumer product, or other product or substance that is regulated under the CPSA or any other Act enforced by the Commission, that is not in conformity with an applicable consumer product safety rule under the CPSA, or any similar rule, regulation, standard, or ban under any Act enforced by the Commission, including, but not limited to:

- i. Any children's toy or child care article that contains concentrations of phthalates in violation of 15 U.S.C. § 2057c;
- ii. Any children's bicycle helmet that does not meet the requirements of the Safety Standard for Bicycle Helmets, 16 C.F.R. part 1203;
- iii. Any projectile toy that does not comply with the requirements for projectile toys specified in section 4.21 of ASTM F963-11, or the applicable effective version;
- iv. Any toy intended for children less than three years of age with batteries that are accessible without the use of a coin, screwdriver, or other common household tool per section 4.25 of ASTM F963-11, or the applicable effective version;
- v. Any product that is subject to any consumer product safety rule or any children's product safety rule and lacks a conformity certificate to the extent required under 15 U.S.C. § 2063 and applicable rules, regulations, and enforcement policies of the CPSC; and
- vi. Any children's product that has not been tested by an accredited third party conformity assessment body accepted by the CPSC to

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the extent required under 15 U.S.C. § 2063(a)(2) and applicable rules, regulations, and enforcement policies of the CPSC;

B. Violating section 19(a)(2)(D) of the CPSA, 15 U.S.C. § 2068(a)(2)(D), by selling, offering for sale, manufacturing for sale, distributing in commerce, or importing into the United States any consumer product, or other product or substance that is a banned hazardous substance within the meaning of section 2(q)(1) of the FHSA, 15 U.S.C. § 1261(q)(1), including, but not limited to, the violations discussed in subparagraphs (21.F) and (21.G) below.

C. Violating section 19(a)(6) of the CPSA, 15 U.S.C. § 2068(a)(6), by failing to furnish a certificate required by this Act or any other Act enforced by the Commission, or to issue a false certificate, if such person, in the exercise of due care, has reason to know that the certificate is false or misleading in any material respect; or to fail to comply with any requirement of section 14 (including the requirement for tracking labels), or any rule or regulation under such section.

D. Engaging in any other act or practice that would violate the CPSA, 15 U.S.C. §§ 2051-2089.

Violating the FHSA

E. Introducing, or causing the introduction or delivery for introduction into interstate commerce, any banned hazardous substance, or receiving in interstate commerce any banned hazardous substance and delivering or proffering to deliver thereof for pay or otherwise, in violation of section 4 of the FHSA, 15 U.S.C. § 1263(a) and (c), including, but not limited to:

- i. Any children's product containing lead exceeding the limits established in 15 U.S.C. § 1278a;
- ii. Any toy or other article intended for use by children that bears

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lead-containing paint, as defined by 16 C.F.R. § 1303.2(b); and

- iii. Any toy or other article, intended for use by children under three years of age that presents a choking, aspiration, or ingestion hazard because of small parts, as defined by 16 C.F.R. part 1501.

F. Introducing, or causing the introduction or delivery for introduction into interstate commerce, any misbranded hazardous substance or receiving in interstate commerce any misbranded hazardous substance, or delivering or proffering to deliver thereof for pay or otherwise, in violation of section 4 of the FHSA, 15 U.S.C. § 1263(a) and (c), including, but not limited to:

- i. Any art material, as defined in 16 C.F.R. § 1500.14(b)(8)(i)(B)(1) and (2), that does not meet the requirements of the Labeling of Hazardous Art Materials Act, 15 U.S.C. §§1262(b), 1277(a) and (b); and
- ii. Any latex balloon, or toy or game containing a latex balloon, as defined in 16 C.F.R. § 1500.19(a)(3), that lacks the required cautionary statement under 15 U.S.C. § 1278(b)(2).

G. Engaging in any other act or practice that would violate the FHSA, 15 U.S.C. §§ 1261-1278.

22. Beginning on or before the date that is six (6) months after the date of entry of this Decree and every six (6) months thereafter, for a period of five (5) years after the date of entry of this Decree, Defendants shall provide in writing to the Office of Compliance a list of the names and importer of record numbers used or associated with any entity owned, managed, or controlled, in whole or in part, by Defendants.

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23. Defendants shall maintain, and provide promptly to the CPSC upon request, for at least five (5) years after the date of entry of this Decree, records of all analyses, testing, and certificates of conformance for any consumer product required by this Decree and all applicable laws. Such records shall include, but not be limited to, the date of the analysis and testing, the procedures used, and the results of the analysis and testing. Defendants shall also maintain, and provide promptly to the CPSC upon request, for at least five (5) years after the date of entry of this Decree, records of all consumer incidents, property damage, injuries, warranty claims, returns, insurance claims, or court complaints regarding consumer products that Defendants imported or distributed in the United States, regardless of where the incident occurred, to the extent reasonably available and permitted by law.

24. If, at any time after this Decree has been entered, the CPSC determines, based on a review of inspection results, import examinations, a report prepared by the Product Safety Coordinator, or any other information, that Defendants have failed to comply with any provision of this Decree, have violated the CPSA, the FHSA, any other Act enforced by the CPSC, or any applicable regulations, or that additional corrective actions are necessary to achieve compliance with the law, applicable regulations, and/or this Decree, the CPSC may, as and when the agency deems necessary, notify Defendants in writing of the noncompliance and order Defendants to take appropriate corrective action, including, but not limited to, ordering Defendants to immediately take one or more of the following actions:

- A. Cease importing, offering for sale, selling, and distributing in commerce any toy or other consumer product intended primarily for children 12 years of age or younger;
- B. Revise, modify, expand, or continue to submit any reports or SOPs prepared pursuant to this Decree;

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Consent Decree and Judgment

- C. Submit additional reports or information to the CPSC as requested;
- D. Pay liquidated damages as provided in paragraph 31 below;
- E. Recall any product(s) at Defendants' expense; or
- F. Take any other corrective action(s) as the CPSC, in the agency's

discretion, deems necessary to bring Defendants and their products into compliance with the CPSCA, the FHSA, any other Act enforced by the CPSC, any applicable regulations, and/or this Decree. This remedy shall be separate and apart from, and in addition to, any other remedy available to the United States under this Decree or under the law.

25. Within ten (10) calendar days after the date of entry of this Decree, Defendants shall post copies of this Decree on all bulletin boards in common areas at their corporate, warehouse and retail facilities, and at any other locations at which Defendants conduct business within the CPSC's jurisdiction, and shall ensure that the Decrees remain posted at each location for a period of five (5) years after the date of entry of this Decree.

26. Within ten (10) calendar days after the date of entry of this Decree, Defendants shall provide a copy of the Decree, by personal service or certified mail (restricted delivery, return receipt requested), to each and all of their directors, officers, agents, servants, brokers, and employees (collectively referred to as "Associated Persons"). Within thirty (30) calendar days after the date of entry of this Decree, Defendants shall provide to the CPSC's General Counsel an affidavit stating the fact and manner of their compliance with this paragraph, identifying the names, addresses, and positions of all persons who received a copy of this Decree pursuant to this paragraph.

27. If any of the Defendants becomes associated with any additional Associated Person(s) within a period of five (5) years after the date of entry of this Decree, such Defendant

United States v. Lily Popular Varieties & Gifts, Inc., et al.
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shall provide immediately a copy of this Decree, by personal service or certified mail (restricted delivery, return receipt requested), to such Associated Person(s). Within ten (10) calendar days after the date on which any of the Defendants becomes associated with any such additional Associated Person, such Defendant shall provide, to the CPSC's General Counsel, an affidavit stating the fact and manner of the applicable Defendant's compliance with this paragraph, identifying the names, addresses, and positions of any Associated Person(s) who received a copy of this Decree pursuant to this paragraph, and attaching a copy of the executed certified mail return receipts.

28. Within ten (10) calendar days of receiving a request from the CPSC for any information or documentation that the CPSC deems necessary to evaluate Defendants' compliance with this Decree, Defendants shall provide such information or documentation to the CPSC.

29. The Defendants shall notify the CPSC's General Counsel in writing at least ten (10) calendar days before (i) consummation of: a sale, lease, exchange, or transfer of all or substantially all of the assets of Lily Popular or Great Great; any merger, consolidation, or reorganization of Lily Popular or Great Great; or any change in ownership of Lily Popular or Great Great in which the holders of the outstanding equity of these businesses immediately before the transaction do not hold voting control, or at least 50% of the outstanding equity of, the surviving entity after the transaction; or (ii) adoption or approval by Lily Popular or Great Great of a plan of liquidation or dissolution or an agreement relating to or calling for liquidation or dissolution of Lily Popular or Great Great.

30. All notifications, certifications, reports, correspondence, and other communications to the Office of Compliance as required by the terms of this Decree shall be

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addressed to the Director, Division of Regulatory Enforcement, Office of Compliance and Field Operations, CPSC, 4330 East West Highway, Bethesda, MD 20814. All notifications, certifications, reports, correspondence, and other communications to the CPSC's General Counsel as required by the terms of this Decree shall be addressed to the General Counsel, Office of the General Counsel, CPSC, 4330 East West Highway, Bethesda, MD 20814.

31. If any defendant fails to comply with the provisions of this Decree, said defendant shall pay to the United States of America: (a) five thousand dollars (\$5,000) in liquidated damages for each violation of the CPSA, the FHSA, any other Act enforced by the CPSC, any applicable regulations, and/or this Decree; and (b) an additional five hundred dollars (\$500) in liquidated damages per day, per violation, for each violation of the CPSA, the FHSA, any other Act enforced by the CPSC, any applicable regulations, and/or this Decree. Defendants understand and agree that the liquidated damages specified in this paragraph are not punitive in nature and do not in any way limit the ability of the United States of America to seek, and the Court to impose, additional criminal or civil contempt penalties based on conduct that may also be the basis for the payment of liquidated damages.

32. If Defendants violate this Decree and are found in civil or criminal contempt thereof, Defendants shall, in addition to other remedies, reimburse plaintiff for its attorneys' fees, including overhead, investigational expenses, and court costs relating to such contempt proceeding.

33. This Decree, and any act, statement, or document executed pursuant to or in furtherance of this Decree, shall not be deemed or used in any way: (i) as an admission of, or evidence of, the validity of any claim asserted in the Complaint, or of any wrongdoing or liability of the Defendants, or of any unlawful, unfair, or fraudulent business practices of the Defendants,

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all of which Defendants deny; (ii) as an admission of, or evidence of, any fault or omission of the Defendants in any civil, criminal, or administrative proceeding of any kind in any court, administrative agency, or other tribunal; or (iii) as an admission of, waiver of, or evidence relating to, any claim or defense asserted by any party.

34. Each party shall bear its own costs and attorneys' fees.

35. The provisions of this Decree are separate and severable from one another. If any provision is stayed or determined to be invalid, the remaining provisions shall remain in full force and effect.

36. This Court shall retain jurisdiction of this matter for purposes of construction, modification, and enforcement of this Decree.

37. The parties, by their respective counsel, hereby consent to entry of the foregoing Decree, which shall constitute a final judgment and order in this matter as to injunctive relief. The parties further stipulate and agree that the entry of the foregoing Decree shall constitute full, complete, and final settlement of this action as to injunctive relief.

SO ORDERED this 12th day of July, 2017.

s/Nicholas G. Garaufis

HONORABLE
United States District Judge

United States v. Lily Popular Varieties & Gifts, Inc., et al.
Consent Decree and Judgment

**FOR PLAINTIFF
THE UNITED STATES OF AMERICA**

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United States v. Lily Popular Varieties & Gifts, Inc., et al.
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FOR DEFENDANTS

LILY POPULAR VARIETIES & GIFTS, INC.

By: Li Jing / owner
[Name/Title]

GREAT GREAT CORPORATION

By: Cheng Feng You / owner
[Name/Title]

Li Jing
LI JING
Individually, and as owner of Lily Popular Varieties & Gifts, Inc., and as employee of Great Great Corporation

Cheng Feng You / owner
CHENG FENG YOU
Individually, and as owner of Great Great Corporation, and as employee of Lily Popular Varieties & Gifts, Inc.

COWAN, LIEBOWITZ & LATMAN, P.C.
Counsel for Defendants
Lily Popular Varieties & Gifts, Inc.,
Great Great Corporation, Li Jing, and
Cheng Feng You

By: [Signature]
C.J. ERICKSON, ESQ.
Tel.: (212) 790-9274

APPENDIX A

RAZOR SCOOTER

ITEM NO.	PURCHASE DATE
13003A	04/01/2016
13019967	04/01/2016
13013201	04/01/2016
13011730	04/01/2016
13011701	04/01/2016

KELLYTOY

ITEM NO.	PURCHASE DATE
16-071P	11/18/2016
16-071J	11/18/2016
16-071B	11/18/2016
16-030	11/18/2016
16-047BMAST	11/18/2016
16-059	11/18/2016
14-366BW	11/18/2016
14-366-44	11/18/2016
16-020	10/20/2016
16-029	10/20/2016
16-015	10/20/2016
16-022	10/20/2016
16-031	10/20/2016

1248B	10/20/2016
BY16-001	10/20/2016
16-053S	11/15/2016
CL6509	11/15/2016
CL6513	11/15/2016
2117-6AST	11/15/2016
3531-50	11/15/2016
971986	11/15/2016
366-90	11/15/2016
1336-110	11/15/2016
1260B	11/15/2016

TRANSPORT INC.

ITEM NO.	PURCHASE DATE
HD6618	9/12/2016
HD6628	9/12/2016

SAILING (U.S.) INTERNATIONAL CORP.

ITEM NO.	PURCHASE DATE
MC55889 TEXI	9/21/2016
MC55839 STEAM LOCO	9/21/2016
MC55957BMW	9/21/2016
MC55872 SENC D JET	9/21/2016
MC55961 SCHOOL BUS	8/18/2016
MC55930 LAMBORGHINI	8/18/2016

MC55879 FORD	8/18/2016
MC55292 SCHOOL BUS	8/18/2016
MC55980 CHEVROLET PO	8/18/2016
MC55294 SCHOOL BUS	8/18/2016

U.P.D.,INC

FLEECE THROW	PURCHASE DATE
1PRFLT	11/30/2016
1PEP PAPPY PIG	11/30/2016
1POK POKMAN	11/30/2016
LESM SPIDERMAN	11/30/2016
TMNT NINJA TURTLES	11/30/2016

PLUSH BACKPACK	PURCHASE DATE
US23596SCRE SPIDERMAN	11/30/2016
ST20472MMBK MICKEY	11/30/2016
MIBL MINNIE	11/30/2016
KAB23585349 POKEMON	11/30/2016
KAB23585350 POKEMON	11/30/2016
FZ10370566 MY LITTLE PONY	11/30/2016
FK23572258 POKEMON	11/30/2016
FC23571126 POKEMON	11/30/2016
FH26772065 PAW PATROL	11/30/2016
6035039 PAW PATROL	11/30/2016
10586 MICKEY 25"	11/30/2016

Appendix A - 4 of 5

PURCHASE DATE	WATER BOTTLE
6/11/2015	MMNJB660 ZAK BOTTLE
7/28/2015	PRXRB660 ZAK BOTTLE
7/28/2015	TNTKB661 ZAK BOTTLE
7/28/2015	SPY-B660 ZAK BOTTLE

PURCHASE DATE	SCHOOL BAG
7/28/2015	PAWRLB PAW LUNCHBAG
7/28/2015	KMAMO MIKEY LUNCH BAG
7/28/2015	FROZON LUNCH BAG
7/28/2015	AVGLUN LUNCH BAG
7/28/2015	MNLBAG MINNIE LUNCHBAG
7/28/2015	FROMTT FROZON MINI TOTE
4/15/2015	PRNPF PRINCESS 16"
4/15/2015	JNCR NINJA TURTLES 16"
4/15/2015	DOAPF DORA 16"
4/15/2015	AVCR AVENGERS 16"
11/30/2016	CAFRO FROZON 16"
11/30/2016	CAMIN MINNIE 16"
11/30/2016	CASPI SPIDERMAN 16"
4/15/2015	MC27649UPBK MICKEY 16"
4/15/2015	MIBL MINNIE 16"
11/30/2016	MINNIE SATIN HANDBAG

11/30/2016	10587 MINNIE 25"
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DESGB660 ZAK BOTTLE	6/11/2015
FZNE-F300-V01 ZAK BOTTLE	6/11/2015
FZNEM950 ZAK BOTTLE	7/28/2015

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

FILED
CLERK
2017 JUN 21 PM 4:46
U.S. DISTRICT COURT
EASTERN DISTRICT
OF NEW YORK

UNITED STATES OF AMERICA,

COMPLAINT

Plaintiff,

Civil Action No.

v.

CV 17 - 3752

LILY POPULAR VARIETIES & GIFTS
INC., GREAT GREAT CORPORATION; LI
JING; AND CHENG FENG YOU,

GARAUFIS, J.

Defendants.

POLLAK, M.J.

Plaintiff, the UNITED STATES OF AMERICA, by and through the undersigned attorneys, hereby alleges as follows:

INTRODUCTION

The United States of America brings this action to enjoin and restrain Lily Popular Varieties & Gifts Inc., Great Great Corporation, Li Jing and Cheng Feng You (collectively, "defendants"), from offering for sale, selling, importing, or distributing children's products in violation of the Consumer Product Safety Act ("CPSA"), 15 U.S.C. §§ 2051-2089; the Federal Hazardous Substances Act ("FHSA"), 15 U.S.C. §§ 1261-1278; and regulations issued thereunder.

1. The United States pursues this action on behalf of the U.S. Consumer Product Safety Commission ("CPSC" or "Commission"), an independent federal regulatory agency that enforces the CPSA, the FHSA, and related regulations. One of the purposes of the CPSC is to protect the public against unreasonable risks of injury associated with consumer products.

JURISDICTION AND VENUE

2. This Court has jurisdiction over this action under 28 U.S.C. §§ 1331 and 1345.

This Court also has jurisdiction, under 15 U.S.C. § 2071(a), to restrain any violation of section 2068 of the CPSA, and, under 15 U.S.C. § 1267(a), to restrain any violation of the FHSA.

3. Venue in the Eastern District of New York is proper under 28 U.S.C. §§ 1391(b) and (c).

PARTIES

4. Plaintiff is the United States of America.

5. Defendant Lily Popular Varieties & Gifts Inc. (“Lily Popular”) is a corporation organized and existing under the laws of New York. Lily Popular was formed as a corporation on January 4, 2008.

6. Defendant Great Great Corporation (“Great Great”) is a corporation organized and existing under the laws of New York. Great Great was formed as a corporation on March 7, 2012.

7. Lily Popular and Great Great are presently located at 1710 Flushing Avenue, #12, Ridgewood, New York 11237 (the “Ridgewood facility”). Until approximately July 1, 2015, Lily Popular and Great Great were previously located at 52-07 Flushing Avenue, Maspeth, New York 11378 (the “Maspeth Facility”).

8. Lily Popular is a distributor and manufacturer as defined in 15 U.S.C. § 2052(a)(7) and (11)¹ of consumer products, including children’s toys and articles that are subject to the requirements of the CPSA, the FHSA, and the regulations issued thereunder.

9. Defendant Li Jing (“Jing”) and defendant Cheng Feng You (“You”) are married.

¹ Title 15 U.S.C. § 2052(a)(7) defines distributor to include “a person to whom a consumer product is delivered or sold for purposes of distribution in commerce.” 15 U.S.C. § 2052(a)(11) defines manufacturer to include “any person who manufactures or imports a consumer product.”

10. Jing is the owner and operator of Lily Popular.

11. Jing and You are the only employees of Lily Popular.

12. Jing and You are responsible for ensuring Lily Popular's compliance with the requirements of the CPSA, the FHSA, and the regulations issued thereunder.

13. At all times relevant to this action, Jing and You formulated, directed, controlled, and participated in Lily Popular's acts and practices, including the acts and practices alleged herein.

14. Great Great is a distributor and manufacturer as defined in 15 U.S.C. § 2052(a)(7) and (11) of consumer products, including children's toys and articles that are subject to the requirements of the CPSA, the FHSA, and the regulations issued thereunder.

15. You is the owner and operator of Great Great.

16. You and Jing are the only employees of Great Great.

17. At all times relevant to this action, Jing and You formulated, directed, controlled and participated in Great Great's acts and practices, including the acts and practices alleged in herein.

18. Operating jointly through the Ridgewood and Maspeth Facilities, the defendants imported and distributed in commerce various consumer products, including children's products and toys.

DEFENDANTS' VIOLATIONS OF THE CPSA

19. Since May 15, 2014, the CPSC has collected 53 samples of consumer products from the Maspeth facility and from Lily Popular's import shipments at the Ports of New York/Newark, New Jersey and Los Angeles, California. The CPSC found 49 of the 53 samples to be children's products that violated CPSC statutes and regulations. The violative samples

included children's products and toys with illegal levels of total lead content, lead paint, and phthalates; toys intended for children under three years of age that contain small parts or accessible batteries; children's art materials that do not meet the requirements of the Labeling of Hazardous Art Materials Act; children's toys containing latex balloons lacking the required cautionary labeling; children's toys that do not comply with the projectile toys requirements; children's bicycle helmets that do not meet the requirements of the Safety Standard for Bicycle Helmets, 16 C.F.R. part 1203; and children's products and toys lacking required certification based on third-party testing and lacking tracking labels. The CPSC issued a total of 11 Letters of Advice ("LOAs") from August 8, 2014 to February 9, 2017, notifying Lily Popular, Jing and You of the violations.

20. Since December 17, 2013, the CPSC has collected 23 samples of consumer products from Great Great's import shipments at the Port of New York/Newark, New Jersey. The CPSC found all 23 samples to be children's products that violated CPSC statutes and regulations. The violative samples included children's products and toys with illegal levels of total lead content and phthalates; toys intended for children under three years of age that contain small parts or accessible batteries; children's art materials that do not meet the requirements of the Labeling of Hazardous Art Materials Act; and children's products and toys lacking required certification based on third-party testing and lacking tracking labels. The CPSC issued a total of two LOAs from February 4, 2014 to July 20, 2015, notifying Great Great, Jing, and You of the violations.

21. The CPSA prohibits the sale, offer for sale, manufacture for sale, distribution in commerce, or importation into the United States of any consumer product, or other product or substance that is regulated under the CPSA or any other Act enforced by the CPSC, that is not in

conformity with an applicable consumer product safety rule under the CPSA, or any similar rule, regulation, standard, or ban under any other Act enforced by the Commission. 15 U.S.C. § 2068(a)(1).

22. Under the CPSA, it is unlawful to fail to furnish a certificate required by the CPSA or any other Act enforced by the Commission, or to fail to comply with the requirement for tracking labels. 15 U.S.C. § 2068(a)(6).

23. The defendants' violations of the CPSA provisions set forth in paragraphs 21 and 22 above are specified below.

Phthalate Concentrations Exceeding the Legal Limit

24. The United States re-alleges and incorporates by reference paragraphs 1 through 23 of this Complaint as though fully set forth herein.

25. Under the CPSA, it is unlawful for any person to manufacture for sale, offer for sale, distribute in commerce, or import into the United States any children's toys and child care articles containing concentrations of more than 0.1 percent of certain phthalate compounds, including di-(2-ethylhexyl) phthalate ("DEHP") and dibutyl phthalate ("DBP"). 15 U.S.C. § 2057c(a).

26. Samples of products collected from the defendants' import shipments and the Maspeth facility are "children's toys" as defined under 15 U.S.C. § 2057c(g)(1)(B).

27. On December 17, 2013, the CPSC collected 11 types of toys from Great Great that exceeded the phthalate concentration limit under the CPSA because they contained more than 0.1 percent of DEHP.

28. The CPSC sent Great Great an LOA dated February 4, 2014, notifying Great

Great and You that the toys collected on December 17, 2013, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Great Great and You that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

29. On July 31, 2014, the CPSC collected a type of toy from Lily Popular that exceeded the phthalate concentration limit under the CPSA because it contained more than 0.1 percent of DEHP.

30. The CPSC sent Lily Popular an LOA dated October 7, 2014, notifying Lily Popular and Jing that the toys collected on July 31, 2014, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Lily Popular and Jing that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

31. On August 19, 2014, the CPSC collected four types of toys from Lily Popular that exceeded the phthalate concentration limit under the CPSA because they contained more than 0.1 percent of DEHP.

32. The CPSC sent Lily Popular an LOA dated December 18, 2014, notifying Lily Popular and Jing that the toys collected on August 19, 2014, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Lily Popular and Jing that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

33. On April 16, 2015, the CPSC collected one type of toy from Great Great that exceeded the phthalate concentration limit under the CPSA because it contained more than 0.1 percent of DEHP.

34. The CPSC sent Great Great an LOA dated July 20, 2015, notifying Great Great and You that the toys collected on April 16, 2015, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Great Great and You that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

35. On May 19, 2015, the CPSC collected two types of toys from Lily Popular that exceeded the phthalate concentration limit under the CPSA because they contained more than 0.1 percent of DEHP and DBP.

36. The CPSC sent Lily Popular an LOA dated August 4, 2015, notifying Lily Popular and Jing that the toys collected on May 19, 2015, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Lily Popular and Jing that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

37. On June 22, 2015, the CPSC collected two types of toys from Lily Popular that exceeded the phthalate concentration limit under the CPSA. One type of toy contained more than 0.1 percent of DEHP and the other type of toy contained more than 0.1 percent of DBP.

38. The CPSC sent Lily Popular a LOA dated August 17, 2015, notifying Lily Popular and Jing that the toys collected on June 22, 2015, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Lily Popular and Jing that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

39. On November 3, 2016, the CPSC collected a type of toy from Lily Popular that

exceeded the phthalate concentration limit under the CPSA because it contained more than 0.1 percent of DEHP.

40. The CPSC sent Lily Popular a LOA dated February 9, 2017, notifying Lily Popular and Jing that the toys collected on November 3, 2016, and tested by the CPSC exceeded the phthalate concentration limit under the CPSA. The LOA notified Lily Popular and Jing that their sale, offer for sale, distribution in commerce, or importation into the United States of the toys violated 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

41. The defendants sold, offered for sale, distributed in commerce, or imported into the United States a combined total of 22 types of violative toys, thereby violating 15 U.S.C. § 2068(a)(1).

Children's Bicycle Helmets that Failed to Meet Safety Standard Requirements

42. The United States re-alleges and incorporates by reference paragraphs 1 through 41 of this Complaint as though fully set forth herein.

43. Under the CPSA, it is unlawful for any person to manufacture for sale, offer for sale, distribute in commerce, or import into the United States children's bicycle helmets that do not meet the requirements of the Safety Standard for Bicycle Helmets, 16 C.F.R. part 1203 (the "Standard"). 15 U.S.C. § 6004(d)(2).

44. On June 22, 2015, the CPSC collected a unit of bicycle helmets from Lily Popular's import shipments that did not comply with the instructions, labeling, certification, and/or performance requirements of the Standard.

45. The CPSC sent Lily Popular a LOA dated July 22, 2015, notifying Lily

Popular and Jing that the bicycle helmets collected on June 22, 2015, and tested by the CPSC did not comply with the instructions, labeling, certification, and/or performance requirements of the Standard. The LOA requested corrective action.

46. On May 19, 2015, the CPSC collected a unit of bicycle helmets from Lily Popular's import shipments that did not comply with the instructions, labeling, certification, and/or performance requirements of the Standard.

47. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the bicycle helmets collected on May 19, 2015, and tested by the CPSC did not comply with the instructions, labeling, certification, and/or performance requirements of the Standard. The LOA requested corrective action.

48. Lily Popular and Jing sold, offered for sale, distributed in commerce, or imported into the United States the violative bicycle helmets, thereby violating 15 U.S.C. § 2068(a)(1).

Violations Concerning Toys Intended For Children Under Three Years Of Age With Battery Compartments That Are Not Sufficiently Secure

49. The United States re-alleges and incorporates by reference paragraphs 1 through 48 of this Complaint as though fully set forth herein.

50. Under the CPSA, it is unlawful for any person to manufacture for sale, offer for sale, distribute in commerce, or import into the United States toys intended for children less than three years of age with batteries that are accessible without the use of a coin, screwdriver, or other common household tool per section 4.25 of ASTM International standard F963-11 ("ASTM F963-11"). 15 U.S.C. § 2056b(a).

51. On a combined total of four occasions, the defendants sold, offered for sale, distributed in commerce, or imported into the United States violative toys intended for children under age three and containing accessible batteries, thereby violating 15 U.S.C. § 2068(a)(1).

52. On July 31, 2014, the CPSC collected, from Lily Popular's import shipments, one type of toy intended for children under three and containing batteries accessible without the use of a coin, screwdriver, or other household tool.

53. The CPSC sent Lily Popular a LOA dated October 7, 2014, notifying Lily Popular and Jing that the toys collected on July 31, 2014, intended for children under age three, contained accessible batteries, thereby violating 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

54. On August 19, 2014, the CPSC collected, from the Maspeth facility, one type of toy intended for children under three and containing batteries accessible without the use of a coin, screwdriver, or other household tool.

55. The CPSC sent Lily Popular a LOA dated December 18, 2014, notifying Lily Popular and Jing that the toys collected on August 19, 2014, intended for children under age three, contained accessible batteries, thereby violating 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

56. On April 16, 2015, the CPSC collected, from Great Great's import shipments, two types of toy intended for children under three and containing batteries accessible without the use of a coin, screwdriver, or other household tool.

57. The CPSC sent Great Great a LOA dated July 20, 2015, notifying Great Great and You that the toys collected on April 16, 2015, intended for children under age three, contained accessible batteries, thereby violating 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

Violations Concerning Projectile Toys

58. The United States re-alleges and incorporates by reference paragraphs 1 through

57 of this Complaint as though fully set forth herein.

59. Under the CPSA, it is unlawful for any person to manufacture for sale, offer for sale, distribute in commerce, or import into the United States projectile toys that do not comply with the requirements for projectile toys specified in section 4.21 of ASTM F963-11. 15 U.S.C. § 2056b(a).

60. On May 19, 2015, the CPSC collected, from Lily Popular's import shipments, a sample of toys containing projectiles. The tips of those projectiles detached when subjected to the tension test method described in 8.9 of ASTM F963-11.

61. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the toys collected on May 19, 2015, did not comply with the requirements for projectile toys specified in section 4.21 of ASTM F963-11, thereby violating 15 U.S.C. § 2068(a)(1). The LOA requested corrective action.

Violations Concerning The Required Certificate Stating That Children's Products Comply With Each Applicable Children's Product Safety Rule

62. The United States re-alleges and incorporates by reference paragraphs 1 through 61 of this Complaint as though fully set forth herein.

63. Under the CPSA, every manufacturer of a children's product that is subject to a children's product safety rule must submit samples of the product to a third-party conformity assessment body for testing. The manufacturer must then issue a certificate, based upon such testing that such children's product complies with each applicable children's product safety rule. This requirement applies to children's bicycle helmets and children's products that produce small parts or have lead-containing paint. 15 U.S.C. § 2063(a)(2). This requirement also applies to children's products that contain phthalates or lead, toys intended for children under three that

contain accessible batteries, and toys that do not comply with the projectile toy requirements. 15 U.S.C. § 2063(a)(3).

64. The CPSC collected samples of toys and articles from the defendants' import shipments and Maspeth facility that are "children's products" as defined under 15 U.S.C. § 2052(a)(2) and are subject to a "children's product safety rule" as defined under 15 U.S.C. § 2063(f)(1). The sampled items were required to have a certificate based on third-party testing for bicycle helmets, small parts, lead-containing paint, phthalates, lead, accessible batteries and/or projectile toys, but failed to have a certificate or had an invalid certificate. In 56 instances, defendants failed to produce the required certification of testing or defendants furnished an invalid certificate.

65. On December 17, 2013, the CPSC collected, from Great Great's import shipments, twelve samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

66. The CPSC sent Great Great a LOA dated February 4, 2014, notifying Great Great and You that the samples of children's products collected on December 17, 2013, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

67. On May 15, 2014, the CPSC collected, from Lily Popular's import shipments, two samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

68. The CPSC sent Lily Popular a LOA dated August 8, 2014, notifying Lily

Popular and Jing that the samples of children's products collected on May 15, 2014, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

69. On July 31, 2014, the CPSC collected, from Lily Popular's import shipments, a sample of children's products required to have a certificate based on third-party testing. The sample failed to comply with the certificate requirement.

70. The CPSC sent Lily Popular a LOA dated October 7, 2014, notifying Lily Popular and Jing that the samples of children's products collected on July 31, 2014, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

71. On August 19, 2014, the CPSC collected, from the Maspeth facility, five samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

72. The CPSC sent Lily Popular a LOA dated December 18, 2014, notifying Lily Popular and Jing that the samples of children's products collected on August 19, 2014, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

73. On April 16, 2015, the CPSC collected, from Great Great's import shipments, eleven samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

74. The CPSC sent Great Great a LOA dated July 20, 2015, notifying Great Great

and You that the samples of children's products collected on April 16, 2015, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

75. On June 22, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of children's products required to have a certificate based on third-party testing. The sample failed to comply with the certificate requirement.

76. The CPSC sent Lily Popular a LOA dated July 22, 2015, notifying Lily Popular and Jing that the sample of children's products collected on June 22, 2015, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

77. On May 19, 2015, the CPSC collected, from Lily Popular's import shipments, fifteen samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

78. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the samples of children's products collected on May 19, 2015, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

79. On September 21, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of children's products required to have a certificate based on third-party testing. The sample failed to comply with the certificate requirement.

80. The CPSC sent Lily Popular a LOA dated October 15, 2015, notifying Lily

Popular and Jing that the sample of children's products collected on September 21, 2015, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

81. On November 12, 2015, the CPSC collected, from Lily Popular's import shipments, three samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

82. The CPSC sent Lily Popular a LOA dated January 29, 2016, notifying Lily Popular and Jing that the sample of children's products collected on November 12, 2015, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

83. On September 9, 2016, the CPSC collected, from Lily Popular's import shipments, two samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

84. The CPSC sent Lily Popular a LOA dated November 21, 2016, notifying Lily Popular and Jing that the samples of children's products collected on September 9, 2016, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

85. On October 3, 2016, the CPSC collected, from Lily Popular's import shipments, three samples of children's products required to have a certificate based on third-party testing. The samples failed to comply with the certificate requirement.

86. The CPSC sent Lily Popular a LOA dated February 3, 2017, notifying Lily

Popular and Jing that the samples of children's products collected on October 3, 2016, failed to comply with the certificate requirement, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

Tracking Label Violations

87. The United States re-alleges and incorporates by reference paragraphs 1 through 86 of this Complaint as though fully set forth herein.

88. Under the CPSA, every manufacturer of a children's product shall place permanent, distinguishing marks ("tracking labels") on the product and its packaging, which will enable the manufacturer and ultimate purchaser of the product to ascertain the location and date of production of the product, along with cohort information. 15 U.S.C. § 2063(a)(5).

89. The CPSC collected samples of toys and articles from the defendants' import shipments and Maspeth facility that are "children's products" as defined under 15 U.S.C. § 2052(a)(2). Fifty-five children's products sampled failed to have tracking labels or had insufficient tracking labels. The defendants failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

90. On December 17, 2013, the CPSC collected, from Great Great's import shipments, twelve samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

91. The CPSC sent Great Great a LOA dated February 4, 2014, notifying Great Great and You that the samples of children's products collected on December 17, 2013, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

92. On May 15, 2014, the CPSC collected, from Lily Popular's import shipments,

five samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

93. The CPSC sent Lily Popular a LOA dated August 8, 2014, notifying Lily Popular and Jing that the samples of children's products collected on May 15, 2014, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

94. On July 31, 2014, the CPSC collected, from Lily Popular's import shipments, three samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

95. The CPSC sent Lily Popular a LOA dated October 7, 2014, notifying Lily Popular and Jing that the samples of children's products collected on July 31, 2014, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

96. On August 19, 2014, the CPSC collected, from the Maspeth facility, six samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

97. The CPSC sent Lily Popular a LOA dated December 18, 2014, notifying Lily Popular and Jing that the samples of children's products collected on August 19, 2014, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

98. On April 16, 2015, the CPSC collected, from Great Great's import shipments, ten samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

99. The CPSC sent Great Great a LOA dated July 20, 2015, notifying Great Great and You that the samples of children's products collected on April 16, 2015, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

100. On May 19, 2015, the CPSC collected, from Lily Popular's import shipments, eleven samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

101. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the samples of children's products collected on May 19, 2015, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

102. On June 22, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

103. The CPSC sent Lily Popular a LOA dated July 22, 2015, notifying Lily Popular and Jing that the sample of children's products collected on June 22, 2015, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

104. On June 22, 2015, the CPSC collected, from Lily Popular's import shipments, two additional samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

105. The CPSC sent Lily Popular a LOA dated August 17, 2015, notifying Lily

Popular and Jing that the separate samples of children's products collected on June 22, 2015, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

106. On September 21, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

107. The CPSC sent Lily Popular a LOA dated October 15, 2015, notifying Lily Popular and Jing that the sample of children's products collected on September 21, 2015, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

108. On September 9, 2016, the CPSC collected, from Lily Popular's import shipments, two samples of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

109. The CPSC sent Lily Popular a LOA dated November 21, 2016, notifying Lily Popular and Jing that the two samples of children's products collected on September 9, 2016, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

110. On October 3, 2016, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

111. The CPSC sent Lily Popular a LOA dated February 3, 2017, notifying Lily

Popular and Jing that the sample of children's products collected on October 3, 2016, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

112. On November 3, 2016, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6).

113. The CPSC sent Lily Popular a LOA dated February 9, 2017, notifying Lily Popular and Jing that the sample of children's products collected on November 3, 2016, failed to comply with the requirement to have tracking labels on children's products, thereby violating 15 U.S.C. § 2068(a)(6). The LOA requested corrective action.

Violations of the CPSA and the FHSA – Misbranded and Banned Hazardous Substances

114. The United States re-alleges and incorporates by reference paragraphs 1 through of this Complaint as though fully set forth herein.

115. Under the FHSA, it is unlawful to introduce or deliver for introduction, and to cause the introduction or delivery for introduction, into interstate commerce of any misbranded hazardous substance or banned hazardous substance. 15 U.S.C. § 1263(a).

116. Under the FHSA, it is unlawful to receive in interstate commerce and to deliver or proffer delivery for pay or otherwise, and to cause the receipt in interstate commerce and the delivery or proffered delivery for pay or otherwise, any misbranded hazardous substance or banned hazardous substance. 15 U.S.C. § 1263(c).

117. Under the CPSA, it is unlawful for any person to "sell, offer for sale, manufacture for sale, distribute in commerce, or import into the United States any consumer product, or other product or substance" that is regulated under the CPSA or any other Act enforced by the CPSC,

that is not in conformity with an applicable consumer product safety rule under the CPSA, or any similar rule, regulation, standard, or ban under any other Act enforced by the Commission. 15 U.S.C. § 2068(a)(1).

118. Under the CPSA, it is unlawful for any person to sell, offer for sale, distribute in commerce, or import into the United States any consumer product, or product or substance that is a banned hazardous substance within the meaning of 15 U.S.C. § 1261(q)(1). 15 U.S.C. § 2068(a)(2)(D).

119. The defendants' violations of the CPSA and FHSA provisions set forth in paragraphs 115 through 118 above are specified in the paragraphs below.

Violations Concerning Toys Intended For Use By Children Under Three Years Of Age That Constitute A Mechanical Hazard Because They Contain Small Parts

120. The United States re-alleges and incorporates by reference paragraphs 1 through 119 of this Complaint as though fully set forth herein.

121. Under the FHSA and the regulations issued thereunder, toys and other articles intended for use by children under three years of age that constitute a mechanical hazard because they contain small parts which present the risk of choking, aspiration, or ingestion are banned hazardous substances. 16 C.F.R. § 1500.18(a)(9). Before or after the toy is subjected to use and abuse tests set forth at 16 C.F.R. §§ 1500.50 - 1500.52, no portion of a toy may separate and produce small parts that fit entirely into the specified test fixture. 15 U.S.C. §§ 1261(f)(1)(D), 1261(q)(1)(A), 1261(s); 16 C.F.R. § 1500.18(a)(9) and 16 C.F.R. part 1501.

122. The CPSC collected samples from the defendants' import shipments that are "toys and other articles intended for use by children under three years of age," as defined under 16 C.F.R. § 1501.2. Twenty-six toys and articles collected, intended for use by children under three years of age, failed to meet the small parts regulation because the toys either contained small

parts as received by CPSC staff or portions of the toys and articles separated and produced small parts when subjected to use and abuse tests. Accordingly, the toys and articles are banned hazardous substances.

123. The defendants introduced or delivered for introduction, and caused the introduction or delivery for introduction, into interstate commerce of banned hazardous substances, that is, 26 toys or other articles intended for use by children under three years of age, which contained small parts, or received in interstate commerce such toys or articles and delivered or proffered delivery thereof for pay or otherwise, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

124. On May 15, 2014, the CPSC collected, from Lily Popular's import shipments, one sample of toys and other articles intended for use by children under three years of age. The sample failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

125. The CPSC sent Lily Popular a LOA dated August 8, 2014, notifying Lily Popular and Jing that the sample of toys and other articles intended for use by children under three years of age collected on May 15, 2014, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

126. On July 31, 2014, the CPSC collected, from Lily Popular's import shipments, two samples of toys and other articles intended for use by children under three years of age. The samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

127. The CPSC sent Lily Popular a LOA dated October 7, 2014, notifying Lily

Popular and Jing that the samples of toys and other articles intended for use by children under three years of age collected on July 31, 2014, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

128. On April 16, 2015, the CPSC collected, from Great Great's import shipments, seven samples of toys and other articles intended for use by children under three years of age. The samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

129. The CPSC sent Great Great a LOA dated July 20, 2015, notifying Great Great and You that the samples of toys and other articles intended for use by children under three years of age collected on April 16, 2015, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

130. On May 19, 2015, the CPSC collected, from Lily Popular's import shipments, five samples of toys and other articles intended for use by children under three years of age. The samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

131. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the samples of toys and other articles intended for use by children under three years of age collected on May 19, 2015, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

132. On June 22, 2015, the CPSC collected, from Lily Popular's import shipments,

three samples of toys and other articles intended for use by children under three years of age. The samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

133. The CPSC sent Lily Popular a LOA dated August 17, 2015, notifying Lily Popular and Jing that the samples of toys and other articles intended for use by children under three years of age collected on June 22, 2015, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

134. On November 12, 2015, November 20, 2015, and November 23, 2015, the CPSC collected, from Lily Popular's import shipments, a combined four samples of toys and other articles intended for use by children under three years of age. The four samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

135. The CPSC sent Lily Popular a LOA dated January 29, 2016, notifying Lily Popular and Jing that the samples of toys and other articles intended for use by children under three years of age collected on November 12, 2015, November 20, 2015, and November 23, 2015, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

136. On September 9, 2016, the CPSC collected, from Lily Popular's import shipments, two samples of toys and other articles intended for use by children under three years of age. The samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

137. The CPSC sent Lily Popular a LOA dated November 21, 2016, notifying Lily

Popular and Jing that the samples of toys and other articles intended for use by children under three years of age collected on September 9, 2016, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

138. On October 3, 2016, the CPSC collected, from Lily Popular's import shipments, two samples of toys and other articles intended for use by children under three years of age. The samples failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

139. The CPSC sent Lily Popular a LOA dated February 3, 2017, notifying Lily Popular and Jing that the samples of toys and other articles intended for use by children under three years of age collected on October 3, 2016, failed to meet the small parts regulation, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

Children's Products Containing Lead In Excess Of The Statutory Limit

140. The United States re-alleges and incorporates by reference paragraphs 1 through 139 of this Complaint as though fully set forth herein.

141. Under the FHSA, any children's product containing lead in excess of the statutory limit is a banned hazardous substance. 15 U.S.C. § 1278a(a)(1). Children's products containing more than .001 percent, or 100 parts per million, lead are banned hazardous substances. 15 U.S.C. § 1278a(a)(2).

142. The CPSC collected samples from the defendants' import shipments and Maspeth facility that are "children's products" as defined under 15 U.S.C. § 2052(a)(2). Ten children's

products contained lead in excess of the statutory limit. Accordingly, the children's products are banned hazardous substances.

143. On December 17, 2013, the CPSC collected, from Great Great's import shipments, three samples of children's products that contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

144. The CPSC sent Great Great a LOA dated February 4, 2014, notifying Great Great and You that the samples of children's products collected on December 17, 2013 contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

145. On July 31, 2014, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

146. The CPSC sent Lily Popular a LOA dated October 7, 2014, notifying Lily Popular and Jing that the sample of children's products collected on July 31, 2014 contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

147. On August 19, 2014, the CPSC collected, from the Maspeth facility, three samples of children's products that contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

148. The CPSC sent Lily Popular a LOA dated December 18, 2014, notifying Lily Popular and Jing that the samples of children's products collected on August 19, 2014 contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

149. On May 19, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

150. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the sample of children's products collected on May 19, 2015 contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

151. On September 21, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

152. The CPSC sent Lily Popular a LOA dated October 15, 2015, notifying Lily Popular and Jing that the sample of children's products collected on September 21, 2015 contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

153. On October 3, 2016, the CPSC collected, from Lily Popular's import shipments, one sample of children's products that contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

154. The CPSC sent Lily Popular a LOA dated February 3, 2017, notifying Lily Popular and Jing that the sample of children's products collected on October 3, 2016 contained lead in excess of the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

155. The defendants introduced or delivered for introduction, and caused the

introduction or delivery for introduction, into interstate commerce of banned hazardous substances, that is, ten children's products containing lead, or received in interstate commerce such products, and delivered or proffered delivery thereof for pay or otherwise, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

Children's Products With Lead-Containing Paint In Excess Of The Statutory Limit

156. The United States re-alleges and incorporates by reference paragraphs 1 through 155 of this Complaint as though fully set forth herein.

157. Any children's product with lead-containing paint in excess of the statutory limit is a banned hazardous substance. 15 U.S.C. § 1261(q)(1)(A), 16 C.F.R. §§ 1303.1(d), 1303.2(b)(2), and 1303.4(b). Violations of the lead paint ban are violations of the FHSA. 15 U.S.C. § 1278a(g); 16 C.F.R. § 1303.1(d). The CPSC banned such products because "there is an unreasonable risk of lead poisoning in children associated with lead content of over [the limit imposed by the CPSC] in paints and coatings to which children have access and that no feasible consumer product safety standard under the CPSA would adequately protect the public from this risk." 16 C.F.R. § 1303.1(c).

158. The lead paint ban defines "lead-containing paint" as paint and similar surface coatings that contain lead "in excess of 0.009 percent of the weight of the total nonvolatile content of the paint or the weight of the dried paint film." 16 C.F.R. § 1303.1(a); 15 U.S.C. § 1278a(f)(1).

159. The CPSC collected samples from the defendants' import shipments that are "toys" or "articles intended for use by children," as defined under 16 C.F.R. § 1303.2(b)(3). Two samples failed to comply with the lead paint ban because they contained lead paint beyond the statutory limit. Accordingly, these items are banned hazardous substances.

160. On May 15, 2014, the CPSC collected, from Lily Popular's import shipments, one sample of toys or articles intended for use by children. The sample contained lead paint beyond the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

161. The CPSC sent Lily Popular a LOA dated August 8, 2014, notifying Lily Popular and Jing that the sample of toys or articles intended for use by children collected on May 15, 2014, contained lead paint beyond the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

162. On September 21, 2015, the CPSC collected, from Lily Popular's import shipments, one sample of toys or articles intended for use by children. The sample contained lead paint beyond the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

163. The CPSC sent Lily Popular a LOA dated October 15, 2015, notifying defendants that the sample of toys or articles intended for use by children collected on September 21, 2015, contained lead paint beyond the statutory limit, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D). The LOA requested corrective action.

164. On the two occasions listed above, Lily Popular and Jing introduced or delivered for introduction, and caused the introduction or delivery for introduction, into interstate commerce of banned hazardous substances, that is, toys or other articles bearing lead paint, and received in interstate commerce such products and delivered or proffered delivery thereof for pay or otherwise, thereby violating 15 U.S.C. §§ 1263(a), (c), 2068(a)(1) and (2)(D).

Violation Concerning The Labeling Of Hazardous Art Materials

165. The United States re-alleges and incorporates by reference paragraphs 1 through 164 of this Complaint as though fully set forth herein.

166. Under the Labeling of Hazardous Art Materials Act (“LHAMA”), any art material which has the potential to produce chronic adverse health effects and does not meet the requirements of LHAMA is a misbranded hazardous substance. 15 U.S.C. §§ 1262(b), 1277(a) and (b).

167. LHAMA and regulations issued thereunder define a chronic adverse health effect as “a persistent toxic effect(s) that develops over time from a single, prolonged, or repeated exposure to a substance.” 16 C.F.R. § 1500.14(b)(8)(i)(B)(3).

168. LHAMA and regulations issued thereunder define an art material as “any raw or processed material, or manufactured product, marketed or represented by the producer or repackager as intended for and suitable for . . . artists or crafts people of any age who create, or recreate in a limited number, largely by hand, works which may or may not have a practical use, but in which aesthetic considerations are paramount.” 16 C.F.R. § 1500.14(b)(8)(i)(B)(1) and (2). A producer includes the person or entity that manufactures, processes, or imports an art material. 16 C.F.R. § 1500.14(b)(8)(i)(B)(7).

169. LHAMA requires that the importer of art materials submit the product formulations to a toxicologist to have the product assessed for its potential to cause adverse chronic health effects before the product is entered into commerce. 16 C.F.R. § 1500.14(b)(8)(i)(C). Prior to the product entering commerce, the importer must submit to CPSC staff the criteria used to determine whether the art materials have the potential for producing chronic adverse health effects and a list of art materials that require hazard warning labels under LHAMA. 16 C.F.R. § 1500.14(b)(8)(ii)(C).

170. An art material must be accompanied by a statement of conformance to ASTM D-4236. 16 C.F.R. § 1500.14(b)(8)(i)(C)(7).

171. On December 17, 2013, the CPSC collected from Great Great's import shipments an "art material" as defined under 16 C.F.R. § 1500.14(b)(8)(i)(B)(1) and (2), that has the potential to produce chronic adverse health effects, as defined under 16 C.F.R. § 1500.14(b)(8)(i)(B)(3).

172. The CPSC sent Great Great a LOA dated February 4, 2014, notifying Great Great and You that the art material collected on December 17, 2013, had the potential to produce chronic adverse health effects and that Great Great failed to submit to CPSC staff the required criteria or list of art materials that require hazard warning labels and that the products lack a statement of conformance to ASTM D-4236. Accordingly, the art material is a misbranded hazardous substance, thereby violating 15 U.S.C. §§ 1263(a), (c) and 2068(a)(1). The LOA requested corrective action.

173. On April 16, 2015, the CPSC collected from Great Great's import shipments two "art materials" as defined under 16 C.F.R. § 1500.14(b)(8)(i)(B)(1) and (2), that have the potential to produce chronic adverse health effects, as defined under 16 C.F.R. § 1500.14(b)(8)(i)(B)(3).

174. The CPSC sent Great Great a LOA dated July 20, 2015, notifying Great Great and You that the art materials collected on April 16, 2015, had the potential to produce chronic adverse health effects and that Great Great failed to submit to CPSC staff the required criteria or list of art materials that require hazard warning labels and that the products lack a statement of conformance to ASTM D-4236. Accordingly, the art materials are misbranded hazardous substances, thereby violating 15 U.S.C. §§ 1263(a), (c) and 2068(a)(1). The LOA requested corrective action.

175. On May 19, 2015, the CPSC collected from Lily Popular's import shipments

three “art materials” as defined under 16 C.F.R. § 1500.14(b)(8)(i)(B)(1) and (2), that have the potential to produce chronic adverse health effects, as defined under 16 C.F.R.

§ 1500.14(b)(8)(i)(B)(3).

176. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the art materials collected on May 19, 2015, had the potential to produce chronic adverse health effects and that Lily Popular failed to submit to CPSC staff the required criteria or list of art materials that require hazard warning labels for one of the art materials and that all three of the art materials lack a statement of conformance to ASTM D-4236.

Accordingly, the art materials are misbranded hazardous substances, thereby violating 15 U.S.C. §§ 1263(a), (c) and 2068(a)(1). The LOA requested corrective action.

177. On November 3, 2016, the CPSC collected from Lily Popular’s import shipments two “art materials” as defined under 16 C.F.R. § 1500.14(b)(8)(i)(B)(1) and (2), that have the potential to produce chronic adverse health effects, as defined under 16 C.F.R.

§ 1500.14(b)(8)(i)(B)(3).

178. The CPSC sent Lily Popular a LOA dated February 9, 2017, notifying Lily Popular and Jing that the art materials collected on November 3, 2016, had the potential to produce chronic adverse health effects and that Lily Popular failed to submit to CPSC staff the required criteria or list of art materials that require hazard warning labels and that the products lack a statement of conformance to ASTM D-4236. Accordingly, the art materials are misbranded hazardous substances, thereby violating 15 U.S.C. §§ 1263(a), (c) and 2068(a)(1). The LOA requested corrective action.

179. On the eight occasions listed above, the defendants introduced or delivered for introduction, and caused the introduction or delivery for introduction, into interstate commerce

misbranded hazardous substances, that is, art materials, and received in interstate commerce such products, and delivered or proffered delivery thereof for pay or otherwise, thereby violating 15 U.S.C. §§ 1263(a), (c) and 2068(a)(1).

Violations Concerning The Labeling of Hazardous Materials – Latex Balloon

180. The United States re-alleges and incorporates by reference paragraphs 1 through 179 of this Complaint as though fully set forth herein.

181. Under the FHSA and the regulations issued thereunder, any latex balloon, or toy or game containing a latex balloon that lacks the required cautionary statement is a misbranded hazardous substance. 15 U.S.C. § 1278(e); 15 U.S.C. § 1261(p); 16 C.F.R. § 1500.19(b).

182. On May 19, 2015, the CPSC collected from Lily Popular’s import shipments, a sample of toys containing latex balloons as defined in 16 C.F.R. § 1500.19(a)(3). The sample lacked the following required cautionary statement for a latex balloon, or toy or game that contains a latex balloon: “CHOKING HAZARD - - Children under 8 yrs. can choke or suffocate on uninflated or broken balloons. Adult supervision required. Keep uninflated balloons from children. Discard broken balloons at once.” 15 U.S.C. § 1278(b)(2); 16 C.F.R. § 1500.19(b)(2). Accordingly, the sample of toys containing latex balloons and lacking the required label is a misbranded hazardous substance. 15 U.S.C. § 1261(p); 15 U.S.C. § 1278(e); 16 C.F.R. § 1500.19(b).

183. The CPSC sent Lily Popular a LOA dated August 4, 2015, notifying Lily Popular and Jing that the sample collected on May 19, 2015, lacked the required cautionary statement for a latex balloon, or toy or game that contains a latex balloon and that the sample containing latex balloons and lacking the required label is a misbranded hazardous substance. 15

U.S.C. § 1261(p); 15 U.S.C. § 1278(e); 16 C.F.R. § 1500.19(b). The LOA requested corrective action.

184. On this occasion, Lily Popular and Jing introduced or delivered for introduction, and caused the introduction or delivery for introduction, into interstate commerce of misbranded hazardous substances, that is, toys or games containing a latex balloon lacking the required labeling, and received in interstate commerce such toys and delivered or proffered delivery thereof for pay or otherwise, thereby violating 15 U.S.C. § 1263(a), (c) and 2068(a)(1).

RELIEF REQUESTED

185. Based on the defendants' past and present courses of conduct, there is a substantial likelihood that, unless restrained by order of this Court pursuant to 15 U.S.C. §§ 2071(a) and 1267(a), defendants will continue to violate the CPSA, the FHSA, and other regulations issued thereunder.

WHEREFORE, the United States respectfully requests that this Court:

186. Pursuant to 15 U.S.C. § 2071(a), permanently restrain and enjoin the defendants and each and all of their directors, officers, agents, servants, brokers, employees, successors, assigns, attorneys, and all persons or entities in active concert or participation with any of them, from directly or indirectly selling, offering for sale, distributing in commerce, or importing into the United States children's toys and children's products which do not conform to the consumer product safety statutes and regulations enforced by the CPSC, in violation of 15 U.S.C. § 2068(a)(1); selling, offering for sale, manufacturing for sale, distributing in commerce, or importing into the United States products that are banned hazardous substances within the meaning of 15 U.S.C. § 1261(q)(1) of the FHSA, in violation of 15 U.S.C. § 2068(a)(2)(D); and

failing to issue certificates and failing to include tracking labels required by 15 U.S.C. § 2063(a)(2), (3), and (5), in violation of 15 U.S.C. § 2068(a)(6).

187. Pursuant to 15 U.S.C. § 1267(a), permanently restrain and enjoin the defendants, and each and all of their directors, officers, agents, servants, brokers, employees, successors, assigns, attorneys, and all persons or entities in active concert or participation with any of them, from directly or indirectly introducing or causing the introduction and delivery for introduction into interstate commerce of misbranded hazardous substances or banned hazardous substances, and receiving or causing the receipt in interstate commerce of misbranded hazardous substances or banned hazardous substances and delivering or proffering delivery thereof for pay or otherwise, in violation of 15 U.S.C. §§ 1263(a), (c), 2068(a)(1), and (2)(D).

188. Pursuant to 15 U.S.C. §§ 2071(a) and 1267(a), award any further injunctive relief that is requested and agreed upon by the parties, as the Court deems necessary and proper.

Dated: Brooklyn, New York
June 21, 2017

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