1 2 3 4 5 6 7	ANTHONY J. ORSHANSKY, Cal. Bar No. 19 anthony@counselonegroup.com COUNSELONE, P.C. 9301 Wilshire Boulevard, Suite 650 Beverly Hills, California 90210 Telephone: (310) 277-9945 Facsimile: (424) 277-3727 Attorneys for Plaintiffs OSIE MARSHALL, YASNA CUEVAS, JOHN on behalf of themselves and others similarly sin	San Francisco County Superior Court APR 0 4 2014 CLERK OF THE COURT By: Deputy Clerk	
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
9	COUNTY OF SAN FRANCISCO		
10		CGC-14-538447	
12	OSIE MARSHALL, YASNA CUEVAS,	Case No.	
13	JOHN VAN ES, on behalf of themselves and others similarly situated,	CLASS ACTION COMPLAINT FOR:	
14	Plaintiffs,	(1) Unlawful Business Practices (Cal. Bus. & Prof. Code § 17200 et seq.)	
15	V.	(2) Unfair Business Practices (Cal. Bus.	
16	MONSTER BEVERAGE CORPORATION, a Delaware corporation, dba HANSEN	& Prof. Code § 17200 et seq.)	
17	BEVERAGE COMPANY, and DOES 1 through 50, inclusive,	(3) Fraudulent Business Practices (Cal. Bus. & Prof. Code § 17200 et seq.)	
18 19	Defendants.	(4) Misleading Advertising (Cal. Bus. & Prof. Code § 17500 et seq.)	
20		(5) Untrue Advertising (Cal. Bus. & Prof. Code § 17500 et seq.)	
21 22		(6) Violation of the Consumer Legal Remedies Act, Cal. Civ. Code §§ 1750	
23		et seq.	
24		(7) Restitution Based on Quasi-Contract / Unjust Enrichment	
25		DEMAND FOR HIDS/TRIAL	
26		DEMAND FOR JURY TRIAL	
27		•	
28			
	CLASS ACTION COMPLAINT		

///

Plaintiffs OSIE MARSHALL, YASNA CUEVAS, JOHN VAN ES (hereinafter "Plaintiffs"), on behalf of themselves and all others similarly situated, complain of MONSTER BEVERAGE CORPORATION, a Delaware corporation, dba HANSEN BEVERAGE COMPANY, and DOES 1 through 50, inclusive, as follows:

INTRODUCTION

- 1. Plaintiffs bring this action pursuant to Code of Civil Procedure § 382 against
 Defendants Monster Beverage Corporation dba Hansen Beverage Company ("Hansen"), and Does
 1 through 50, inclusive (collectively with Hansen, "Defendants"), on behalf of all consumers in
 the United States within four years of the filing of this lawsuit who within the last four years have
 purchased any of the "Misbranded Products," which include all Hansen's Juices or Juice Box
 products, all Hansen's Smoothie Nectar products, all Hubert's Lemonade products, all Aguas
 Frescas products, all Hansen's Natural Fruit and Tea Stix products, all Vidration products, all
 Hansen's sodas, all Blue Sky sodas, Energy Pro, Diet Red, and all Blue Energy products (energy,
 juice, coffee). The labels for each of these products carry representations about the ingredients or
 alleged healthful properties of the products that are intended to induce, and have induced,
 consumers to purchase the products. These representations, however, are false, misleading, and
 unlawful for the reasons alleged below.
- 2. Plaintiffs allege that Defendants' conduct violates California's Business and Professions Code sections 17200, et seq. (the Unfair Competition Law, or "UCL"), California's Business and Professions Code sections 17500, et seq. (the False Advertising Law, or "FAL"), and the Consumers Legal Remedies Act of the California Civil Code sections 1750, et seq. (the "CLRA"). Plaintiffs also allege that Defendants' conduct is grounds for restitution on the basis of quasi-contract/unjust enrichment.
- 3. Plaintiffs seek damages and restitution stemming from Defendants' false labeling and advertising. Plaintiffs also seek declaratory and injunctive relief to ensure that Defendants remove any and all false or misleading labels and advertisements relating to the Misbranded Products and to prevent them from making similar representations in the future.

28 | ///

PARTIES

- 4. Hansen has its headquarters in Corona, California, and upon information and belief operates, manages and directs its nationwide sales and business operations from its offices in California. Hansen also maintains manufacturing, storage, and distribution centers in California, from which Hansen operates and directs the majority, or at least a substantial proportion, of its nationwide sales and business operations. It is therefore believed and averred that a substantial portion of the misleading labeling and related misconduct at issue in this Complaint occurred, was conducted, and/or was directed in and emanated from California, including, but not limited to: (a) the design of the Defendants' packaging; (b) the review, approval and revision of Defendants' products and labeling; (c) the selection and integration of ingredients into the Defendants' products; (d) the distribution of the Defendants' products; and (e) the management and supervision of sales operations to Plaintiffs and the putative classes (as defined herein).
- 5. The true names and capacities, whether individual, corporate, associate, or whatever else, of the defendants sued herein as Does 1 to 50, inclusive, are currently unknown to Plaintiffs, who therefore sue these defendants by such fictitious names under <u>Code of Civil Procedure § 474</u>. Plaintiffs are informed and believe and thereon allege that each of the defendants designated herein as Does is legally responsible in some manner for the unlawful acts referred to herein. Plaintiffs will seek leave of court to amend this Complaint to reflect the true names and capacities of the defendants designated herein as Does when their identities become known. (As used herein, "Defendants" refers to Hansen and Does 1 to 50, inclusive.)
- 6. Plaintiffs are informed and believe and thereon allege that each defendant acted in all respects pertinent to this action as the agent of the other Defendants, that Defendants carried out a joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of each defendant are legally attributable to the other Defendants.
- 7. Venue is proper in this judicial district pursuant to <u>Code of Civil Procedure § 395.5</u> because the obligations giving rise to liability occurred in part in the County of San Francisco, State of California.

BACKGROUND

8. Hansen deceptively labels and advertises the Misbranded Products in the following ways—all of which create the impression that the Misbranded Products are natural, healthy beverages.

Hansen Unlawfully Claims That the Misbranded Products Are Natural.

- 9. Hansen advertises, labels, and represents the Misbranded Products as being "Natural," "100% Natural," or "All Natural." These claims appear on the product labels and even in the product names of the Misbranded Products. This claim is reinforced on Hansen's website, which depicts a verdant field, trees, a blue sky, and butterflies. Some of the Misbranded Products labeled as natural also state that they are "naturally sweetened with Truvia." (*See* sample product labels, attached as Exh. A.)
- 10. These representations are false or, at best, deceptive and misleading. Webster's New World Dictionary defines "natural" as "produced or existing in nature; not artificial or manufactured." Moreover, "all" is defined as "the whole extent or quantity of." Thus the combined use of "all natural" on the labels of the Mislabeled Products indicates to the average reasonable person that "the whole extent or quantity of" the ingredients contained in the food products are "produced or existing in nature; not artificial or manufactured."
- 11. Although the Food and Drug Administration ("FDA") does not directly regulate the term "natural," the FDA has established a policy defining the outer boundaries of the use of that term by clarifying that a product is not natural if it contains color additives, artificial flavors, or synthetic substances.³ Specifically, the FDA states: "[T]he agency will maintain its policy (Ref. 32) regarding the use of 'natural,' as meaning that nothing artificial or synthetic (including all color additives regardless of source) has been included in, or has been added to, a food that would not normally be expected to be in the food." 58 Fed. Reg. 2302, 2407 (Jan. 6, 2003). The FDA

///

Webster's New World Dictionary of the American Language, 2nd College Ed. (Simon & Schuster, 1984), "natural," definition no. 2 at p.947.

² Id., "all," definition no. 1 at p. 36.

³ See http://www.fda.gov/ForConsumers/ConsumerUpdates/ucm094536.htm and http://www.fda.gov/AboutFDA/Transparency/Basics/ucm214868.htm.

27

28

has issued numerous warning letters owing to the presence of synthetic ingredients such as ascorbic and citric acid in so-called "natural" products without proper identification.

- This policy is consistent with consumers' understanding of the word "natural." 12. Consumers understand "natural" to exclude synthetic ingredients, food additives, or chemical preservatives. In a 2007 survey conducted by the Natural Marketing Institute, the majority of respondents believed that the term "natural" in a product label meant that the product contained 100 percent natural ingredients, no artificial flavors, no artificial colors, no preservatives, no chemicals, and a substantial percentage thought that it meant that the product was not highly processed. Moreover, 81 percent of respondents found products claiming to be "natural" very/somewhat important when purchasing food or beverage products. And large majorities also found that products containing no preservatives, no artificial ingredients, no artificial flavors, and no artificial colors to be very/somewhat important when purchasing food and beverage products. These percentages are even larger among the health-conscious segments of the US population, which are large—approximately 40 percent. What is more, the survey found that these trends have increased from previous years, and consequently the subject labeling statements are probably far more important to consumers today. Significantly, the survey also found that package labeling was by far the most important source of information influencing consumers' purchasing decisions, especially among the health-conscious segment of the population.
- 13. The labeling of products as "natural" or "all natural" (or words of similar import) carries implicit health benefits important to consumers—benefits for which consumers are willing to pay a premium over comparable products that are not so labeled and marketed. Defendants have cultivated and reinforced a corporate image based on this theme, which they have emblazoned on almost all of the Misbranded Products and even use the word "natural" in the trade name of certain products (e.g., sodas and juices), despite the use of synthetic ingredients in these products. The presence of synthetic ingredients in the Misbranded Products renders Defendants' product labels and advertising false and misleading.
- 14. Moreover, like the FDA, the United States Department of Agriculture ("USDA"), which regulates the labeling of meat and poultry, has also set limits on the use of the term

6

10 11

12

13

14

15 16

17

18 19

20

21 22

23

24

25 26

2.7

"natural." The USDA's Food Safety and Inspection Service states that the term "natural" may be used on labeling of meat and poultry products so long as "(1) the product does not contain any artificial flavor or flavorings, color ingredient, or chemical preservative ... or any other artificial or synthetic ingredient, and (2) the product and its ingredients are not more than minimally processed."

- According to the USDA, "[m]inimal processing may include: (a) those traditional 15. processes used to make food edible or to preserve it or to make it safe for human consumption, e.g., smoking, roasting, freezing, drying, and fermenting, or (b) those physical processes which do not fundamentally alter the raw product and/or which only separate a whole, intact food into component parts, e.g., grinding meat, separating eggs into albumen and yolk, and pressing fruits to produce juices." However, "[r]elatively severe processes, e.g., solvent extraction, acid hydrolysis, and chemical bleaching would clearly be considered more than minimal processing."5
- Under USDA policy, a product cannot be labeled as being "natural" if an ingredient 16. would significantly change the character of the product to the point that it could no longer be considered a natural product. Moreover, any product purporting to be "natural" must conspicuously identify any synthetic ingredients used on the label (e.g., "all natural ingredients except dextrose, modified food starch, etc."). For example, a "turkey roast" cannot be called a "natural" product if it contains beet coloring but can still bear the statement "all natural ingredients modified by beet coloring." Defendants do not, however, include any such limiting language on the Misbranded Products.6
- The terms "synthetic" and "artificial" closely resemble each other and in common 17. parlance are taken as synonymous. The scientific community defines "artificial" as something not found in nature, whereas "synthetic" is defined as something man-made, whether it merely mimics nature or is not found in nature. In the scientific community, "synthetic" includes substances that

⁴ See the United States Department of Agriculture Food Standards and Labeling Policy book available at http://www.fsis.usda.gov/OPPDE/larc/Policies/Labeling_Policy_Book_082005.pdf (last visited December 18, 2013).

⁵ Ibid. ⁶ Ibid.

⁷ Peter E. Nielsen, Natural-synthetic-artificial!, Artificial DNA: PNA & XNA, Volume 1, Issue 1 (July/August/September 2010), available at http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3109441/ (last visited December 18, 2013).

///

are also "artificial," but a synthetic substance also can be artificial or non-artificial.⁸ However, the common understanding of "artificial" resembles the scientific community's definition of "synthetic." Indeed Webster's New World Dictionary defines "artificial" as "anything made by human work, especially if in intimation of something natural," whereas "synthetic" is defined as "a substance that is produced by chemical synthesis and is used as a substitute for a natural substance which it resembles."

- 18. Congress has defined "synthetic" to mean "a substance that is formulated or manufactured by a chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes." 7 U.S.C. § 6502(21). See also 7 C.F.R. § 205.2 (defining, in USDA's National Organic Program regulations, a "nonsynthetic" as "a substance that is derived from mineral, plant, or animal matter and does not undergo a synthetic process as defined in section 6502(21) of the Act (7 U.S.C. § 6502(21)").
- The Misbranded Products are not natural because they actually contain synthetic ingredients (e.g., citric acid, ascorbic acid, phosphoric acid, tartaric acid, calcium lactate, calcium gluconate) and color additives (e.g., grape skin extract, fruit and vegetable juice). See 21 C.F.R. § 101.9(c)(8)(v), 101.36(d), 101.36(e)(11)(i).
- 20. Although these substances may occur naturally, the ingredients Hansen uses are chemically manufactured and highly processed—thus rendering them not natural.
- 21. Moreover, Truvia is not natural because its primary ingredient is erythritol, a sugar alcohol usually made by processing genetically modified corn. In fact, Truvia uses only a small amount of the stevia extract Rebiana A ("Reb A"), which is itself a chemically processed form of stevia and hence not natural. However, the ingredient statement on the Misbranded Products claiming to be "sweetened with Truvia" does not even disclose the existence of erythritol, only Reb A, even though Reb A constitutes only one percent of Truvia.

Ibid.
 See Webster's New World Dictionary of the American Language, 2nd College Ed. (Simon & Schuster, 1984), "artificial," definition SYN at p.79.

- 22. The Misbranded Products also boast that they contain a substantial percentage of vitamins and antioxidants such as vitamins C and E. These claims appear both on product labels and in advertising material. For example, Hansen's webpage for Apple Grape Juice states, "Besides great taste, there's the added benefit of naturally occurring antioxidants, as well as 120% Vitamin C. Not a drop of sugar or a speck of preservatives added."
- 23. Hansen misrepresents the provenance of the vitamin C and leads consumers to believe that both it and the claimed antioxidant activity in the Misbranded Products are derived from fruit and not chemical sources.
- 24. Further, Hansen's Diet Sodas are misbranded because although they purport to be "naturally flavored," they contain artificial flavors such as citric acid and phosphoric acid, which impart a tangy or sour taste to the sodas. These artificial flavors appear in the ingredient statement of the sodas before the natural flavor extracts. (*See* diet soda label, attached hereto as Exh. B.) Indeed the natural flavor extract almost always appears last in the ingredient statement.
- 25. Because the Misbranded Products contain artificial flavoring and chemical preservatives without stating this fact on the product labels, Defendants violated the California's Sherman Food, Drug, and Cosmetic Law, including California Health & Safety Code § 110740. In this way, Defendants have also violated California Health & Safety Code § 110705 because words, statements, or other information required pursuant to the Sherman Law to appear on the label or labeling are not prominently placed upon the label or labeling with conspicuousness, as compared with other words, statements, designs, or devices in the labeling and in terms as to render them likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

Hansen Unlawfully Claims the Misbranded Products Contain "No Preservatives."

- 26. Rather than disclose the presence of chemical preservatives as required by law, Defendants state the opposite through labeling statements claiming the Misbranded Products contain "no preservatives." (See example product labels, attached as Exh. C.)
- 27. The Federal Regulations require food and beverage manufacturers to disclose the presence of chemical preservatives "on the food or on its container or wrapper, or on any two or

all three of these, as may be necessary to render such statement likely to be read by the ordinary person under customary conditions of purchase and use of such food." 21 CFR § 101.22(c).

- 28. "The term chemical preservative means any chemical that, when added to food, tends to prevent or retard deterioration thereof, but does not include common salt, sugars, vinegars, spices, or oils extracted from spices, substances added to food by direct exposure thereof to wood smoke, or chemicals applied for their insecticidal or herbicidal properties." 21 CFR § 101.22(a)(5).
- 29. Pursuant to 21 C.F.R. § 101.22(j), a food to which a chemical preservative(s) is added shall, except when exempt pursuant to 21 C.F.R. § 101.100 bear a label declaration stating both the common or usual name of the ingredient(s) and a separate description of its function, e.g., "preservative," "to retard spoilage," "a mold inhibitor," "to help protect flavor," or "to promote color retention."
- 30. The Misbranded Products fail to comply with the requirements of 21 C.F.R. § 101.22. Because many of the Misbranded Products have lengthy shelf-lives, they contain a number of chemical preservatives such as ascorbic acid, citric acid, and vitamin E; however, the labels of these products fail to describe the function of these chemical preservatives, thus violating the law and concealing their presence.
- 31. Ascorbic acid, citric acid, and vitamin E are not types of common salt, sugar, vinegar, spice, or oil extracted from spices, nor are they substances added to food by direct exposure thereof to wood smoke, or chemicals applied for their insecticidal or herbicidal properties. As used by Defendants in their products, these chemicals prevent or retard deterioration of the products. Therefore these chemicals are "chemical preservatives" in Hansen's products, as defined in 21 C.F.R. § 101.22(a)(5), and must be disclosed and identified as such.

Hansen Unlawfully Claims That the Misbranded Products Contain "100% Juice."

- 32. Hansen's juice products claim to be made with 100 percent juice. (See example product labels, attached as Exh. D.)
- 33. However, this is false owing to the addition of numerous synthetic, non-juice ingredients. A beverage purporting to be juice must contain a percentage juice declaration. *See*

significantly reduced in calories, consumers are misled when foods that are not low-calorie as a 1 matter of law are falsely represented through the use of phrases like "no sugar added" which they 2 are not allowed to bear owing to high calorie levels and absence of mandated disclaimer or 3 disclosure requirements. 4 Hansen Unlawfully Misbrands the Products Made from Concentrate. 5 Hansen's juice products are misbranded because they do not comply with 38. 6 regulations governing juices made from concentrate. See 21 C.F.R. § 102.33(g)(1). These 7 regulations require the name of a beverage that is made from concentrate to include a term 8 indicating that fact, such as "from concentrate" or "reconstituted." Ibid. The regulations further 9 provide that "such terms must be included in the name of each individual juice or . . . once 10 adjacent to the product name so that it applies to all the juices." Ibid. Further, "[t]he term shall be 11 in a type size no less than one-half the height of the letters in the name of the juice." 12 Hansen's juice products are misbranded because although the labels include a 13 39. statement that the juice is from concentrate, in many instances this statement is small, less than one-half the height of the letters in the name of the juice, and purposely positioned to mislead the 15 average consumer, which again violates California law. See California Health & Safety Code § 16 110705. (See example product labels, attached as Exh. F.) 17 Hansen Unlawfully Claims the Misbranded Products Are "Sweetened with Splenda." 18 Hansen's Diet Sodas claim to be sweetened with Splenda, an artificial sweetener 40. 19 purportedly derived from sugar, and the front labels often show a Splenda logo. (See example 20 product labels, attached as Exh. G.) 21 This claim is deceptive because these products lead consumers to believe they are 22 41. sweetened only or primarily with Splenda when in fact they are also sweetened with acesulfame 23 potassium, a different artificial sweetener that has been linked to medical conditions such as 24 impaired cognitive function and is therefore avoided by many consumers. 10 25 26 ///

Neurometabolic Functions in C57BL/6J Mice," *PLoS ONE*, Aug. 7, 2013, available at http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0070257 Center for Science in the Public Interest, http://www.cspinet.org/reports/asekquot.html

27

28

42. The statement "Sweetened with Splenda" is rendered additionally deceptive because the ingredient statements disclose that account a potassium is often the *primary* sweetener in these products, with Splenda being secondary.

Hansen Unlawfully Fortifies the Misbranded Products.

- 43. Hansen claims that many of the Misbranded Products such as its Blue Sky sodas contain vitamins and antioxidants including ascorbic acid (synthetic vitamin C), beta carotene (synthetic vitamin A), and tocopherols (synthetic vitamin E). However, these vitamins and antioxidants are not naturally occurring; rather, Hansen fortifies these products with synthetic vitamins and antioxidants. (See example product labels, attached as Exh. H.)
- 44. This is improper. "The Food and Drug Administration does not encourage indiscriminate addition of nutrients to foods, nor does it consider it appropriate to fortify ... snack foods such as candies and carbonated beverages." 21 CFR § 104.20(a). A nutrient cannot be added to a food or beverage unless it is physiologically available from the food. *Id.* at subdiv. (g). A manufacturer may not make false or misleading statements regarding the addition of vitamins or minerals. *Id.* at subdiv. (h).
- 45. Hansen violates federal labeling law by fortifying snack foods and carbonated beverages with vitamins and antioxidants. What is more, vitamins such as vitamins A and E are not physiologically available when added to beverages because they are fat soluble, meaning that they cannot be absorbed by the body in the absence of fat, which the Misbranded Products do not contain.
- 46. Moreover, Hansen deceptively represents that these sodas contain naturally occurring vitamins and antioxidants through the depiction on product labels of images of fruits such as raspberries and grapes with well-known antioxidant activity and vitamin content when in fact the Misbranded Products contain *added* vitamins and antioxidants.

Allegations as to the Named Plaintiffs

47. Plaintiffs are and, throughout the entire class period, were residents of the State of California. Plaintiffs are concerned about and try to avoid consuming foods that are not natural, such as products containing synthetic, artificial or chemical ingredients, as well as products that

are high in sugar. For this reason, Plaintiffs are willing to pay and have paid a premium for foods that are natural and have endeavored to refrain from buying equivalent foods which are not natural and which do contain synthetic, artificial, or chemical ingredients and are high in sugar.

- 48. During the class period Plaintiff OSIE MARSHALL purchased, among other products, multiple Hansen's Soda and Diet Sodas, Hansen's Blue Sky Soda, Hansen's juice, Hansen's and Junior Juice and Juice Boxes, and Hubert's Lemonade from various markets throughout California.
- 49. Plaintiff YASNA CUEVAS purchased, among other products, Hansen's Soda, Diet Soda, and Blue Sky Soda products, Angeleno Aguas Frescas, Hansen's Peace Tea, Hansen's Smoothie Nectar drinks, Hansen's Vidration, and Hansen's energy drinks from stores throughout California during the class period.
- 50. Plaintiff JOHN VAN ES purchased, among other products, Hansen's juice and Juice Box Products, Hansen's Sodas and Diet Sodas, Hubert's Lemonade products, and Hansen's tea and fruit stix from stores throughout California during the class period.
- Before buying Hansen's products, Plaintiffs saw pictures of fruit on the product labels and read statements that these products were "Natural," "100% Natural," "All Natural," "naturally flavored," "naturally sweetened with Truvia," "GMO Free," and contained "No Preservatives," "100% juice," and specified antioxidants and vitamins, and Plaintiffs relied on these representations in deciding to buy the products. Plaintiffs understood these representations as meaning there was nothing artificial, synthetic, or chemically fabricated in the products, that they did not contain preservatives, and that the antioxidants were derived from natural sources (such as fruits) and were physiologically available when ingested.
- 52. Consistent with this understanding, Plaintiffs did not see the small statements on some of the product labels that the juices came from concentrate. Plaintiffs also read the "no sugar added" statement on the products and believed that these were lower calorie or reduced-calorie drinks and/or were not sweetened using concentrated fruit juice (or other sweeteners) and/or were drawn to the products because of this label. Plaintiffs relied on this front-of-the-package

///

///

representation and did not scrutinize the nutrition panel for information on sugar and caloric content.

- 53. Moreover, Plaintiffs believed that sodas fortified with antioxidants and vitamins were healthier for themselves and their families because the vitamins and antioxidants were naturally occurring and could represent a source of the specified vitamins and antioxidants needed in their diets.
- 54. Finally, Plaintiffs relied on label representations that Hansen's Diet Soda was sweetened with Splenda, which they preferred to other sweeteners because they believed that it was derived from sugar.
- representations but also paid more money than they would have had to pay for other similar products that did not make similar representations. Indeed, had Plaintiffs known that Defendants' representations were false or deceptive, they would not have purchased these products but would have purchased brands that accurately represented the product or, if these were not available, would have purchased less expensive products that did not make such representations. In this way, Plaintiffs did not receive the products they had bargained for and have lost money as a result in the form of paying money to Defendants and paying a premium for Defendants' products owing to the misrepresentations.
- 56. On or around September 13, 2013, Plaintiffs sent a letter to Hansen informing it that it has engaged in unfair methods of competition and/or deceptive acts or practices, including but not limited to violation of California Civil Code § 1770, in connection with the sale of the Misbranded Products, and requested that it correct, repair, replace, or otherwise rectify its unlawful conduct. Hansen ultimately declined to correct, repair, replace, or otherwise rectify its unlawful conduct. Because more than 30 days have elapsed since the receipt of Plaintiffs' letter, Plaintiffs herein seek actual, punitive, and statutory damages as appropriate on behalf of themselves and similarly situated consumers, as well as equitable including injunctive relief.

CLASS ALLEGATIONS

- 57. Plaintiffs bring this action on behalf of themselves and those similarly situated as a class action pursuant to <u>Code of Civil Procedure § 382</u>. Plaintiffs seek to represent the following classes: All persons in the United States or, alternatively, California who purchased one or more of the Misbranded Products from four years prior to the filing of the Complaint and continuing to the present.
- 58. The class excludes counsel representing the class, governmental entities, Defendants, any entity in which Defendants have a controlling interest, Defendants' officers, directors, affiliates, legal representatives, employees, co-conspirators, successors, subsidiaries, and assigns, any judicial officer presiding over this matter, the members of their immediate families and judicial staff, and any individual whose interests are antagonistic to other putative class members.
- 59. Plaintiffs reserve the right under <u>California Rule of Court 3.765</u> to amend or modify the class description with greater particularity or further division into subclasses or limitation to particular issues.
- 60. This action has been brought and may properly be maintained as a class action under the provisions of <u>Code of Civil Procedure § 382</u> because there is a well-defined community of interest in the litigation and the class is easily ascertainable.

A. Numerosity

61. The potential members of the class as defined are so numerous that joinder of all members of the class is impracticable. Although the precise number of putative class members has not been determined at this time, Plaintiffs are informed and believe that the proposed classes include thousands of members.

B. Commonality

62. There are questions of law and fact common to the class that predominate over any questions affecting only individual putative class members. These common questions of law and fact include:

26 | ///

27

28

///

///

THIRD CAUSE OF ACTION

Fraudulent Business Practices in Violation of Business and Professions Code § 17200, et seq.

- 88. Plaintiffs incorporate by reference each allegation set forth above.
- 89. Defendants' conduct as set forth herein constitutes fraudulent business practices under California Business and Professions Code sections § 17200, et seq.
- 90. Defendants sold Misbranded Products in California and throughout the United States during the class period.
- 91. Defendants' misleading marketing, advertising, packaging, and labeling of the Misbranded Products and misrepresentation that the products were capable of sale, capable of possession, and not misbranded were likely to deceive reasonable consumers, and in fact Plaintiffs and the members of the putative class were deceived.
- 92. Defendants' fraud and deception caused Plaintiffs and the members of the putative class to purchase Misbranded Products that they would otherwise not have purchased had they known the true nature of those products.
- 93. Defendants sold Plaintiffs and the members of the putative class Misbranded Products that were not capable of being sold or legally held and that had no economic value and were legally worthless. Plaintiffs and the members of the putative class paid a premium price for the Misbranded Products.
- 94. As a result of Defendants' conduct as set forth herein, Plaintiffs and each member of the putative class, pursuant to Business and Professions Code § 17203, are entitled to an order enjoining such future conduct by Defendants, and such other orders and judgments which may be necessary to disgorge Defendants' ill-gotten gains and restore any money paid for Defendants' Misbranded Products by Plaintiffs and the members of the putative class.

FOURTH CAUSE OF ACTION

Misleading Advertising in Violation of

Business and Professions Code § 17500, et seq.

95. Plaintiffs incorporate by reference each allegation set forth above.

- 96. Plaintiffs assert this cause of action for violations of California Business and Professions Code § 17500, et seq., for misleading and deceptive advertising against Defendants.
- 97. Defendants sold Misbranded Products in California and throughout the United States during the class period. Defendants engaged in a scheme of offering the Misbranded Products for sale to Plaintiffs and the members of the putative class by way of, *inter alia*, product packaging and labeling, and other promotional materials. These materials misrepresented and/or omitted the true contents and nature of Defendants' Misbranded Products.
- 98. Defendants' advertisements and inducements were made within California and throughout the United States and come within the definition of advertising as contained in Business and Professions Code §17500, et seq., in that such product packaging and labeling, and promotional materials were intended as inducements to purchase Defendants' Misbranded Food Products and are statements disseminated by Defendants to Plaintiffs and the members of the putative class that were intended to reach the members of the putative class. Defendants knew, or in the exercise of reasonable care should have known, that these statements were misleading and deceptive as set forth herein.
- 99. In furtherance of its plan and scheme, Defendants prepared and distributed within California and nationwide via product packaging and labeling, and other promotional materials, statements that misleadingly and deceptively represented the composition and the nature of Defendants' Misbranded Products. Plaintiffs and members of the putative class necessarily and reasonably relied on Defendants' material and were the intended targets of such representations.
- 100. Defendants' conduct in disseminating misleading and deceptive statements in California and nationwide to Plaintiffs and the members of the putative class was and is likely to deceive reasonable consumers by obfuscating the true composition and nature of Defendants' Misbranded Products, in violation of the "misleading prong" of California Business and Professions Code § 17500, et seq.
- 101. As a result of Defendants' violations of the "misleading prong" of California Business and Professions Code § 17500, et seq., Defendants have been unjustly enriched at the expense of Plaintiffs and the members of the putative class. Misbranded products cannot be

legally sold or held and have no economic value and are legally worthless. Plaintiffs and the members of each Class paid a premium price for the Misbranded Products.

Professions Code § 17535, are entitled to an order enjoining such future conduct by Defendants, and such other orders and judgments which may be necessary to disgorge Defendants' ill-gotten gains and restore any money paid for Defendants' Misbranded Food Products by Plaintiffs and the members of the putative class.

FIFTH CAUSE OF ACTION

Untrue Advertising in Violation of

Business and Professions Code § 17500, et seq.

- 103. Plaintiffs incorporate by reference each allegation set forth above.
- 104. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, *et seq.*, regarding untrue advertising. Defendants sold Misbranded Products in California and throughout the United States during the class period.
- Defendants engaged in a scheme of offering Defendants' Misbranded Products for sale to Plaintiffs and the members of the putative class by way of product packaging and labeling, and other promotional materials. These materials misrepresented and/or omitted the true contents and nature of Defendants' Misbranded Products. Defendants' advertisements and inducements were made in California and throughout the United States and come within the definition of advertising as contained in Business and Professions Code §17500, et seq., in that the product packaging, labeling, and promotional materials were intended as inducements to purchase Defendants' Misbranded Product and are statements disseminated by Defendants to Plaintiffs and the members of the putative class. Defendants knew, or in the exercise of reasonable care should have known, that these statements were untrue.
- 106. In furtherance of its plan and scheme, Defendants prepared and distributed in California and nationwide via product packaging and labeling, and other promotional materials, statements that falsely advertise the composition of Defendants' Misbranded Products, and falsely misrepresented the nature of those products. Plaintiffs and the members of the putative class were

Misbranded Products did not conform to these representations.

27

28

///

1	J.	Such other and fu	rther relief as may be deemed necessary or appropriate.
2	J.	Such Office and ful	Respectfully submitted,
3	DATED:	April 1, 2014	COUNSELONE, PC
4		1 - 3-3-	
5			By June Star
6			Anthony J. Orshansky Attorneys for Plaintiffs and the Putative Class
7			•
8			
9			
10			
11	!		
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			•
23			
2425			
25 26			
27			
28			
_3			25
			CT A CC A CONTON A CONTON A TOUT

JURY DEMAND Plaintiffs hereby demand a jury trial on all issues so triable. COUNSELONE, PC DATED: April 1, 2014 Anthony J. Orshansky Attorneys for Plaintiffs and the Putative Class