Hillead 006/056/12 Pagge 12 off 421 Pagge 100 # 7/893 TINA WOLFSON, SBN 174806 1 twolfson@ahdootwolfson.com **FILED** ROBERT AHDOOT, SBN 172098 CLERK, U.S. DISTRICT COURT rahdoot@ahdootwolfson.com AHDOOT & WOLFSON, P.C. 3 JUN -5 2012 10850 Wilshire Boulevard, Suite 370 Los Angeles, California 90024 Tel: 310-474-9111; Fax: 310-474-8585 CENTRAL DISTRICT OF CALIFORNIA 5 Interim Co-Lead Counsel for Plaintiffs 6 ROSEMARY M. RIVAS, SBN 209147 CHRISTOPHER RIDOUT, SBN 143931 rrivas@finkelsteinthompson.com c.ridout@ridoutlyonlaw.com DANIELLE STOUMBOS, SBN 264784 **DEVON LYON, SBN 218293** dstoumbos@finkelsteinthompson.com d.lyon@ridoutlyonlaw.com 9 FINKELSTEIN THOMPSON LLP RIDOUT & LYON, LLP 10 100 Bush Street, Suite 1450 555 E. Ocean Blvd., Ste. 500 Long Beach, California 90802 San Francisco, CA 94104 11 Tel: 415-398-8700; Fax: 415-398-8704 Tel: 562-216-7380; Fax: 562-216-7385 12 Interim Co-Lead Counsel for Plaintiffs Interim Co-Lead Counsel for Plaintiffs 13 14 [Additional Counsel Listed on Signature Page] 15 UNITED STATES DISTRICT COURT 16 17 CENTRAL DISTRICT OF CALIFORNIA 18 19 Case No. 2:11-cv-8276-JAK-PLA IN RE NAKED JUICE CASES 20 AMENDED CONSOLIDATED CLASS 21 **ACTION COMPLAINT** This Document Relates To: 22 JURY TRIAL DEMANDED 23 All Actions. 24 RECEIVED **BUT NOT FILED** 25 26 5 2012 JUN 27 CLERK, U.S. DISTRICT COURT NTWAL DISTRICT OF CALIFORNIA 28 AMENDED CONSOLIDATED CLASS ACTION COMPLAINT

Plaintiffs Natalie Pappas, Russell Marchewka, Christopher Evans, and Gina Park ("Plaintiffs"), by and through their counsel, bring this Consolidated Class Action Complaint against Naked Juice Co. of Glendora, Inc. ("Defendant"), on behalf of themselves and all others similarly situated, and allege, upon personal knowledge as to their own actions and their counsels' investigations, and upon information and belief as to all other matters, as follows:

NATURE OF THE CASE

- 1. In recent years, consumers have become more willing to pay a premium for food and beverages that they perceive to be healthy, organic, natural and/or non-genetically modified. As a result, the market for natural or organic foods and beverages has grown rapidly, yielding billions of dollars in revenue for food and beverage manufacturers.
- 2. Defendant manufactures, markets and sells beverages nationwide from its headquarters in Monrovia, California under the brand name "Naked" and offers the following products: (1) Acai Machine; (2) Berry Veggie; (3) Blue Machine; (4) Gold Machine; (5) Green Machine; (6) Mango Veggie; (7) Mighty Mango; (8) Pomegranate Acai; (9) Power C Machine; (10) Protein Zone; (11) Protein Zone Double Berry; (12) Protein Zone Mango; and (13) Red Machine (collectively, the "Naked Juice Products" or the "Products"), which are the subject matter of this action. Attached as **Exhibit A** are ingredient lists and images of the labeling for these Products.
- 3. In an effort to capture a segment of the lucrative natural juice market, Defendant engages in deceptive advertising that includes, but is not limited to, prominent labeling of its Products with claims such as "All Natural" and "non-GMO," (i.e., free of genetically modified organisms ("GMOs")).
- 4. In fact, many Naked Juice Products are not "All Natural" because they contain unnaturally processed and synthetic ingredients, and because they include ingredients derived from genetically modified crops and other synthetic substances.

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Further, Naked Juice Products are labeled as containing certain vitamins and nutrients, when in fact they contain chemically distinct vitamin substitutes, often produced via chemical processing.

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5. The genetic makeup of GMO plants has been altered by scientists in a lab for the express purpose of causing such plants to exhibit traits that are not naturally their own. GMOs therefore are not natural by design, and entirely incompatible with Defendant's "All Natural" representations, as well as Defendant's specific "non-GMO" claims.

- 6. Defendant identifies its non-natural and non-juice ingredients in fine print on the back of the Products' packaging. The size and placement, however, are in stark contrast to the conspicuous "All Natural" and "non-GMO" claims, appearing in larger print in more prominent locations on the packaging.
- Reasonable consumers, including Plaintiffs, do not have the specialized 7. knowledge necessary to identify ingredients in Naked Juice products as being inconsistent with the "All Natural" and "non-GMO" claims.
- Defendant knows that consumers are willing to pay for all natural, and 8. GMO-free products, and advertises its products with the intention that consumers rely on the affirmative misrepresentations on its labeling that the products are "All Natural" and "non-GMO." Further, Defendant's omissions of the material fact that the Products include ingredients that are not "All Natural," but rather are synthetic and/or genetically modified, are likely to deceive reasonable consumers.
- 9. Defendant knows that its labeling claims and omissions are false, deceptive, and likely to mislead reasonable consumers.
- 10. Plaintiffs relied on Defendant's false, deceptive, and misleading labeling claims and omissions and suffered injury in fact and a loss of money with each purchase of Defendant's Products.

12. Plaintiffs bring claims for violations of California's Unfair Competition Law, Cal. Bus & Prof. Code §§ 17200, et seq. ("UCL"), the False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, et seq. ("FAL"), and the Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750 et seq. ("CLRA"). Plaintiffs seek an order requiring Defendant to, among other things: (1) cease the unlawful marketing alleged herein; (2) conduct a corrective advertising campaign; and (3) pay damages and restitution to Plaintiffs and Class members in the amounts paid to purchase the products at issue.

JURISDICTION AND VENUE

- 13. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d)(2), because the proposed class has more than 100 members, the class contains at least one member of diverse citizenship from Defendant, and the amount in controversy exceeds \$5 million.
- 14. The Court has personal jurisdiction over Defendant because Defendant's headquarters and principal place of business are in the state of California. Defendant is authorized to, and conducts, substantial business in California.
- 15. Venue is proper in this District pursuant to 28 U.S.C. § 1391(a)(1), because Defendant resides in this District, a substantial part of the events and omissions giving rise to this action occurred in this District and Defendant is headquartered in this District.

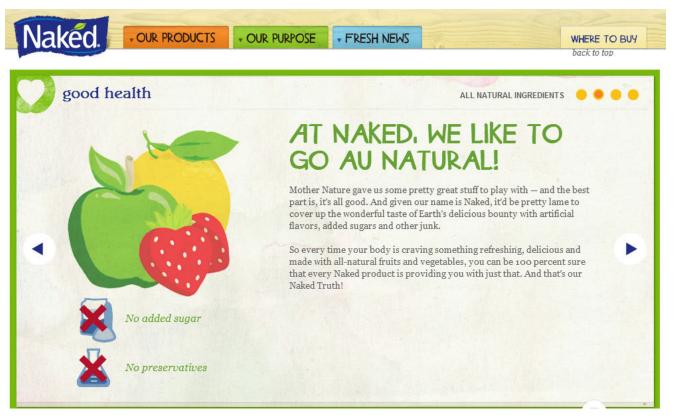
THE PARTIES

1	16.	Plaintiff Natalie Pappas is a resident and citizen of Los Angeles,				
2	California.					
3	17.	Plaintiff Russell Marchewka is a resident and citizen of Santa Ana,				
4	California.					
5	18.	Plaintiff Christopher Evans is a resident and citizen of Los Angeles,				
6	California.					
7	19.	Plaintiff Gina Park is a resident and citizen of Los Angeles, California.				
8	20.	Defendant is a corporation with its principal place of business at 1333 S.				
9	Mayflower Avenue, Monrovia, California, 91016. Defendant manufactures, markets,					
10	and sells the Naked Juice Products from its headquarters in California to consumers in					
11	California and throughout the United States at retail.					
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SUBSTANTIVE ALLEGATIONS

Defendant Deceptively Labels The Naked Juice Products As "All Natural"

21. Through its advertising and labeling, Defendant has created a brand that is practically synonymous with its "natural" message. As Defendant explains on its website, for example, the name "Naked" means that Defendant uses only natural ingredients, and no "other junk":



(last visited June 4, 2012).

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22. Defendant has prominently labeled and advertised its products as "All Natural," including, for example, as pictured below:



- 23. The dictionary defines the term "natural" as "existing in or produced by nature: not artificial." This common dictionary definition of the term "natural" is consistent with the expectations of a reasonable consumer.
- 24. A reasonable consumer would not consider food products containing unnaturally processed, synthetic substances, substances created via chemical processing, or genetically modified organisms ("GMOs") to be "All Natural."
- 25. Naked Juice Products contain substances that are synthetic, substances created via chemical processing, and/or GMOs, rendering Defendant's claims that the Products are "All Natural" false. Without limitation, the following Naked Juice Products are labeled "All Natural" but contain non-natural ingredients and therefore are not "All Natural": Acai Machine, Berry Veggie, Blue Machine, Gold Machine, Green Machine, Mango Veggie, Mighty Mango, Pomegranate Acai, Power C Machine, Protein Zone, Protein Zone Double Berry, Protein Zone Mango, and Red Machine. As

¹ Webster's Ninth New Collegiate Dictionary 788 (1990).

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reflected in Exhibit A, the following is a non-exhaustive list of non-natural ingredients contained in the Products:

- **ASCORBIC ACID**: Defendant labels ascorbic acid as Vitamin C. 26. Ascorbic acid occurs naturally in certain foods as Vitamin C, or L-ascorbic acid. However, ascorbic acid used as a Vitamin C supplement in foods is not naturallyoccurring. Rather, it is synthesized through a combined chemical-organic process known as the Reichstein Process. The Reichstein Process uses the following steps: (a) hydrogenation of D-glucose to D-sorbitol, an organic reaction with nickel as a catalyst under high temperature and high pressure; (b) Microbial oxidation or fermentation of sorbitol to L-sorbose with acetobacter at pH 4-6 and 30° C; (c) protection of the 4 hydroxyl groups in sorbose by formation of the acetal with acetone and an acid to Diacetone-L-sorbose (2,3:4,6-Diisopropyliden-α-L-sorbose); (d) Organic oxidation with potassium permanganate followed by heating with water to yield 2-Keto-L-gulonic acid; and (e) a ring-closing step or gamma lactonization with removal of water. In recent years, Chinese chemists have developed a simplification of the Reichstein Process that substitutes biological oxidation using genetically engineered microorganisms for chemical oxidation.
- Manufactured ascorbic acid is chemically identical to naturally-occurring 27. Vitamin C, with both substances having the chemical formula C₆H₈O₆. However, its chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- 28. **BETA CAROTENE**: Defendant labels beta carotene as Vitamin A. Beta carotene occurs naturally in many foods. However, most, though not all, beta carotene added as a supplement to food is produced synthetically. Synthetic beta carotene is produced in two ways: (a) through a Wittig Reaction, a chemical reaction of an aldehyde or ketone with a triphenyl phosphonium yield (often called a Wittig reagent) to give an alkene and triphenylphosphine oxide; or (b) through a Grignard Reaction, an

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organometallic chemical reaction in which alkyl- or aryl-magnesium halides (Grignard reagents) add to a carbonyl group in an aldehyde or ketone.

- Synthetic beta carotene's chemical manufacturing process places it outside 29. of a reasonable consumer's definition of "All Natural."
- 30. Vitamin A is a compound also known as retinal, with the chemical formula C₂₀H₃₀O. Beta carotene is a different substance, with the chemical formula C₄₀H₅₆. Beta carotene is a precursor to Vitamin A, with one molecule of ingested beta carotene being cleaved into two molecules of Vitamin A within the intestinal tract. However, beta carotene is not itself Vitamin A.
- 31. Thus, regardless of the provenance of the beta carotene in Naked Juice products, labeling it as Vitamin A is misleading.
- 32. Biotin, also known as Vitamin H, occurs naturally in certain **BIOTIN**: foods. Biotin used as a food supplement is created synthetically using a process first developed by Leo Sternbach and Moses Wolf Goldberg in 1949. The process involves (a) three steps to create an imidazolinone ring, using fumaric acid as a starting material; (b) 6 steps to install a side chain, by addition of a Grignard reagent, followed by malonate and decarboxylization; and (c) 6 steps to introduce chirality, by fractional crystallization of diastereomeric salts. Various improvements to the original method have been developed, including (1) reduction of the second process to two steps via (i) a Fukuyama coupling between thiolactone and organozinc reagent; and (ii) reduction of 3° alcohol; and (2) substitution of enantioselective desymmetrization in the chiralityintroduction process.
- Synthetic biotin is chemically identical to the naturally-occurring variety. 33. However, its chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- 34. **CHOLINE BITARTRATE**: The side labels of Naked Juice Products containing choline bitartrate on the ingredient list state that the products contain

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27 28 choline. Choline bitartrate is a synthetic substitute for choline (a B-complex vitamin) which is manufactured through the reaction of trimethylamine with ethylene oxide, followed by treatment with tartartic acid.

- 35. Choline bitartrate's chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- Moreover, choline bitartrate, with the chemical formula C₉H₁₉NO₇, is a 36. different substance from choline, which has the chemical formula C₅H₁₄NO. Thus, Defendant's equation of choline bitartrate with choline on the labels of Naked Juice products is misleading, irrespective of the fact that it is produced via chemical processing.
- 37. CYANOCOBALAMIN: Defendant labels cyanocobalamin as Vitamin B12. Cyanocobalamin is a synthetic substitute for Vitamin B12 (cobalamin). It is manufactured via fermentation by a variety of microorganisms, yielding a mixture of methyl-, hydroxo-, and adenosylcobalamin. These compounds are then extracted and converted to cyanocobalamin by addition of potassium cyanide in the presence of sodium nitrite and heat.
- Cyanocobalamin's chemical manufacturing process places it outside of a 38. reasonable consumer's definition of "All Natural."
- 39. Moreover, cyanocobalamin, with the chemical formula C₆₃H₈₈CoN₁₄O₁₄P, is a different substance from Vitamin B12 (cobalamin), which has the chemical formula C₆₂H₈₈CoN₁₃O₁₄P. Thus, labeling cyanocobalamin as Vitamin B12 is misleading, irrespective of the fact that it is produced via chemical processing.
- 40. **D-CALCIUM PANTOTHENATE**: Defendant labels d-calcium pantothenate as Vitamin B5. D-calcium pantothenate is a chemical salt used as a substitute for Vitamin B5 (pantothenic acid). It is produced synthetically for commercial use from isobutyraldehyde and formaldehyde via 1,1-dimethyl-2-hydroxypropionaldehyde and pantolactone.

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- D-calcium pantothenate's chemical manufacturing process places it outside 41. of a reasonable consumer's definition of "All Natural."
- 42. Moreover, d-calcium pantothenate, with the chemical formula C₁₈H₃₂CaN₂O₁₀, is a different substance from pantothenic acid (Vitamin B5), which has the chemical formula C₉H₁₇NO₅. Thus, labeling d-calcium pantothenate as Vitamin B5 is misleading, irrespective of the fact that it is produced via chemical processing.
- FIBERSOL®-2: Fibersol®-2 is a proprietary digestion-resistant 43. maltodextrin dietary fiber developed by Japan's Matsutani Chemical Industry Co., Ltd., and manufactured by Archer Daniels Midland in conjunction with Matsutani America, Inc. Fibersol®-2 is produced by "a proprietary method of enzymatic hydrolysis of cornstarch." The process is designed "to purposefully rearrange corn starch molecules to convert a portion of normal alpha -1,4- glucose linkages to random 1,2-, 1,3-, and 1,4- alpha and beta linkages," thus rendering the substance largely indigestible.
- 44. Fibersol®-2's chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- 45. FRUCTOOLIGOSACCHARIDES: Fructoologisaccharides are a category of long-chain carbohydrates used as sweeteners and as dietary fiber. Fructooligosaccharides occur naturally in certain fruits and vegetables, but fructooligosaccharides added to food are more commonly commercially synthesized using one of two chemical processes: (a) Enzymatic or chemical degradation of inulin to a mixture of oligosaccharides with the general structure Glu-(Fru)_n (GF_n) and Fru_m (F_m) , with n and m ranging from 1 to 7; or (b) transfructosylation action of a β fructosidase of Aspergillus niger (a toxic black mold) on sucrose.
- 46. The chemical manufacturing process of synthetic fructooligosaccahrides places them outside of a reasonable consumer's definition of "All Natural."
- **INULIN**: Inulin is a fiber occurring in a number of plants. The form of 47. inulin added to food products is produced by (a) extracting natural inulin from the root

of the chicory plant via hot water diffusion; (b) enzymatically hydrolyzing the extracted

inulin to yield oligofructose-enriched inulin; and (c) drying the resulting substance to a

NIACINAMIDE: Defendant labels niacinimide as Vitamin B3.

Inulin's chemical manufacturing process places it outside of a reasonable

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powder for use in food.

consumer's definition of "All Natural."

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Niacinimide is a synthetic substitute for Vitamin B3 (niacin) which is industrially produced by a variety of methods, including: (a) esterifying nicotinic acid with methanol, followed by ammonolyis; (b) passing ammonia gas into molten nicotinic acid (amidation); and (c) partial hydrolysis of 3-cyanopyridine. Additionally, Lonza Fine Chemicals and Specialities, a Swiss company claiming to supply over half the world's niacinimide, employs a four-stage synthesis using nylon 6.6 byproduct 3methyl-1,5-diaminopentane as starting material. This is transformed into picoline,

Niacinamide's chemical manufacturing process places it outside of a 50. reasonable consumer's definition of "All Natural."

which is ammoxidated and then biocatalytically hydrolysed to niacinamide.

- 51. Moreover, niacinamide, with the chemical formula C₆H₆N₂O, is a different substance from Vitamin B3 (niacin), which has the chemical formula C₆H₅NO₂. Thus, labeling niacinamide as Vitamin B3 is misleading, irrespective of the fact that it is produced via chemical processing.
- **PYRIDOXINE HYDROCHLORIDE**: Defendant labels pyridoxine 52. hydrochloride as Vitamin B6. Pyridoxine hydrochloride is a synthetic form of Vitamin B6 produced by the condensation of ethoxyacetylacetone with cyanoacetamide.
- 53. Pyridoxine hydrochloride's chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- **SOY LECITHIN**: Soy Lecithin is used in food as an emulsifier, as a 54. lubricant, and to extend shelf life.

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- In order to extract soy lecithin from soybeans, the soybeans are immersed 55. in hexane, a byproduct of petroleum refining, before further processing.
- Soy Lecithin's chemical manufacturing process places it outside of a 56. reasonable consumer's definition of "All Natural."
- 57. Soy protein isolate is used in food to **SOY PROTEIN ISOLATE**: improve texture, to increase protein content, to enhance moisture retention, and as an emulsifier.
- 58. In order to extract soy protein isolate from soybeans, the soybeans are first immersed in hexane, a byproduct of petroleum refining. The beans are then processed into flour. Aqueous extraction is then carried out at a pH below 9. The extract is clarified to remove the insoluble material and the "supernatant" is acidified to a pH range of 4-5. The precipitated protein-curd is collected and separated from the whey by centrifuge. The curd is usually neutralized with alkali to form a sodium proteinate salt before drying.
- 59. Soy protein isolate's chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- 60. **ZINC METHIONINE SULFATE**: Zinc methionine sulfate is synthesized via a reaction between equimolar amounts of zinc sulfate and DLmethionine in purified water.
- 61. Zinc methionine sulfate's chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."
- 62. Zinc oxide is synthesized using three main chemical ZINC OXIDE: processes: (1) Indirect process: Metallic zinc is melted in a graphite crucible and vaporized at temperatures above 907 °C (typically around 1000 °C). Zinc vapor reacts with the oxygen in the air to give ZnO, accompanied by a drop in its temperature and bright luminescence. Zinc oxide particles are then transported into a cooling duct and collected in a bag house; (2) Direct process: The direct process starts with diverse

contaminated zinc composites, such as zinc ores or smelter by-products. The zinc precursors are reduced (carbothermal reduction) by heating with a source of carbon such as anthracite to produce zinc vapor. The Zinc vapor is then oxidized as in the indirect process; and (3) Wet chemical process: This process starts with aqueous solutions of purified zinc salts, from which zinc carbonate or zinc hydroxide is precipitated. The precipitate is then filtered, washed, dried and calcined at temperatures around 800 °C.

63. Zinc oxide's chemical manufacturing process places it outside of a reasonable consumer's definition of "All Natural."

Defendant Deceptively Labels the Naked Juice Products As "Non-GMO" and States That It Does Not Use GMO Ingredients As A Matter Of Principle

- 64. In addition to the "natural" claims, all of Defendant's Products claim to be "non-GMO" on the product packaging. Additionally, Defendant's Product labels state that "Naked Juice does not use ingredients that were produced using biotechnology as a matter of principle." *See* Exhibit A.
- 65. A reasonable consumer would expect a food product labeled as "natural" or "all natural" to not contain genetically modified ingredients.
- 66. A reasonable consumer would expect a food product labeled as "non-GMO" to not contain genetically modified ingredients.
- 67. A reasonable consumer would expect a food product label stating that the product manufacturer does not use ingredients that were produced using biotechnology as a matter of principle to never use GMO ingredients and to implement quality control measures to assure the same.
- 68. Genetically modified food has had its genetic makeup altered to exhibit traits that the food does not naturally contain. This process is known as bioengineering. In general, genetically modified plants and organisms are made by copying desired traits from another organism and implanting them into the subject

organism. These bio-engineered organisms express traits that normally would not appear in nature. Thus, organisms produced through bio-engineering, i.e. GMOs, do not occur naturally.

- 69. Third party testing reveals that Defendant utilizes genetically modified soy ingredients in the Products. Based on this testing and discussions with consultants, Plaintiffs allege that Defendant's "non-GMO" representations are false and deceptive on the labels of the following Products, each of which includes Soy Protein Isolate and/or Soy Lecithin: Acai Machine, Protein Zone, Protein Zone Double Berry, Protein Zone Mango, and Pomegranate Acai. *See* Exhibit A.
- 70. It is unsurprising that the processed soy products that Defendant incorporates into its Products include GMO soy, given that the vast majority of soy products particularly in the United States now include GMOs. *See, e.g.*, GMO Compass, *USA: Cultivation of GM Plants in 2009, Maize, soybean, cotton: 88 percent genetically modified* (2009), available at http://www.gmo-compass.org/eng/agri_biotechnology/gmo_planting/506.usa_cultivation_gm_plants_2009.html (last visited May 24, 2012).
- The produced using biotechnology" is entirely incompatible with its use of ingredients such as Fibersol-2, which according to its manufacturers, Archer Daniels Midland Company and Matsutani Chemical Industry Co., is made from corn, including genetically modified corn. See Archer Daniels Midland Company, ADM Corn Sweeteners: Origin of ADM Corn Sweetener Products Fibersol-2 (Dec. 23, 2002), available at http://www.matsutaniamerica.com/pdf/origin_of_fibersol.pdf (last visited May 29, 2012); http://www.fibersol2.com/Solve/faq.asp ("When Fibersol®-2 is made in the U.S. it is made from both genetically modified and non-genetically modified corn. The corn processing supply chain simply does not allow for segregation of these types of

- corn.") (last visited May 29, 2012). Thus, Blue Machine, which contains Fibersol-2, contains GMO ingredients contrary to Defendant's label representations.
- 72. Much information concerning the GMO content in Defendant's Products is known only to Defendant, and Plaintiffs expect that discovery in this action will reveal further information showing that Defendant's "non-GMO" representations are false.
- 73. Indeed, the FDA recognizes that "[a] manufacturer who claims that a food or its ingredients, including foods such as raw agricultural commodities, is not bioengineered should be able to substantiate that the claim is truthful and not misleading," preferably through "validated test methods" or, where testing may not be effective because a given ingredient is highly processed, through careful documentation concerning the source of such ingredients. FDA, *Guidance for Industry: Voluntary Labeling Indicating Whether Foods Have or Have Not Been Developed Using Bioengineering; Draft Guidance* (2001), available at < http://www.fda.gov/food/guidancecomplianceregulatoryinformation/guidancedocuments/foodlabelingnutrition/ucm059098.htm> (last visited May 24, 2012). Defendant must have substantiation for its "non-GMO" claims.

PLAINTIFFS PURCHASE NAKED JUICE PRODUCTS IN RELIANCE ON DEFENDANT'S MISREPRESENTATIONS

74. Ms. Pappas purchased many Naked Juice Products in California in the past four years in reliance on Defendant's representations and omissions that the Products contained only: "All Natural" ingredients" and "non-GMO" ingredients. These representations and omissions were material to Ms. Pappas' decision to purchase the Products. Ms. Pappas was willing to pay for the Products because of these representations and omissions, and would not have purchased, would not have paid as much for the Products, or would have purchased alternative products in absence of these representations and omissions.

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- 75. Specifically, Ms. Pappas has purchased all of the Products, in addition to other Naked Juice beverages.
- 76. Mr. Marchewka purchased many Naked Juice Products in California in the the past four years in reliance on Defendant's representations and omissions that the Products contained only: "All Natural" ingredients and "non-GMO" ingredients. These representations and omissions were material to Mr. Marchewka's decision to purchase the Products. Mr. Marchewka was willing to pay for the Products because of these representations and omissions, and would not have purchased, would not have paid as much for the Products, or would have purchased alternative products, in absence of these representations and omissions.
- 77. Specifically, Mr. Marchewka purchased at least the following Naked Juice Products: Acai Machine, Blue Machine, Green Machine, Mighty Mango, Power C Machine, Protein Zone, Protein Zone Double Berry, Protein Zone Mango and Red Machine.
- 78. Mr. Evans purchased many Naked Juice Products in California in the past four years in reliance on Defendant's representations and omissions that the Products contained only: "All Natural" ingredients and "non-GMO" ingredients. These representations and omissions were material to Mr. Evan's decision to purchase the Products. Mr. Evans was willing to pay for the Products because of these representations and omissions, and would not have purchased, would not have paid as much for the Products, or would have purchased alternative products in absence of these representations and omissions.
- 79. Specifically, Mr. Evans purchased at least the following Naked Juice Products: Blue Machine, Pomegranate Acai, Acai Machine, Berry Veggie, Mango Veggie, Power C Machine, Protein Zone, Protein Zone Double Berry, Protein Zone Mango.

- 80. Ms. Park purchased many Naked Juice Products in California in the past four years in reliance on Defendant's representations and omissions that the Products contained only: "All Natural" ingredients and "non-GMO" ingredients. These representations and omissions were material to Ms. Park's decision to purchase the Products. Ms. Park was willing to pay for the Products because of these representations and omissions, and would not have purchased, would not have paid as much for the Products, or would have purchased alternative products in absence of these representations and omissions.
- 81. Specifically, Ms. Park purchased at least the following Naked Juice Products: Pomegranate Acai and Protein Zone Mango.

CLASS ACTION ALLEGATIONS

82. Plaintiffs seek relief in their individual capacity and seek to represent a class consisting of all others who are similarly situated. Pursuant to Fed. R. Civ. P. 23(a) and (b)(2) and/or (b)(3), Plaintiffs seek certification of a class initially defined as follows:

All consumers in the United States who from September 27, 2007 until the final disposition of this case (the "Class Period"), purchased the following Naked Juice Products: (1) Acai Machine; (2) Berry Veggie; (3) Blue Machine; (4) Gold Machine; (5) Green Machine; (6) Mango Veggie; (7) Mighty Mango; (8) Pomegranate Acai; (9) Power C Machine; (10) Protein Zone; (11) Protein Zone Double Berry; (12) Protein Zone Mango; and (13) Red Machine.

- 83. Excluded from the Class are Defendant and its subsidiaries and affiliates, Defendant's executives, board members, legal counsel, all judges and court personnel assigned to this matter, and their immediate families.
- 84. Plaintiffs reserve the right to amend or modify the Class definition with greater specificity or division into subclasses after they have had an opportunity to conduct discovery.

- 85. <u>Numerosity</u>. Fed. R. Civ. P. 23(a)(1). The potential members of the Class as defined are so numerous that joinder of all members is unfeasible and not practicable. While the precise number of Class members has not been determined at this time, Plaintiffs are informed and believe that many thousands or millions of consumers have purchased the listed products.
- 86. <u>Commonality</u>. Fed. R. Civ. P. 23(a)(2) and (b)(3). There are questions of law and fact common to the Class, which predominate over any questions affecting only individual Class members. These common questions of law and fact include, without limitation:
 - a. Whether Defendant falsely and/or misleadingly misrepresented
 Naked Juice Products as being "All Natural";
 - Whether Defendant falsely and/or misleadingly misrepresented
 Naked Juice Products as being "non-GMO";
 - c. Whether Defendant's misrepresentations and omissions are likely to deceive reasonable consumers;
 - d. Whether Defendant violated California Civil Code § 1750, et seq.;
 - e. Whether Defendant violated California Business and Professions Code § 17500, *et seq.*;
 - f. Whether Defendant violated California Business and Professions Code § 17200, *et seq.*;
 - g. The nature of the relief, including equitable relief, to which Plaintiff and the Class members are entitled.
- 87. <u>Typicality</u>. Fed. R. Civ. P. 23(a)(3). The claims of Plaintiffs are typical of the claims of the Class. Plaintiffs and all Class members were exposed to uniform practices and sustained injury arising out of and caused by Defendant's unlawful conduct.

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- Adequacy of Representation. Fed. R. Civ. P. 23(a)(4). Plaintiffs will 88. fairly and adequately represent and protect the interests of the members of the Class. Plaintiffs' Counsel are competent and experienced in litigating class actions.
- 89. Superiority of Class Action. Fed. R. Civ. P. 23(b)(3). A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all the members of the Class is impracticable. Furthermore, the adjudication of this controversy through a class action will avoid the possibility of inconsistent and potentially conflicting adjudication of the claims asserted herein. There will be no difficulty in the management of this action as a class action.
- Injunctive and Declaratory Relief. Fed. R. Civ. P. 23(b)(2). Defendant's 90. actions regarding the misrepresentations and omission on Naked Juice Products are uniform as to members of the Class. Defendant has acted or refused to act on grounds that apply generally to the Class, so that final injunctive relief or declaratory relief as requested herein is appropriate respecting the Class as a whole.

FIRST CAUSE OF ACTION

(California Consumers Legal Remedies Act – Cal. Civ. Code § 1750, et seq.)

- 91. Plaintiffs incorporate by reference and reallege all previous paragraphs.
- Defendant is a "person" within the meaning of California Civil Code §§ 92. 1761(c) and 1770, and provides "goods" within the meaning of Civil Code §§ 1761(a) and 1770. Defendant's customers, including Plaintiffs and Class members, are "consumers" within the meaning of Civil Code §§ 1761(d) and 1770. Each purchase of Defendant's Naked Juice Products by Plaintiffs and each Class member constitutes a "transaction" within the meaning of Civil Code §§ 1761(e) and 1770.
 - 93. The Consumers Legal Remedies Act makes it unlawful for a company to:
 - (a) Represent that goods have characteristics, ingredients uses, benefits, or quantities, which they do not have. Cal. Civ. Code § 1770(a)(5);

- (b) Represent that goods are of a particular standard, quality, or grade, if they are of another. Cal. Civ. Code § 1770(a)(7); and
- (c) Advertise goods with intent not to sell them as advertised. Cal. Civ. Code § 1770(a)(9).
- 94. Defendant's acts, practices, representations, omissions, and courses of conduct with respect to the production, promotion and marketing of Naked Juice Products violated the Consumers Legal Remedies Act in that, among other things:
 - (a) Defendant represented that the Naked Juice Products have characteristics, ingredients, uses, benefits, or qualities, which they do not have, in violation of Cal. Civil Code § 1770(a)(5);
 - (b) Defendant represented that Naked Juice Products were of a particular standard, quality or grade when they were of another standard, quality, or grade in violation of Cal. Civil Code § 1770(a)(7); and
 - (c) Defendant advertised Naked Juice Products with an intent not to sell them as advertised, in violation of Cal. Civil Code § 1770(a)(9).
- 95. Plaintiffs reasonably relied on Defendant's misrepresentations and omissions.
- 96. As a direct and proximate result of Defendant's violations, Plaintiffs suffered injury in fact and lost money.
- 97. Plaintiffs, on behalf of themselves and Class members, seek damages, restitution and injunctive relief. Plaintiffs seek an order requiring Defendant to refund Plaintiffs and all Class members all monies they paid for Naked Juice Products, and injunctive relief in the form of an order prohibiting Defendant from engaging in the alleged misconduct described herein and performing a corrective advertising campaign.
- 98. Plaintiffs have complied with California Civil Code § 1782(a) by serving a preliminary notice before seeking damages under the Consumers Legal Remedies Act. Defendant has not provided the relief requested in Plaintiffs' CLRA notice.

1	99.	Affidavits in compliance with Cal. Civil Code § 1780(c) will be filed.				
2	SECOND CAUSE OF ACTION					
3	(California False Advertising Law – Cal. Bus. & Prof. Code § 17500, et seq.)					
4	100.	Plaintiffs incorporate by reference and reallege all previous paragraphs.				
5	101.	Defendant publicly disseminated untrue or misleading advertising or				
6	intended not to sell its Naked Juice Products as advertised in violation of California					
7	Business & Professional Code § 17500, et seq., by, inter alia:					
8		(a) Representing that Naked Juice Products are "All Natural," when they				
9		are not; and				
10		(b) Representing that the Naked Juice Products are "non-GMO," when				
11		they are not.				
12	102.	Defendant committed such violations of the False Advertising Law with				
13	actual knowledge or in the exercise of reasonable care should have known was untrue					
14	or misleading.					
15	103.	Plaintiffs reasonably relied on Defendant's representations and/or				
16	omissions made in violation of California Business & Professional Code § 17500, et					
17	seq.					
18	104.	As a direct and proximate result of Defendant's violations, Plaintiffs				
19	suffered injury in fact and lost money.					
20	105.	Plaintiffs, on behalf of themselves and Class members, seek equitable				
21	relief in the form of an order requiring Defendant to refund Plaintiffs and all Class					
22	members all monies they paid for Naked Juice Products, and injunctive relief in the					
23	form of an order prohibiting Defendant from engaging in the alleged misconduct					
24	described herein and performing a corrective advertising campaign.					
25		THIRD CAUSE OF ACTION				
26	(California Unfair Competition Law – Cal. Bus. & Prof. Code § 17200, et seq.)					
27	106.	Plaintiffs incorporate by reference and reallege all previous paragraphs.				
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- Defendant engaged in unlawful, unfair, and/or fraudulent conduct under 107. California Business & Professional Code § 17200, et seq., by, inter alia:
 - (a) Representing that Naked Juice Products are "All Natural," when they are not; and
 - (b) Representing that Naked Juice Products are "non-GMO," when they are not.
- Defendant's conduct is unlawful in that it violates the Consumers Legal 108. Remedies Act, California Civil Code § 1750, et seq., the False Advertising Law, California Business & Professions Code § 17500, et seq.
- Defendant's conduct is unfair in that it offends established public policy 109. and/or is immoral, unethical, oppressive, unscrupulous and/or substantially injurious to Plaintiffs and Class members. The harm to Plaintiffs and Class members arising from Defendant's conduct outweighs any legitimate benefit Defendant derived from the conduct. Defendant's conduct undermines and violates the stated spirit and policies underlying the Consumers Legal Remedies Act, False Advertising Law, Sherman Food, Drug & Cosmetic Law, and FDA regulations as alleged herein.
- Defendant's actions and practices constitute "fraudulent" business 110. practices in violation of the UCL because, among other things, they are likely to deceive reasonable consumers. Plaintiffs relied on Defendant's representations and omissions.
- As a direct and proximate result of Defendant's violations, Plaintiffs 111. suffered injury in fact and lost money.
- Plaintiffs, on behalf of themselves and Class members, seek equitable 112. relief in the form of an order requiring Defendant to refund Plaintiffs and all Class members all monies they paid for Naked Juice Products, and injunctive relief in the form of an order prohibiting Defendant from engaging in the alleged misconduct described herein and performing a corrective advertising campaign.

PRAYER FOR RELIEF 1 WHEREFORE, Plaintiffs, on behalf of themselves and Class members, pray for 2 relief as follows: 3 A. For an order that this action may be maintained as a class action under 4 Rule 23 of the Federal Rules of Civil Procedure, that Plaintiffs be appointed Class 5 representative, and that Plaintiffs' counsel be appointed as counsel for the Class; 6 For damages according to proof; В. 7 C. For an order requiring Defendant to refund Plaintiffs and all Class 8 members for the deceptively advertised beverages; For an order prohibiting Defendant from engaging in the misconduct D. 10 described herein: 11 For an award of attorneys' fees; E. 12 For an award of the costs of suit incurred herein, including expert F. 13 witness fees; 14 G. For an award of interest, including prejudgment interest, at the legal 15 rate; and 16 Η. For such other and further relief as this Court deems just and proper. 17 **DEMAND FOR JURY TRIAL** 18 Plaintiffs hereby demand trial by jury of all claims so triable. 19 20 Dated: June 4, 2012 AHDOOT & WOLFSON, APC 21 22 Tina Wolfson 23 Robert Ahdoot **Bradley King** 24 10850 Wilshire Blvd., Suite 370 25 Los Angeles, California 90024 Telephone: 310-474-9111 26 Facsimile: 310-474-8585 27 Interim Co-Lead Counsel for Plaintiffs 28

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AMENDED CONSOLIDATED CLASS ACTION COMPLAINT							
	Dated: June 4, 2012 Dated: June 4, 2012						

AMENDED CONSOLIDATED CLASS ACTION COMPLAINT

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