	Case3:12-cv-01586-SC Document4	7 Filed05/01/13 Page1 of 59
1 2 3 4 5	Ben F. Pierce Gore (SBN 128515) PRATT & ASSOCIATES 1871 The Alameda, Suite 425 San Jose, CA 95126 Telephone: (408) 429-6506 Fax: (408) 369-0752 pgore@prattattorneys.com <i>Attorney for Plaintiffs</i>	
6	IN THE UNITED S	TATES DISTRICT COURT
7	FOR THE NORTHERN	DISTRICT OF CALIFORNIA
8	SAN FRAN	ICISCO DIVISION
 9 10 11 12 13 14 15 	MARKUS WILSON and DOUG CAMPEN, individually and on behalf of all others similarly situated, Plaintiffs, v. FRITO-LAY NORTH AMERICA, INC., Defendant.	Case No. 3:12-CV-01586-SC SECOND AMENDED CLASS ACTION AND REPRESENTATIVE ACTION COMPLAINT FOR DAMAGES, EQUITABLE AND INJUNCTIVE RELIEF JURY TRIAL DEMANDED
16 17 18 19	attorneys, bring this lawsuit against Defendar	Campen, ("Plaintiffs") through their undersigned nt Frito-Lay North America, Inc. ("Frito-Lay" or nal knowledge and as to all other matters upon
20		FINITIONS
21	1. "Class Period" is March 29, 2	
22	 2. "Purchased Products" are the products listed below (2a-2e) that were purchased by Plaintiffs during the Class Period. Plaintiff Wilson and Plaintiff Campen purchased 2a. Additionally, Plaintiff Campen purchased 2b-2e. Pictures of the Plaintiffs' Purchased Products are attached as Exhibits 1-5 and specific descriptions of the labels are included below: a. Lay's Classic Potato Chips; 	
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24		
25 26		
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27 28	b. Lay's Honey Barbecue Po	tato Chips;
28	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)	1

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page2 of 59
1	c. Kettle Cooked BBQ Potato Chips;
2	d. Cheetos Puffs; and
3	e. Fritos Original Corn Chips.
4	 "Class Products" are the products listed below in paragraph 178 that were
5	purchased by Class Members and contain the same or similar ingredients and/or the same or
6	similar labels as the "Purchased Products."
7	
	<u>SUMMARY OF THE CASE</u>
8	4. Plaintiffs' case has two distinct facets. First, the "UCL unlawful" part. Plaintiffs'
9	first cause of action is brought pursuant to the unlawful prong of California's Unfair Competition
10	Law, Cal. Bus. & Prof. Code § 17200 ("UCL"). Plaintiffs allege that Defendant packages and
11	labels the Purchased Products in violation of California's Sherman Law which adopts,
12	incorporates, and is identical to the federal Food Drug & Cosmetic Act, 21 U.S.C. § 301 et seq.
13	("FDCA"). These violations (which do not require a finding that the labels are "misleading")
14	render the Purchased Products "misbranded" which is no small thing. Under California law, a
15	food product that is misbranded cannot legally be manufactured, advertised, distributed, held or
16	sold. Misbranded products cannot be legally sold, possessed, have no economic value, and are
17	legally worthless. Indeed, the sale or possession of misbranded food is a criminal act in
18	California. The sale of such products is illegal under federal law and can result in the seizure of
19	misbranded products and the imprisonment of those involved. This "misbranding" - standing
20	alone without any allegations of deception by Defendant or review of or reliance on the labels by
21	Plaintiffs – give rise to Plaintiffs' first cause of action under the UCL. To state a claim under the
22	unlawful prong, Plaintiffs need only allege that they would not have purchased the product had
23	they known it was misbranded that would have resulted in their possessing a product that is
24	illegal to own or possess. This claim does not sound in fraud.
25	5. Under California law, which is identical to federal law, Defendant's products listed
26	below are unlawful because they are misbranded due to violations of the Sherman Law, as alleged
27	herein:
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Case3:12-cv-01586-SC Document47 Filed05/01/13 Page3 of 59

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1	Purchased Product	Relevant Label Language	Sherman Law Violation (directly or through
2	Lou's Classic Detate	"Oo Trong Fot"	incorporation of FDCA)
3 4	Lay's Classic Potato Chips	"0g Trans Fat"	21 C.F.R. § 101.13 21 C.F.R. § 1.21 Cal. Health & Safety Code § 110100
5			Cal. Health & Safety Code § 110660
6	Lay's Honey Barbecue Potato Chips	"Og Trans Fat" "All Natural"	21 C.F.R. § 101.13 21 C.F.R. § 101.22
7			21 C.F.R. § 1.21 Cal. Health & Safety Code § 110740
8			Cal. Health & Safety Code § 110100
9			Cal. Health & Safety Code § 110660
10	Kettle Cooked BBQ Potato Chips	"Og Trans Fat" "All Natural"	21 C.F.R. § 101.13 21 C.F.R. § 101.22
11 12		"No MSG"	21 C.F.R. § 1.21 Cal. Health & Safety Code §
12			110740 Cal. Health & Safety Code § 110100
14			Cal. Health & Safety Code § 110660
15	Cheetos Puffs	"0g Trans Fat"	21 C.F.R. § 101.13 21 C.F.R. § 1.21
16			Cal. Health & Safety Code § 110100
17	Fritas Original Com	"(0° Trans Est")	Cal. Health & Safety Code § 110660
18	Fritos Original Corn Chips	"0g Trans Fat"	21 C.F.R. § 101.13 21 C.F.R. § 1.21 Cal. Health & Safety Code §
19			110100 Cal. Health & Safety Code §
20			110660
21		s products which contain the same or	C
22		der California and federal because th	ey are misbranded due to
23	violations of the Sherman		
24	7. Defendant also violated the Sherman Law provisions listed in paragraphs 144-157		
25 26	for manufacturing, offered to sell, deliver, etc. misbranded food.		
26 27		e "misleading" part. Plaintiffs allege t	C
27 28		the Purchased Products and the Class	c
28	unlawfully misbranded un	der the Sherman Law – are also misle	eading, deceptive, untair and
	SECOND AMENDED CLASS AC CASE NO. 3:12-CV-01586 (SC	CTION COMPLAINT C)	3

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page4 of 59

1 fraudulent. Plaintiffs describe these labels and how they are misleading. Plaintiffs allege that 2 prior to purchase they reviewed the illegal statements on the labels of the Purchased Products, 3 reasonably relied in substantial part on the unlawful label statements, and were thereby deceived, 4 in deciding to purchase the Purchased Products. Had Plaintiffs known that these food products 5 were misbranded there would have been no purchases.

6 9. All of the Purchased Products and the Class Products have labels that are (i) 7 unlawful and misbranded under the Sherman Law and (ii) misleading and deceptive. Plaintiffs 8 did not know, and had no reason to know, that Defendant's Purchased Products were misbranded 9 under the Sherman Law and bore food labeling claims that failed to meet the requirements to 10 make those food labeling claims. Similarly, Plaintiffs did not know, and had no reason to know, 11 that the labels on Defendant's Purchased Products were false and misleading.

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BACKGROUND

13 10. Every day, millions of Americans purchase and consume packaged foods. 14 Identical federal and California laws require truthful, accurate information on the labels of 15 packaged foods. This case is about a company that flouts those laws. The law is clear: misbranded 16 food cannot legally be manufactured, held, advertised, distributed or sold. Misbranded food has 17 no economic value and is worthless as a matter of law, and purchasers of misbranded food are 18 entitled to a refund of their purchase price.

19 11. Defendant manufactures, markets and sells a variety of foods, including the 20 Purchased Products and the Class Products.

21 12. Defendant has implemented a campaign to label its products as healthy and 22 associated with wellness.

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13. Defendant recognizes that health and wellness claims drive food sales, and 24 actively promotes the purported health benefits of its products, notwithstanding the fact that these 25 promotions violate California and federal law.

26 14. If a manufacturer is going to make a claim on a food label, they must not violate 27 certain California laws and ensure that consumers are not misled by food labels. As described 28 more fully below, Defendant has made, and continues to make, unlawful labeling claims in

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page5 of 59

1	violation of federal and California laws that govern the types of representations that can be made	
2	on food labels. Defendant's product labels violate California law and therefore are misbranded.	
3	15. These California food labeling laws recognize that reasonable consumers are likely	v
4	to choose products claiming to have a health or nutritional benefit over otherwise similar food	,
5	products that do not claim such benefits. More importantly, these laws recognize that the failure	
6	to disclose the presence of risk-increasing nutrients is deceptive because it conveys to consumers	
7	the net impression that a food makes only positive contributions to a diet, or does not contain any	
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	nutrients at levels that raise the risk of diet-related disease or health-related condition.	
9	16. Plaintiffs' claims are brought under California statutes and for violations of the	
10	Sherman Law. Under California law, which is identical to federal law, the labels and labeling of	
11	Defendant's products listed below are unlawful and also misleading in the following manner:	
12	A. Making unlawful and misleading "All Natural" claims;	
13	B. Making unlawful and misleading "No MSG "claims;	
14	C. Making unlawful and misleading nutrient content claims and failing to	
15	meet the minimum nutritional requirements that are legally required	
16	for the nutrient content claims that are being made;	
17	D. Making unlawful and misleading "0g Trans Fat" claims;	
18	E. Making unlawful and misleading website "low sodium" claims; and	
19 20	F. Making unlawful and unapproved health claims on its website ¹ that are prohibited by law.	
20 21	17. Defendant's products, referenced in paragraphs 44, 62 and 84 which contain the	
21	same unlawful statements and the same ingredients as the Purchased Products are similarly	
22	unlawful and misleading. In determining whether or not a plaintiff had standing to pursue claims	
23 24	on products she had not purchased, but which contained the same or similar label and/or	
25	ingredients, this Court concluded:	
26	there is more than enough similarity between the Chocolate Peanut Butter Bars allegedly purchased and the other nineteen varieties of nutrition bars identified in	
27 28	¹ Since the date of Plaintiff's initial filing, Defendant has taken steps to remove some of the language complained and challenged as being illegal by Plaintiffs from their website, www.lays.com.	
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Case3:12-cv-01586-SC Document47 Filed05/01/13 Page6 of 59

the Complaint. The accused products are all of a single kind, that is, they are all nutrition bars. They share a uniform size and shape. On casual inspection, the only obvious difference between the bars is their flavor. Closer inspection reveals some difference between the ingredients used in different flavors, but the similarities are more striking: six of the nine challenged ingredients appear in all twenty nutrition bar flavors. See Compl. ¶ 42. Most importantly, all twenty flavors bear the same challenged label: "All-Natural Nutrition Bars."

Colucci v. ZonePerfect Nutrition Co., 12-2907-SC, 2012 WL 6737800, at *4 (N.D. Cal. Dec. 28, 5 2012). 6

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18. These practices are not only illegal but they mislead consumers and deprive them of the information they require to make informed purchasing decisions. Thus, for example, a 8 9 mother who reads labels because she wants to purchase all natural and healthy food, and does not wish to feed her child unhealthy foods or highly processed foods, would be misled by 10 Defendant's practices and labeling. 11

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19. Similarly, California and federal laws have placed numerous requirements on food companies that are designed to ensure that the claims that companies make about their products to consumers are truthful, accurate and backed by acceptable forms of scientific proof. When companies such as Defendant make false and unlawful nutrient content and health-related and other labeling claims that are prohibited by regulation, consumers such as Plaintiffs are misled.

20. Identical California and federal laws regulate the content of labels on packaged 17 food. The requirements of the federal FDCA were adopted by the California legislature in the 18 19 Sherman Law. Under both the Sherman Law and FDCA section 403(a), food is "misbranded" if "its labeling is false or misleading in any particular," or if it does not contain certain information 20 on its label or its labeling. Cal. Health & Safety Law 110660; 21 U.S.C. § 343(a). 21

21. Under the FDCA, the term "false" has its usual meaning of "untruthful," while the 22 term "misleading" is a term of art. Misbranding reaches not only false claims, but also those 23 claims that might be technically true, but still misleading. If any one representation in the 24 labeling is misleading, the entire food is misbranded, and no other statement in the labeling can 25 cure a misleading statement. "Misleading" is judged in reference to "the ignorant, the unthinking 26 and the credulous who, when making a purchase, do not stop to analyze." United States v. El-O-27 Pathic Pharmacy, 192 F.2d 62, 75 (9th Cir. 1951). Under the FDCA, it is not necessary to prove 28

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page7 of 59

1 that anyone was actually misled.

2 22. In promoting the nutritional and health benefits of its Purchased Products and the
3 Class Products, Defendant has claimed to understand the importance of communicating
4 responsibly about its products. Nevertheless, Defendant has made, and continues to make, false
5 and deceptive claims about its Purchased Products and the Class Products in violation of identical
6 federal and California laws that govern the types of representations that can be made on food
7 labels.

8 23. Defendant also has made, and continues to make, unlawful claims on food labels
9 of its Purchased Products and the Class Products that are prohibited by federal and California law
10 and which render these products misbranded. Under federal and California law, Defendant's
11 Purchased Products and the Class Products cannot legally be manufactured, advertised,
12 distributed, held or sold.

13 24. Defendant also has made, and continues to make unlawful claims on its website,
14 which is also considered food labeling, of its Purchased Products and the Class Products that are
15 prohibited by federal and California law and which render these products misbranded. Under
16 federal and California law, Defendant's Purchased Products and Class Products cannot legally be
17 manufactured, advertised, distributed, held or sold.

- 18 25. Defendant's violations of law are the illegal advertising, marketing, distribution,
 19 delivery and sale of Defendant's misbranded Purchased Products and the Class Products to
 20 consumers in California and throughout the United States.
- 21PARTIES2226. Plaintiff Markus Wilson is a resident of Santa Rosa, California who purchased23Defendant's Lay's Classic Potato Chips in California during the Class Period. Attached hereto24are copies of photographs of the package label on the product purchased by Plaintiff Markus25Wilson (Exhibit 1). Plaintiff Wilson purchased more than \$25.00 of Lay's Classic Potato Chips26during the Class Period.272728Plaintiff Doug Campen is a resident of Santa Rosa who purchased Defendant's
- 27 27. Plaintiff Doug Campen is a resident of Santa Rosa who purchased Defendant's
 28 Lay's Classic Potato Chips, Lay's Honey Barbecue Potato Chips (Exhibit 2), Lay's Kettle
 SECOND AMENDED CLASS ACTION COMPLAINT

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page8 of 59

1	Cooked Mesquite BBQ Potato Chips (Exhibit 3), Cheetos Puffs (Exhibit 4), and Fritos Original
2	Corn Chips (Exhibit 5) in California during the Class Period. Exhibits 2-5 are copies of
3	photographs of product labels on the products purchased by Plaintiff Doug Campen. Plaintiff
4	Campen purchased more than \$25.00 of these products during the Class Period.
5	28. Defendant Frito-Lay North America, Inc. is a Texas corporation with its principal
6	place of business at 7701 Legacy Drive, Plano Texas.
7	JURISDICTION AND VENUE
8	29. This Court has original jurisdiction over this action pursuant to 28 U.S.C.
9	§ 1332(d) because this is a class action in which: (1) there are over 100 members in the proposed
10	class; (2) members of the proposed class have a different citizenship from Defendant; and (3) the
11	claims of the proposed class members exceed \$5,000,000 in the aggregate.
12	30. Alternatively, the Court has jurisdiction over all claims alleged herein pursuant to
13	28 U.S.C. § 1332, because the matter in controversy exceeds the sum or value of \$75,000, and is
14	between citizens of different states.
15	31. The Court has personal jurisdiction over Defendant because a substantial portion
16	of the wrongdoing alleged in this Second Amended Complaint occurred in California, Defendant
17	is authorized to do business in California, Defendant has sufficient minimum contacts with
18	California, and Defendant otherwise intentionally avails itself of the markets in California
19	through the promotion, marketing and sale of merchandise, sufficient to render the exercise of
20	jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.
21	32. Because a substantial part of the events or omissions giving rise to these claims
22	occurred in this District and because the Court has personal jurisdiction over Defendant, venue is
23	proper in this Court pursuant to 28 U.S.C. § 1391(a) and (b).
24	FACTUAL ALLEGATIONS
25	A. <u>Identical California and Federal Laws Regulate Food Labeling</u>
26	33. Food manufacturers are required to comply with identical federal and state laws
27	and regulations that govern the labeling of food products. First and foremost among these is the
28	FDCA and its labeling regulations, including those set forth in 21 C.F.R. § 101.
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page9 of 59

34. Pursuant to the Sherman Law, California has expressly adopted the federal
 labeling requirements as its own and indicated that "[a]ll food labeling regulations and any
 amendments to those regulations adopted pursuant to the federal act, in effect on January 1, 1993,
 or adopted on or after that date shall be the food regulations of this state." California Health &
 Safety Code § 110100.

35. In addition to its blanket adoption of federal labeling requirements, California has 6 7 also enacted a number of laws and regulations that adopt and incorporate specific enumerated 8 federal food laws and regulations. For example, food products are misbranded under California 9 Health & Safety Code § 110660 if their labeling is false and misleading in one or more 10 particulars; are misbranded under California Health & Safety Code § 110665 if their labeling fails 11 to conform to the requirements for nutrient labeling set forth in 21 U.S.C. § 343(q) and 12 regulations adopted thereto; are misbranded under California Health & Safety Code § 110670 if 13 their labeling fails to conform with the requirements for nutrient content and health claims set 14 forth in 21 U.S.C. § 343(r) and regulations adopted thereto; are misbranded under California 15 Health & Safety Code § 110705 if words, statements and other information required by the 16 Sherman Law to appear on their labeling are either missing or not sufficiently conspicuous; are 17 misbranded under California Health & Safety Code § 110735 if they are represented as having 18 special dietary uses but fail to bear labeling that adequately informs consumers of their value for 19 that use; and are misbranded under California Health & Safety Code § 110740 if they contain 20 artificial flavoring, artificial coloring and chemical preservatives but fail to adequately disclose 21 that fact on their labeling.

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B. <u>FDA Enforcement History</u>

36. In recent years the FDA has become increasingly concerned that food
manufacturers have been disregarding food labeling regulations. To address this concern, the
FDA informed the food industry of its concerns and placed the industry on notice that food
labeling compliance was an area of enforcement priority.

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1	37. In October 2009, the FDA issued its 2009 Guidance for Industry: Letter
2	regarding Point of Purchase Food Labeling ("2009 FOP Guidance") to the food industry that
3	stated in part:
4	FDA's research has found that with FOP labeling, people are less likely to check
5	the Nutrition Facts label on the information panel of foods (usually, the back or side of the package). It is thus essential that both the criteria and symbols used in
6	front-of-package and shelf-labeling systems be nutritionally sound, well- designed to help consumers make informed and healthy food choices, and not be
7	false or misleading. The agency is currently analyzing FOP labels that appear to be misleading. The agency is also looking for symbols that either expressly or
8	by implication are nutrient content claims. We are assessing the criteria established by food manufacturers for such symbols and comparing them to our monitories
9	regulatory criteria.
10	It is important to note that nutrition-related FOP and shelf labeling, while currently voluntary, is subject to the provisions of the Federal Food, Drug, and
11	Cosmetic Act that prohibit false or misleading claims and restrict nutrient content claims to those defined in FDA regulations. Therefore, FOP and shelf
12	labeling that is used in a manner that is false or misleading misbrands the products it accompanies. Similarly, a food that bears FOP or shelf labeling with a
13	nutrient content claim that does not comply with the regulatory criteria for the claim as defined in Title 21 Code of Federal Regulations (CFR) 101.13 and
14	Subpart D of Part 101 is misbranded. We will consider enforcement actions against clear violations of these established labeling requirements
15	Accurate food labeling information can assist consumers in making healthy
16	nutritional choices. FDA intends to monitor and evaluate the various FOP labeling systems and their effect on consumers' food choices and perceptions.
17	FDA recommends that manufacturers and distributors of food products that include FOP labeling ensure that the label statements are consistent with FDA laws and regulations. FDA will proceed with enforcement action against
18	products that bear FOP labeling that are explicit or implied nutrient content
19	claims and that are not consistent with current nutrient content claim requirements. FDA will also proceed with enforcement action where such FOP labeling or labeling systems are used in a manner that is false or misleading.
20	38. The 2009 FOP Guidance is attached hereto as Exhibit 6.
21	39. Defendant had actual knowledge of the 2009 FOP Guidance.
22	40. Although Defendant had actual knowledge of the 2009 FOP Guidance, Defendant
23	did not remove the (i) unlawful and (ii) misleading labels from its Purchased Products or the
24	Class Products.
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26	41. On March 3, 2010, the FDA issued an " <i>Open Letter to Industry from [FDA</i>
27	<i>Commissioner] Dr. Hamburg</i> " ("Open Letter"). The Open Letter reiterated the FDA's concern
28	regarding false and misleading labeling by food manufacturers. In pertinent part, the letter stated:

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In the early 1990s, the Food and Drug Administration (FDA) and the food industry worked together to create a uniform national system of nutrition labeling, which includes the now-iconic Nutrition Facts panel on most food packages. Our citizens appreciate that effort, and many use this nutrition information to make food choices. Today, ready access to reliable information about the calorie and nutrient content of food is even more important, given the prevalence of obesity and diet-related diseases in the United States. This need is highlighted by the announcement recently by the First Lady of a coordinated national campaign to reduce the incidence of obesity among our citizens, particularly our children.

With that in mind, I have made improving the scientific accuracy and usefulness of food labeling one of my priorities as Commissioner of Food and Drugs. The latest focus in this area, of course, is on information provided on the principal display panel of food packages and commonly referred to as "front-of-pack" labeling. The use of front-of-pack nutrition symbols and other claims has grown tremendously in recent years, and it is clear to me as a working mother that such information can be helpful to busy shoppers who are often pressed for time in making their food selections. ...

As we move forward in those areas, I must note, however, that there is one area in which more progress is needed. As you will recall, we recently expressed concern, in a "Dear Industry" letter, about the number and variety of label claims that may not help consumers distinguish healthy food choices from less healthy ones and, indeed, may be false or misleading.

At that time, we urged food manufacturers to examine their product labels in the context of the provisions of the Federal Food, Drug, and Cosmetic Act that prohibit false or misleading claims and restrict nutrient content claims to those defined in FDA regulations. As a result, some manufacturers have revised their labels to bring them into line with the goals of the Nutrition Labeling and Education Act of 1990. Unfortunately, however, we continue to see products marketed with labeling that violates established labeling standards.

To address these concerns, FDA is notifying a number of manufacturers that their labels are in violation of the law and subject to legal proceedings to remove misbranded products from the marketplace. While the warning letters that convey our regulatory intentions do not attempt to cover all products with violative labels, they do cover a range of concerns about how false or misleading labels can undermine the intention of Congress to provide consumers with labeling information that enables consumers to make informed and healthy food choices. For example:

• Nutrient content claims that FDA has authorized for use on foods for adults are not permitted on foods for children under two. Such claims are highly inappropriate when they appear on food for infants and toddlers because it is well known that the nutritional needs of the very young are different than those of adults.

- Claims that a product is free of trans fats, which imply that the product is a better choice than products without the claim, can be misleading when a product is high in saturated fat, and especially so when the claim is not accompanied by the required statement referring consumers to the more complete information on the Nutrition Facts panel.
- SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page12 of 59
1	• Products that claim to treat or mitigate disease are considered to be drugs and must meet the regulatory requirements for drugs, including the
2 3	requirement to prove that the product is safe and effective for its intended use.
4	• Misleading "healthy" claims continue to appear on foods that do not meet the long- and well-established definition for use of that term.
5	• Juice products that mislead consumers into believing they consist entirely
6	of a single juice are still on the market. Despite numerous admonitions from FDA over the years, we continue to see juice blends being
7	inaccurately labeled as single-juice products.
8 9	These examples and others that are cited in our warning letters are not indicative of the labeling practices of the food industry as a whole. In my conversations with industry leaders, I sense a strong desire within the industry for a level playing field and a commitment to producing safe, healthy products. That
10	reinforces my belief that FDA should provide as clear and consistent guidance as possible about food labeling claims and nutrition information in general, and specifically about how the growing use of front-of-pack calorie and nutrient
11	information can best help consumers construct healthy diets.
12	I will close with the hope that these warning letters will give food manufacturers further clarification about what is expected of them as they review their current
13	labeling. I am confident that our past cooperative efforts on nutrition information and claims in food labeling will continue as we jointly develop a practical,
14	science-based front-of-pack regime that we can all use to help consumers choose healthier foods and healthier diets.
15	See Exhibit 7.
16 17	42. Defendant has continued to mislabel its Purchased Products and the Class Products
	despite the express admonition not to do so contained in the Open Letter.
18	THE PURCHASED PRODUCTS AND THEIR SHERMAN LAW VIOLATIONS
19 20	A. Defendant Makes Unlawful and Misleading "All Natural" Claims
20 21	43. The following Purchased Products contain an "All Natural" claim:
21	Lay's Honey Barbecue Potato Chips Kettle Cooked Mesquite BBQ Potato Chips
23	44. The following products are Defendant's products which contain the same "Made
24	with Natural Ingredients" or "All Natural" label statement as Lay's Honey Barbecue Potato Chips
25	and Kettle Cooked Mesquite BBQ Potato Chips and are unlawful and misleading:
26	Lay's Barbecue Flavored Potato Chips Lay's Sour Cream And Onion Potato Chips
27	Lay's Cajun Herb & Spice Flavored Potato Chips Lay's Cheddar & Sour Cream Flavored Potato Chips
28	Lay's Chile Limon Flavored Potato Chips
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC) 12

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page13 of 59
1	Lay's Dill Pickle Flavored Potato Chips Lay's Tangy Carolina BBQ Flavored Potato Chips
2 3	Lay's Garden Tomato & Basil Flavored Potato Chips Lay's Sweet Southern Heat Flavored Potato Chips Lay's Classic Blt Potato Chips
5 4	Lay's Classic Blt Potato Chips Lay's Flamin Hot Potato Chips Lay's Kettle Cooked Original Potato Chips
5	Lay's Kettle Cooked Applewood Smoked BBQ Flavored Potato Chips Lay's Kettle Cooked Sea Salt & Vinegar Flavored Potato Chips
6	Lay's Kettle Cooked Sea Salt & Cracked Pepper Flavored Potato Chips Lay's Kettle Cooked Sharp Cheddar Flavored Potato Chips
7	Lay's Kettle Cooked Jalapeno Flavored Potato Chips Lay's Kettle Cooked Maui Onion Flavored Potato Chips
8	Lay's Kettle Cooked Reduced Fat Original Potato Chips Lay's Kettle Cooked Parmesan And Sun Dried Tomato Potato Chips
9	Lay's Kettle Cooked Harvest Ranch Potato Chips Lay's Kettle Cooked Spicy Cayenne Potato Chips Lay's Kettle Cooked Creamy Maditemanagen Harb Potato Ching
10	Lay's Kettle Cooked Creamy Mediterranean Herb Potato Chips Lay's Limon Potato Chips Lay's Balsamic Sweet Onion Potato Chips
11	Lay's Chipotle Ranch Potato Chips Lay's Creamy Garden Ranch Potato Chips
12	Lay's Salt And Vinegar Potato Chips Lay's Honey Mustard Potato Chips
13	Lay's Wavy Au Gratin Potato Chips Lay's Wavy Ranch Potato Chips
14	Lay's Wavy Hickory Barbecue Potato Chips Miss Vickie's Jalapeno Kettle Cooked Flavored Potato Chips
15 16	Miss Vickie's Sea Salt & Cracked Pepper Flavored Potato Chips Miss Vickie's Sea Salt & Vinegar Kettle Cooked Flavored Potato Chips Miss Vickie's Smokehouse BBQ Kettle Cooked Flavored Potato Chips
10	Cheetos Simply Natural Puffs White Cheddar Cheese Flavored Snacks Tostitos Artisan Recipes Baked Three Cheese Queso Flavored Tortilla Chips
18	Tostitos Artisan Recipes Grilled Red Pepper & Tomato Salsa Flavored Tortilla Chips
19	Tostitos Artisan Recipes Roasted Garlic & Black Bean Tortilla Chips Tostitos Artisan Recipes Toasted Southwestern Spices Tortilla Chips
20	Tostitos Hint Of Lime Flavored Tortilla Chips Tostitos Hint Of Pepper Jack Flavored Tortilla Chips Tostitos Hint Of Jalanana Flavored Tortilla Chips
21	Tostitos Hint Of Jalapeno Flavored Tortilla Chips Sunchips Original Multigrain Snacks Sunchips French Onion Flavored Multigrain Snacks
22	Sunchips Garden Salsa Flavored Multigrain Snacks Sunchips Harvest Cheddar Flavored Multigrain Snacks
23	Sunchips Sweet & Spicy BBQ Flavored Multigrain Snacks
24	Exhibit 8 is a compilation of the labels of the above referenced products which contain the same
25 26	or similar "Made with All Natural Ingredients" or "All Natural" stamp as Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips. ²
26 27	
28	² Defendant also listed the following products: as "All Natural" products on its website, <u>www.fritolaw.com/your-health/naturally-delicious</u> . A copy of this page is attached as Exhibit 12, as the page is no longer available.

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page14 of 59

1 45. The following unlawful and misleading language appears on the label of Lay's 2 Honey Barbecue Potato Chips and Kettle Cooked BBQ Potato Chips and Defendant's products 3 listed in paragraph 44: "Made with All Natural Ingredients" or "All Natural." 4 46. Plaintiff Campen reasonably relied on this label representation when making his 5 purchase decisions and was misled by this representation as described below. Plaintiff Campen 6 would not have purchased Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite 7 BBQ Potato Chips had he known the truth about Lay's Honey Barbecue Potato Chips and Kettle 8 Cooked Mesquite BBQ Potato Chips, i.e. that the products were not truly "made with all natural 9 ingredients" or "all natural". Plaintiff Campen had other food alternatives that satisfied such 10 standards and Plaintiff Campen also had cheaper alternatives. Reasonable consumers would have 11 been misled in the same manner as Plaintiff Campen. 12 47. Also, Plaintiff Campen reasonably relied on the fact that Lay's Honey Barbecue 13 Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips were not misbranded under the 14 Sherman Law and were therefore legal to buy and possess. Plaintiff Campen would not have 15 purchased Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips 16 had they known it was illegal to purchase and possess these products. 17 48. In its rule-making and warning letters to manufacturers, the FDA has repeatedly 18 stated its policy to restrict the use of the term "natural" in connection with added color, synthetic 19 substances and flavors as provided in 21 C.F.R. § 101.22. 20 49. The FDA has also repeatedly affirmed its policy regarding the use of the term 21 "natural" as meaning that nothing artificial or synthetic (including all color additives regardless of 22 source) has been included in, or has been added to, a food that would not normally be expected to 23 be in the food. 24 50. For example, 21 C.F.R. § 70.3(f) makes clear that "where a food substance such as 25 beet juice is deliberately used as a color, as in pink lemonade, it is a color additive." Similarly, 26 any coloring or preservative can preclude the use of the term "natural" even if the coloring or 27 preservative is derived from natural sources. Further, the FDA distinguishes between natural and 28 artificial flavors in 21 C.F.R. § 101.22. SECOND AMENDED CLASS ACTION COMPLAINT 14

CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page15 of 59

51. Defendant's "all natural" labeling practices violate FDA Compliance Guide CPG
 Sec. 587.100, which states: [t]he use of the words "food color added," "natural color," or similar
 words containing the term "food" or "natural" may be erroneously interpreted to mean the color is
 a naturally occurring constituent in the food. Since all added colors result in an artificially
 colored food, we would object to the declaration of any added color as "food" or "natural."

52. Likewise, California Health & Safety Code § 110740 prohibits the use of artificial
flavoring, artificial coloring and chemical preservatives unless those ingredients are adequately
disclosed on the labeling.

9 53. The FDA has sent out numerous warning letters concerning this issue. See e.g., 10 Exhibit 9 (August 16, 2001 FDA warning letter to Oak Tree Farm Dairy because there was citric 11 acid in its all natural iced tea); Exhibit 10 (August 29, 2001 FDA warning letter to Hirzel Canning 12 Company because there was citric acid or calcium chloride in its all natural tomato products); 13 Exhibit 11 (August 2, 2001 FDA warning letter to GMP Manufacturing, Inc. stating: "[t]he 14 products, Cytomax Exercise and Recovery Drink (Peachy Keen flavor) and Cytomax Lite 15 (Lemon Iced Tea Flavor) are misbranded because they contain colors but are labeled using the 16 term "no artificial colors."). Defendant is aware of these FDA warning letters.

17 54. Defendant promoted such falsely labeled and misrepresented products with "the 18 largest integrated marketing campaign in the history of the company [Frito-Lay]." This campaign 19 included television advertising print advertising, in-store promotions, digital and social mediums 20 and packaging. Defendant also promoted its "All Natural" and "Made with All Natural 21 Ingredients" campaign on its website, www.fritolaw.com/your-health/naturally-delicious.³ 22 Moreover, advertising, marketing and packaging was designed to drive consumers to online 23 content and product labels invited consumers to go to these online sources of information. 24 Plaintiff Campen was exposed to this campaign and as discussed below misled by specific 25 misrepresentations on the labels made by Defendant's as part of this campaign on which he 26 relied. In particular, he was misled by Defendant's false "All Natural" and "Made with All

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³ A copy of this page is attached as Exhibit 12, as the page is no longer available on Defendant's website.

Natural Ingredients" claims on the product labels that were the focus of this unprecedented
 campaign.

3 55. As part of this campaign, Defendant began placing seals or emblems on their food 4 product's packaging that indicated that these products were "Made With All Natural Ingredients," 5 "All Natural" and that the products contained "No MSG" and "No Preservatives" and "No 6 Artificial Flavors." Defendant called this seal or emblem its "all natural stamp" and told 7 consumers it was designed so that consumers could "easily identify our products made with all 8 natural ingredients" and help them "find all natural Frito-Lay products." This seal or emblem was 9 bolstered by other similar statements elsewhere on the labels. Frito Lay further represented to 10 consumers that [t]he products made with all natural ingredients do not contain any artificial 11 ingredients or synthetic ingredients, and they do not contain any artificial flavors or artificial 12 preservatives, or ingredients such as monosodium glutamate (MSG)." These statements and 13 representations were false as the Lay's Honey Barbecue Potato Chips contained ingredients that 14 were not "all natural" particularly yeast extract, caramel color and citric acid, and the Lay's Kettle 15 Cooked Mesquite BBQ Potato Chips contained ingredients that were not "all natural" particularly 16 maltodextrin, yeast extract and citric acid. Similarly, the products listed in paragraph 42 also 17 contain ingredients that are not "all natural" or "made with all natural ingredients." In addition, 18 the Defendant further obscured the unnatural nature of its ingredients by failing to disclose the 19 function of its ingredients as required by 21 C.F.R. §101.22 and thus failed to reveal that 20 ingredients like citric acid were functioning as artificial flavors, preservatives or added colors. 21 56. Defendant has unlawfully labeled (i) Lay's Honey Barbecue Potato Chips, (ii),

Lay's Kettle Cooked Mesquite BBQ Potato Chips and (iii) the similarly labeled products
identified in paragraph 44 as "made with all natural ingredients" or "all natural" when they
actually contain artificial ingredients and flavorings, artificial coloring and chemical
preservatives. Consumers are thus misled into purchasing such products with synthetic unnatural
ingredients that are not "all natural" as falsely represented on their labeling. Defendant's
products in this respect are misbranded under federal and California law.

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Case3:12-cv-01586-SC Document47 Filed05/01/13 Page17 of 59

1 57. Plaintiff Campen bought Lay's Honey Barbecue Potato Chips which bore 2 Defendant's "All Natural" stamp and Lay's Kettle Cooked Mesquite BBQ Potato Chips which 3 bore Defendant's "All Natural Ingredients" stamp which Defendant falsely represented as being 4 "All Natural." These products were falsely labeled and misbranded because contrary to the 5 various false representations that they were "All Natural" they contained various ingredients such 6 as artificial ingredients and flavorings, artificial coloring and chemical preservatives. For 7 example, Lay's Honey Barbecue Potato Chips contained ingredients that were not "all natural" 8 such as caramel color and citric acid, and the Lay's Kettle Cooked Mesquite BBQ Potato Chips 9 contained ingredients that were not "all natural" such as maltodextrin and citric acid. Similarly, 10 the products listed in paragraph 42 also contain ingredients that are not "all natural" or "made 11 with all natural ingredients."

12 58. For these reasons, Defendant's "all natural" labels are (i) false and misleading and
13 in violation of identical California and federal law, and (ii) the products at issue are misbranded
14 as a matter of law. Therefore, these products are misbranded as a matter of California and federal
15 law and cannot be sold or held and thus are legally worthless and have no economic value.

59. Defendant's claims in this respect are false and misleading and Lay's Honey
Barbecue Potato Chips, Lay's Kettle Cooked Mesquite Barbecue Potato Chips and the similarly
labeled products identified in paragraph 44 are in this respect misbranded under identical
California and federal laws. Misbranded products cannot be legally sold and have no economic
value and are legally worthless. Plaintiff and members of the Class who purchased Lay's Honey
Barbecue Potato Chips, Lay's Kettle Cooked Mesquite Barbecue Potato Chips and the similarly
labeled products identified in paragraph 44 paid an unwarranted premium for these products.

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60. Plaintiff and members of the Class would not have purchased Lay's Honey
Barbecue Potato Chips, Lay's Kettle Cooked Mesquite Barbecue Potato Chips and the similarly
labeled products identified in paragraph 44 if they had known they were illegal to sell or possess.

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B. Defendant Makes Unlawful and Misleading "No MSG" Claims

27 61. The following Purchased Products were falsely represented by the Defendant as
28 having "No MSG":

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. $3{:}12{-}\mathrm{CV}{-}01586~(\mathrm{SC})$

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page18 of 59
1	Lay's Honey Barbecue Potato Chips Kettle Cooked BBQ Potato Chips
2	62. The following products are Defendant's products which contain the same "All
3	Natural" stamp and the same false statement that the products contain "No MSG" as the Lay's
4	
5	Honey Barbecue Chips, Kettle Cooked BBQ Potato Chips and are unlawful and misleading:
6	Lay's Barbecue Flavored Potato Chips Lay's Cajun Herb & Spice Flavored Potato Chips Lay's Cheddar & Sour Cream Flavored Potato Chips
7	Lay's Chile Limon Flavored Potato Chips
8	Lay's Dill Pickle Flavored Potato Chips Lay's Garden Tomato & Basil Flavored Potato Chips Lay's Honey BBQ Flavored Potato Chips
9	Lay's Kettle Cooked Applewood Smoked BBQ Flavored Potato Chips
10	Lay's Kettle Cooked Jalapeno Flavored Potato Chips Lay's Kettle Cooked Maui Onion Flavored Potato Chips
11	Lay's Kettle Cooked Sea Salt & Cracked Pepper Flavored Potato Chips Lay's Kettle Cooked Sea Salt & Vinegar Flavored Potato Chips
12	Lay's Kettle Cooked Sharp Cheddar Flavored Potato Chips Lay's Sour Cream & Onion Flavored Potato Chips
13	Lay's Sweet Southern Heat Flavored Potato Chips Lay's Tangy Carolina BBQ Flavored Potato Chips
	Lay's Wavy Augratin Potato Chips
14	Lay's Wavy Hickory Barbecue Potato Chips Lay's Wavy Ranch Potato Chips
15	Miss Vickie's Jalapeno Kettle Cooked Flavored Potato Chips Miss Vickie's Sea Salt & Cracked Pepper Flavored Potato Chips
16	Miss Vickie's Sea Salt & Vinegar Kettle Cooked Flavored Potato Chips
17	Miss Vickie's Smokehouse BBQ Kettle Cooked Flavored Potato Chips Cheetos Simply Natural Puffs White Cheddar Cheese Flavored Snacks
18	Tostitos Artisan Recipes Baked Three Cheese Queso Flavored Tortilla Chips Tostitos Artisan Recipes Grilled Red Pepper & Tomato Salsa Flavored Tortilla
19	Chips Tostitos Artisan Recipes Roasted Garlic & Black Bean Tortilla Chips
20	Tostitos Artisan Recipes Toasted Southwestern Spices Tortilla Chips Tostitos Hint Of Lime Flavored Tortilla Chips
21	Tostitos Hint Of Pepper Jack Flavored Tortilla Chips Tostitos Hint Of Jalapeno Flavored Tortilla Chips
	Sunchips French Onion Flavored Multigrain Snacks
22	Sunchips Garden Salsa Flavored Multigrain Snacks Sunchips Harvest Cheddar Flavored Multigrain Snacks
23	Sunchips Sweet & Spicy BBQ Flavored Multigrain Snacks
24	Exhibit 13 is a compilation of the labels of the above referenced products which contain the same
25	false representation by the Defendant as having "No MSG" as Lay's Honey Barbecue Potato
26 27	Chips and Kettle Cooked Mesquite BBQ Potato Chips. ⁴
28	⁴ Defendant made the same false "No MSG" statement about the following products on its website: LAY'S® Cheesy Garlic Bread Flavored Potato Chips; LAY'S® Chicken & Waffles SECOND AMENDED CLASS ACTION COMPLAINT

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

1 63. The Lay's Kettle Cooked Mesquite BBQ Potato Chips and the products listed in 2 paragraph 62 expressly stated that the product contained "No MSG." See Exhibit 3. In addition, 3 the Lay's Honey Barbecue Potato Chips' label bore Defendant's "Made with All Natural Ingredients" stamp, which as discussed below, means "No MSG" as defined by Defendant. See 4 5 Exhibit 2.

64. Plaintiff Campen reasonably relied on this label representation when making his 6 7 purchase decision and was misled by this representation as described below. Plaintiff Campen 8 would not have purchased Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite 9 BBQ Potato Chips had he known the truth about these products, i.e. that the "No MSG" claim 10 was false. Plaintiff Campen had other food alternatives that satisfied such standards and Plaintiff 11 Campen also had cheaper alternatives. Reasonable consumers would have been misled in the 12 same manner as Plaintiff Campen.

13 65. Also, Plaintiff Campen reasonably relied on the fact that Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips were not misbranded under the 14 15 Sherman Law and were therefore legal to buy and possess. Plaintiff Campen would not have 16 purchased Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips 17 had he known it was illegal to purchase and possess the products.

18 66. Defendant recognized that consumers were increasingly seeking to avoid 19 monosodium glutamate ("MSG") and thus were looking for "No MSG" food options. According 20 to Defendant "[s]ome people report sensitivity to MSG and prefer to avoid foods containing 21 MSG." 67. Rather than reformulate all of their food products so that they did not contain the

22

- 23 MSG, Defendant knew consumers were seeking to avoid, Defendant simply mislabeled a number
- 24

Flavored Potato Chips; LAY'S® Sriracha Flavored Potato Chips; LAY'S® FLAMIN' HOT® 25 Flavored Potato Chips; LAY'S® TAPATIO® Limon Flavored Potato Chips; LAY'S® Wavy 26 Roasted Garlic & Sea Salt Flavored Potato Chips; BAKED! LAY'S® Barbecue Flavored Potato Crisps; BAKED! LAY'S[®] Parmesan & Tuscan Herb Flavored Potato Crisps; DORITOS[®] 27 DINAMITA® Chipotle Crema Flavored Tortilla Chips; MAUI STYLE® Salt & Vinegar Flavored Potato Chips; CHESTER'S® Butter Flavored Puffcorn Snacks and CHESTER'S® 28 Cheese Flavored Puffcorn Snacks. http://www.fritolay.com/your-health/us-products-notcontaining-msg.html. A copy of this page is attached as Exhibit 14. SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page20 of 59

1	of their MSG laden products and placed false "No MSG" representations on these products'
2	labels and labeling and falsely depicted these products in their advertising and marketing
3	materials and on their websites as being free of MSG.
4	68. Defendant was correct in its statement that some people are sensitive or intolerant
5	of MSG and that some consumers seek to avoid the chemical. The FDA's Center for Food Safety
6	and Applied Nutrition has received hundreds of reports of MSG related adverse reactions and
7	complaints. A study commissioned by the FDA reported that a percentage of the population may
8	react to MSG and develop MSG complex, a condition characterized by one or more of the
9	following symptoms: burning sensation in the back of the neck, forearms, and chest; numbness in
10	the back of the neck radiating to the arms and back; tingling, warmth and weakness in the face,
11	temples, upper back, neck and arms; facial pressure or tightness; chest pain; headache; nausea;
12	rapid heartbeat; bronchospasm (difficulty breathing) in MSG intolerant people with asthma;
13	drowsiness and weakness. See FDA Backgrounder (August 31, 1995), attached as Exhibit 15.
14	69. According to the FDA:
15	A food that bears a false or misleading claim about the absence of MSG is
16	misbranded under section 403(a) of the act. FDA has repeatedly advised consumers and industry that it considers such claims as "No MSG" and "No
17	added MSG" to be misleading when they are used on the labels of foods made with ingredients that contain substantial levels of free glutamate (Refs. 25, 26, and
18	27). FDA has authority to take action against such misbranded foods under existing law, but because of the proliferation of such claims on products made
19	with ingredients that contain substantial levels of free glutamate, the agency believes that formal criteria would be useful to define more precisely the
20	circumstances under which labels bearing claims about the absence of MSG are misleading. While such criteria are being developed, however, FDA will continue
21	to take regulatory action as appropriate against false or patently misleading claims about the absence of MSG, such as "No MSG" claims on products made with
22	MSG-containing ingredients, hydrolyzed proteins, or autolyzed yeast extracts. Food Labeling; Declaration of Free Glutamate in Food, 61 FR 48102 (September
23	12, 1996).
24	70. The FDA reiterated its position in November 2012 stating:
25	MSG occurs naturally in ingredients such as hydrolyzed vegetable protein, autolyzed yeast, hydrolyzed yeast, yeast extract, soy extracts, and protein isolate,
26	as well as in tomatoes and cheeses. While FDA requires that these products be listed on the ingredient panel, the agency does not require the label to also specify
27	that they naturally contain MSG. However, foods with any ingredient that naturally contains MSG cannot claim "No MSG" or "No added MSG" on
28	their packaging. MSG also cannot be listed as "spices and flavoring."

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page21 of 59

http://www.fda.gov/Food/IngredientsPackagingLabeling/FoodAdditivesIngredients/ucm3
 28728.htm (emphasis added) (attached as Exhibit 16).

71. The FDA also noted that there were numerous books and media reports reporting
"widespread and sometimes life-threatening adverse reactions to MSG" and claims that "even
small amounts of manufactured glutamates may cause adverse reactions." FDA Backgrounder
(August 31, 1995) (attached as Exhibit 15).

7 72. In light of these facts, many consumers choose to avoid or at least limit MSG in
8 their diet. Plaintiff Campen was such a consumer. Plaintiff Campen was misled by Defendant into
9 purchasing Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips
10 containing MSG that were misrepresented as having "No MSG" by Defendant.

The FDA has indicated that "consumers frequently use the term MSG to mean "all free glutamate" and therefore "[f]or this reason, FDA considers foods who labels say 'No MSG' or 'No Added MSG' to be misleading if the food contains ingredients that are sources of free glutamates, such as hydrolyzed protein." FDA Backgrounder (August 31, 1995) (attached as Exhibit 15). Despite this guidance, Defendant engaged in exactly the practice the FDA warned was "misleading" to consumers. In doing so Defendant misled the Plaintiff Campen and members of the Class who reasonably relied on Defendant's false and misleading "No MSG" claims.

18 74. As discussed above, Defendant promoted such falsely labeled and misrepresented 19 products with "the largest integrated marketing campaign in the history of the company [Frito-20 Lay]." This campaign included television advertising print advertising, in-store promotions, 21 digital and social mediums and packaging. Defendant also promoted its "No MSG" campaign on 22 its website, http://www.fritolay.com/your-health/us-products-not-containing-msg.html.⁵ 23 Moreover, advertising, marketing and packaging was designed to drive consumers to online 24 content and product labels invited consumers to go to these online sources of information. 25 Plaintiff Campen was exposed to this campaign and as discussed below misled by specific 26 misrepresentations on the labels made by Defendant as part of this campaign on which he relied. 27 In particular, he was misled by Defendant's false "No MSG" claims on the product labels that

28

 ⁵ See attached Exhibit 14. As discussed below, Defendant's website is also considered "labeling."
 SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

1 were the focus of this unprecedented campaign, including Lay's Honey Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips. 2

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3 75. As part of this campaign, Defendant began placing seals or emblems on their food 4 product's packaging that indicated that these products were "Made With All Natural Ingredients" 5 and that the products contained "No MSG" and "No Preservatives" and "No Artificial Flavors." 6 Defendant called this seal or emblem its "all natural stamp" and told consumers it was designed 7 so that consumers could "easily identify our products made with all natural ingredients" and help 8 them "find all natural Frito-Lay products." This seal or emblem was bolstered by other similar 9 statements elsewhere on the labels. Frito Lay further represented to consumers that [t]he products 10 made with all natural ingredients do not contain any artificial ingredients or synthetic ingredients, 11 and they do not contain any artificial flavors or artificial preservatives, or ingredients such as 12 monosodium glutamate (MSG)." http://www.fritolay.com/about-us/press-release-20101228.html 13 (attached as Exhibit 17). These statements and representations were false as Lay's Honey 14 Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips and the products listed in 15 paragraph 62 contained MSG.

16 76. Defendant also promised that any Frito-Lay products containing MSG will list 17 MSG in the ingredient statement. This was false as Defendant failed to disclose the presence of

MSG in their products or their products' ingredient lists.

19 77. Plaintiff Campen bought Lay's Honey Barbecue Potato Chips which bore 20 Defendant's "All Natural" stamp and Lay's Kettle Cooked Mesquite BBQ Potato Chips which 21 bore Defendant's "All Natural Ingredients" stamp which Defendant falsely represented as having 22 "No MSG." These products were falsely labeled and misbranded because contrary to the various 23 false representations that they contained "No MSG" they contained various ingredients such as 24 yeast extract that are sources of MSG. For example, Lay's Honey Barbecue Potato Chips and 25 Kettle Cooked Mesquite BBQ Potato Chips purchased by Plaintiff Campen were falsely 26 represented as having "NO MSG" but in fact each contained yeast extract, a source of MSG. 27 78. A reasonable consumer would expect that when Defendant labels its products with 28 a "No MSG" claim the product and the product's ingredients will not contain MSG or free

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page23 of 59

glutamates and would not be using the term "No MSG" in way deemed "misleading" by the FDA.
 A reasonable consumer would also expect that when Defendant labels its products with a "No
 MSG" claim the product and the product ingredients have no MSG under the common use of that
 word. A reasonable consumer would understand that "NO MSG" products do not contain MSG
 or free glutamates.

6 79. Consumers such as Plaintiff Campen are thus misled into purchasing Defendant's
7 purportedly "No MSG" products that actually contain MSG or free glutamates and that are not
8 MSG free as falsely represented on their labeling. Defendant's Lay's Honey Barbecue Potato
9 Chips and Kettle Cooked Mesquite BBQ Potato Chips and the products listed in paragraph 62 in
10 this respect are misbranded under federal and California law and violate Cal. Health & Safety
11 Code § 110660.

12 80. Plaintiff Campen relied on Defendant's "No MSG" claims when making his 13 purchase decisions during the Class Period and was misled because he erroneously believed the 14 express misrepresentations that Defendant's Lay's Honey Barbecue Potato Chips and Kettle 15 Cooked Mesquite BBQ Potato Chips he was purchasing were devoid of MSG and free glutamates 16 as represented. Purchasing "No MSG" products was important to Plaintiff Campen in trying to 17 buy "healthy" food products. Plaintiff Campen would not have purchased Lay's Honey Barbecue 18 Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips had he known that Defendant's 19 products contained MSG or glutamates.

20 81. For these reasons, Defendant's "No MSG" claims are false and misleading and in 21 violation of identical California and federal law, and the products at issue are misbranded as a 22 matter of law. Therefore, Defendant's Lay's Honey Barbecue Potato Chips and Kettle Cooked 23 Mesquite BBQ Potato Chips and the products listed in paragraph 62 are misbranded as a matter of 24 California and federal law and cannot be sold or held and thus are legally worthless and have no 25 economic value. Plaintiff Campen and members of the Class who purchased Lay's Honey 26 Barbecue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips and the products listed in 27 paragraph 62 paid an unwarranted premium for these products.

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	Case3:1	2-cv-01586-SC Document47 Filed05/01/13 Page24 of 59
1	82.	Plaintiff Campen and members of the Class would not have purchased Lay's
2	Honey Barbe	cue Potato Chips and Kettle Cooked Mesquite BBQ Potato Chips and the products
3	listed in parag	graph 62 if they had known the products were illegal to sell or possess.
4	Е.	Defendant's Makes Unlawful and Misleading "0g Trans Fat" Claim
5	83.	The following Purchased Products contain a unlawful and misleading "0g Trans
6	Fat" claim:	
7		Lay's Classic Potato Chips
8		Lay's Honey Barbecue Potato Chips Lay's Kettle Cooked Mesquite BBQ
9		Cheetos Puffs Fritos Original Corn Chips
10	84.	The following products are Defendant's products which contain the same "0g
11	Trans Fat" la	bel statement as the above referenced Purchased Products and are unlawful and
12	misleading:	
13		Lay's Barbecue Flavored Potato Chips Lay's Sour Cream And Onion Potato Chips
14		Lay's Cheddar & Sour Cream Flavored Potato Chips Lay's Chile Limon Flavored Potato Chips
15		Lay's Dill Pickle Flavored Potato Chips
16		Lay's Sweet Southern Heat Flavored Potato Chips Lay's Classic Blt Potato Chips
		Lay's Flamin Hot Potato Chips Lay's Lightly Salted Potato Chips
17		Ruffles Original Potato Chips Ruffles Sour Cream & Onion Flavored Potato Chips
18		Ruffles Cheddar And Sour Cream Flavored Potato Chips Ruffles Ultimate Kickin' Jalapeno Ranch Flavored Potato Chips
19		Ruffles Ultimate Sweet & Smokin' BBQ Flavored Potato Chips Lay's Kettle Cooked Original Potato Chips
20		Lay's Kettle Cooked Applewood Smoked BBQ Flavored Potato Chips
21		Lay's Kettle Cooked Sea Salt & Vinegar Flavored Potato Chips Lay's Kettle Cooked Sea Salt & Cracked Pepper Flavored Potato Chips
22		Lay's Kettle Cooked Sharp Cheddar Flavored Potato Chips Lay's Kettle Cooked Jalapeno Flavored Potato Chips
23		Lay's Kettle Cooked Maui Onion Flavored Potato Chips Lay's Kettle Cooked Reduced Fat Original Potato Chips
24		Lay's Kettle Cooked Parmesan And Sun Dried Tomato Potato Chips Lay's Kettle Cooked Harvest Ranch Potato Chips
25		Lay's Kettle Cooked Spicy Cayenne Potato Chips Lay's Kettle Cooked Creamy Mediterranean Herb Potato Chips
26		Lay's Limon Potato Chips Lay's Salt And Vinegar Potato Chips
27		Lay's Wavy Original Potato Chips Lay's Wavy Au Gratin Potato Chips
28		Lay's Wavy Ranch Potato Chips
20		Lay's Wavy Hickory Barbecue Potato Chips
	SECOND AMEN	IDED CLASS ACTION COMPLAINT

CASE NO. 3:12-CV-01586 (SC)

I	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page25 of 59
1	Miss Vickie's Simply Sea Salt Kettle Cooked Potato Chips Miss Vickie's Jalapeno Kettle Cooked Flavored Potato Chips
2	Miss Vickie's Sea Salt & Cracked Pepper Flavored Potato Chips Miss Vickie's Sea Salt & Vinegar Kettle Cooked Flavored Potato Chips
3	Miss Vickie's Smokehouse BBQ Kettle Cooked Flavored Potato Chips Cheetos Crunchy Cheddar Jalapeno Flavored Snacks
4	Cheetos Crunchy Cheese Flavored Snacks Cheetos Crunchy Flamin' Hot Cheese Flavored Snacks
5	Cheetos Crunchy Flamin' Hot Limon Cheese Flavored Snacks
6	Cheetos Crunchy Salsa Con Queso Cheese Flavored Snacks Cheetos Crunchy Xxtra Flamin' Hot Cheese Flavored Snacks
7	Cheetos Puffs Flamin' Hot Cheese Flavored Snacks Cheetos Puffs Twisted Cheese Flavored Snacks
8	Chester's Butter Flavored Puffcorn Snacks Chester's Cheese Flavored Puffcorn Snacks
9	Fritos BBQ Flavored Corn Chips Fritos Chili Cheese Flavored Corn Chips
10	Fritos Flamin' Hot Flavored Corn Chips Fritos Flavor Twists Honey BBQ Flavored Corn Chips
11	Fritos Lightly Salted Corn Chips Fritos Scoops! Corn Chips
12	
13	Exhibit 18 is a compilation of the labels of the above referenced products which contain the same
14	or similar "Og Trans Fat" label as Lay's Classic Potato Chips, Lay's Honey Barbecue Potato
15	Chips, Lay's Kettle Cooked Mesquite BBQ Potato Chips, Cheetos Puffs and Fritos Original Corn
16	Chips.
	85. The following unlawful and misleading language appears on the labels of
17	Defendant's (i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's
18	Kettle Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs, (v) Fritos Original Corn Chips
19 20	and (vi) the products listed in paragraph 84: "Og Trans Fat."
20	86. Plaintiffs reasonably relied on this label representation in paragraph 83 and based
21	and justified the decision to purchase Lay's Classic Potato Chips, Lay's Honey Barbecue Potato
22	Chips, Lay's Kettle Cooked Mesquite BBQ Potato Chips, Cheetos Puffs and Fritos Original Corn
23	Chips, in substantial part, on this label representation. Also, Plaintiffs reasonably relied on the
24	fact that Lay's Classic Potato Chips, Lay's Honey Barbecue Potato Chips, Lay's Kettle Cooked
25	Mesquite BBQ Potato Chips, Cheetos Puffs and Fritos Original Corn Chips were not misbranded
26	under the Sherman Law and were therefore legal to buy and possess. Plaintiffs would not have
27	purchased Lay's Classic Potato Chips, Lay's Honey Barbecue Potato Chips, Lay's Kettle Cooked
28	

Mesquite BBQ Potato Chips, Cheetos Puffs and Fritos Original Corn Chips had they known it
 was illegal to purchase and possess the products.

_	The second sec
3	87. Plaintiffs reasonably relied on this label representation when making their
4	purchase decision and were misled by this "0g Trans Fat" representation as described below.
5	Plaintiffs would not have purchased Lay's Classic Potato Chips, Lay's Honey Barbecue Potato
6	Chips, Lay's Kettle Cooked Mesquite BBQ Potato Chips, Cheetos Puffs and Fritos Original Corn
7	Chips had they known the truth about these products, i.e. that the products failed to only make
8	positive contributions to Plaintiffs' diet and did contain one or more nutrients like total fat at
9	levels in the food that increased the risk of disease or health related condition that is diet related.
10	Plaintiffs had other food alternatives that satisfied such standards and Plaintiffs also had cheaper
11	alternatives. Reasonable consumers would have been misled in the same manner as Plaintiffs.
12	88. To appeal to consumer preferences, Defendant has repeatedly made improper
13	nutrient content claims on products containing disqualifying levels of fat, saturated fat,
14	cholesterol or sodium. These nutrient content claims were improper because Defendant failed to
15	include disclosure statements required by law that are designed to inform consumers of the
16	inherently unhealthy nature of those products in violation of 21 C.F.R. § 101.13(h), which has
17	been incorporated in California's Sherman Law.
18	89. 21 C.F.R. § 101.13 (h)(l) provides that:
19	If a food contains more than 13.0 g of fat, 4.0 g of saturated fat, 60 milligrams (mg) of cholesterol, or 480 mg of sodium per reference amount customarily
20	consumed, per labeled serving, or, for a food with a reference amount customarily
21	consumed of 30 g or less per 50 g then that food must bear a statement disclosing that the nutrient exceeding the specified level is present in the food as follows: "See nutrition information for content" with the blank filled in with
22	the identity of the nutrient exceeding the specified level, e.g., "See nutrition information for fat content."
23	90. 21 C.F.R. § 1.21 establishes that failure to disclose material facts is a violation of
24	the disclosure rules and is <i>per se</i> "misleading."
25	91. Defendant repeatedly violates these provisions on its which prominently states "0g
26	Trans Fat" claim on the label despite disqualifying levels of fat that far exceed the 13 gram
27	disclosure threshold.
28	
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC) 26

1 92. Pursuant to 21 C.F.R. § 101.13(h), Defendant is prohibited from making the 2 unqualified nutrient claims of "0 grams Trans Fat" or "No Trans Fat" claim on its food products if 3 its products contain fat in excess of 13 grams, saturated fat in excess of 4 grams, cholesterol in 4 excess of 60 milligrams, or sodium in excess of 480mg per 50 grams, unless the product also 5 displays a disclosure statement that informs consumers of the product's fat, saturated fat and 6 sodium levels. These regulations are intended to ensure that consumers are not misled into the 7 erroneous belief that a product that claims, for instance, to be low in trans fat, but actually has 8 other unhealthy fat levels, is a healthy choice, because of the lack of trans fats.

9 93. Nevertheless, Defendant's products label states that this product contains "0g 10 Trans Fat" without such a disclosure even though the products contain fat in excess of 13 grams. 11 94. Based on the fat, saturated fat, cholesterol and sodium content in Defendant's (i) 12 Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked 13 Mesquite BBQ Potato Chips, (iv) Cheetos Puffs, (v) Fritos Original Corn Chips and (vi) the 14 similarly labeled products identified in paragraph 84, pursuant to federal and California law, 15 Defendant must include a warning statement adjacent to the trans fat nutrient claim that informs 16 consumers of the high levels of fat, saturated fat, cholesterol or sodium. No such disclosure 17 statement currently exists on these products. Therefore, Defendant's (i) Lay's Classic Potato 18 Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked Mesquite BBQ Potato 19 Chips, (iv) Cheetos Puffs, (v) Fritos Original Corn Chips and (vi) the similarly labeled products 20 identified in paragraph 84 are misbranded as a matter of federal and California law and cannot be 21 sold and because of this fact have no economic value and are legally worthless.

95. In October 2009, the FDA issued its FOP Guidance, to address its concerns about
front of package labels. Despite the issuance of the 2009 FOP Guidance, Defendant did not
remove the improper and misleading "0g Trans Fat" nutrient content claims from its (i) Lay's
Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked
Mesquite BBQ Potato Chips, (iv) Cheetos Puffs, (v) Fritos Original Corn Chips and (vi) the
similarly labeled products identified in paragraph 84.

28

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page28 of 59
1 2 3	96. On March 3, 2010, the FDA issued an Open Letter which reiterated the FDA's concern regarding false and misleading labeling by food manufacturers. In pertinent part the letter stated:
4	
5	To address these concerns, FDA is notifying a number of manufacturers that their labels are in violation of the law and subject to legal proceedings to remove misbranded products from the marketplace. While the warning letters that convey our regulatory intentions do not attempt to cover all products with violative labels,
6 7	they do cover a range of concerns about how false or misleading labels can undermine the intention of Congress to provide consumers with labeling information that enables consumers to make informed and healthy food choices.
8	For example:
9	• Claims that a product is free of trans fats, which imply that the product is a better choice than products without the claim, can be misleading when a
10	product is high in saturated fat, and especially so when the claim is not accompanied by the required statement referring consumers to the more
11	complete information on the Nutrition Facts panel.
12	These examples and others that are cited in our warning letters are not indicative of the labeling practices of the food industry as a whole. In my conversations with industry leaders, I sense a strong desire within the industry for a level
13	playing field and a commitment to producing safe, healthy products. That
14 15	reinforces my belief that FDA should provide as clear and consistent guidance as possible about food labeling claims and nutrition information in general, and specifically about how the growing use of front-of-pack calorie and nutrient information can best help consumers construct healthy diets.
16 17 18	I will close with the hope that these warning letters will give food manufacturers further clarification about what is expected of them as they review their current labeling. I am confident that our past cooperative efforts on nutrition information and claims in food labeling will continue as we jointly develop a practical,
	science-based front-of-pack regime that we can all use to help consumers choose healthier foods and healthier diets.
19 20	http://www.fda.gov/Food/IngredientsPackagingLabeling/LabelingNutrition/ucm202733.h
20	tm (attached as Exhibit 7).
21	97. Notwithstanding the Open Letter, Defendant has utilized this improper trans fat
22	nutrient content claims, despite the express guidance of the FDA in the Open Letter that "claims
23 24	that a product is free of trans fats, which imply that the product is a better choice than products
24 25	without the claim, can be misleading when a product is high in saturated fat [or sodium,
	cholesterol or total fat], and especially so when the claim is not accompanied by the required
26 27	statement referring consumers to the more complete information on the Nutrition Facts panel." Id.
27 28	

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page29 of 59

1 98. Defendant has also ignored the FDA's Guidance for Industry, A Food Labeling 2 Guide, which detailed the FDA's guidance on how to make nutrient content claims about food 3 products that contain "one or more nutrients [like total fat at levels] in the food that may increase 4 the risk of disease or health related condition that is diet related." Defendant has utilized 5 improper trans fat nutrient claims on the labels of its Defendant's (i) Lay's Classic Potato Chips, 6 (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, 7 (iv) Cheetos Puffs, (v) Fritos Original Corn Chips and (vi) the similarly labeled products 8 identified in paragraph 84 As such, these products ran afoul of FDA guidance as well as 9 California and federal law.

10 99. In addition to its guidance to industry, the FDA has sent warning letters to the 11 industry, including many of Defendant's peer food manufacturers, for the same types of improper 12 "0 grams Trans Fat" and "No Trans Fat" nutrient content claims described above. In these letters 13 the FDA indicated that as a result of the same type of 0 gram trans fat claims utilized by 14 Defendant, products were in "violation of the Federal Food, Drug, and Cosmetic Act ... and the 15 applicable regulations in Title 21, Code of Federal Regulations, Part 101 (21 CFR 101)" and 16 "misbranded within the meaning of section 403 because the product label bears a nutrient content 17 claim but does not meet the requirements to make the claim." See Exhibit 19.

18 100. The warning letters were hardly isolated, as the FDA has issued at least nine other
19 warning letters to other companies for the same type of improper "0g Trans Fat" nutrient content
20 claims at issue in this case.

21 Courts have found this exact kind of label representation to be misleading. "A 101. 22 disqualifying level of, say, saturated fat is four grams per "reference amount customarily 23 consumed." 21 C.F.R. § 101.13(h)(1). If this level is exceeded, a food purveyor is prohibited from 24 making an unqualified claim touting the health benefits of another nutrient in the food. This is 25 because the Agency has reasoned that the beneficent claim, standing alone, would be 26 misleading." Chacanaca v. Quaker Oats Co., 752 F. Supp. 2d 1111 (N.D. Cal. 2010). This Court 27 has already held that a disqualifying claim such as Defendant's "0 grams Trans Fat," even if 28 accurate, may be unlawful and misleading. Wilson v. Frito-Lay North America, Inc., 2013 WL SECOND AMENDED CLASS ACTION COMPLAINT 29 CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page30 of 59

1	1320468 (N.D. April 1, 2013)(Plaintiffs sufficiently alleged claim that the "0 Grams Trans Fat"
2	statement on bags of potato chips was deceptive because, accompanied by a disclosure of at least
3	one of the ingredients that 21 C.F.R. § 101.13(h)(1) requires to be disclosed, they and other
4	reasonable consumers would think that the statements on the labels make accurate claims about
5	the labeled products' nutritional content when, in fact, they do not; disqualifying claim such as;
6	"0 grams Trans Fat," even if accurate, may be unlawful and misleading). In Chacanaca, Judge
7	Seeborg explained:
7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26	 Seeborg explained: The federal regulatory statute provides for this precise scenario: that is, it categorizes as misleading and therefore prohibited even true nutrient content claims if the presence of another "disqualifying" nutrient exceeds and amount established by regulation. The Agency has by regulation imposed "disqualifying" levels for only four nutrients: total fat, saturated fat, cholesterol, and sodium. 21C.F.R. §§ 101.13(h)(1), 101.14(a)(4). It is important to note how disqualifying claims work. A disqualifying level of say, saturated fat is four grams per "reference amount customarily consumed." 21C.F.R. § 101.13 (h)(1). If this level is exceeded, a food purveyor is prohibited from making an unqualified claim touting the health benefits of another nutrient in the food. This is because the Agency has reasoned that the beneficent claim, standing alone, would be misleading. <i>Chacanaca</i>, 752 F. Supp. 2d at 1122 (emphasis in original). 102. Despite the FDA's numerous warnings to industry, Defendant has continued to sell (i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, (ii) Cheetos Puffs, (v) Fritos Original Corn Chips and (vi) the similarly labeled products identified in paragraph 84 bearing improper "0g Trans Fat" nutrient content claims without meeting the requirements to make this claim. 103. Plaintiffs did not know, and had no reason to know, that Defendant's Lay's Classic Potato Chips, Lay's Honey Barbecue Potato Chips, Kettle Cooked BBQ, Cheetos Puffs and Fritos were misbranded, and bore "0g Trans Fat" nutrient claims despite failing to meet the requirements to make those nutrient claims. Plaintiffs read and relied upon Defendant's front of package "0g Trans Fat" statement. Plaintiffs were equally unaware that Defendant's (i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Kettle Cooked BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn Ch
27 28	total fat at levels in the food that, according to the FDA, "may increase the risk of disease or

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page31 of 59

1 health related condition that is diet related." Because of Defendant's unlawful "0g Trans Fat" 2 claim, Plaintiffs were misled into the erroneous belief that the product only made positive 3 contributions to their diet and did not contain one or more nutrients like total fat at levels in the 4 food that may increase the risk of disease or health related condition that is diet related. 5 104. Plaintiffs and the Class would not have purchased (i) Lay's Classic Potato Chips, 6 (ii) Lay's Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, 7 (iv) Cheetos Puffs, (v) Fritos Original Corn Chips and (vi) the similarly labeled products 8 identified in paragraph 84. 9 D. **Defendant's Website Claims Render Certain Products Misbranded** 10 Statements on Websites Constitute Labeling 11 105. Both federal and California law and the FDA both consider websites to be part of a 12 label. The Food, Drug and Cosmetic Act defines a label as "a display of written, printed, or 13 graphic matter upon the immediate container of any article..." 21 U.S.C. § 321(k). Labeling is 14 defined under the Act as "all labels and other written, printed or graphic matter (1) upon any 15 article or any of its containers or wrappers, or (2) accompanying such article." 21 U.S.C. § 16 321(m). FDA guidance states: "if a label for a product contained a statement that referred the 17 consumer to a specific website for additional information about a claim for a product, the website 18 is likely to be 'labeling." 19 http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/Label 20 ingNutrition/ucm053425.htm (attached as Exhibit 20). 21 106. In addition to this guidance, the FDA has also repeatedly issued warning letters 22 indicating websites — without specific reference to a product claim — are labeling under 21 23 U.S.C § 321(m). In a warning letter to Unilever, Inc., the FDA stated: 24 A link to your website, www.lipton.com appears on your ... product label. This website directs U.S. visitors to another website, www.liptont.com. We have 25 determined that your websites, www.lipton.com and www.liptont.com are labeling within the meaning of section 201(m) of the Act for your ... product. 26 27 http://www.fda.gov/ICECI/EnforcementActions/WarningLetters/2010/ucm224509.htm (attached 28 as Exhibit 21).

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page32 of 59
1	
1 2	Also, in a warning letter to Ocean Spray Cranberries, Inc., the FDA explained:
-3	The Food and Drug Administration (FDA) reviewed your firm's internet labeling for your Ocean Spray juice products. The container label for your grapefruit juice
4	products directs the consumer to your website via the statement "For grapefruit health facts visit: www.oceanspraygrapefruit.com." The container labels for
5	your other Ocean Spray juice products also bear your internet website address "www.oceanspray.com." We have concluded that the labeling found
6	on your internet sites causes your Ocean Spray juice products to be in violation of the Federal Food, Drug, and Cosmetic Act [the Act], and Title 21, Code of Federal Regulations [21 CFR].
7	http://www.fda.gov/downloads/ICECI/EnforcementActions/WarningLetters/2001/UCM069236.p
8 9	df (emphasis added)(attached as Exhibit 22). By placing their website address, www.lays.com,
9 10	on the labels of its Lay's Classic Potato Chips and Lay's Kettle Cooked Mesquite BBQ Potato
10	Chips, Defendant invites and encourages consumers to look at the nutritional facts and health
11	claims made on the website, which supports the unlawful claims made both on the product labels
12	and on the website itself. The website is misbranded because it is part of the product labeling.
13	Website "Good Source of" Claims
15	107. The Defendant's website, fritolay.com, contains unlawful and misleading
15 16	statements that the following Purchased Products were a "Good Source of Vitamin C."
17	Lay's Classic Potato Chips Lay's Kettle Cooked Mesquite BBQ Potato Chips
18	108. The Defendant's website, fritolay.com, also contains unlawful and misleading
19	statements that the following similar products were a "Good Source of Vitamin C":
20	Lay's Barbecue Flavored Potato Chips Lay's Cheddar & Sour Cream Flavored Potato Chips
21	Lay's Chile Lemon Flavored Potato Chips Lay's Dill Pickle Flavored Potato Chips
22	Lay's Flamin' Hot Flavored Potato Chips Lay's Kettle Cooked Jalapeno Flavored Potato Chips
23	Lay's Kettle Cooked Maui Onion Flavored Potato Chips Lay's Kettle Cooked Original Potato Chips
24	Lay's Kettle Cooked Sea Salt & Vinegar Flavored Potato Chips Lay's Salt and Vinegar Potato Chips
25	Lay's Simply Natural Sea Salt Flavored Thick Cut Potato Chips Lay's Sour Cream & Onion Flavored Potato Chips
26	Lay's Wavy Au Gratin Flavored Potato Chips Lay's Wavy Original Potato Chips
27	Maui Style Onion Flavored Potato Chips Maui Style Regular Potato Chips
28	Miss Vickie's Jalapeno Kettle Cooked Flavored Potato Chips
	SECOND AMENDED CLASS ACTION COMPLAINT 32

CASE NO. 3:12-CV-01586 (SC)

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page33 of 59
1 2 3	Miss Vickie's Sea Salt & Vinegar Kettle Cooked Flavored Potato Chips Miss Vickie's Simply Sea Salt Kettle Cooked Potato Chips Miss Vickie's Smokehouse BBQ Kettle Cooked Flavored Potato Chips Ruffles Original Potato Chips Ruffles Sour Cream & Onion Flavored Potato Chips
4	http://www.fritolay.com/your-health/us-products-considered-a-good-source-of-vitamin-c.html
5	Attached as Exhibit 23.
6	109. The following unlawful and misleading language appears on Defendant's website,
7	which is incorporated, as a matter of law, into the label of Defendant's Lay's Classic Potato
8	Chips, Lay's Kettle Cooked Mesquite BBQ Potato Chips and the similarly labeled products
9	referenced in paragraph 105: "Good Source of Vitamin C." This claim was unlawful and
10	misleading because the website failed to disclose that the products had undesirable nutrients at
11	levels that triggered a mandatory disclosure of that the product contained nutrients at levels that
12	raised the risk of diet-related disease or health-related condition.
13	110. Pursuant to Section 403 of the FDCA, a claim that characterizes the level of a
14	nutrient in a food is a "nutrient content claim" that must be made in accordance with the
15	regulations that authorize the use of such claims. 21 U.S.C. § 343(r)(1)(A). California expressly
16	adopted the requirements of 21 U.S.C. § 343(r) in § 110670 of the Sherman Law.
17	111. Nutrient content claims are claims about specific nutrients contained in a product.
18	They are typically made on the front of packaging in a font large enough to be read by the
19	average consumer. Because these claims are relied upon by consumers when making purchasing
20	decisions, the regulations govern what claims can be made in order to prevent misleading claims.
21	112. Section $403(r)(1)(A)$ of the FDCA governs the use of expressed and implied
22	nutrient content claims on labels of food products that are intended for sale for human
23	consumption. See 21 C.F.R. § 101.13.
24	113. 21 C.F.R. § 101.13 provides the general requirements for nutrient content claims,
25	which California has expressly adopted. California Health & Safety Code § 110100.
26	114. An "expressed nutrient content claim" is defined as any direct statement about the
27	level (or range) of a nutrient in the food (e.g., "low sodium" or "contains 100 calories"). See 21
28	C.F.R. § 101.13(b)(1).
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC) 33

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page34 of 59

1 115. An "implied nutrient content claim" is defined as any claim that: (i) describes the
2 food or an ingredient therein in a manner that suggests that a nutrient is absent or present in a
3 certain amount (*e.g.*, "high in oat bran"); or (ii) suggests that the food, because of its nutrient
4 content, may be useful in maintaining healthy dietary practices and is made in association with an
5 explicit claim or statement about a nutrient (*e.g.*, "healthy, contains 3 grams (g) of fat"). 21
6 C.F.R. § 101.13(b)(2)(i-ii).

FDA regulations authorize use of a limited number of defined nutrient content
claims. In addition to authorizing the use of only a limited set of defined nutrient content terms on
food labels, FDA's regulations authorize the use of only certain synonyms for these defined terms.
If a nutrient content claim or its synonym is not included in the food labeling regulations it cannot
be used on a label. Only those claims, or their synonyms, that are specifically defined in the
regulations may be used. All other claims are prohibited. 21 C.F.R. § 101.13(b).

13 117. Only approved nutrient content claims will be permitted on the food label, and all
14 other nutrient content claims will misbrand a food. It should thus be clear which type of claims
15 are prohibited and which are permitted. Manufacturers are on notice that the use of an
16 unapproved nutrient content claim is prohibited conduct. 58 F.R. 2302. In addition, 21 U.S.C. §
17 343(r)(2) prohibits using unauthorized undefined terms and declares foods that do so to be
18 misbranded.

19 118. In order to appeal to consumer preferences, Defendant has repeatedly made
20 unlawful nutrient content claims that its Lay's Classic Potato Chips, Lay's Kettle Cooked
21 Mesquite BBQ Potato Chips and the similarly labeled products referenced in paragraph 105 are a
22 "good source" of nutrients such as Vitamin C. These kinds of nutrient content claims are
23 unlawful because they fail to comply with the nutrient content claim provisions in violation of 21
24 C.F.R. § 101.13(h)(1), which has been incorporated in California's Sherman Law.

119. The regulations specify absolute and comparative levels at which foods qualify to
make these claims for particular nutrients (*e.g.*, low fat . . . more vitamin C) and list synonyms
that may be used in lieu of the defined terms. Certain implied nutrient content claims (*e.g.*,
healthy) also are defined.

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page35 of 59

1	120. Defendant has repeatedly made unlawful nutrient content claims about Vitamin C
2	and other nutrients that fail to utilize one of the limited defined terms appropriately. These
3	nutrient content claims are unlawful because they fail to comply with the nutrient content claim
4	provisions in violation of 21 C.F.R. § 101.13 which has been incorporated in California's
5	Sherman Law.
6	121. 21 C.F.R. § 101.13(h) categorizes as misleading and therefore prohibited even true
7	nutrient content claims if the presence of another "disqualifying" nutrient exceeds the amount
8	established by regulation. The disclosure level of disqualifying nutrients are:
9	If a food contains more than 13.0 g of fat, 4.0 g of saturated fat, 60
10	milligrams (mg) of cholesterol, or 480 mg of sodium per reference amount customarily consumed, per labeled serving, or, for a food with a reference amount sustamarily consumed of 20 g or loss per 50 g than that food
11	amount customarily consumed of 30 g or less per 50 g then that food must bear a statement disclosing that the nutrient exceeding the specified level is present in the food as follows: "See nutrition information for
12	level is present in the food as follows: "See nutrition information for
13	21 C.F.R. § 101.13(h). Failure to disclose a material fact is <i>per se</i> misleading under 21 C.F.R.
14	1.21.
15	122. Defendant's Lay's Classic Potato Chips, Lay's Kettle Cooked Mesquite BBQ
16	Potato Chips and the similarly labeled products referenced in paragraph 105 all contain
17	disqualifying levels of fat, which make Defendant's "Good Source Of" claim unlawful and
18	misleading.
19	123. The nutrient content claims regulations discussed herein are intended to ensure that
20	consumers are not misled as to the actual or relative levels of nutrients in food products.
21	Defendant has violated these referenced regulations. By placing their website address,
22	www.lays.com, on the labels of its Lay's Classic Potato Chips and Lay's Kettle Cooked Mesquite
23	BBQ Potato Chips, Defendant invites and encourages consumers to look at the nutritional facts
24	and health claims made on the website, which supports the unlawful claims made both on the
25	product labels and on the website itself. The product is misbranded because the website is part of
26	the product labeling. Therefore, Defendant's Lay's Classic Potato Chips and Lay's Kettle Cooked
27	Mesquite BBQ Potato Chips and the products referenced in paragraph 105 are misbranded as a
28	
	SECOND AMENDED CLASS ACTION COMDULINT 35

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page36 of 59

matter of California and federal law and cannot be sold or held because they have no economic
 value and are legally worthless.

124. By placing their website address, www.fritolay.com, on the labels of its
Defendant's Lay's Classic Potato Chips, Lay's Kettle Cooked Mesquite BBQ Potato Chips and
the similarly labeled products referenced in paragraph 105, Defendant misbranded these products.
The website misbrands the products because the website is listed on the product label.

7 125. For these reasons, Defendant's nutrient content claims are false and misleading 8 and in violation of 21 C.F.R. § 101.13 and identical California law, Lay's Classic Potato Chips, 9 Lay's Kettle Cooked Mesquite BBQ Potato Chips and the similarly labeled products referenced in 10 paragraph 105 are misbranded as a matter of law. Defendant has violated these referenced 11 regulations. Therefore, Defendant's Lay's Classic Potato Chips, Lay's Kettle Cooked Mesquite 12 BBQ Potato Chips and the similarly labeled products referenced in paragraph 105 products are misbranded as a matter of federal and California law and cannot be sold or held and thus have no 13 14 economic value and are legally worthless.

15 126. Defendant's claims in this respect are false and misleading and the products are in
this respect misbranded under identical federal and California laws. Plaintiffs and members of the
Class who purchased these products paid an unwarranted premium for these products.

18 127. Lay's Classic Potato Chips, Lay's Kettle Cooked Mesquite BBQ Potato Chips and
19 the similarly labeled products referenced in paragraph 105 product are unlawful, misbranded and
20 violate the Sherman Law (through incorporation of 21 C.F.R. § 101.13) and are misleading and
21 deceptive because the phrases "Good Source of Vitamin C" is used despite the fact that that the
22 website labeling of these products do not disclose that these products contain disqualifying
23 amounts of fat as required by 21 C.F.R. § 101.13(h).

128. Plaintiffs and the Class would not have purchased Lay's Classic Potato Chips,
Lay's Kettle Cooked Mesquite BBQ Potato Chips and the similarly labeled products referenced in
paragraph 105 had they known they were illegal to sell or possess.

27

28

Website "Low Sodium" Claims

1 129. The Defendant's website, fritolay.com, contains unlawful and misleading
 2 statements that the Purchased Products were a low in sodium.

In order to appeal to consumer preferences, Defendant has repeatedly made false
and unlawful "low sodium" nutrient content claims about the sodium levels in its (i) Lay's Classic
Potato Chips, (ii) Lay's Honey Barbecue Potato Chips (iii) Lay's Kettle Cooked Mesquite BBQ
Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn Chips. These claims misrepresent
and greatly understate the levels of sodium in their products. In doing so these claims violate 21
C.F.R. § 101.61 which has been adopted by the State of California.

9 131. Defendant recognized that because of the significant health risks associated with
10 sodium intake, consumers were increasingly seeking to avoid or limit sodium in their diets and
11 thus were looking for low sodium food options.

12 132. Rather than reformulate all of their food products so that they were at or below the 13 "low" sodium benchmarks they knew consumers were seeking, Defendant simply misrepresented 14 a number of their sodium laden products and made false "low sodium" representations about 15 these products and falsely depicted these products in their labeling, advertising and marketing 16 materials and on their websites as being "low sodium" options when in fact they exceed the 17 maximum levels of sodium that a "low sodium" product can possess.

18 133. Pursuant to 21 C.F.R. § 101.6(b)(4) the term "low sodium" may be used on the
19 labels or labeling of food if the food has a reference amount of less than 30 grams or less and
20 contains 140 mgs or less sodium per reference amount customarily consumed and per 50 grams.
21 By this definition most if not all of the Defendant's snack chips are not "low sodium" products,
22 including Defendant's i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips (iii)
23 Lay's Kettle Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original
24 Corn Chips.

134. Notwithstanding this fact, Defendant misrepresents and understates the levels of
sodium in its i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips (iii) Lay's
Kettle Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn
Chips. According to Defendant "Snack chips are actually not as high in sodium as most people
SECOND AMENDED CLASS ACTION COMPLAINT
CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page38 of 59

1 think...[i]n fact a serving of most Frito-Lay snack chips ... has three times less sodium than a 2 bowl of low sodium soup." See Exhibit 24. The term "snack chips" snacks" includes all of the 3 Purchased Products and the Class Products. The term "snack chips" snacks" includes all of the 4 Purchased Products and the Class Products. This is simply a false statement. By definition "low 5 sodium" soup could not contain more than 140 mgs of sodium per serving (which is 8 ounces). 6 Three times less than this would thus be no more than 47 mgs of sodium. In fact, the sodium 7 levels of Defendant's i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips (iii) 8 Lay's Kettle Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original 9 Corn Chips were far in excess of this level with many such as the ones bought by the Plaintiff 10 being approximately 2 to 5 times more than this. In addition, Defendant makes other false 11 statements on its website (via product brochures) indicating its products are not high in sodium, 12 when in fact, they are. See Exhibit 25. Defendant explicitly states that its products are not high in 13 sodium on its website: 14 135. On Defendant's website, on its Frequently Asked Questions page, Defendant 15 explicitly denies that its products are high in sodium: 16 Q: Frito-Lay makes salty snacks ... so aren't they high in sodium? A: Actually, no. 17 www.fritolay.com/your-health/feature-answers.html (attached as Exhibit 26). The term "salty 18 snacks" includes all of the Purchased Products and the Class Products. 19 136. This false representation coupled with Defendant's other statements about sodium 20 and how its products were not as high in sodium as one would think based on taste or other 21 factors unlawfully overstated the healthiness of Defendant's i) Lay's Classic Potato Chips, (ii) 22 Lay's Honey Barbecue Potato Chips (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, (iv) 23 Cheetos Puffs and (v) Fritos Original Corn Chips while understating their relative sodium levels. 24 137. Defendant falsely represented that its i) Lay's Classic Potato Chips, (ii) Lay's 25 Honey Barbecue Potato Chips (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, (iv) 26 Cheetos Puffs and (v) Fritos Original Corn Chips and the Class products were beneath the relative 27 sodium levels represented by a "low sodium" option. These products were falsely labeled and 28 SECOND AMENDED CLASS ACTION COMPLAINT 38

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page39 of 59

misbranded because contrary to the various false representations that they were a "low sodium"
 option, they contained disqualifying levels of sodium precluding such a representation.

3 138. Products which claim to contain "low sodium" cannot contain more than 140 mgs 4 of sodium per serving. The Lay's Classic Potato Chips purchased by Plaintiff Wilson and 5 Plaintiff Campen contain 170mg of sodium per serving. Plaintiff Campen also purchased Lay's 6 Honey Barbecue Potato Chips which 103mg of sodium per serving; Lay's Kettle Cooked 7 Mesquite BBQ Potato Chips which contain 210mg of sodium per serving; Cheetos Puffs, which 8 contain 300mg of sodium per serving; and Fritos Original Corn Chips which contain 160mg of 9 sodium per serving. The products purchased by Plaintiffs were incapable of complying with the 10 "low sodium" standard and in fact were far higher than Defendant in comparison with "low 11 sodium" soup options.

12 139. By placing their website address, www.fritolay.com, on the labels of its
13 Defendant's (i) Lay's Classic Potato Chips, (ii) Honey Barbecue Potato Chips, (iii) Lay's Kettle
14 Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn Chips and
15 the Class Products, Defendant misbranded these products. The website is misbranded because it
16 is part of the product labeling.

17 For these reasons, Defendant's "low sodium" claims at issue in this Second 140. 18 Amended Complaint are false and misleading and in violation of identical California and federal 19 law and the products at issue are misbranded as a matter of law. Therefore, Defendant's 20 Defendant's (i) Lay's Classic Potato Chips, (ii) Honey Barbecue Potato Chips, (iii) Lay's Kettle 21 Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn Chips and 22 the Class Products which contain more than 140mg of sodium are misbranded as a matter of 23 California and federal law and cannot be sold or held and thus are legally worthless. Plaintiff and 24 members of the Class who purchased these products paid an unwarranted premium for these 25 products.

26 141. Plaintiffs and the Class would not have purchased (i) Lay's Classic Potato Chips,
27 (ii) Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, (iv)

28

1	Cheetos Puffs and (v) Fritos Original Corn Chips had they known they were illegal to sell or
2	possess.
3	Website Health Claims
4	142. The Defendant's website, fritolay.com, contains unlawful and misleading
5	statements that the Purchased Products were "healthy." The website is part of the Purchased
6	Products labeling because the website is listed on the Purchased Products' labels.
7	143. Defendant has violated identical California and federal law by making numerous
8	"healthy" claims about its products on it website. In promoting (i) Lay's Classic Potato Chips, (ii)
9	Lay's Honey Barbecue Potato Chips, (iii) Kettle Cooked Mesquite BBQ Potato Chips, (iv)
10	Cheetos Puffs and (v) Fritos Original Corn Chips and the products in paragraph 84 as "healthy,"
11	Defendants have violated the Sherman law.
12	144. The use of the term "healthy" is an implied nutrient content claim about general
13	nutrition that is defined by FDA regulation. In general, the term may be used in labeling an
14	individual food product that:
15	Qualifies as both low fat and low saturated fat;
16	Contains 480 mg or less of sodium per reference amount and per labeled serving, and
17	per 50 g (as prepared for typically rehydrated foods) if the food has a reference amount of 30
18	g or 2 tbsps or less;
19	Does not exceed the disclosure level for cholesterol (<i>e.g.</i> , for most individual food
20	products, 60 mg or less per reference amount and per labeled serving size); <i>and</i>
21	Except for raw fruits and vegetables, certain
22	frozen or canned fruits and vegetables, and enriched cereal-grain products that conform to
23	a standard of identity, provides at least 10% of the daily value (DV) of vitamin A, vitamin C,
24	calcium, iron, protein, <i>or</i> fiber per reference amount. Where eligibility is based on a nutrient
25	that has been added to the food, such fortification must comply with FDA's
26	fortification policy.
27	21 C.F.R. § 101.65(d)(2). Defendant is aware of this rule and expressly states in their marketing
28	materials that [f]or a food to be labeled "healthy" it must meet a specific set of criteria established

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page41 of 59

by the Food and Drug Administration" before referencing some of the criteria.

1

145. The FDA's regulation on the use of the term healthy also encompasses other,
derivative uses of the term health (*e.g.*, healthful, healthier) in food labeling. 21 C.F.R. §
101.65(d).

5 Defendant has violated the provisions of § 21 C.F.R. §101.14, 21 C.F.R. §101.65, 146. 6 21 C.F.R. §101.76, 21 U.S.C. § 321(g)(1)(D) and 21 U.S.C. § 352(f)(1) by including certain 7 claims on their product labeling and website. Despite being aware of the criteria and restrictions 8 that pertain to "healthy" claims, the Defendant makes numerous unlawful "healthy" claims about 9 its (i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Kettle Cooked 10 Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn Chips and their 11 components. Defendant indicates that these products and their ingredients are "healthy, 12 "healthier," "healthful," and an "important part of a healthier diet. Defendant indicates that eating 13 their snacks offers "health benefits." Defendant also states that fried foods like its snack chips are 14 not "unhealthy" which is in effect a claim that these products are healthy. See Exhibits 26. 15 Defendant expressly states that its Lay's Classic Potato Chips and Lay's potato chips in general 16 are a "healthier" option by being fried in "healthier oils." See Exhibit 25. By definition, the term 17 "fried food" and "snack food" includes the Purchased Products and the products listed in 18 paragraph 84.

19 147. Defendant does this in violation of 21 C.F.R. §101.65 which has been adopted by
20 California and which precludes the use of these terms about the Defendant's (i) Lay's Classic
21 Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Kettle Cooked Mesquite BBQ Potato
22 Chips, (iv) Cheetos Puffs and (v) Fritos Original Corn Chips and purchased by Plaintiffs which
23 have disqualifying levels of unhealthy nutrients like fat. In addition, the products listed in
24 paragraph 84 also have disqualifying levels of fat.

148. In addition to their unlawful "healthy" claims, Defendant makes a number of
unlawful health related claims. For example, Defendants claim that the ingredients in all of its
chips "support heart health and that "the healthier oils … used in all Frito-Lay snack chips, are
high in polyunsaturated and monounsaturated fats that have been proven to reduce LDL (bad)
SECOND AMENDED CLASS ACTION COMPLAINT

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page42 of 59

cholesterol and maintain HDL (good) cholesterol levels, which have been associated with a
 reduction in the risk for heart disease." http://www.fritolay.com/your-health/goodbye-trans fats.html (attached as Exhibit 27). The term "snack chips" includes the Purchased Products and
 the products listed in paragraph 84.

5 149. The therapeutic claims on Defendant's website establish that Defendant's products 6 are drugs because they are intended for use in the cure, mitigation, treatment, or prevention of 7 disease. Defendant's products are not generally recognized as safe and effective for the above 8 referenced uses and, therefore, the products would be "new drug[s]" under section 201(p) of the 9 Act [21 U.S.C. § 321(p)]. New drugs may not be legally marketed in the U.S. without prior 10 approval from the FDA as described in section 505(a) of the Act [21 U.S.C. § 355(a)]. FDA 11 approves a new drug on the basis of scientific data submitted by a drug sponsor to demonstrate 12 that the drug is safe and effective. Defendant also violated California Health & Safety Code § 13 110403 which prohibits the advertisement of products that are represented to have any effect on 14 enumerated conditions, disorders and diseases including cancer and heart diseases unless the 15 materials have federal approval.

16 150. Defendant's materials and advertisements not only violate regulations adopted by
17 California such as 21 C.F.R. § 101.14, they also violate California Health & Safety Code §
110403 which prohibits the advertisement of products that are represented to have any effect on
19 enumerated conditions, disorders and diseases including cancer and heart diseases unless the
20 materials have federal approval.

151. The labels of (i) Lay's Classic Potato Chips, (ii) Lay's Honey Barbecue Potato
Chips, (iii) Kettle Cooked Mesquite BBQ Potato Chips, (iv) Cheetos Puffs and (v) Fritos Original
Corn Chips each contain an invitation to visit Defendant's website, www.lays.com.

152. By placing their website address, www.lays.com, on the labels of its (i) Lay's
Classic Potato Chips, (ii) Lay's Honey Barbecue Potato Chips, (iii) Kettle Cooked Mesquite BBQ
Potato Chips, (iv) Cheetos Puffs, (v) Fritos Original Corn Chips and the products identified in
paragraph 84, Defendant invites and encourages consumers to look at the nutritional facts and
health claims made on the website, which supports the unlawful claims made both on the product
SECOND AMENDED CLASS ACTION COMPLAINT
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Case3:12-cv-01586-SC Document47 Filed05/01/13 Page43 of 59

labels and on the website itself. The website is misbranded because it is part of the product
 labeling.

3 153. Defendant's health related claims are false and misleading and the products are in
4 this respect misbranded under identical California and federal laws. Misbranded products cannot
5 be legally sold and thus are legally worthless and have no economic value.

154. Plaintiffs and the Class would not have purchased (i) Lay's Classic Potato Chips,
(ii) Honey Barbecue Potato Chips, (iii) Lay's Kettle Cooked Mesquite BBQ Potato Chips, (iv)
Cheetos Puffs and (v) Fritos Original Corn Chips had they known they were illegal to sell or
possess.

10

DEFENDANT HAS VIOLATED CALIFORNIA LAW

11 155. Defendant has violated California Health & Safety Code § 110390 which makes it
12 unlawful to disseminate false or misleading food advertisements that include statements on
13 products and product packaging or labeling or any other medium used to directly or indirectly
14 induce the purchase of a food product.

15 156. Defendant has violated California Health & Safety Code § 110395 which makes it
unlawful to manufacture, sell, deliver, hold or offer to sell any falsely advertised food.

17 157. Defendant has violated California Health & Safety Code §§ 110398 and 110400
18 which make it unlawful to advertise misbranded food or to deliver or proffer for delivery any food
19 that has been falsely advertised.

20 158. Defendant has violated California Health & Safety Code § 110403 which makes
21 it unlawful to advertise misbranded food by representing it to have any effect on conditions,
22 disorders or diseases.

23 159. Defendant has violated California Health & Safety Code § 110660 because its
24 Purchased Product labels are false and misleading in one or more ways.

25 160. Defendant's Purchased Products and Class Products are misbranded under
26 California Health & Safety Code § 110665 because their labeling fails to conform to the
27 requirements for nutrient labeling set forth in 21 U.S.C. § 343(q) and the regulations adopted
28 thereto.

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page44 of 59

1	161. Defendant's Purchased Products and Class Products are misbranded under
2	California Health & Safety Code § 110670 because their labeling fails to conform with the
3	requirements for nutrient content and health claims set forth in 21 U.S.C. § 343(r) and the
4	regulations adopted thereto.
5	162. Defendants' Purchased Products and Class Products are misbranded under
6	California Health & Safety Code § 110705 because words, statements and other information
7	required by the Sherman Law to appear on their labeling either are missing or not sufficiently
8	conspicuous.
9	163. Defendant's Purchased Products and Class Products are misbranded under
10	California Health & Safety Code § 110735 as they purport to be for special dietary uses, but do
11	not bear information concerning any vitamin or mineral content or other dietary property as
12	necessary to inform purchasers as to the food's value for that use.
13	164. Defendant has violated California Health & Safety Code § 110760 which makes it
14	unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any food that is
15	misbranded.
16	165. Defendant's Purchased Products and Class Products are misbranded under
17	California Health & Safety Code § 110755 because they purport to be or are represented for
18	special dietary uses, and its labels fail to bear such information concerning their vitamin, mineral,
19	and other dietary properties as the Secretary determines to be, and by regulations prescribes as,
20	necessary in order fully to inform purchasers as to its value for such uses.
21	166. Defendant's Purchased Products and Class Products are misbranded under
22	California Health & Safety Code § 110740 because they contain artificial flavoring, artificial
23	coloring and chemical preservatives but fail to adequately disclose that fact on their labeling.
24	167. Defendant has violated California Health & Safety Code § 110765 which makes
25	it unlawful for any person to misbrand any food.
26	168. Defendant has violated California Health & Safety Code § 110770 which makes
27	it unlawful for any person to receive in commerce any food that is misbranded or to deliver or
28	proffer for deliver any such food.
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC) 44

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PLAINTIFFS PURCHASED DEFENDANT'S PURCHASED PRODUCTS WITH UNLAWFUL AND MISLEADING LABELS

169. Plaintiffs care about the nutritional content of food and seek to maintain a healthy diet.

5 170. Plaintiffs purchased Defendant's Purchased Products as described above on
6 occasions during the Class Period.

7 171. Plaintiffs read the particular label statements described above on Defendant's
8 Purchased Products before purchasing them. Defendant's labels falsely conveyed to the Plaintiffs
9 the net impression that the Purchased Products they bought made only positive contributions to a
10 diet, and did not contain any nutrients at levels that raised the risk of diet-related disease or
11 health-related condition.

172. Plaintiffs read the unlawful and misleading statements referenced above on the 12 labels of Defendant's Purchased Products before purchasing them. If Plaintiffs had known that 13 the unlawful and misleading statements that they read on Defendant's labels misbranded the 14 Purchased Products rendering them unlawful to possess or sell Plaintiffs would not have 15 purchased such products. In addition, Defendant's unlawful statements falsely conveyed to the 16 Plaintiffs the net impression that the Purchased Products they bought made only positive 17 contributions to a diet, and did not contain any nutrients at levels that raised the risk of diet-18 related disease or health-related conditions. Plaintiffs relied on Defendant's label statements 19 identified above and based and justified the decision to purchase Defendant's Purchased Products, 20 in substantial part, on Defendant's label statements identified above. 21

- 173. At point of sale, Plaintiffs did not know, and had no reason to know, that
 Defendant's Purchased Products were misbranded as set forth herein, and would not have bought
 the products had they known the truth about them.
- 174. At point of sale, Plaintiffs did not know, and had no reason to know, that claims
 were improper and unauthorized as set forth herein, and would not have bought the products
 absent the claims.
- 28

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page46 of 59

1	175. At point of sale, Plaintiffs did not know and had no reason to know that
2	Defendant's Purchased Product labels were unlawful and misleading as set forth herein. As a
3	result of Defendant's improper labeling claims on the Purchased Products, Plaintiffs and
4	thousands of others in California purchased the Purchased Products.
5	176. As a result of Defendant's unlawful and misleading labels contained on the
6	Purchased Products, Plaintiffs and thousands of others in California purchased the Purchased
7	Products. Defendant's labels on the Purchased Products as alleged herein are false and
8	misleading and were designed to increase sales of the Purchased Products. A reasonable person
9	would attach importance to Defendant's label statements as described herein in determining
10	whether to purchase the Purchased Products.
11	177. A reasonable person would also attach importance to whether Defendant's
12	products were legally salable, and capable of legal possession, and to Defendant's representations
13	about these issues in determining whether to purchase the Purchased Products. Plaintiffs would
14	not have purchased Defendant's Purchased Products had they known they were not capable of
15	being legally sold or held.
16	CLASS ACTION ALLEGATIONS
17	178. Plaintiffs bring this action as a class action pursuant to Federal Rule of Procedure
18	23(b)(2) and 23(b)(3) on behalf of the following "Class:"
19 20	All persons in the United States, and alternatively, in a subclass of persons in California who, within the Class Period, purchased one or more of the following
20	products:
21	Lay's Classic Potato Chips Lay's Honey Barbecue Potato Chips
22	Kettle Cooked BBQ Potato Chips Cheetos Puffs
23	Fritos Original Corn Chips Baked! Lay's Barbecue Flavored Potato Crisps
24	Baked! Lay's Parmesan & Tuscan Herb Flavored Potato Crisps Cheetos Crunchy Cheddar Jalapeno Flavored Snacks
25 26	Cheetos Crunchy Cheese Flavored Snacks Cheetos Crunchy Flamin' Hot Cheese Flavored Snacks
26 27	Cheetos Crunchy Flamin' Hot Limon Cheese Flavored Snacks Cheetos Crunchy Salsa Con Queso Cheese Flavored Snacks
27	Cheetos Crunchy Xxtra Flamin' Hot Cheese Flavored Snacks Cheetos Puffs Flamin' Hot Cheese Flavored Snacks
28	Cheetos Puffs Twisted Cheese Flavored Snacks
	SECOND AMENDED CLASS ACTION COMPLAINT 46

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page47 of 59
1 2	Cheetos Simply Natural Puffs White Cheddar Cheese Flavored Snacks Chester's Butter Flavored Puffcorn Snacks Chester's Butter Flavored Puffcorn Snacks
	Chester's Cheese Flavored Puffcorn Snacks
3	Chester's Cheese Flavored Puffcorn Snacks Doritos Dinamita Chipotle Crema Flavored Tortilla Chips
4	Fritos BBQ Flavored Corn Chips Fritos Chili Cheese Flavored Corn Chips
5	Fritos Flamin' Hot Flavored Corn Chips Fritos Flavor Twists Honey BBQ Flavored Corn Chips
6	Fritos Lightly Salted Corn Chips
7	Fritos Scoops! Corn Chips Lay's Balsamic Sweet Onion Potato Chips
8	Lay's Chipotle Ranch Potato Chips Lay's Classic Blt Potato Chips
9	Lay's Creamy Garden Ranch Potato Chips Lay's Flamin Hot Potato Chips
	Lay's Honey Mustard Potato Chips
10	Lay's Limon Potato Chips Lay's Salt And Vinegar Potato Chips
11	Lay's Sour Cream And Onion Potato Chips Lay's Wavy Au Gratin Potato Chips
12	Lay's Wavy Hickory Barbecue Potato Chips Lay's Wavy Original Potato Chips
13	Lay's Wavy Ranch Potato Chips
14	Lay's Barbecue Flavored Potato Chips Lay's Cajun Herb & Spice Flavored Potato Chips
15	Lay's Cheddar & Sour Cream Flavored Potato Chips Lay's Cheesy Garlic Bread Flavored Potato Chips
16	Lay's Chicken & Waffles Flavored Potato Chips Lay's Chile Limon Flavored Potato Chips
	Lay's Dill Pickle Flavored Potato Chips
17	Lay's Flamin' Hot Flavored Potato Chips Lay's Garden Tomato & Basil Flavored Potato Chips
18	Lay's Honey BBQ Flavored Potato Chips Lay's Kettle Cooked Creamy Mediterranean Herb Potato Chips
19	Lay's Kettle Cooked Applewood Smoked BBQ Flavored Potato Chips
20	Lay's Kettle Cooked Harvest Ranch Potato Chips Lay's Kettle Cooked Jalapeno Flavored Potato Chips
21	Lay's Kettle Cooked Maui Onion Flavored Potato Chips Lay's Kettle Cooked Original Potato Chips
22	Lay's Kettle Cooked Parmesan And Sun Dried Tomato Potato Chips Lay's Kettle Cooked Reduced Fat Original Potato Chips
	Lay's Kettle Cooked Sea Salt & Cracked Pepper Flavored Potato Chips
23	Lay's Kettle Cooked Sea Salt & Vinegar Flavored Potato Chips Lay's Kettle Cooked Sharp Cheddar Flavored Potato Chips
24	Lay's Kettle Cooked Spicy Cayenne Potato Chips Lay's Sour Cream & Onion Flavored Potato Chips
25	Lay's Sriracha Flavored Potato Chips Lay's Sweet Southern Heat Flavored Potato Chips
26	Lay's Tangy Carolina BBQ Flavored Potato Chips
27	Lay's Tapatio Limon Flavored Potato Chips Lay's Wavy Hickory Barbecue Potato Chips
28	Lay's Wavy Ranch Potato Chips Lay's Wavy Roasted Garlic & Sea Salt Flavored Potato Chips
-	SECOND AMENDED CLASS ACTION COMPLAINT

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page48 of 59
1	Maui Style Salt & Vinegar Flavored Potato Chips
2	Miss Vickie's Jalapeno Kettle Cooked Flavored Potato Chips Miss Vickie's Sea Salt & Cracked Pepper Flavored Potato Chips
3	Miss Vickie's Sea Salt & Vinegar Kettle Cooked Flavored Potato Chips Miss Vickie's Simply Sea Salt Kettle Cooked Potato Chips
4	Miss Vickie's Smokehouse BBQ Kettle Cooked Flavored Potato Chips Ruffles Original Potato Chips
5	Ruffles Sour Cream & Onion Flavored Potato Chips Ruffles Ultimate Kickin' Jalapeno Ranch Flavored Potato Chips
6	Ruffles Ultimate Sweet & Smokin' BBQ Flavored Potato Chips Sunchips French Onion Flavored Multigrain Snacks
7	Sunchips Garden Salsa Flavored Multigrain Snacks Sunchips Harvest Cheddar Flavored Multigrain Snacks
, 8	Sunchips Sweet & Spicy BBQ Flavored Multigrain Snacks
9	Tostitos Artisan Recipes Baked Three Cheese Queso Flavored Tortilla Chips
10	Tostitos Artisan Recipes Grilled Red Pepper & Tomato Salsa Flavored Tortilla Chips
10	Tostitos Artisan Recipes Roasted Garlic & Black Bean Tortilla Chips Tostitos Artisan Recipes Toasted Southwestern Spices Tortilla Chips
12	Tostitos Hint Of Jalapeno Flavored Tortilla Chips Tostitos Hint Of Lime Flavored Tortilla Chips
12	Tostitos Hint Of Pepper Jack Flavored Tortilla Chips
13	179. The following persons are expressly excluded from the Class: (1) Defendant and
15	Its subsidiaries and affiliates; (2) all persons who make a timely election to be excluded from the
15	proposed Class; (3) governmental entities; and (4) the Court to which this case is assigned and its
10	staff.
17	180. This action can be maintained as a class action because there is a well-defined
10	community of interest in the litigation and the proposed Class is easily ascertainable.
20	181. <u>Numerosity</u> : Based upon Defendant's publicly available sales data with respect to
20 21	the misbranded products at issue, it is estimated that the Class numbers in the thousands, and that
21	joinder of all Class members is impracticable.
22	182. <u>Common Questions Predominate</u> : This action involves common questions of law
23 24	and fact applicable to each Class member that predominate over questions that affect only
24	individual Class members. Thus, proof of a common set of facts will establish the right of each
23 26	Class member to recover. Questions of law and fact common to each Class member include, for
20 27	example:
27 28	a. Whether Defendant engaged in unlawful, unfair or deceptive business practices by failing to properly package and label its
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC) 48

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page49 of 59
1	Purchased Products sold to consumers;
2	b. Whether the Purchased Products were misbranded as a matter of
3	law; Whather Defendent mode immener and micloading systemet
4	c. Whether Defendant made improper and misleading nutrient contentand health claims;
5 6	d. Whether Defendant made unlawful and misleading "All Natural," "No MSG" or "0g Trans Fat" or "low sodium" or "good source of" or "healthy claims;
7	f. Whether Defendant violated California Bus. & Prof. Code § 17200
8	<i>et seq.</i> , California Bus. & Prof. Code § 17500 <i>et seq.</i> , the Consumers Legal Remedies Act, Cal. Civ. Code §1750 <i>et seq.</i> , and the Sherman Law;
9 10	g. Whether Plaintiffs and the Class are entitled to equitable and/or injunctive relief; and
11	h. Whether Defendant's unlawful, unfair and/or deceptive practices harmed Plaintiffs and the Class.
12	183. <u>Typicality</u> : Plaintiffs' claims are typical of the claims of the Class because
13	Plaintiffs bought Defendant's Purchased Products during the Class Period. Defendant's unlawful,
14	unfair and/or fraudulent actions concern the same business practices described herein irrespective
15	of where they occurred or were experienced. Plaintiffs and the Class sustained similar injuries
16 17	arising out of Defendant's conduct in violation of California law. The injuries of each member of
17 18	the Class were caused directly by Defendant's wrongful conduct. In addition, the factual
10 19	underpinning of Defendant's misconduct is common to all Class members and represents a
20	common thread of misconduct resulting in injury to all members of the Class. Plaintiffs' claims
20 21	arise from the same practices and course of conduct that give rise to the claims of the Class
21	members and are based on the same legal theories.
22	184. <u>Adequacy</u> : Plaintiffs will fairly and adequately protect the interests of the Class.
23 24	Neither Plaintiffs nor Plaintiffs' counsel have any interests that conflict with or are antagonistic to
25	the interests of the Class members. Plaintiffs have retained highly competent and experienced
25 26	class action attorneys to represent their interests and those of the members of the Class. Plaintiffs
20 27	and Plaintiffs' counsel have the necessary financial resources to adequately and vigorously
27 28	litigate this class action, and Plaintiffs and counsel are aware of their fiduciary responsibilities to

the Class members and will diligently discharge those duties by vigorously seeking the maximum
 possible recovery for the Class.

3 185. Superiority: There is no plain, speedy or adequate remedy other than by 4 maintenance of this class action. The prosecution of individual remedies by members of the Class 5 will tend to establish inconsistent standards of conduct for Defendant and result in the impairment 6 of Class members' rights and the disposition of their interests through actions to which they were 7 not parties. Class action treatment will permit a large number of similarly situated persons to 8 prosecute their common claims in a single forum simultaneously, efficiently and without the 9 unnecessary duplication of effort and expense that numerous individual actions would engender. 10 Further, as the damages suffered by individual members of the Class may be relatively small, the 11 expense and burden of individual litigation would make it difficult or impossible for individual 12 members of the Class to redress the wrongs done to them, while an important public interest will 13 be served by addressing the matter as a class action. Class treatment of common questions of law 14 and fact would also be superior to multiple individual actions or piecemeal litigation in that class 15 treatment will conserve the resources of the Court and the litigants, and will promote consistency 16 and efficiency of adjudication.

17 186. The prerequisites to maintaining a class action for injunctive or equitable relief
18 pursuant to Fed. R. Civ. P. 23(b)(2) are met as Defendant has acted or refused to act on grounds
19 generally applicable to the Class, thereby making appropriate final injunctive or equitable relief
20 with respect to the Class as a whole.

187. The prerequisites to maintaining a class action pursuant to Fed. R. Civ. P. 23(b)(3)
are met as questions of law or fact common to class members predominate over any questions
affecting only individual members, and a class action is superior to other available methods for
fairly and efficiently adjudicating the controversy.

188. Plaintiffs and Plaintiffs' counsel are unaware of any difficulties that are likely to
be encountered in the management of this action that would preclude its maintenance as a class
action.

28

	Case3:12-cv-01586-SC Document47 Filed05/01/13 Page51 of 59
1	CAUSES OF ACTION
2	FIRST CAUSE OF ACTION Business and Professions Code § 17200, <i>et seq</i> .
3	Unlawful Business Acts and Practices
4	189. Plaintiffs incorporate by reference each allegation set forth above.
5	190. Defendant's conduct constitutes unlawful business acts and practices.
6	191. Defendant sold Purchased Products and Class Products in California during the
7	Class Period.
8	192. Defendant is a corporation and, therefore, is a "person" within the meaning of the
9	Sherman Law.
10	193. Defendant's business practices are unlawful under § 17200, et seq. by virtue of
11	Defendant's violations of the advertising provisions of Article 3 of the Sherman Law and the
12	misbranded food provisions of Article 6 of the Sherman Law.
13	194. Defendant's business practices are unlawful under § 17200, et seq. by virtue of
14	Defendant's violations of § 17500, et seq., which forbids untrue and misleading advertising.
15	195. Defendant's business practices are unlawful under § 17200, et seq. by virtue of
16	Defendant's violations of the Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq.
17	196. Defendant sold Plaintiffs and the Class Purchased Products and Class Products that
18	were not capable of being sold, or held legally and have no economic value and which were
19	legally worthless. Plaintiffs and the Class paid a premium price for the Purchased Products and
20	Class Products.
21	197. As a result of Defendant's illegal business practices, Plaintiffs and the Class,
22	pursuant to Business and Professions Code § 17203, are entitled to an order enjoining such future
23	conduct and such other orders and judgments which may be necessary to disgorge Defendant's
24	ill-gotten gains and to restore to any Class Member any money paid for the Purchased Products
25	and Class Products.
26	198. Defendant's unlawful business acts present a threat and reasonable continued
27	likelihood of injury to Plaintiffs and the Class.
28	

SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. $3{:}12{-}\mathrm{CV}{-}01586~(\mathrm{SC})$

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page52 of 59

1	199. As a result of Defendant's conduct, Plaintiffs and the Class, pursuant to Business
2	and Professions Code § 17203, are entitled to an order enjoining such future conduct by
3	Defendant, and such other orders and judgments which may be necessary to disgorge Defendant's
4	ill-gotten gains and restore any money paid for Defendant's Purchased Products by Plaintiffs and
5	any money paid for Defendant's Class Products purchased by the Class.
6	SECOND CAUSE OF ACTION Business and Professions Code § 17200, <i>et seq</i> .
7	Unfair Business Acts and Practices
8	200. Plaintiffs incorporate by reference each allegation set forth above.
9	201. Defendant's conduct as set forth herein constitutes unfair business acts and
10	practices.
11	202. Defendant sold Purchased Products and Class Products in California during the
12	Class Period.
13	203. Plaintiffs and members of the Class suffered a substantial injury by virtue of
14	buying Defendant's Purchased Products and Class Products that they would not have purchased
15	absent Defendant's illegal conduct.
16	204. Defendant's deceptive marketing, advertising, packaging and labeling of its
17	Purchased Products and Class Products and its sale of unsalable misbranded products that were
18	illegal to possess was of no benefit to consumers, and the harm to consumers and competition is
19	substantial.
20	205. Defendant sold Plaintiffs and the Class Purchased Products and Class Products
21	that were not capable of being legally sold or held and that have no economic value and were
22	legally worthless. Plaintiffs and the Class paid a premium price for the Purchased Products and
23	Class Products.
24	206. Plaintiffs and the Class who purchased Defendant's Purchased Products and
25	Class Products had no way of reasonably knowing that the products were misbranded and were
26	not properly marketed, advertised, packaged and labeled, and thus could not have reasonably
27	avoided the injury each of them suffered.
28	

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page53 of 59

1	207. The consequences of Defendant's conduct as set forth herein outweigh any
2	justification, motive or reason therefor. Defendant's conduct is and continues to be immoral,
3	unethical, unscrupulous, contrary to public policy, and is substantially injurious to Plaintiffs and
4	the Class.
5	208. As a result of Defendant's conduct, Plaintiffs and the Class, pursuant to Business
6	and Professions Code § 17203, are entitled to an order enjoining such future conduct by
7	Defendant, and such other orders and judgments which may be necessary to disgorge Defendant's
8	ill-gotten gains and restore any money paid for Defendant's Purchased Products by Plaintiffs and
9	any money paid for Defendant's Class Products purchased the Class.
10	THIRD CAUSE OF ACTION
11	Business and Professions Code § 17200, <i>et seq.</i> Fraudulent Business Acts and Practices
12	209. Plaintiffs incorporate by reference each allegation set forth above.
13	210. Defendant's conduct as set forth herein constitutes fraudulent business practices
14	under California Business and Professions Code sections § 17200, et seq.
15	211. Defendant sold Purchased Products and Class Products in California during the
16	Class Period.
17	212. Defendant's misleading marketing, advertising, packaging and labeling of the
18	Purchased Products and Class Products and misrepresentation that the products were salable,
19	capable of possession and not misbranded were likely to deceive reasonable consumers, and in
20	fact, Plaintiffs and members of the Class were deceived. Defendant has engaged in fraudulent
21	business acts and practices.
22	213. Defendant's fraud and deception caused Plaintiffs and the Class to purchase
23	Defendant's Purchased Products and Class Products that they would otherwise not have
24	purchased had they known the true nature of those products.
25	214. Defendant sold Plaintiffs and the Class Purchased Products that were not capable
26	of being sold or held legally and that have no economic value and were legally worthless.
27	Plaintiffs and the Class paid a premium price for the Purchased Products and the Class Products.
28	
	SECOND AMENDED CLASS ACTION COMPLAINT 53

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page54 of 59

1	215. As a result of Defendant's conduct as set forth herein, Plaintiffs and the Class,
2	pursuant to Business and Professions Code § 17203, are entitled to an order enjoining such future
3	conduct by Defendant, and such other orders and judgments which may be necessary to disgorge
4	Defendant's ill-gotten gains and restore any money paid for Defendant's Purchased Products by
5	Plaintiffs and any money paid for the Class Products by the Class.
6	FOURTH CAUSE OF ACTION
7	Business and Professions Code § 17500, <i>et seq.</i> Misleading and Deceptive Advertising
8	216. Plaintiffs incorporate by reference each allegation set forth above.
9	217. Plaintiffs assert this cause of action for violations of California Business and
10	Professions Code § 17500, et seq. for misleading and deceptive advertising against Defendant.
11	218. Defendant sold Purchased Products and Class Products in California during the
12	Class Period.
13	219. Defendant engaged in a scheme of offering Defendant's Purchased Products and
14	Class Products for sale to Plaintiffs and members of the Class by way of product labeling. These
15	labels misrepresented and/or omitted the true contents and nature of Defendant's Purchased
16	Products and Class Products. Defendant's advertisements and inducements were made within
17	California and come within the definition of advertising as contained in Business and Professions
18	Code §17500, et seq. in that such labels were intended as inducements to purchase Defendant's
19	Purchased Products and Class Products and are statements disseminated by Defendant to
20	Plaintiffs and the Class that were intended to reach members of the Class. Defendant knew, or in
21	the exercise of reasonable care should have known, that these statements were misleading and
22	deceptive as set forth herein.
23	220. In furtherance of its plan and scheme, Defendant prepared and distributed within
24	California and nationwide via product labels, statements that misleadingly and deceptively
25	represented the composition and the nature of Defendant's Purchased Products and Class
26	Products. Plaintiffs and the Class necessarily and reasonably relied on Defendant's materials, and
27	were the intended targets of such representations.
28	

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page55 of 59

1	221. Defendant's conduct in disseminating misleading and deceptive statements in
2	California and nationwide to Plaintiffs and the Class was and is likely to deceive reasonable
3	consumers by obfuscating the true composition and nature of Defendant's Purchased Products
4	and Class Products in violation of the "misleading prong" of California Business and Professions
5	Code § 17500, et seq.
6	222. As a result of Defendant's violations of the "misleading prong" of California
7	Business and Professions Code § 17500, et seq., Defendant has been unjustly enriched at the
8	expense of Plaintiffs and the Class. Misbranded products cannot be legally sold or held and have
9	no economic value and are legally worthless. Plaintiffs and the Class paid a premium price for the
10	Purchased Products and Class Products.
11	223. Plaintiffs and the Class, pursuant to Business and Professions Code § 17535, are
12	entitled to an order enjoining such future conduct by Defendant, and such other orders and
13	judgments which may be necessary to disgorge Defendant's ill-gotten gains and restore any
14	money paid for Defendant's Purchased Products or Class Products by Plaintiffs and the Class.
15 16	FIFTH CAUSE OF ACTION Business and Professions Code § 17500, <i>et seq.</i> Untrue Advertising
16	Business and Professions Code § 17500, <i>et seq.</i> <u>Untrue Advertising</u>
16 17	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above.
16 17 18	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California
16 17 18 19	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising.
16 17 18 19 20	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the
16 17 18 19 20 21	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the Class Period.
 16 17 18 19 20 21 22 	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the Class Period. 227. 227. Defendant engaged in a scheme of offering Defendant's Purchased Products and
 16 17 18 19 20 21 22 23 	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the Class Period. 227. 227. Defendant engaged in a scheme of offering Defendant's Purchased Products and Class Products for sale to Plaintiffs and the Class by way of product labels. These materials
 16 17 18 19 20 21 22 23 24 	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the Class Period. 227. Defendant engaged in a scheme of offering Defendant's Purchased Products and Class Products for sale to Plaintiffs and the Class by way of product labels. These materials misrepresented and/or omitted the true contents and nature of Defendant's Purchased Products
 16 17 18 19 20 21 22 23 24 25 	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the Class Period. 227. 227. Defendant engaged in a scheme of offering Defendant's Purchased Products and Class Products for sale to Plaintiffs and the Class by way of product labels. These materials misrepresented and/or omitted the true contents and nature of Defendant's Purchased Products and Class Products. Defendant's labels were made in California and come within the definition
 16 17 18 19 20 21 22 23 24 25 26 	Business and Professions Code § 17500, et seq. Untrue Advertising 224. Plaintiffs incorporate by reference each allegation set forth above. 225. Plaintiffs assert this cause of action against Defendant for violations of California Business and Professions Code § 17500, et seq., regarding untrue advertising. 226. Defendant sold Purchased Products and Class Products in California during the Class Period. 227. 227. Defendant engaged in a scheme of offering Defendant's Purchased Products and Class Products for sale to Plaintiffs and the Class by way of product labels. These materials misrepresented and/or omitted the true contents and nature of Defendant's Purchased Products and Class Products. Defendant's labels were made in California and come within the definition of advertising as contained in Business and Professions Code §17500, et seq. in that the labels

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page56 of 59

1 and are statements disseminated by Defendant to Plaintiffs and the Class. Defendant knew, or in 2 the exercise of reasonable care should have known, that these statements were untrue. 3 228. In furtherance of its plan and scheme, Defendant prepared and distributed in 4 California and nationwide via product labels, statements that falsely advertise the composition of 5 Defendant's Purchased Products and Class Products, and falsely misrepresented the nature of 6 those products. Plaintiffs and the Class were the intended targets of such representations and 7 would reasonably be deceived by Defendant's materials. 8 229. Defendant's conduct in disseminating untrue labels throughout California deceived 9 Plaintiffs and members of the Class by obfuscating the contents, nature and quality of 10 Defendant's Purchased Products and Class Products in violation of the "untrue prong" of 11 California Business and Professions Code § 17500. 12 230. As a result of Defendant's violations of the "untrue prong" of California Business 13 and Professions Code § 17500, et seq., Defendant has been unjustly enriched at the expense of 14 Plaintiffs and the Class. Misbranded products cannot be legally sold or held and have no 15 economic value and are legally worthless. Plaintiffs and the Class paid a premium price for the 16 Purchased Products and Class Products. 17 Plaintiffs and the Class, pursuant to Business and Professions Code § 17535, are 231. 18 entitled to an order enjoining such future conduct by Defendant, and such other orders and 19 judgments which may be necessary to disgorge Defendant's ill-gotten gains and restore any 20 money paid for Defendant's Purchased Products or Class Products by Plaintiffs and the Class. 21 SIXTH CAUSE OF ACTION Consumers Legal Remedies Act, Cal. Civ. Code §1750, et seq. 22 232. Plaintiffs incorporate by reference each allegation set forth above. 23 233. This cause of action is brought pursuant to the CLRA. Defendant's violations of 24 the CLRA are willful, oppressive and fraudulent, thus supporting an award of punitive damages. 25 234. On April 20, 2012, Plaintiffs sent their Notice and Demand Letter pursuant to the 26 CLRA, Cal. Civ. Code §§ 1782(a)(1) and (2), via certified mail to Defendant at their headquarters 27 in Plano, Texas. To date, Defendant has not responded to Plaintiffs Notice and Demand Letter. 28 SECOND AMENDED CLASS ACTION COMPLAINT

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page57 of 59

1	235. Over thirty days have passed since Plaintiffs sent Defendant their Notice and
2	Demand Letter. Plaintiffs now seek damages under the CLRA.
3	236. Plaintiffs and the Class, having given proper notice to Defendant, are entitled to
4	actual and punitive damages against Defendant for their violations of the CLRA. In addition,
5	pursuant to Cal. Civ. Code § 1782(a)(2), Plaintiffs and the Class are entitled to an order enjoining
6	the above-described acts and practices, providing restitution to Plaintiffs and the Class, ordering
7	payment of costs and attorneys' fees, and any other relief deemed appropriate and proper by the
8	Court pursuant to Cal. Civ. Code § 1780.
9	237. Defendant's actions, representations and conduct have violated, and continue to
10	violate the CLRA, because they extend to transactions that are intended to result, or which have
11	resulted, in the sale of goods to consumers.
12	238. Defendant sold Purchased Products and Class Products in California and
13	throughout the United States during the Class Period.
14	239. Plaintiffs and members of the Class are "consumers" as that term is defined by the
15	CLRA in Cal. Civ. Code §1761(d).
16	240. Defendant's Purchased Products and Class Products were and are "goods" within
17	the meaning of Cal. Civ. Code §1761(a).
18	241. By engaging in the conduct set forth herein, Defendant violated and continues to
19	violate Sections 1770(a)(5) of the CLRA, because Defendant's conduct constitutes unfair
20	methods of competition and unfair or fraudulent acts or practices in that they misrepresent the
21	particular ingredients, characteristics, uses, benefits and quantities of the goods.
22	242. By engaging in the conduct set forth herein, Defendant violated and continues to
23	violate Section 1770(a)(7) of the CLRA, because Defendant's conduct constitutes unfair methods
24	of competition and unfair or fraudulent acts or practices in that they misrepresent the particular
25	standard, quality or grade of the goods.
26	243. By engaging in the conduct set forth herein, Defendant violated and continues to
27	violate Section 1770(a)(9) of the CLRA, because Defendant's conduct constitutes unfair methods
28	
	SECOND AMENDED CLASS ACTION COMPLAINT 57

Case3:12-cv-01586-SC Document47 Filed05/01/13 Page58 of 59

1	of competition and unfair or fraudulent acts or practices in that they advertise goods with the
2	intent not to sell the goods as advertised.
3	244. By engaging in the conduct set forth herein, Defendant has violated and continues
4	to violate Section 1770(a)(16) of the CLRA, because Defendant's conduct constitutes unfair
5	methods of competition and unfair or fraudulent acts or practices in that they represent that a
6	subject of a transaction has been supplied in accordance with a previous representation when it
7	has not.
8	245. Plaintiffs requests that the Court enjoin Defendant from continuing to employ the
9	unlawful methods, acts and practices alleged herein pursuant to Cal. Civ. Code § 1780(a)(2) and
10	award Plaintiffs actual and punitive damages. If Defendant is not restrained from engaging in
11	these practices in the future, Plaintiffs and the Class will continue to suffer harm.
12	JURY DEMAND
13	Plaintiffs hereby demand a trial by jury of their claims.
14	PRAYER FOR RELIEF
15	WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, and
16	on behalf of the general public, pray for judgment against Defendant as follows:
17	A. For an order certifying this case as a class action and appointing Plaintiffs and
18	their counsel to represent the Class;
19	B. For an order awarding, as appropriate, damages, restitution or disgorgement to
20	Plaintiffs and the Class;
21	C. For an order requiring Defendant to immediately cease and desist from selling its
22	Purchased Products and Class Products listed in violation of law; enjoining Defendant from
23	continuing to market, advertise, distribute, and sell these products in the unlawful manner
24	described herein; and ordering Defendant to engage in corrective action;
25	D. For all equitable remedies available pursuant to Cal. Civ. Code § 1780;
26	E. For an order awarding attorneys' fees and costs;
27	F. For an order awarding punitive damages;
28	G. For an order awarding pre-and post-judgment interest; and
	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC) 58

	Case3:12-cv-01586-SC Document	47 Filed05/01/13 Page59 of 59
1	H. For an order providing such	further relief as this Court deems proper.
2	Dated: May 1, 2013	Respectfully submitted,
3		
4	-	/s/ Ben F. Pierce Gore Ben F. Pierce Gore (SBN 128515)
5		PRATT & ASSOCIATES 1871 The Alameda, Suite 425
6		San Jose, CA 95126
7]	Telephone: (408) 429-6506 Fax: (408) 369-0752 ogore@prattattorneys.com
8		Attorneys for Plaintiffs
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	SECOND AMENDED CLASS ACTION COMPLAINT CASE NO. 3:12-CV-01586 (SC)	

Case3:12-cv-01586-SC Document28-2 Filed05/09/12 Page2 of 2

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Potato Chips





NET WT. 1 1/2 OZ. (42.5 g)

U

GUARA Until printed	date or th	is snack'	s on us.
QUESTIO Weekdays 9:0 1		30pm Cen	
Nutri Serving Size Servings Per	1 package		cts
Amount Per Se	rving		
Calories 24	0 Calo	ries from	Fat 140
		% Dai	ly Value*
Total Fat 1			24%
Saturated	5		11%
Trans Fat (
Cholestero			0%
Sodium 250			10%
Potassium	<u> </u>		15%
Total Carb		e 23g	8%
Dietary Fib	er 2g		7%
Sugars 1g			
Protein 3g	-		
Vitamin A 0%	•	Vitamiı	n C 15%
Calcium 0%	٠		Iron 4%
Vitamin E 8%	•		min 6%
Niacin 8%	٠	Vitamin	B6 15%
Magnesium 6	5% •		Zinc 2%
* Percent Daily Va diet. Your daily depending on ye	values ma	y be highe	r or lower
Total Fat	Less than	65g	2,500 80g
Sat Fat	Less than Less than	20g	25g
Cholesterol Sodium	Less than	300mg 2,400mg	300mg 2,400mg
Potassium		3,500mg	3,500mg
Total Carbohydi Dietary Fiber	ate	300g 25g	375g 30g
Calories per gra		-+9	
Fat 9 • C	am: arbohydrate		Protein 4

Ingredients: Potatoes, Vegetable Oil (Sunflower, Con and/or Canola Oil), and Salt. No Preservatives.

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Page2 of 2

Case3:12-cv-01586-SC Document28-2 Filed05/09/12 GUARANTEED FRESH

Until printed date or this snack's on us. QUESTIONS OR COMMENTS?

Weekdays 9:00am to 4:30pm Central Time 1-800-352-4477

Nutr Serving Size Servings Per	1 package	- -	cts
Amount Per S	erving		
Calories 2	40 Calo	ries from	Fat 140
		% Dai	ily Value*
Total Fat	16a		24%
Saturated			11%
Trans Fat	<u>v</u>		
Cholester	<u> </u>	·	0%
Sodium 25	•		10%
Potassiun	<u> </u>		15%
Total Carl	V	a 23a	8%
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	0		1 70
Sugars 1			
Protein 3g			
Vitamin A 0°	%•	Vitamiı	n C 15%
Calcium 0%	•		Iron 4%
Vitamin E 89	% •	Thia	amin 6%
Niacin 8%	•		B ₆ 15%
Magnesium	6% •		Zinc 2%
* Percent Daily \ diet. Your dail depending on	/alues are bas y values ma	ed on a 2,0 y be highe	000 calorie
 	Calories:	2,000	2,500
Total Fat Sat Fat	Less than Less than	65g 20g	80g 25g
Cholesterol	Less than	209 300mg	20y 300mg
Sodium	Less than	2,400mg	2,400mg
Potassium		3,500mg	
Total Carbohyo		300g	375g
Dietary Fibe		25g	30g
Calories per g	ram: Carbohydrate	4 • F	Protein 4

Ingredients: Potatoes, Vegetable Oil (Sunflower, Corn and/or Canola Oil), and Salt. No Preservatives.

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Case3:12-cv-01586-SC Document28-2 Filed05/09/12 Page2 of 2



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MTS.

GUARANTEED FRESH

Net Wt. 2 7/8 OZ. (81.5 g)

Honey Barbecue

Flavored Potato Chips

O grams Trans Fat al anticidad states and a

GUARANTEED FRESH Until printed date or this smack's on us. OUESTIONS OR COMMENTS? We did sys5:03am is 430pm Control Time 1:800-382-4477 Nutrition Facts Serving Size 1 oz (280/About 15 chips)

Amount For Sorving Calories Calories from Fat Total Fat 10g, 27g Saturated Fat 1.5g, 4 Trans Fat 0g, 0g Cholesterol 0mg, 0m Sodium 105mg, 300m Potassium 360mg, 105 Total Carbohydrate 16g Dietary Fiber 1g, 4g	9 9 0mg 1	0 0 5% 7% 0% 4% 5%	450 250 429 429 199 199 309 159
Calories from Fat Total Fat 10g, 27g Saturated Fat 1.5g, 4 Trans Fat 0g, 0g Cholesterol 0mg, 0m Potassium 380mg, 105 Total Carbohydrate 16g	16 9 %1 1 9 9 9 9 0mg 1	0 0 5% 7% 0% 4% 5%	450 250 42% 19% 0% 12% 30%
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Potassium 360mg, 105 Total Carbohydrate 16g	Omg 1	0% 5%	309
Potassium 360mg, 105 Total Carbohydrate 16g	Omg 1	5%	
	, 46g		15%
Dietary Fiber 1g, 4g			
		5%	15%
Sugars 2g, 7g			
Protein 2g. 5g			
Vitamin A		4%	15%
Vitamin C	_	10%	25%
Calcium		0%	0%
Iron		2%	8%
 Percent Daily Values are bas diet. Your daily values may depending on your calorie net 	be hig	ther o	riowo
Calories: Total Fat Less than	2,000 65g	80	500
Sat Fat Loss than	200	25	50
Cholesterol Less than	300mg	30	tõmg
Sodium Less than Potassium	2,400m 3,500m	g 2,	400mg 500mg
Total Carbohydrate Dietary Fiber	300g 25g	- 37	75g 0g

Ingredients: Potatoes, Vegetable Oli (Sanflower, Com, and/or Carola Oli), Honey BBD Seasoning (Sugar, Salt, Dextrose, Torula Yeast, Onion Powder, Spices, Malodestrin (Made From Com), Tormato Powder, Brown Sugar, Frectose, Yeast Extract, Molasses, Natural Flavor (Inolading Milk), Corn Starch, Honey, Gum Anabie, Paprika Extracts, Caramel Color, Garlio Powder, Chris Acid, and Sunflower Oli). CONTAINS A MILK INGREDIENT.

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QUESTIONS OR COMMENTS? Weekdays 9:00am to 4:30pm Central Time 1-800-352-4477

Nutr				ts
Serving Size	e 1 oz (28g/	About 18	5 ch	ips)
Servings Pe	er Containei	About 3		
Amount Per	Serving			
		1 oz	E	ntire Pkg
Calories		160		450
Calories fro	m Fat	90		250
		% Da	nily '	Value*
Total Fat	10g, 27g	15	%	42%
Saturated	d Fat 1.5g, 4	4g 7	%	19%
Trans Fa	· · · · · · · · · · · · · · · · · · ·	. <u>v</u>		
Cholester		ηα Ο	%	0%
Sodium 10			%	
Potassiun		<u> </u>		30%
Total Carbo			/0 %	15%
			% %	15%
	iber 1g, 4g	5	70	15%
Sugars 2				
Protein 2g	, 5g			
Vitamin A		Δ	%	15%
Vitamin C			1%	25%
Calcium	*******		1%	0%
Iron			%	8%
* Percent Daily	Values are ba	sed on a 2,	000	calorie
diet. Your da	ily values ma your calorie n	y be high	er or	lower
depending of	Calories:	2,000	2,5	500
Total Fat	Less than	65g	80	g
Sat Fat Cholesterol	Less than Less than	20g 300mg	25	g Omg
Sodium	Less than	2,400mg	2,4	100mg
Potassium		3,500mg		500mg
Total Carbohy Dietary Fib		300g 25g	37 30	
Calories per g		-09		9
Fat 9 •	Carbohydrate	•4 ·	Prot	ein 4

Ingredients: Potatoes, Vegetable Oil (Sunflower, Corn, and/or Canola Oil), Honey BBQ Seasoning (Sugar, Salt, Dextrose, Torula Yeast, Onion Powder, Spices, Maltodextrin [Made From Corn], Tomato Powder, Brown Sugar, Fructose, Yeast Extract, Molasses, Natural Flavor [Including Milk], Corn Starch, Honey, Gum Arabic, Paprika Extracts, Caramel Color, Garlic Powder, Citric Acid, and Sunflower Oil). CONTAINS A MILK INGREDIENT.

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A delicious blend of ingredients creates the **delicious rich flavor** of mesquite barbecue. We start with **farm-grown potatoes**, sliced nice and thick. Kettle cook 'em in small batches until they're extra-crunchy and crisp. And let the pure, simple goodness of **all natural ingredients** shine. LAY'S® Kettle Cooked potato chips – *Happiness in Every Crunch*[®]

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 No preservatives
 No MSG
 Og trans fat
 Made with all natural potatoes and seasonings



aus.

Kettle Cooked

MESQUITE BBQ

until printed date

MADE WITH B



Nutrition	Facts
Serving Size 1 oz (28g/) Servings Per Container	About 18 chips)
Servings Per Container	About 9
Amount Per Serving	
Calories 140 Cal	ories from Fat 70
	% Daily Value*
Total Fat 8g	12%
Saturated Fat 1.5g	8%
Trans Fat 0g Cholesterol 0mg	0%
Sodium 210mg	9%
Total Carbohydrate	
Dietary Fiber less that	
Sugars 1g	
Protein 2g	
Vitamin A 2% •	Vitamin C 10%
Calcium 0% •	Iron 0%
* Percent Daily Values are bas diet. Your daily values may	ed on a 2,000 calorie
depending on your calorie ne	
Calorios: Total Fat Loss than	2,000 2,500 65g 80g
Sat Fat Less than	20g 25g
Cholesterol Less than Sodium Less than	300mg 300mg 2,400mg
Total Carbohydrate	300g 375g
Distary Fiber	25g 30g
Calories per gram: Fat 9 • Carbohydrate	4 · Protein 4
Ingredients: Potatoe	
(Sunflower, Corn, and	Vor Canola Oil),
Mesquite BBQ Seasoning	
Salt, Spices, Tornato Powder, Maltodextrin [N	Powder, Union
Natural Flavor, Lactos	
Torula Yeast, Gum Arabi	ic, Garlic Powder,
Corn Starch, Paprika	Extracts, Malted
Barley Flour, Sunflower	
Buttermilk, and Citric Acie CONTAINS MILK INGR	
CONTRINS MICK INCH	COLUMNS.
Manufactured for	

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NET WT. 81/2 OZ. (240.9g)

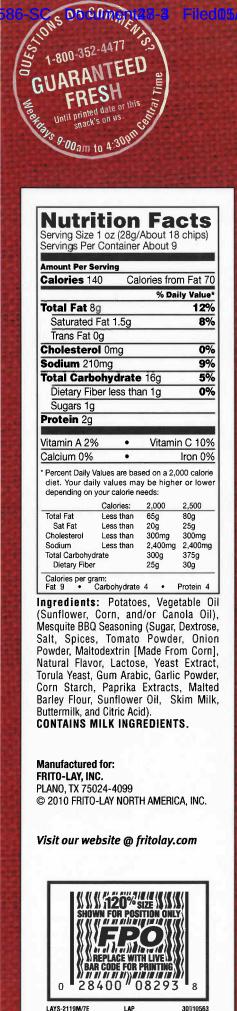
000

Ograms TRANS FAT



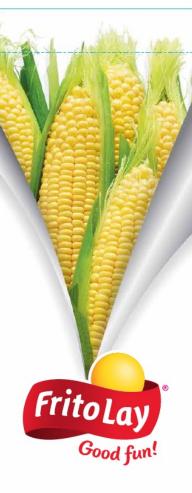
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Case3:12-cv-01586-SC Document28-8 Filed05/09/12 Page2 of 2





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IONS OR COMMEN

QUES

Protein 2a

Thiamin 8%

Niacin 4%

Total Fat Sat Fat





Case3:12-cv-01586-SC Document28-5 Filed05/09/12 Page2 of 2



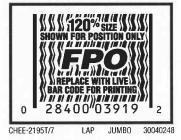
Amount Per S			
Calories 15	50 Ca	lories fror	
	_	% Dail	y Value*
Total Fat 1	0g		15%
Saturated	Fat 1.5g		8%
Trans Fat	0g		
Cholester	ol Omg		0%
Sodium 30	0ma		13%
Total Carb	ohvdrate	13a	4%
	ber less that		2%
Sugars 1g		an rg	
Protein 2q	_		
Protent 2g		1210 L K	
Vitamin A 0%	6 .	Vitam	in C 0%
Calcium 2%			Iron 2%
Thiamin 8%		Ribof	avin 4%
Niacin 4%			n B6 2%
		VILCIIII	
* Percent Daily			00 calorie
	ly values ma	y be highe	00 calorie
* Percent Daily diet. Your dai depending on	ly values ma your calorie n Calories:	y be highe eeds: 2,000	000 calorie r or lower 2.500
* Percent Daily V diet. Your dai depending on v Total Fat	ly values ma your calorie n Calories: Less than	y be highe eeds: 2,000 65g	000 calorie r or lower 2.500 80g
* Percent Daily diet. Your dai depending on Total Fat Sat Fat	ly values ma your calorie m Calories: Less than Less than	y be highe eeds: 2,000 65g 20g	000 calorie r or lower 2.500 80g 25g
 Percent Daily V diet. Your dai depending on V Total Fat Sat Fat Cholesterol 	ly values ma your calorie n Calories: Less than Less than Less than	y be highe eeds: 2,000 65g 20g 300mg	000 calorie r or lower 2.500 80g 25g 300mg
* Percent Daily diet. Your dai depending on Total Fat Sat Fat	ly values ma your calorie n Calories: Less than Less than Less than Less than	y be highe eeds: 2,000 65g 20g	000 calorie r or lower 2.500 80g 25g

Ingredients: Enriched Corn Meal (Corn Meal, Ferrous Sulfate, Niacin, Thiamin Mononitrate, Riboflavin, and Folic Acid), Vegetable Oil (Corn, Canola, and/or Sunflower Oil), Cheese Seasoning (Whey, Cheddar Cheese (Milk, Cheese Cultures, Salt, Enzymes), Canola Oil, Maltodextrin [Made From Corn], Salt, Whey Protein Concentrate, Monosodium Glutamate, Natural and Artificial Flavors, Lactic Acid, Citric Acid, Artificial Color (Yellow 6]), and Salt. CONTAINS MILK INGREDIENTS.



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With the classic corn taste and hearty texture that goes crunch, FRITOS® **The Original Corn** Chips are an unmistakable all-American original. Right out of the bag, sprinkled on some chili or digging into your favorite dip...

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% Daily Value*

15%

7%

0%

7%

5%

5%

Vitamin C 0%

Vitamin B₆ 2%

2,000

300mg 2,400mg

300g

25g

08883

3883749

65g

Iron 0%

2,500

80g

25g 300mg

2,400mg

375g

30g

FritoLay

Protein 4

Case3:12-cv-01586-SC, **AntAMTERI23-5**, Filed05/09/12 Page2 of 2 Until printed date or this snack's on us. Questions or Comments? 1-800-352-4477 Weekdays 9:00am to 4:30pm Central Time Please provide product name, bag size, date, price and numbers found below price for each package.

% D Total Fat 10g Saturated Fat 1.5g Trans Fat 0g Polyunsaturated Fat 6g Monounsaturated Fat 2.5g Cholesterol 0mg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	rom Fat 90 Paily Value* 15% 7% 0%
Total Fat 10g Saturated Fat 1.5g Trans Fat 0g Polyunsaturated Fat 6g Monounsaturated Fat 2.5g Cholesterol 0mg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	<u>15%</u> 7%
Saturated Fat 1.5g Trans Fat 0g Polyunsaturated Fat 6g Monounsaturated Fat 2.5g Cholesterol 0mg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	7%
Trans Fat 0g Polyunsaturated Fat 6g Monounsaturated Fat 2.5g Cholesterol 0mg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	
Polyunsaturated Fat 6g Monounsaturated Fat 2.5g Cholesterol 0mg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	
Monounsaturated Fat 2.5g Cholesterol 0mg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	
Cholesterol Omg Sodium 160mg Total Carbohydrate 16g Dietary Fiber 1g	
Total Carbohydrate 16g Dietary Fiber 1g	
Dietary Fiber 1g	7%
	5%
	5%
Sugars Og	
Protein 2g	
Vitamin A 0% · Vita	amin C 0%
Calcium 2% ·	Iron 0%
	min B ₆ 2%
Phosphorus 4% • Magr	nesium 4%
* Percent Daily Values are based on a diet. Your daily values may be hig	2,000 calorie
depending on your calorie needs:	
Calories: 2,000	2,500
Total Fat Less than 65g Sat Fat Less than 20g	80g 25g
Cholesterol Less than 300mg Sodium Less than 2,400n	
Total Carbohydrate 300g	375g
Dietary Fiber 25g Calories per gram:	30g
Fat 9 · Carbohydrate 4 ·	Protein 4
INGREDIENTS: WHOLE CORN, AND SALT.	CORN OIL,
NO PRESERVATIVES.	
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Food

Guidance for Industry: Letter Regarding Point of Purchase Food Labeling

Contains Nonbinding Recommendations

October 2009

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You may submit written comments regarding this guidance at any time. Submit written comments on the guidance to the Division of Dockets Management (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852. All comments should be identified with the title of the guidance document.

> U.S. Department of Health and Human Services Food and Drug Administration Center for Food Safety and Applied Nutrition October 2009

Contains Nonbinding Recommendations

Guidance for Industry^[1] Letter Regarding Point of Purchase Food Labeling

This guidance represents the Food and Drug Administration's (FDA's) current thinking on this topic. It does not create or confer any rights for or on any person and does not operate to bind FDA or the public. You can use an alternative approach if the approach satisfies the requirements of the applicable statutes and regulations. If you want to discuss an alternative approach, contact the FDA staff responsible for implementing this guidance. If you cannot identify the appropriate FDA staff, call the telephone number listed on the title page of this document.

Dear Industry:

Point of purchase labeling including Front of Package (FOP) labeling is voluntary information that is intended to convey to consumers the nutritional attributes of a food. Point of purchase labeling often includes symbols that are typically linked to a set of nutritional criteria developed by food manufacturers, grocery stores, trade organizations, and health organizations. Two major categories of FOP symbol systems are "summary" and "nutrient-specific" systems. The summary symbols use logos, numerical scores, or graphic schemes to communicate the overall nutritional quality of a food product to consumers and facilitate comparisons between products based on the food's nutritional quality. Nutrient-specific symbols provide quantitative, evaluative, or both kinds of information on selected nutrients in a product without comparing the product's overall nutritional guality to that of its counterparts.

Although all symbol programs intend to indicate that the food products with their symbol are healthful choices, each symbol program has different nutritional criteria. The selected nutrients and the nutrient levels required for eligibility vary among the different symbol programs in use. FDA recognizes that point of purchase labeling can be a way of promoting informed food choices and helping consumers construct healthier diets in accordance with the Dietary Guidelines for Americans. FOP or shelf labeling that provides consumers with readily accessible information about a product's nutritional profile, in a manner that is consistent with and linked to the required Nutrition Facts panel, responds to today's marketplace realities and can be part of the education and outreach consumers need to understand and act on nutrition information at the point of purchase.

However, FDA's research has found that with FOP labeling, people are less likely to check the Nutrition Facts label on the information panel of foods (usually, the back or side of the package). It is thus essential that both the criteria and symbols used in front-ofpackage and shelf-labeling systems be nutritionally sound, well-designed to help consumers make informed and healthy food choices, and not be false or misleading. The agency is currently analyzing FOP labels that appear to be misleading. The agency is also looking for symbols that either expressly or by implication are nutrient content claims. We are assessing the criteria established by food manufacturers for such symbols and comparing them to our regulatory criteria.

It is important to note that nutrition-related FOP and shelf labeling, while currently voluntary, is subject to the provisions of the Federal Food, Drug, and Cosmetic Act that prohibit false or misleading claims and restrict nutrient content claims to those defined in FDA regulations. Therefore, FOP and shelf labeling that is used in a manner that is false or misleading misbrands the products it accompanies. Similarly, a food that bears FOP or shelf labeling with a nutrient content claim that does not comply with the regulatory criteria for the claim as defined in Title 21 Code of Federal Regulations (CFR) 101.13¹ and Subpart D of Part 101² is misbranded. We will consider enforcement actions against clear violations of these established labeling requirements.

FDA is also developing a proposed regulation that would define the nutritional criteria that would have to be met by manufacturers making broad FOP or shelf label claims concerning the nutritional quality of a food, whether the claim is made in text or in symbols. FDA's intent is to provide standardized, science-based criteria on which FOP nutrition labeling must be based.

Labeling & Nutrition > Guidance for Industry: Letter Regarding Point of Purchase Food ... Page 2 of 2 Case3:12-cv-01586-SC Document47-6 Filed05/01/13 Page2 of 2

We also intend to continue to improve our understanding of how consumers view and use such labels. Research suggests that the proliferation of divergent FOP approaches is likely to be confusing to consumers and ultimately counter-productive. We want to work with the food industry - retailers and manufacturers alike - as well as nutrition and design experts and the Institute of Medicine, to develop an optimal, common approach to nutrition-related FOP and shelf labeling that all Americans can trust and use to build better diets and improve their health.

The recent experience with FOP labeling in the United Kingdom demonstrates the potential of voluntary initiatives to provide consumers helpful FOP labeling. In that instance, the government set certain criteria for the use of such labeling, and retailers took the initiative to implement FOP labeling in their stores. The agency wants to explore the potential of that approach. If voluntary action by the food industry does not result in a common, credible approach to FOP and shelf labeling, we will consider using our regulatory tools toward that end. This effort will include research to assess through consumer studies the likely effects of FOP symbols on information search behavior related to the Nutrition Facts label, which in turn can affect consumer understanding of the full nutrition profile of a product. The foundation of that approach should be a common set of mandatory nutritional criteria that consumers can rely on when they view FOP labels, even if no one symbol is ultimately selected as superior.

Accurate food labeling information can assist consumers in making healthy nutritional choices. FDA intends to monitor and evaluate the various FOP labeling systems and their effect on consumers' food choices and perceptions. FDA recommends that manufacturers and distributors of food products that include FOP labeling ensure that the label statements are consistent with FDA laws and regulations. FDA will proceed with enforcement action against products that bear FOP labeling that are explicit or implied nutrient content claims and that are not consistent with current nutrient content claim requirements. FDA will also proceed with enforcement action where such FOP labeling or labeling systems are used in a manner that is false or misleading.

FDA intends to work in collaboration with our sister public health agencies and the Department of Agriculture, which has authority over the labeling of meat and poultry, to pursue these efforts on FOP labeling. We will base our initiative on sound consumer research to ensure that we move toward an approach that will help consumers in selecting a healthy diet.

Sincerely,

Barbara O. Schneeman, Ph.D. Director Office of Nutrition, Labeling and Dietary Supplements Center for Food Safety and Applied Nutrition Food and Drug Administration

¹This guidance has been prepared by the Office of Nutrition, Labeling and Dietary Supplements in the Center for Food Safety and Applied Nutrition at the U.S. Food and Drug Administration.

For more information:

- Background Information on Point of Purchase Labeling³ October 2009
- FDA Response to Representative DeLauro⁴ October 19, 2009

Page Last Updated: 05/26/2011

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- 3. /Food/IngredientsPackagingLabeling/LabelingNutrition/ucm187320.htm
- 4. /Food/IngredientsPackagingLabeling/LabelingNutrition/ucm187369.htm

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Food

Open Letter to Industry from Dr. Hamburg

New Front-of-Package Labeling Initiative Main Page¹

March 3, 2010

Dear Industry:

In the early 1990s, the Food and Drug Administration (FDA) and the food industry worked together to create a uniform national system of nutrition labeling, which includes the now-iconic Nutrition Facts panel on most food packages. Our citizens appreciate that effort, and many use this nutrition information to make food choices. Today, ready access to reliable information about the calorie and nutrient content of food is even more important, given the prevalence of obesity and diet-related diseases in the United States. This need is highlighted by the announcement recently by the First Lady of a coordinated national campaign to reduce the incidence of obesity among our citizens, particularly our children.

With that in mind, I have made improving the scientific accuracy and usefulness of food labeling one of my priorities as Commissioner of Food and Drugs. The latest focus in this area, of course, is on information provided on the principal display panel of food packages and commonly referred to as "front-of-pack" labeling.[1] The use of front-of-pack nutrition symbols and other claims has grown tremendously in recent years, and it is clear to me as a working mother that such information can be helpful to busy shoppers who are often pressed for time in making their food selections.

I believe we now have a wonderful opportunity to make a significant advancement in public health if we can devise a front-of-pack labeling system that consumers can understand and use. We intend to work closely with food manufacturers, retailers, and others in the design process, and I hope that every food processor will contribute its views on how we can do this in the best way possible. In the meantime, FDA will soon issue new draft guidance relating to front-of-pack calorie and nutrient labeling. The agency is also planning to issue a draft guidance that would recommend nutritional criteria for foods that make "dietary guidance" statements (such as "Eat 2 cups of fruit a day for good health") in their labeling.

As we move forward in those areas, I must note, however, that there is one area in which more progress is needed. As you will recall, we recently expressed concern, in a "Dear Industry" letter, about the number and variety of label claims that may not help consumers distinguish healthy food choices from less healthy ones and, indeed, may be false or misleading.

At that time, we urged food manufacturers to examine their product labels in the context of the provisions of the Federal Food, Drug, and Cosmetic Act that prohibit false or misleading claims and restrict nutrient content claims to those defined in FDA regulations. As a result, some manufacturers have revised their labels to bring them into line with the goals of the Nutrition Labeling and Education Act of 1990. Unfortunately, however, we continue to see products marketed with labeling that violates established labeling standards.

To address these concerns, FDA is notifying a number of manufacturers that their labels are in violation of the law and subject to legal proceedings to remove misbranded products from the marketplace. While the warning letters that convey our regulatory intentions do not attempt to cover all products with violative labels, they do cover a range of concerns about how false or

- Nutrient content claims that FDA has authorized for use on foods for adults are not permitted on foods for children under two. Such claims are highly inappropriate when they appear on food for infants and toddlers because it is well known that the nutritional needs of the very young are different than those of adults.
- Claims that a product is free of trans fats, which imply that the product is a better choice than products without the claim, can be misleading when a product is high in saturated fat, and especially so when the claim is not accompanied by the required statement referring consumers to the more complete information on the Nutrition Facts panel.
- Products that claim to treat or mitigate disease are considered to be drugs and must meet the regulatory requirements for drugs, including the requirement to prove that the product is safe and effective for its intended use.
- Misleading "healthy" claims continue to appear on foods that do not meet the long- and wellestablished definition for use of that term.
- Juice products that mislead consumers into believing they consist entirely of a single juice are still on the market. Despite numerous admonitions from FDA over the years, we continue to see juice blends being inaccurately labeled as single-juice products.

These examples and others that are cited in our warning letters are not indicative of the labeling practices of the food industry as a whole. In my conversations with industry leaders, I sense a strong desire within the industry for a level playing field and a commitment to producing safe, healthy products. That reinforces my belief that FDA should provide as clear and consistent guidance as possible about food labeling claims and nutrition information in general, and specifically about how the growing use of front-of-pack calorie and nutrient information can best help consumers construct healthy diets.

I will close with the hope that these warning letters will give food manufacturers further clarification about what is expected of them as they review their current labeling. I am confident that our past cooperative efforts on nutrition information and claims in food labeling will continue as we jointly develop a practical, science-based front-of-pack regime that we can all use to help consumers choose healthier foods and healthier diets.

Sincerely,

Margaret A. Hamburg, M.D. Commissioner of Food and Drugs

Page Last Updated: 04/24/2013

^[1] Although the principal display panel is not always on the front of a food package, in this letter we use "front-of-pack" as a synonym for principal display panel; i.e., the part of the package label that is most likely to be examined under customary conditions of display for retail sale. See 21 C.F.R. 101.1.

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