	Case5:14-cv-00091-HRL Documen	ti Filedo1/07/14 Page1 0i 36			
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7					
8	UNITED STATI	ES DISTRICT COURT			
9	NORTHERN DIST	TRICT OF CALIFORNIA			
10	SAN JOSE DIVISION				
11					
12	LEVON TCHAYELIAN, on behalf of himself and all others similarly	Case No.:			
13	situated,) COMPLAINT			
14	Plaintiff,) DEMAND FOR JURY TRIAL			
15	V.) CLASS ACTION			
16	BLUE DIAMOND GROWERS, and DOES 1 through 10, inclusive,) [Violations of California's Unfair			
17	Defendants.	Competition Law, California Business & Professions Code § 17200 et seq.,			
18		California's False Advertising Law, California Business & Professions Code			
19		§ 17500 et seq., and California's Consumers Legal Remedies Act,			
20		California Civil Code § 1750 et seq.]			
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23	DI 1 100 1 11 5 6				
24	·	d, brings this action on his own behalf and on			
25		d, and alleges the following upon personal			
26	knowledge, or where there is not person	nal knowledge, upon information and belief:			
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	CLASS ACTION COMPLAIN	T AND DEMAND FOR JURY TRIAL			

INTRODUCTION

- 1. Food and beverage manufacturers have sought to capitalize on the fast-growing market for natural products, which is now a multi-billion dollar industry.
 - 2. Unfortunately, not all manufacturers truthfully represent their products.
- 3. Instead, some manufactures seek to capture a share of the market by touting their products as "All Natural" when in fact that is not true.
- 4. Defendant BLUE DIAMOND GROWERS ("Blue Diamond") is an example of a manufacturer who has sought to exploit the market for natural products by representing that its products are "All Natural."
- 5. Blue Diamond manufactures several food products, including a line of "Almond Breeze Almondmilk" products which include the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated), and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products. Blue Diamond prominently and repeatedly labels these products as "All Natural" when in fact they contain artificial ingredients. Moreover, Blue Diamond claims that some of its products contain "Evaporated Cane Juice" when in fact its products do not contain any such juice and instead contain sugars or syrups.
- 6. This lawsuit seeks redress on behalf of a nationwide class of consumers who purchased Blue Diamond Products which claimed to be "All Natural" and/or claimed to contain "Evaporated Cane Juice."

JURISDICTION

7. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(d)(2), because the proposed class has more than 100 class members, the proposed class contains at least one class member who is a citizen of a State different from any defendant, and the matter in controversy exceeds the sum of \$5,000,000.

- Blue Diamond had over \$1 billion in net sales and revenues
- Blue Diamond's net sales and revenues for fiscal year 2011 were over \$825 million (specifically \$825,161,000).
- 14. Blue Diamond's net sales and revenues for fiscal year 2010 were over \$775 million (specifically \$775,330,000).
- 15. Thus, for its fiscal years 2013, 2012, 2011 and 2010 Blue Diamond had combined net sales and revenues of over \$3.8 billion.
- By 2010, annual nationwide sales of Almond Breeze Almondmilk for 16. the entire United States exceeded \$57 million.
- 17. Nationwide sales of Almond Breeze Almondmilk increased by double digit growth rates during each and every one of Blue Diamond's fiscal years since 2010.
- 18. Almond Breeze Almondmilk is sold both refrigerated (also known as "chilled") and as shelf stable (also known as "aseptic").

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- 19. Blue Diamond's fiscal year 2011 sales of refrigerated (chilled) Almond Breeze Almondmilk increased by 91% from the year earlier. Fiscal year 2011 also saw the shelf stable (aseptic) Almond Breeze Almondmilk increase 22% from the year earlier.

 20. Blue Diamond's fiscal year 2012 sales of refrigerated (chilled) Almond Breeze Almondmilk increased by 59% from the year earlier. Fiscal year 2012 also saw the shelf stable (aseptic) Almond Breeze Almondmilk increase 21% from the
- 21. Blue Diamond's fiscal year 2013 sales of refrigerated (chilled) Almond Breeze Almondmilk increased by 74% from the year earlier. Fiscal year 2013 also saw the shelf stable (aseptic) Almond Breeze Almondmilk increase 40% from the year earlier.
- 22. Thus, during the Class period, total nationwide sales of Almond Breeze Almondmilk in the United States were in excess of \$5,000,000.
- 23. During every year since 2010, Almond Breeze Almondmilk has been offered for sale and sold in more than 90% of grocery stores in the United States.
- 24. According to Blue Diamond, "Blue Diamond Almond Breeze ranked as America's #1 preferred non-dairy milk!"
- 25. This Court has personal jurisdiction over all Defendants because all Defendants are citizens of California, reside within this judicial district, conduct business in California, intentionally avail themselves of the markets and benefits of California through their marketing and sales of the products at issue in California so as to render the exercise of jurisdiction by this Court consistent with traditional notions of fair play and substantial justice, and a substantial part of the transactions, acts and omissions giving rise to the claims occurred within California and this judicial district.

year earlier.

<u>VENUE</u>

26. Venue in this judicial district is proper under 28 U.S.C. § 1391(b) and (c) in that Defendants reside in this judicial district, Defendants have done and continue to do business in this judicial district, Defendants have intentionally availed themselves of the markets within this judicial district through the promotion, marketing, sale and distribution of their products within this judicial district, and this is a class action case in which a substantial part of the transactions, acts and omissions giving rise to the Class' claims occurred within this judicial district.

INTRADISTRICT ASSIGNMENT

- 27. Pursuant to Civil L.R. 3-2(c), this action should be assigned to the San Jose Division of this Court because one or more counties identified in Civil L.R. 3-2(e) for the San Jose Division are each a county in which a substantial part of the events or omissions which give rise to the Class' claims occurred.
- 28. There is also another action, which has overlapping class allegations, entitled *Chris Werdebaugh v. Blue Diamond Growers*, Case No. 5:12-cv-02724-LHK, which has been assigned to the San Jose Division and is pending before the Honorable Lucy H. Koh.

PARTIES

- 29. Plaintiff, LEVON TCHAYELIAN, is and at all times relevant hereto was a resident and citizen of the State of California.
- 30. Defendant BLUE DIAMOND GROWERS is a corporation organized and existing under the laws of the State of California. Blue Diamond manufactures, markets, and sells its products throughout California and the United States. Blue Diamond is a leading producer of retail food products, including the products at issue herein. Blue Diamond sells its food products to consumers through grocery and other retail stores in California and throughout the United States.

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31. At all times mentioned in this Complaint, Defendants and each of them were the agents, employees, joint venturer, and or partners of each other and were acting within the course and scope of such agency, employment, joint venturer and or partnership relationship and or each of the Defendants ratified and or authorized the conduct of each of the other Defendants. 32. Plaintiff does not know the true names and capacities of defendants 6 sued herein as DOES 1 through 10, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff is informed and believe that each of the DOE defendants was in some manner legally responsible for the wrongful and unlawful conduct and harm alleged herein. Plaintiff will amend this Complaint to set forth 10 the true names and capacities of these defendants when they have been ascertained, along with appropriate charging allegations. 13 33. Defendant BLUE DIAMOND GROWERS and DOES 1 through 10 are collectively referred to as Defendants. 14 15 FACTUAL ALLEGATIONS CONCERNING 16 17 **BLUE DIAMOND PRODUCTS** 18 34. Within the last four years, Plaintiff Levon Tchayelian purchased some of Defendants' Blue Diamond Products¹, including the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond 20 Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products. 24 25 26 ¹ The phrase "Blue Diamond Products" as used in this Complaint includes the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk

Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products and the Substantially Similar Products described in paragraphs 71 through 73, below.

35. The Almond Breeze Almondmilk Vanilla (refrigerated) product purchased by Plaintiff Levon Tchayelian has the following labels:







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1	36. The label of the Almond Breeze Almondmilk Vanilla (refrigerated)					
2	product includes the following representations on the product's package:					
3	"ALL NATURAL" (front of package)					
4	"ALL NATURAL" (back of package)					
5	"All Natural with added Vitamins & Minerals."					
6	"Almond Breeze® Almondmilk is an all natural, great tasting, non-dairy					
7	beverage."					
8	37. The ingredients on the side label of the Almond Breeze Almondmilk					
9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25	Vanilla (refrigerated) product's package states as follows: "INGREDIENTS: ALMONDMILK (FILTERED WATER, ALMONDS), EVAPORATED CANE JUICE, CALCIUM CARBONATE, NATURAL VANILLA FLAVOR WITH OTHER NATURAL FLAVORS, SEA SALT, POTASSIUM CITRATE, CARRAGEENAN, SUNFLOWER LECITHIN, VITAMIN A PALMITATE, VITAMIN D2, D-ALPHA-TOCOPHEROL (NATURAL VITAMIN E)." 38. Defendants unlawfully misbranded and falsely, misleadingly and deceptively represented the Almond Breeze Almondmilk Vanilla (refrigerated) product as "All Natural" despite that it contains non-natural ingredients, including the following artificial or synthetic ingredients: Potassium Citrate, Vitamin A Palmitate, Vitamin D2 and D-Alpha-Tocopherol. ² ///					
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28	² Plaintiff reserves the right to amend these allegations if additional investigation or discovery reveals other non-natural ingredients.					

39. The Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) product purchased by Plaintiff Levon Tchayelian has the following labels:







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40. The label of the Almond Breeze Almondmilk Coconutmilk Blend 1 Almond Coconut Unsweetened (refrigerated) product includes the following 2 3 representations on the product's package: "ALL NATURAL" (front of package) 4 "ALL NATURAL" (back of package) 5 "All Natural with Added Vitamins & Minerals." 6 7 41. The ingredients on the side label of the Almond Breeze Almondmilk 8 Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) product's package 9 states as follows: "INGREDIENTS: ALMONDMILK (FILTERED WATER. 10 ALMONDS), COCONUTMILK (FILTERED WATER, COCONUT 11 CREAM [COCONUT EXTRACT, WATER, XANTHAN GUM, 12 CARRAGEENAN, GUAR GUM), CALCIUM CARBONATE, NATURAL FLAVORS, POTASSIUM CITRATE, SEA SALT, 13 CARRAGEENAN, SUNFLOWER LECITHIN, VITAMIN A 14 D2. D-ALPHA-TOCOPHEROL PALMITATE, VITAMIN (NATURAL VITAMIN E)." 15 Defendants unlawfully misbranded and falsely, misleadingly and 42. 16 17 deceptively represented the Almond Breeze Almondmilk Coconutmilk Blend 18 Almond Coconut Unsweetened (refrigerated) product as "All Natural" despite that it 19 contains non-natural ingredients, including the following artificial or synthetic ingredients: Xanthan Gum, Potassium Citrate, Vitamin A Palmitate, Vitamin D2 and 20 D-Alpha-Tocopherol.³ 21 22 // 23 24 25 26 27 Plaintiff reserves the right to amend these allegations if additional 28 investigation or discovery reveals other non-natural ingredients. - 12 -

43. The Almond Breeze Almondmilk Original Unsweetened (shelf stable) product purchased by Plaintiff Levon Tchayelian has the following labels:





Nutrition Facts Serving Size 1 cup (240 mL) Servings Per Container 4 Total Fat 2.5g Saturated Fat 0g Trans Fat 0g Cholesterol Omg Sodium 180mg Potassium 170mg Total Carbohydrate 2g 1% Dietary Fiber 1g Sugars 0g Protein 1g Vitamin A 10% • Vitamin C 0%
Calcium 45% • Iron 4%
Vitamin D 25% • Vitamin E 50%
Phosphorus 2% • Magneskum 4%

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- 49. A claim that a product is "all natural" is material to a reasonable consumer.
- 50. A reasonable consumer would expect that a product labeled as "All Natural" does not contain any artificial, synthetic or extensively processed ingredients.
- 51. This expectation of a reasonable consumer is consistent with the common use of the word "natural" as well as with the views of the federal government and its agencies.
- 52. The Food and Drug Administration ("FDA") has repeatedly stated its policy to restrict the use of the term "natural" in connection with added color, synthetic substances and flavors addressed in 21 C.F.R. § 101.22.
- 53. 21 C.F.R. § 101.22 distinguishes between artificial versus natural foods, spices, flavorings, colorings, and preservatives on food labels. Any coloring or preservative can preclude the use of the term "natural" even if the coloring or preservative is derived from natural sources.
- 54. The Food and Drug Administration ("FDA") has repeatedly affirmed its policy through guidelines that define the appropriate boundaries for using the term "natural." According to the FDA:

"The agency will maintain its current policy ... not to restrict the use of the term 'natural' except for added color, synthetic substances, and flavors as provided in § 101.22. Additionally, the agency will maintain its policy ... regarding the use of 'natural' as meaning that nothing artificial or synthetic (including all color additives regardless of source) has been included in, or has been added to, a food that would not normally be expected to be in the food. Further ... the agency will continue to distinguish between natural and artificial flavors as outlined in § 101.22." 58 Federal Register 2302, 2407 (Jan. 6, 1993).

- 55. The FDA Compliance Policy Guide Sec. 587.100 further provides that: "The 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.'"
- 56. Additionally, some of Defendants' Blue Diamond Products contain ingredients from otherwise natural sources that have been extensively processed. As an example, "Evaporated Cane Juice" is the end product of sugar cane being extensively processed. Some manufacturers of so-called "Evaporated Cane Juice" add synthetic substances such as Phosphoric Acid and/or Calcium Hydroxide to extract cane syrup prior to evaporation. Phosphoric Acid and Calcium Hydroxide are both synthetic ingredients.
- 57. Moreover, Defendants' Blue Diamond Products which claim to contain "Evaporated Cane Juice" are misbranded, as well as false and misleading, because they do not actually contain "Juice" but instead contain sugar or syrup derived from sugar.
- 58. 21 C.F.R. § 120.1 defines "juice" as "the aqueous liquid expressed or extracted from one or more fruits or vegetables...."
- 59. 21 C.F.R. § 168.130, requires that "the liquid food derived ... of the juice of sugarcane ... or by solution in water of sugarcane concentrate made from such juice" shall go by the name "cane sirup" or "sugar cane sirup." Alternatively, the word "sirup" may be spelled "syrup." *Ibid*.
- 60. Federal regulations instruct that ingredients must be described by their common or usual names, 21 C.F.R. § 101.4(a)(1), and not by a name that is "confusingly similar to the name of any other food that is not reasonably encompassed within the same name," 21 C.F.R. § 102.5(a), (d).

61. The FDA has indicated that the use of the term "cane juice" is false and misleading, since it is not actually "juice" but sugar or syrup derived from sugar. See FDA Guidance for Industry: Ingredients Declared as Evaporated Cane Juice; Draft Guidance, October 2009.

62. In its guidance to the food industry, the FDA explained, among other things, as follows:

"[T]he term 'evaporated cane juice' has started to appear as an ingredient on food labels, most commonly to declare the presence of sweeteners derived from sugar cane syrup. However, FDA's current policy is that sweeteners derived from sugar cane syrup should not be declared as 'evaporated cane juice' because that term falsely suggests that the sweeteners are juice [].

'Juice' is defined by 21 CFR 120.1(a) as 'the aqueous liquid expressed or extracted from one or more fruits or vegetables, purees of the edible portions of one or more fruits or vegetables, or any concentrates of such liquid or puree....'

As provided in 21 CFR 101.4(a)(1), 'Ingredients required to be declared on the label or labeling of a food ... shall be listed by common or usual name....' The common or usual name for an ingredient is the name established by common usage or by regulation (21 CFR 102.5(d)). The common or usual name must accurately describe the basic nature of the food or its characterizing properties or ingredients, and may not be 'confusingly similar to the name of any other food that is not reasonably encompassed within the same name' (21 CFR 102.5(a)).

Sugar cane products exist in many different forms, ranging from raw sugars and syrups to refined sugar and molasses. These products are differentiated by their moisture, molasses, and sucrose content as well as by crystal size and any special treatments (e.g., treatment with sulfur). Sugar cane products with common or usual names defined by regulation are sugar (21 CFR 101.4(b)(20)) and cane sirup (alternatively spelled 'syrup') (21 CFR 168.130). Other sugar cane products have common or usual names established by common usage (e.g., molasses, raw sugar, brown sugar, turbinado sugar, muscovado sugar, and demerara sugar)....

The intent of this draft guidance is to advise the regulated industry of FDA's view that the term 'evaporated cane juice' is not the common or usual name of any type of sweetener, including dried cane syrup. Because cane syrup has a standard of identity defined by regulation in 21 CFR 168.130, the common or usual name for the solid or dried form of cane syrup is 'dried cane syrup.'

Sweeteners derived from sugar cane syrup should not be listed in the ingredient declaration by names which suggest that the ingredients are juice, such as 'evaporated cane juice.' FDA considers such representations to be false and misleading under section 403(a)(1) of the Act (21 U.S.C. 343(a)(1)) because they fail to reveal the basic nature of the food and its characterizing properties (i.e., that the ingredients are sugars or syrups) as required by 21 CFR 102.5." See FDA Guidance for Industry: Ingredients Declared as Evaporated Cane Juice; Draft Guidance, October 2009.

- 63. Because Defendants' Blue Diamond Products, which claim to contain "Evaporated Cane Juice" are false and misleading, and misbranded, they have no value as a matter of law.
- 64. Defendants engaged in an extensive and long-term advertising campaign labeling and otherwise marketing their Blue Diamond Products, including the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products, as "All Natural" when, in fact, they are not "All Natural."
- 65. Plaintiff Levon Tchayelian purchased certain Blue Diamond Products, including the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products, in reliance on Defendants' representations and omissions on the products' labels that the products were "All Natural."
- 66. Plaintiff Levon Tchayelian reasonably and justifiably relied on the "All Natural" representations on Blue Diamond Products, including the Almond Breeze

- 67. Plaintiff Levon Tchayelian also reasonably assumed that the Blue Diamond Products were not misbranded and were legal to offer for sale and to purchase.
- 68. Plaintiff Levon Tchayelian was misled and deceived by Defendants' misbranded products and label representations and would not have purchased the Blue Diamond Products, including the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products, in the absence of the foregoing "All Natural" representations and omissions.
- 69. Plaintiff Levon Tchayelian relied on Defendants' misbranded labels and false, misleading and deceptive labeling claims and omissions and suffered injury in fact and a loss of money with each purchase of Defendants' Blue Diamond Products.
- 70. As a result of Defendants' misbranding and false, misleading and deceptive labeling claims and omissions, consumers such as Plaintiff did not receive the benefit of their bargain when they purchased Blue Diamond Products. They each paid money for a product(s) that is misbranded (and therefore has no value as a matter of law), and is not what it claims to be or what they bargained for. They also paid a premium for the Blue Diamond Products and lost the opportunity to purchase and consume other, truly all natural foods.
- 71. In addition to the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products, Defendants also misbranded and misrepresented other substantially similar

1	Blue Diamond products ("Substantially Similar Products"). Each of the							
2	Substantially Similar Products makes the same label misrepresentations and violates							
3	the same California Sherman Food, Drug, And Cosmetic Law, California Health &							
4	Safety Code § 109875 et seq., laws as the Almond Breeze Almondmilk Vanilla							
5	(refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut							
6	Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened							
7	(shelf stable) products.							
8	72. The Substantially Similar Products include the following Blue							
9	Diamond products labeled as "All Natural:"							
10	Almond Breeze Almondmilk Chocolate (refrigerated);							
11	Almond Breeze Almondmilk Original (refrigerated);							
12	Almond Breeze Almondmilk Original Unsweetened (refrigerated);							
13	Almond Breeze Almondmilk Vanilla Unsweetened (refrigerated);							
14	Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut							
15	(refrigerated);							
16	 Almond Breeze Almondmilk Chocolate (shelf stable); 							
17	Almond Breeze Almondmilk Chocolate Unsweetened (shelf stable);							
18	Almond Breeze Almondmilk Original (shelf stable);							
19	 Almond Breeze Almondmilk Vanilla (shelf stable); 							
20	Almond Breeze Almondmilk Vanilla Unsweetened (shelf stable);							
21	Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut							
22	(shelf stable);							
23	Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut							
24	Unsweetened (shelf stable)							
25	Almond Breeze Almondmilk Coconutmilk Blend Vanilla Almond							
26	Coconut (shelf stable); and							
27	Almond Breeze Almondmilk Coconutmilk Blend Vanilla Almond							
28	Coconut Unsweetened (shelf stable).							

73. The Substantially Similar Products include the following Blue 1 Diamond products labeled as containing "Evaporated Cane Juice:" 2 Almond Breeze Almondmilk Chocolate (refrigerated); 3 4 Almond Breeze Almondmilk Original (refrigerated); 5 Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut (refrigerated); 6 7 Almond Breeze Almondmilk Chocolate (shelf stable); Almond Breeze Almondmilk Original (shelf stable); 8 Almond Breeze Almondmilk Vanilla (shelf stable); 9 10 Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut (shelf stable); and 11 12 Almond Breeze Almondmilk Coconutmilk Blend Vanilla Almond Coconut (shelf stable). 13 14 74. Plaintiff reserves the right to add additional products to the lists of 15 Substantially Similar Products set forth in paragraphs 72 and 73, above, based upon additional investigation or discovery. 16 17 75. Defendants know that consumers are willing to pay for all natural products. Defendants advertise the Blue Diamond Products with the intention that 18 consumers rely on the affirmative misrepresentations of fact on their labeling that 19 the products are "All Natural." Further, Defendants' omissions of the material fact 20 21 that the products include ingredients that are not "All Natural," but instead contain 22 artificial, synthetic or extensively processed ingredients, are likely to deceive reasonable consumers. 23 24 76. Defendants know that the Blue Diamond Products, including the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk 25 26 Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond 27 Breeze Almondmilk Original Unsweetened (shelf stable) products, are misbranded

interests of the Class which Plaintiff seeks to represent. Plaintiff will fairly, adequately, and vigorously represent and protect the interests of the Class and has no interests antagonistic to the Class. Plaintiff has retained counsel who is competent and experienced in the prosecution of class action litigation.

88. Superiority (Fed. R. Civ. P. 23(b)(3)): A class action is superior to other available means for the fair and efficient adjudication of the claims of the Class. While the aggregate damages which may be and if awarded to the Class are likely to be substantial, the actual economic damages suffered by individual members of the Class are likely relatively small. As a result, the expense and burden of individual litigation makes it economically infeasible and procedurally impracticable for each member of the Class to individually seek redress for the wrongs done to them. The likelihood of individual Class members prosecuting separate claims is remote. Individualized litigation would also present the potential for varying, inconsistent or contradictory judgments, and would increase the delay and expense to all parties and the court system resulting from multiple trials of the same factual issues. In contrast, the conduct of this matter as a class action presents fewer management difficulties, conserves the resources of the parties and the court system, and would protect the rights of each member of the Class. Plaintiff knows of only two other litigations commenced against Blue Diamond and which are still currently pending, Chris Werdebaugh v. Blue Diamond Growers, United States District Court for the Northern District of California Case No. 5:12-cv-02724-LHK, and Ashley Melvin and Taline Keshishian, et al. v. Blue Diamond Growers, et al., Los Angeles County Superior Court Case No. BC532044. Plaintiff knows of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action.

89. <u>Injunctive or Declaratory Relief (Fed. R. Civ. P. 23(b)(2))</u>: A class action is also appropriate because Defendants have acted or refused to act on

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grounds that apply generally to the Class, so that final injunctive relief or 1 2 corresponding declaratory relief is appropriate respecting the Class as a whole. 3 FIRST CAUSE OF ACTION 4 For Violation of California's Unfair Competition Law, 5 California Business & Professions Code § 17200 et seq. 6 (On Behalf of Plaintiff and the Class as against 7 all Defendants including DOES 1 through 10) 8 90. Plaintiff hereby incorporates by reference the allegations contained in 9 10 this Complaint. 11 91. Plaintiff assert this claim on behalf of himself and the Class as against 12 Defendants and each of them. 92. "California's unfair competition law (UCL) (§ 17200 et seq.) defines 13 'unfair competition' to mean and include 'any unlawful, unfair or fraudulent business 14 15 act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by [the false advertising law (§ 17500 et seq.)]." Kasky v. Nike, Inc., 27 16 17 Cal.4th 939, 949 (2002). "The UCL's purpose is to protect both consumers and competitors by 18 promoting fair competition in commercial markets for goods and services." Kasky, 19 27 Cal.4th at 949. 20 21 94. Defendants have violated the UCL in several of the following ways, 22 each of which are independently actionable: **Unlawful (Sherman Law Misbranding Violations)** 23 Defendants' conduct of labeling, advertising and otherwise representing 24 95. its products as "All Natural" and/or containing "Evaporated Cane Juice" is unlawful 25 26 and constitutes misbranding under the Sherman Food, Drug, And Cosmetic Law, 27 California Health & Safety Code § 109875 et seq. (the "Sherman Law"). 28

The Sherman Law expressly states that "Any food is misbranded if it bears or contains any artificial flavoring, artificial coloring, or chemical preservative, unless its labeling states that fact." California Health & Safety Code § 110740.⁹

100. The Sherman Law also provides that a food is misbranded if its label does not clearly state "the common or usual name of the food" or "the common or usual name of each ingredient." California Health & Safety Code §§ 110720. 110725.¹⁰

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⁶ Through the Sherman Law, California has also adopted all federal food labeling regulations as its own: "All food labeling regulations and any amendments to those regulations adopted pursuant to the federal act ... shall be the food labeling regulations of this state." California Health & Safety Code § 110100. "Federal act means the federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. Sec. 301 et seq.)." California Health & Safety Code § 109930.

⁷ Identical to FDCA 21 U.S.C. § 343(a).

⁸ Identical to FDCA 21 U.S.C. § 343(f).

⁹ Identical to FDCA 21 U.S.C. § 343(k).

¹⁰ Identical to FDCA 21 U.S.C. § 343(g); and 21 C.F.R. § 101.4(a)(1), 21 C.F.R. § 102.5(a), (d).

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111. Defendants' conduct violates California's Consumers Legal Remedies Act., California Civil Code § 1750 et seq. Unfair 3 112. Defendants' conduct is unfair under the UCL because it offends 4 established public policy and/or is immoral, unethical, oppressive, unscrupulous 5 and/or substantially injurious to Plaintiff and the Class. Defendants' conduct 6 7 undermines and violates the spirit and policies underlying the Sherman Law, the False Advertising Law, and the Consumers Legal Remedies Act. There is no 8 legitimate utility of Defendants' conduct, let alone any that would outweigh the 10 harm to Plaintiff and the Class. 113. Plaintiff and Class members did not know and, as reasonable 11 12 consumers had no way of reasonably knowing that the products were misbranded and were not properly marketed, advertised, packaged and labeled, and thus could 13 14 not have reasonably avoided the injury each of them suffered. Fraudulent 15 114. Defendants' conduct is also fraudulent under the UCL because it is 16 likely to deceive reasonable consumers. 17 18 **Unfair, Deceptive, Untrue or Misleading Advertising** 19 115. As described herein, Defendants' conduct also violates the UCL because the conduct constitutes unfair, deceptive, untrue and/or misleading 20 advertising. 22 **Relief Sought** 23 116. As a result of Defendants' conduct and violations of the UCL, Plaintiff 24 and Class members suffered injury in fact and lost money or property. 25 117. Defendants' conduct is ongoing and, unless restrained, likely to recur. 26 118. Plaintiff, on behalf of himself and Class members, seeks equitable

relief requiring Defendants to refund and restore to Plaintiff and all Class members

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all monies they paid for the Blue Diamond Products, and injunctive relief prohibiting Defendants from engaging in the misconduct described herein. SECOND CAUSE OF ACTION For Violation of California's False Advertising Law, California Business & Professions Code § 17500 et seq. 6 (On Behalf of Plaintiff and the Class as against 7 all Defendants including DOES 1 through 10) 8 9 119. Plaintiff hereby incorporates by reference the allegations contained in 10 this Complaint. 120. Plaintiff assert this claim on behalf of himself and the Class as against Defendants and each of them. 13 121. Both the UCL and California's False Advertising Law prohibit "'not 14 only advertising which is false, but also advertising which[,] although true, is either actually misleading or which has a capacity, likelihood or tendency to deceive or confuse the public.' [Citation.] Thus, to state a claim under either the UCL or the 16 false advertising law, based on false advertising or promotional practices, 'it is necessary only to show that `members of the public are likely to be deceived."" *Kasky v. Nike, Inc.*, 27 Cal.4th 939, 951 (2002). 20 122. As stated in this Complaint, Defendants publicly disseminated untrue or misleading advertising or intended not to sell Blue Diamond Products as advertised in violation of California Business & Professional Code § 17500 et seq., 23 by, *inter alia*: Representing that Blue Diamond Products are "All Natural," 24 (a) 25 when they are not; and Diamond 26 (b) Misrepresenting that Blue products contain "Evaporated Cane Juice."

1	123. Defendants committed such violations of the False Advertising Law
2	with actual knowledge or in the exercise of reasonable care should have known the
3	representations were untrue or misleading.
4	124. As a result of Defendants' conduct and violations of the UCL, Plaintiff
5	and Class members suffered injury in fact and lost money or property.
6	125. Defendants' conduct is ongoing and, unless restrained, likely to recur.
7	126. Plaintiff, on behalf of himself and Class members, seeks equitable
8	relief requiring Defendants to refund and restore to Plaintiff and all Class members
9	all monies they paid for the Blue Diamond Products, and injunctive relief
10	prohibiting Defendants from engaging in the misconduct described herein.
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12	THIRD CAUSE OF ACTION
13	For Violation of California's Consumers Legal Remedies Act,
14	California Civil Code § 1750 et seq.
15	(On Behalf of Plaintiff and the Class as against
16	all Defendants including DOES 1 through 10)
17	127. Plaintiff hereby incorporate by reference the allegations contained in
18	this Complaint.
19	128. Plaintiff asserts this claim on behalf of himself and the Class as against
20	Defendants and each of them.
21	129. Defendants' representations, omissions and conduct have violated, and
22	continue to violate California's Consumers Legal Remedies Act ("CLRA"), because
23	they extend to transactions that are intended to result, or which have resulted, in the
24	sale of goods to consumers, including Plaintiff and the Class.
25	130. Defendants' conduct violates the CLRA, Civil Code § 1770(a)(5) which
26	prohibits "Representing that goods or services have characteristics, ingredients,
27	uses, benefits, or quantities which they do not have."
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	- 31 -
	CLASS ACTION COMPLAINT AND DEMAND FOR HIDY TRIAL

^{- 33 -}

1	PRAYER	R FOR RELIEF					
2	WHEREFORE, Plaintiff, on beh	alf of himself and the Class, prays for:					
3	1. An order certifying the	e Class and appointing Plaintiff as the					
4	representatives of the Class, and app	pointing counsel of record for Plaintiff as					
5	counsel for the Class;	counsel for the Class;					
6	2. Equitable relief requiring	Defendants to refund and restore to Plaintiff					
7	and all Class members all monies they paid for the Blue Diamond Products;						
8	3. Injunctive relief prohibit	iting Defendants from engaging in the					
9	misconduct described herein;	misconduct described herein;					
10	4. An award of attorney's fee	s;					
11	5. An award of costs;						
12	6. An award of interest, inclu	iding prejudgment interest; and					
13	7. For such other and further	relief as the Court may deem proper.					
14							
15	\	CHANT & COMPANY A Professional Law Corporation					
16							
17		By: /S/ Chant Yedalian Chant Yedalian					
18		Counsel For Plaintiff					
19							
20							
21	DEMAND FOR JURY TRIAL						
22	Plaintiff demands a trial by jury of	on all claims so triable.					
23	DATED: January 7, 2014	CHANT & COMPANY					
24	F A	A Professional Law Corporation					
25	I	By: /S/ Chant Yedalian					
26	()	Chant Yedalian Counsel For Plaintiff					
27							
28	3						
		- 34 -					

CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL

DECLARATION BY PLAINTIFF LEVON TCHAYELIAN

I, LEVON TCHAYELIAN, hereby declare that:

- 1. The following facts stated in this Declaration are based upon my own personal knowledge, except as to the information which is based upon information and belief, which I believe to be true. If called upon to testify as to the information contained in this Declaration, I could and would competently do so.
 - 2. I am a named Plaintiff in this action.
 - 3. I am over 18 years of age.
- 4. I purchased the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products, which are shown in paragraphs 35, 39 and 43, respectively, of the attached Complaint, in California.
- 5. This Court is the appropriate venue for this action because Defendants reside in this judicial district, Defendants have done and continue to do business in this judicial district, Defendants have intentionally availed themselves of the markets within this judicial district through the promotion, marketing, sale and distribution of their products within this judicial district, and this is a class action case in which a substantial part of the transactions, acts and omissions giving rise to the Class' claims occurred within this judicial district.

LEVON TCHAYELIAN
Declarant

DECLARATION BY PLAINTIFF LEVON TCHAYELIAN

- I, LEVON TCHAYELIAN, hereby declare that:
- 1. The following facts stated in this Declaration are based upon my own personal knowledge, except as to the information which is based upon information and belief, which I believe to be true. If called upon to testify as to the information contained in this Declaration, I could and would competently do so.
 - 2. I am a named Plaintiff in this action.
 - 3. I am over 18 years of age.
- 4. I purchased the Almond Breeze Almondmilk Vanilla (refrigerated), Almond Breeze Almondmilk Coconutmilk Blend Almond Coconut Unsweetened (refrigerated) and Almond Breeze Almondmilk Original Unsweetened (shelf stable) products, which are shown in paragraphs 35, 39 and 43, respectively, of the attached Complaint, in California.
- 5. This Court is the appropriate venue for this action because Defendants reside in this judicial district, Defendants have done and continue to do business in this judicial district, Defendants have intentionally availed themselves of the markets within this judicial district through the promotion, marketing, sale and distribution of their products within this judicial district, and this is a class action case in which a substantial part of the transactions, acts and omissions giving rise to the Class' claims occurred within this judicial district.

> LEVON ICHAYELIAN Declarant

- 1 -DECLARATION

$_{\text{JS 44} \ (\text{Rev. } 12/12) \ \text{cand rev } (1/15/13)} \text{Case5:} 14\text{-cv-00091-HRL} \quad \text{Document1-1-Filed91/07/14} \quad \text{Page1 of 1}$

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

purpose of initiating the civil di	ocket sheet. (SEE INSTRUC	TIONS ON NEXT FAGE O	<i>n</i> 11113 1 C	JKM.)						
I. (a) PLAINTIFFS LEVON TCHAYELIAN, on behalf of himself and all others similarly situated			У	DEFENDANTS BLUE DIAMOND GROWERS, and DOES 1 through 10, inclusive						
(b) County of Residence of First Listed Plaintiff Los Angeles (EXCEPT IN U.S. PLAINTIFF CASES)				County of Residence of First Listed Defendant Santa Clara (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.						
(c) Attorneys (Firm Name, Chant Yedalian, State BacHANT & COMPANY A 1010 N. Central Ave., Gle	ar No. 222325, (chant@ PROFESSIONAL LAV	©chant.mobi) V CORPORATION		Attorneys (If Known)						
II. BASIS OF JURISDI	ICTION (Place an "X" in C	One Box Only)	III. C	TIZENSHIP OF PI	RINCIPA	L PARTIES		-		
□ 1 U.S. Government Plaintiff	☐ 3 Federal Question (U.S. Government)	3 Federal Question (U.S. Government Not a Party)		(For Diversity Cases Only) PTF DEF Citizen of This State X 1				PTF □ 4	DEF	
☐ 2 U.S. Government Defendant	■ 4 Diversity (Indicate Citizenship of Parties in Item III)		Citiz	Citizen of Another State					□ 5	
				en or Subject of a preign Country	3 🗖 3	Foreign Nation		□ 6	□ 6	
IV. NATURE OF SUIT			F	ORFEITURE/PENALTY	I BAN	KRUPTCY	OTHER ST	TATUT)	ES	
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment & Enforcement of Judgment □ 151 Medicare Act □ 152 Recovery of Defaulted Student Loans	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability Overpayment ent of Judgment ot 1 320 Assault, Libel & Pharmace Slander Slander Liability Defaulted Slander Liability Defaulted Slander Liability Defaulted Slander Liability Defaulted Slander Slander Personal Slander Personal Overpayment Liability Defaulted Slander Liability Defaulted Slander Slander Personal Ja68 Asbestos Injury Pr Liability Defaulted Slander Personal Ja68 Asbestos Slander Slander Personal Ja68 Asbestos Slander Slander Personal Ja68 Asbestos Slander Ja68 Asbestos Slander Slander Ja68 Asbestos Slander Ja68 Asbestos Slander Slander Ja68 Asbestos Slander Ja68 Asbestos Slander Ja68 Asbestos Slander Ja68 Asbestos Ja68 As	PERSONAL INJUR 365 Personal Injury - Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Persona	EY ☐ 69	25 Drug Related Seizure of Property 21 USC 881 90 Other	☐ 422 Appe ☐ 423 Witho 28 U	al 28 USC 158 drawal SC 157 RTY RIGHTS rights	OTHER STATUTES 375 False Claims Act 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced an Corrupt Organizations		ment ng ced and	
(Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise			□ 72 □ 74 □ 75	LABOR ☐ 710 Fair Labor Standards			at TV es/Commodities/ ge tatutory Actions cural Acts mental Matters n of Information			
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIO		91 Employee Retirement		AL TAX SUITS	□ 899 Administr			
☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability	□ 440 Other Civil Rights □ 441 Voting □ 442 Employment □ 443 Housing/ Accommodations □ 510 Motions to Vacate Sentence □ 530 General		e 	Income Security Act	□ 870 Taxes (U.S. Plaintiff or Defendant) □ 871 IRS—Third Party 26 USC 7609		Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes			
□ 290 All Other Real Property	□ 445 Amer. w/Disabilities - Employment □ 446 Amer. w/Disabilities - Other □ 448 Education	□ 535 Death Penalty Other: □ 540 Mandamus & Oth □ 550 Civil Rights □ 555 Prison Condition □ 560 Civil Detainee - Conditions of Confinement		IMMIGRATION 62 Naturalization Application 65 Other Immigration Actions						
		Remanded from Appellate Court		nstated or	r District	☐ 6 Multidistr Litigation				
VI. CAUSE OF ACTIO	ON 28 U.S.C. § 1332 Brief description of ca	(d)		Do not cite jurisdictional stati	tutes unless div	versity):				
VII. REQUESTED IN COMPLAINT:		IS A CLASS ACTION		EMAND \$		HECK YES only URY DEMAND	if demanded in co	omplaii	nt:	
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE Hon. Lucy	H. Koh		DOCKE	T NUMBER 5:	12-cv-02724-L	HK_		
DATE 01/07/2014		SIGNATURE OF AT		OF RECORD						
IX. DIVISIONAL ASSIGNMEN	T (Civil L.R. 3-2)									
(Place an "X" in One Box Only)		SAN FRANCISCO/OA	KLAND	SAN JOSE E	UREKA					