	1 2 3 4 5 6 7 8	Matthew R. Bainer, Esq. (S.B. #220972) Molly A. DeSario, Esq. (S.B. #230763) SCOTT COLE & ASSOCIATES, APC 1970 Broadway, Ninth Floor Oakland, California 94612 Telephone: (510) 891-9800 Facsimile: (510) 891-7030 Email: mbainer@scalaw.com Email: mdesario@scalaw.com Web: <u>www.scalaw.com</u> Attorneys for Representative Plaintiff and the Plaintiff Classes	
	9	UNITED STAT	TES DISTRICT COURT
	10	NORTHERN DISTRICT OF CALIFORNIA	
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APC	12	EDWARD MUSGRAVE, individually,) and on behalf of all others similarly)	Case No. 3:14-CV-02006-JST
SSOCIATES, APC 7'S AT LAW 201A TOWER 201A TOWER 201A TOWER 4, NINTH FLOOR 4, CA 94612 891-9800	13	situated,	CLASS ACTION
ASSOCIA Y'S AT LAW OVIA TOWI Y, NINTH F 7, CA 94612 891-9800	14	Plaintiff,	FIRST AMENDED COMPLAINT FOR
SCOTT COLE & A ATTORNEN THE WACHO 1970 BROADWAN OAKLAND TEL: (510)	15	vs.	DAMAGES, INJUNCTIVE RELIEF, AND RESTITUTION
	16	ICC/MARIE CALLENDER'S	
SCC	17	Defendant.	
	18)	[Jury Trial Demanded]
	19)	
	20		
	21	Representative Plaintiff alleges as follows:	
	22	<u>INTRODUCTION</u>	
	23	1. This is a class action brought by Representative Plaintiff for himself and on behalf of a	
	24	national class of consumers who have purchased food products made by defendant ICC/Marie	
	25	Callender's Gourmet Products Division ("Defendant" and/or "Marie Callender's") that were falsely	
	26	and misleadingly advertised, marketed, and labeled as "all natural" but which, in fact, contained one	
	27	or more synthetic ingredients.	
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2. Representative Plaintiff, on behalf of himself and persons who purchased these products from retail store locations in the United States at any time during the applicable limitations period (hereinafter referred to as the "class members" and/or, dependent on the Claim for Relief, one or both of the "classes") seek damages, interest thereon, reasonable attorneys' fees and costs, injunctive, restitution, other equitable relief, and disgorgement of all benefits Defendant has enjoyed from its unlawful and/or deceptive business practices, as detailed herein.

3. Representative Plaintiff asserts that Defendant knowingly engaged in the unfair, unlawful, deceptive, and fraudulent practice of describing and falsely advertising certain products as "all natural" when, in fact, they contain the synthetic substance Sodium Acid Pyrophosphate. Those 10 products labeled as "all natural," but which contain Sodium Acid Pyrophosphate (also known as 11 disodium dihydrogen pyrophosphate), for purposes of this Complaint, are collectively referred to as the "All Natural Products" or, simply, the "Products." Those Products are listed and/or otherwise 12 shown in Attachment "A" hereto, and are: 13

- Marie Callender's Original Corn Bread Mix
- Marie Callender's Corn Bread Muffin Mix
- Marie Callender's All Purpose Biscuit Mix
- Marie Callender's Sweet Potato Muffin Mix
- Marie Callender's Honey Butter Corn Bread and Muffin Mix
- Marie Callender's Multigrain Muffin Mix

4. Defendant's advertising/labeling of these Products as "all natural" is false, dishonest 19 and intended to induce consumers to purchase these Products, at a premium price, while ultimately 20failing to meet consumer expectations. Defendant knows reasonable consumers must and do rely on 21 Defendant to honestly report the nature of its Products' ingredients, insofar as consumers lack the 22 ability to test or independently ascertain the accuracy of a food product's label, especially at the 23 point of sale. Indeed, in this instance, Defendant played on consumer ignorance to fraudulently 24 generate substantial profits and engender unfair competition between itself and competitor 25 companies that, unlike Defendant, behave responsibly and honestly toward their customers. 26

5. Representative Plaintiff brings this action both on his own behalf and on behalf of the 27 classes he seeks to represent to redress Defendant's deceptive, misleading and untrue advertising, 28

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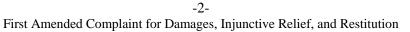
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3 4 JURISDICTION AND VENUE 5 6. Jurisdiction is proper in this Court under 28 U.S.C. § 1332 (diversity jurisdiction) 6 and/or 28 U.S.C. § 1331 (controversy arising under United States law). Supplemental jurisdiction to 7 adjudicate issues pertaining to state law is proper in this Court under 28 U.S.C. § 1367. 8 Venue is proper in this Court under 28 U.S.C. § 1391 because the events that give rise 7. 9

and unlawful, unfair and fraudulent business acts and practices related to the manufacture,

marketing, advertising, sale and/or distribution of the All Natural Products listed above.

to Representative Plaintiff's claims took place within the Northern District of California and because Defendant sells and distributes the Products in this Judicial District. 10

PLAINTIFF

8. Edward Musgrave is an adult individual and resident of Concord, California. Edward Musgrave is referred to in this Complaint as the "Representative Plaintiff."

9. During the relevant time period, Representative Plaintiff purchased and consumed one or more of Defendant's Products.

17 10. Representative Plaintiff is, and throughout the entire class period asserted herein has 18 been, very concerned about consuming foods that are not natural, such as foods using synthetic or 19 artificial chemical ingredients, and tries to avoid consuming same. For this reason, Representative 20 Plaintiff is willing to and has paid a premium for foods that are considered "all natural" and has 21 refrained from buying their counterparts that were not "all natural." Based on the "all natural" 22 representation on Defendant's Product labels, Representative Plaintiff and members of both classes 23 reasonably believed the Products they purchased were "all natural" and relied on this representation 24 in making the purchases thereof.

25 11. Specifically, in the past three years, Representative Plaintiff purchased items such as Marie Callender's Original Corn Bread Mix and Marie Callender's Honey Butter Corn Bread Mix at 26 27 least 18 times after reading and relying on the truthfulness of labels that promised that these Products 28 were "all natural." Representative Plaintiff saw and relied on these representations each time he

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purchased the Products. These representations were some of the reasons for Representative 1 2 Plaintiff's purchases and he consistently relied on the truthfulness of the "all natural" representations 3 when making these purchases. Representative Plaintiff purchased the Products from Safeway in 4 Concord, Lucky's in Concord, FoodMax in Concord, Lucky's in San Ramon and Safeway in Dublin, 5 California.

Representative Plaintiff not only purchased the Products because their labels said they 12. were "all natural," but paid more money for the Products than he would have paid for other similar products that were not all natural (i.e., products that admittedly contained man-made, synthetic ingredients).

13. Had Representative Plaintiff known the truth that Defendant's Products were not "all natural," he would not have purchased Defendant's Products but would have purchased other brands of food products that were truly "all natural" or, if such alternatives were not available, would have purchased other non-natural food products that were less expensive than Defendant's All Natural Products.

14. Representative Plaintiff is a "consumer" and "real party in interest," as required to bring this action, and as set out in California Civil Code § 1780(a). Moreover, Representative 16 Plaintiff suffered damages and injury as a result of Defendant's conduct, as alleged herein.

18 15. As used throughout this Complaint, the term "class members" and/or one or both of 19 the "classes" refers to the Representative Plaintiff as well as each and every person eligible for 20 membership in one or more of the classes of persons, as further described and defined herein.

21 16. At all times herein relevant, Representative Plaintiff was and is a person within both 22 classes of persons, as further described and defined herein.

23 17. Representative Plaintiff brings this action on behalf of himself, individually, and as a 24 class action, pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of all persons 25 similarly situated and proximately damaged by the unlawful conduct described herein.

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1	DEFENDANTS	
2	18. At all times herein relevant, ICC/Marie Callender's Gourmet Products Division is a	
3	California Corporation with its principal executive offices located in San Jose, California. Upon	
4	information and belief, this Defendant advertises, markets, sells and distributes the All Natural	
5	Products throughout the United States, including in this Judicial District.	
6		
7	CLASS ACTION ALLEGATIONS	
8	19. Representative Plaintiff brings this action on behalf of himself and as a class action on	
9	behalf of the following classes:	
10	The "California Class":	
11	All individuals who, on or after May 1, 2010, purchased Marie Callender's food products that were labeled "all natural," yet contained Sodium Acid Pyrophosphate	
12	(aka, disodium dihydrogen pyrophosphate) in the State of California.	
13		
14	All individuals who, on or after May 1, 2010, purchased Marie Callender's food products that were labeled "all natural," yet contained Sodium Acid Pyrophosphate	
15	(aka, disodium dihydrogen pyrophosphate) in the United States.	
16		
17	20. Defendants and their officers and directors are excluded from each of the classes.	
18	21. This action has been brought and may properly be maintained as a class action under	
19	Rule 23 of the Federal Rules of Civil Procedure because there is a well-defined community of	
20	interest in the litigation and membership in the proposed classes is easily ascertainable:	
21	a. <u>Numerosity</u> : A class action is the only available method for the fair and	
22	efficient adjudication of this controversy. The members of each of the classes are so numerous that joinder of all members is impractical, if not impossible,	
23	insofar as the Representative Plaintiff is informed and believes and, on that	
24	basis, alleges that the total number of class members in either class is in the tens of thousands of individuals. Membership in the classes will be	
25	determined by analysis of point of sale, electronic-mail and/or other transactional information, among other records maintained by Defendant	
26	and/or entities affiliated therewith.	
27	b. <u>Commonality</u> : The Representative Plaintiff and the members of both classes	
28	share a community of interests in that there are numerous common questions	
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and issues of fact and law which predominate over questions and issues 1 solely affecting individual members, including, but not necessarily limited to: 2 Whether Defendant's advertising of the Products was false, 1) 3 deceptive, and/or misleading; 4 2) Whether Defendant knew or should have known that representing the Products as being "all natural" was false advertising thereof; 5 6 Whether Defendant intentionally or negligently misrepresented, 3) concealed or omitted a material fact regarding the true characteristics 7 of the Products: 8 4) Whether Defendant violated California Business and Professions 9 Code § 17500, et seq. by engaging in misleading and/or deceptive advertising; 10 Whether Defendant violated California Civil Code § 1750 and/or 11 5) 1770, et seq. by representing that the Products had/has characteristics, 12 uses and/or benefits which they do/did not have, and/or representing that these Products were and are of a particular standard, quality or 13 grade, when they were not; 14 6) Whether Defendant violated California Business and Professions 15 Code § 17200, et seq. by engaging in unfair, unlawful and/or fraudulent business practices; 16 17 7) Whether Defendant's misrepresentations, concealment and/or failures to disclose material fact(s) regarding the "all natural" characteristics 18 of the Products is a breach of contract: 19 Whether injunctive, corrective and/or declaratory relief is 8) 20 appropriate; 21 9) Whether Defendant's conduct rises to the level sufficient to warrant an award of punitive damages. 22 23 Typicality: The Representative Plaintiff's claims are typical of the claims of c. the members of each of the classes. Representative Plaintiff and all members 24 of each of the classes sustained damages arising out of and caused by Defendant's common course of conduct in violation of law, as alleged herein. 25 26 Adequacy of Representation: The Representative Plaintiff in this class action d. is an adequate representative of each of the classes in that the Representative 27 Plaintiff has the same interest in the litigation of this case as the members of both classes, is committed to vigorous prosecution of this case and has 28

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retained competent counsel who is experienced in prosecuting litigation of this nature. The Representative Plaintiff is not subject to any individual defenses unique from those conceivably applicable to other class members or the classes in their entirety. The Representative Plaintiff anticipates no management difficulties in this litigation.

e. <u>Superiority of Class Action</u>: Since the damages suffered by individual class members, while not inconsequential, may be relatively small, the expense and burden of individual litigation by each member makes or may make it impractical for members of each of the classes to seek redress individually for the wrongful conduct alleged herein. Should separate actions be brought or be required to be brought, by each individual member of each of the classes, the resulting multiplicity of lawsuits would cause undue hardship and expense for the Court and the litigants. The prosecution of separate actions would also create a risk of inconsistent rulings which might be dispositive of the interests of other class members who are not parties to the adjudications and/or may substantially impede their ability to adequately protect their interests.

22. This action is also certifiable under the provisions of Federal Rule of Civil Procedure 23(b)(l) and/or 23(b)(2).

23. Representative Plaintiff reserves the right to establish sub-classes as appropriate and to amend the class definitions if discovery and further investigation reveal that the definitions should be expanded or otherwise modified.

COMMON FACTUAL ALLEGATIONS

Defendant created its "all-natural" gourmet product line specifically for people seeking
 high-quality food made with natural ingredients. *See* https://www.facebook.com/pages/
 Marie-Callenders-Gourmet-Products/365051958737?id=365051958737&sk=info.
 25. As part of its broad-based social media advertising efforts, Defendant maintains a
 Facebook page, Pinterest page, Google + page, YouTube page, Twitter page, Tumblr blog, and
 Vimeo page for its all natural products. Among other enticements, these pages are loaded with

- 25 contests, recipes, customer reviews and baking tips. <u>https://www.facebook.com/pages/Marie-</u>
- 26 Callenders-Gourmet-Products/365051958737; http://www.pinterest.com/mccornbread360/;
- 27 <u>https://plus.google.com/+Mccornbread/posts; https://www.youtube.com/user/mccornbreaddotcom;</u>
- 28 <u>http://twitter.com/MC_Cornbread;</u> <u>http://mariecallendersgourmetproducts.tumblr.com/;</u>

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http://vimeo.com/user8691727. As of April 23, 2014, Marie Callender's Facebook page showed a 1 2 total of 6,914 "likes" (a social media expression for positive approval of a page, posting, or 3 comment), illustrating the reach of Marie Callender's mass media advertising efforts. 4 https://www.facebook.com/MarieCallendersMeals.

26. Marie Callender's also promotes its "all natural" products with a blog flush with recipes and topical food discussions. As of April 23, 2014, Marie Callender's blog included 41 different articles "all natural" cornbread and recipes regarding its mix. https://mccornbread.com/category/corn-bread-mix/.

27. To further increase brand awareness and product consumption, Defendant peddles its 10 "all natural" products at various events like the "Natural Products Expo West Foods Show" in Anaheim, California; the "Fancy Food Show" in San Francisco, California; and the "Kehe Holiday Show" in Chicago, Illinois. https://www.facebook.com/pages/Marie-Callenders-Gourmet-Products/365051958737?id=365051958737&sk=events.

14 28. Throughout the class period, Defendant engaged in the unfair, unlawful, deceptive, and fraudulent practice of describing and falsely advertising the Products listed heretofore in this 15 Complaint as "all natural" when, in fact, they contain the synthetic chemical ingredient identified 16 17 below. Specifically, these Products contain, or contained at the time Representative Plaintiff 18 purchased them, one or more non-natural, highly processed ingredients such as Sodium Acid 19 Pyrophosphate.

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SODIUM ACID PYROPHOSPHATE

21 29. Sodium Acid Pyrophosphate (hereinafter referred to as "SAPP"), an odorless white powder, also referred to as disodium dihydrogen pyrophosphate and/or disodium pyrophosphate, has 22 23 various applications—from its use in leather treatment to remove iron stains on hides during 24 processing, to stabilizing hydrogen peroxide solutions against reduction, to facilitating hair removal 25 in hog slaughter, to feather removal from birds in poultry slaughter, to its use in petroleum production. 26

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30. Defendant uses SAPP in its All Natural Products that it sells to consumers, and labels the resultant Products "all natural." Not only is SAPP a synthetic product, but excessive use can lead to imbalanced levels of minerals in the body and bone loss.

31. The Products at issue herein are labeled "all natural," yet contain the non-natural ingredient listed above.

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DEFENDANT'S STRATEGY TO APPEAL TO HEALTH CONSCIOUS CONSUMERS

32. Defendant engaged in this fraudulent advertising and marketing scheme because it knew that its target market values "all natural" food products and will pay more for these items due 10 to the association consumers make between "all natural" food products and a wholesome way of life, 11 the perceived higher quality, health and safety benefits of the products, and/or low impact on the 12 environment.

33. As such, Defendant's "all natural" labeling is central to its marketing of the Products and part of its overall strategy to capture the rapidly expanding natural foods market. As a result, Defendant's Products command a premium price, using "all natural" claims to distinguish them from its competitors' food products.

17 As Defendant undoubtedly knows, many American consumers are health conscious 34. 18 and seek out wholesome, natural foods to keep a healthy diet. Because of this, consumers routinely 19 take nutrition information into consideration in selecting and purchasing food items.

20 35. Consumers also value "all natural" ingredients for myriad other reasons, including 21 perceived benefits of avoiding disease, helping the environment, assisting local farmers, assisting 22 factory workers who would otherwise be exposed to synthetic and hazardous substances, and 23 financially supporting the companies that share these values.

24 36. Product package labels, including nutrition labels, are vehicles that convey nutrition 25 information to consumers which they can and do use to make purchasing decisions. As noted by 26 Food and Drug Administration Commissioner Dr. Margaret Hamburg during the FDA's Media Briefing on Front-of-Pack labeling on October 20, 2009, "[s]tudies show that consumers trust and 27 28

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believe the nutrition facts information and that many consumers use it to help them build a healthy diet." http://www.fda.gov/downloads/NewsEvents/Newsroom/MediaTranscripts/UCM187809.pdf.

37. The prevalence of claims about nutritional content on food packaging in the United States has increased in recent years as manufacturers have sought to provide consumers with nutrition information and thereby influence their purchasing decisions. Indeed, a substantial percentage of food products sold in the United States have a health claim or a qualified health claim on the food package, and even more have nutrient content claims on their packaging.

38. Consumers attribute a wide range of benefits to foods made entirely of natural ingredients. Consumers perceive "all natural" foods to be higher quality, healthier, safer to eat and 10 less damaging to the environment.

11 39. Catering to consumers' tastes for natural foods is tremendously advantageous for 12 businesses. In 2008, foods labeled with the word "natural" produced \$22.3 billion in sales, a 10% 37% 2004. 13 increase from 2007, and a increase from http://www.nielsen.com/us/en/newswire/2009/â œnaturalâ -beats-â œorganicâ -in-foodsales-according-to-nielsenâ TMs-healthy-eating-report.html. In 2009, sales increased again with products labeled "natural" \$22.8 billion in producing sales. http://www.nielsen.com/us/en/newswire/2010/healthy-eating-trends-pt-1-commitment-trumps-the-18 economic-pinch.html.

19 40. It was in an effort to capture the growing demand and to entice consumers to purchase 20 its Products that Defendant committed the unlawful acts detailed in this Complaint.

21 41. Consumers lack the ability to test or independently ascertain the accuracy of a food 22 product label, especially at the point of sale. Reasonable consumers must and do rely on the 23 company to honestly report the nature of a food product's ingredients.

24 42. Moreover, not having the specialized food chemistry and regulatory knowledge 25 necessary to make independent determinations thereof, a reasonable consumer would interpret the 26 fine print ingredient label in a way to be consistent with the front label representation. 27 ///

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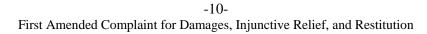
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1	43. Defendant intends for consumers to rely upon its Products' labels, and reasonable			
2	consumers do, in fact, so rely. Those labels are the only available source of information consumers			
3	can use to make decisions on whether to buy "all natural" food products.			
4	44. As a result of its false and misleading labeling, Defendant was able to sell its Products			
5	to thousands, if not hundreds of thousands, of consumers throughout the United States and to profit			
6	handsomely from these transactions.			
7				
8	DEFINITION OF "ALL NATURAL"			
9	45. Representing that a food product or ingredient is "all natural" is a statement of fact,			
10	and this term has been defined by federal governmental agencies that regulate food companies such			
11	as Defendant.			
12	46. Merriam Webster Dictionary defines the terms as follows:			
13	• "all" means "the whole amount" and "nothing but"			
14	• "natural" means "existing in nature and not made or caused by			
15	people" and "not having any extra substances or chemicals added: not containing anything artificial"			
16	http://www.merriam-webster.com/dictionary.			
17	47. A reasonable consumer would rely on the definitions in the preceding paragraph in			
18	making food purchasing decisions.			
19	48. Specifically, the FDA has established a policy and defined the outer boundaries of the			
20	use of the term "natural." According to this agency, at the very least, a product is not "natural" if it			
21	contains color, artificial flavors, or synthetic substances. See			
22	www.fda.gov/downloads/ForConsumers/ConsumerUpdates/UCM199361.pdf.			
23	49. Pursuant to 7 C.F.R. § 205.2, an ingredient is synthetic if it is:			
24	[a] substance that is formulated or manufactured by a chemical process or by a			
25	process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances			
26	created by naturally occurring biological processes.			
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50. Similarly, the USDA's Food Safety and Inspection Service ("FSIS") defines a 1 2 "natural" product as a product that does not contain any artificial or synthetic ingredient and does not 3 contain any ingredient that is more than "minimally processed": 4 Minimal processing may include: (a) those traditional processes used to make food edible or to preserve it or to make it safe for human consumption, e.g., smoking, 5 roasting, freezing, drying, and fermenting, or (b) those physical processes which do 6 not fundamentally alter the raw product and/or which only separate a whole, intact food into component parts, e.g., grinding meat, separating eggs into albumen and 7 yolk, and pressing fruits to produce juices. 8 Relatively severe processes, e.g., solvent extraction, acid hydrolysis, and chemical 9 bleaching would clearly be considered more than minimal processing.... 10 USDA FSIS. Food Standards Labeling See and Policy Book, available at 11 www.fsis.usda.gov/OPPDE/larc/Policies/Labeling_Policy_Book_082005.pdf. 12 51. A reasonable consumer's understanding of the term "natural" comports with these 13 federal definitions. 14 52. A reasonable consumer would also expect that Defendant's Products are what 15 Defendant identifies them as on the Product labels (i.e., that they are "all natural," with no synthetic 16 substances). 17 **DEFENDANT'S MISREPRESENTATIONS** 18 53. Throughout the class period, Defendant prominently and repeatedly included the 19 phrases "all natural" on the labels of the Products at issue here, thereby cultivating a wholesome, 20 healthful and socially conscious image in an effort to promote the sale of these Products, even 21 though they were not "all natural." 22 54. Defendant made these false, misleading, and deceptive representations by labeling 23 them in the manner detailed in the paragraphs below, and as shown in Attachment "A" hereto. From 24 an advertising "best practices" perspective, Defendant makes maximum use of the available space on 25 the Products' packaging to announce the Products' alleged "all natural" character. 26 55. Defendant represents the Products to consumers as "all natural." The phrases "all 27 natural" appear on the Products' labels, along with the "Marie Callender's" logo. See Attachment 28 "A" hereto.

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DEFENDANT'S KNOWLEDGE OF THE FALSITY OF ITS ADVERTISING

56. Defendant knew what representations it made regarding the Products, insofar as all of those representations appeared on the Products' packages.

57. Defendant also knew what ingredients were added to each Product, since it manufactured the Products and then listed all of the Product ingredients on the Product packages. See Attachment "A" hereto.

58. Defendant is governed by and knew the federal regulations that control the labeling of the Products and, thus, was aware that some of the ingredients have been federally declared to be synthetic substances and/or require extensive processing to be used in food. Defendant has retained 10 expert nutritionists, food chemists, and other scientists, and has spent much time and money in developing its own food technologies, such that it was aware that the synthetic substances used in the 11 12 Products are not natural.

59. As such, Defendant knew all the facts demonstrating that the Products contain synthetic substances and that the Products are falsely labeled, and that, by its website's further false statements, consumers would rely on these misrepresentations to their detriment.

60. The misrepresentations and omissions were uniform and were communicated to 16 Representative Plaintiff and to each member of each class at every point of purchase and 18 consumption.

19 61. Since Representative Plaintiff and the members of the classes are not at fault for 20 failing to discover Defendant's wrongs before now and, thus, had no actual or presumptive 21 knowledge of facts sufficient to put them on inquiry, and since, to this day, Defendant has concealed and suppressed the true characteristics of the Products, Defendant's continuing concealment tolls the 22 23 applicable statute of limitations.

24

RELIANCE ON DEFENDANT'S FALSE REPRESENTATIONS

25 62. Consumers frequently rely on food label representations and information in making purchase decisions. 26

63. Each time Representative Plaintiff and the class members purchased the All Natural 27 28 Products, Representative Plaintiff and the class members saw the Products' packages and, thus, also

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saw the false, misleading, and deceptive representations detailed above, yet did not receive disclosure of the facts concealed as detailed above.

64. Representative Plaintiff and the class members were among the intended recipients of Defendant's deceptive representations and omissions.

65. Representative Plaintiff and the class members reasonably relied to their detriment on Defendant's misleading representations and omissions.

Defendant's false, misleading, and deceptive misrepresentations and omissions were 66. intended to deceive and mislead, and are likely to continue to deceive and mislead, Representative Plaintiff, class members, reasonable consumers, and the general public.

67. 10 Defendant's deceptive representations and omissions are material in that a reasonable person would attach importance to such information and would be induced to act upon such information in making purchase decisions. As such, Representative Plaintiff's and class members' reliance upon such representations and omissions may be presumed as a matter of law. The 14 materiality of those representations and omissions also establishes causation between Defendant's conduct and the injuries sustained by Representative Plaintiff and members of both classes.

68. 16 As a direct and proximate result of Defendant's unfair and wrongful conduct, as set 17 forth herein, Representative Plaintiff and class members (1) were misled into purchasing the 18 Products, (2) received a product that failed to meet their reasonable expectations and Defendant's 19 promises, (3) paid a sum (indeed, a premium sum) of money for a product that was not as 20 represented and, thus, were deprived of the benefit of the bargain because the purchased Products 21 had less value than what was represented by Defendant, (4) ingested a substance that was other than 22 what was represented by Defendant and that Representative Plaintiff and class members did not 23 expect or give informed consent to, (5) ingested a product that did not bring about the health benefits 24 Defendant promised, and which may be harmful to health and, *inter alia*, (6) were forced to 25 unwittingly support a company that contributes to environmental, ecological, or health damage and 26 denied the benefit of supporting companies that sell "all natural" foods and contribute to environmental sustainability and better health. 27

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69. Defendant, at all times, knew that Representative Plaintiff and class members would consider the Products' allegedly "all natural" characteristics to be material in their decision to purchase them and would rely upon the misrepresentations and/or omissions of Defendant. Defendant's concealment, misbranding and non-disclosure were intended to influence consumers' purchasing decisions and were done with reckless disregard for the rights of consumers. Representative Plaintiff's and class members' reliance and resultant substantial monetary loss were reasonably foreseeable by Defendant.

70. This action is brought to redress and end Defendant's pattern of unfair and wrongful conduct. Indeed, without an award of damages and injunctive relief by this Court, Defendant is 10 likely to continue to injure consumers and harm the public interest.

11 71. In fact, as of the date of filing this First Amended Complaint, retail stores in the United 12 States and California are selling the Products at issue and labeled "all natural." Even if, during the pendency of this litigation, Defendant elects to remove the "all natural" labeling from the Products, Defendant is not presently enjoined from putting the "all natural" representation back on their labels at any time they so decide. Accordingly, Representative Plaintiff seeks declaratory and injunctive relief to ensure Defendant has, in fact, removed any and all of the "all natural" representations from labels on the Products still available for purchase, and to prevent Defendant from making the "all 18 natural" representation on the Product labels in the future as long as the Products continue to contain synthetic ingredients. 19

FIRST CLAIM F<u>OR RELIEF</u> **Deceptive Advertising Practices** (California Business & Professions Code §§ 17500, et seq.) (for the California Class Only)

72. Representative Plaintiff incorporates in this cause of action each and every allegation 24 of the preceding paragraphs, with the same force and effect as though fully set forth herein.

25 73. California Business & Professions Code § 17500 prohibits "unfair, deceptive, untrue 26 or misleading advertising."

27 74. Defendant violated California Business & Professions Code § 17500 when it 28 represented, through its false and misleading advertising, and other express representations, that

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Defendant's All Natural Products possessed characteristics and a value that they did not actually 2 have.

75. Defendant's deceptive practices were specifically designed to induce Representative Plaintiff and members of the California class to purchase the Products. Defendant engaged in broadbased marketing efforts to reach Representative Plaintiff and California class members and to induce them to purchase these Products. Defendant was successful in masking its dishonesty insofar as it did induce Representative Plaintiff and members of the California class to unwittingly purchase the Products.

76. Representative Plaintiff and members of the California class would not have purchased 10 and consumed the Products had it not been for Defendant's misrepresentations of material facts. 11 Representative Plaintiff and members of the California class were denied the benefit of the bargain 12 when they decided to purchase the Products over competitor products (which are less expensive, 13 actually contain "all natural" ingredients and/or do not unlawfully claim to be "all natural"). Had 14 Representative Plaintiff and members of the California class been aware of these false and misleading advertising tactics, they would have paid less than what they did pay for these Products, 15 or they would not have purchased the Products at all. 16

17 77. The above acts of Defendant, in disseminating said misleading and deceptive 18 representations and statements throughout the State of California to consumers, including 19 Representative Plaintiff and members of the California class, were and are likely to deceive 20 reasonable consumers by obfuscating the nature of the ingredients of the All Natural Products, all 21 in violation of California Business and Professions Code § 17500, et seq.

22 78. In making and disseminating the statements alleged herein, Defendant knew or should 23 have known that the statements were untrue or misleading, and acted in violation of California 24 Business & Professions Code § 17500, et seq.

79. 25 To this day, Defendant continues to engage in unlawful, unfair and deceptive practices 26 in violation of California Business & Professions Code § 17500. Specifically, Defendant continues 27 to use advertising on its packaging and on its website that is deceptive to induce consumers to 28 purchase the All Natural Products.

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80. As a direct and proximate result of Defendant's unlawful conduct in violation of
 California Business & Professions Code § 17500, Representative Plaintiff and members of the
 California class, pursuant to California Business and Professions Code § 17535, are entitled to an
 Order of this Court enjoining such future wrongful conduct on the part of Defendant, and requiring
 Defendant to fully disclose the true nature of its misrepresentations.

81. Additionally, Representative Plaintiff and members of the California class request an
Order requiring Defendant to disgorge its ill-gotten gains and/or award full restitution of all monies
wrongfully acquired by Defendant by means of such acts of false advertising, plus interest and
attorneys' fees.

SECOND CLAIM FOR RELIEF Consumers Legal Remedies Act (California Civil Code § 1750, et seq.) (for the California Class Only)

13 82. Representative Plaintiff incorporates in this cause of action each and every allegation 14 of the preceding paragraphs, with the same force and effect as though fully set forth herein. 15 83. Representative Plaintiff brings this action pursuant to California's Consumer Legal 16 Remedies Act ("CLRA"); California Civil Code § 1750, et seq. 17 84. The CLRA provides that "unfair methods of competition and unfair or deceptive 18 acts or practices undertaken by any person in a transaction intended to result or which results in 19 the sale or lease of goods or services to any consumer are unlawful." 20 85. The All Natural Products are "goods," as defined by the CLRA in California Civil 21 Code § 1761(a). 22 86. Each Defendant is a "person," as defined by the CLRA in California Civil Code § 23 1761(c). 24 87. Representative Plaintiff and members of the California class are "consumers," as 25 defined by the CLRA in California Civil Code § 1761(d). 26 Purchases of the All Natural Products by Representative Plaintiff and members of the 88. 27 California class are "transactions," as defined by California Civil Code § 1761(e). 28 ┃///

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89. Defendant engaged in unfair and deceptive acts declared unlawful by the CLRA by knowingly and intentionally mislabeling the All Natural Products when, in fact, these Products contain one or more artificial man-made ingredients (i.e., that do not occur in nature).

90. Representing that the Products had/has characteristics, uses and/or benefits which they did/do not have, and representing that these Products were and are of a particular standard, quality, or grade, when they were, in fact, of another standard, quality and/or grade, constituted and continues to constitute an unfair or deceptive trade practice under the provisions of California Civil Code §§ 1770(a)(5) and 1770(a)(7).

91. Defendant violated the CLRA by representing and advertising that these Products, as 10 discussed above, were "all natural." Defendant knew, however, that this was not the case and that, in 11 reality, these Products contained one or more synthetic chemical preservatives.

12 92. Representative Plaintiff and members of the California class reasonably and justifiably relied on Defendant's misrepresentations in purchasing these misbranded Products. 14 Had the Products been honestly advertised and labeled, Representative Plaintiff and members of the California class would not have purchased them and/or would have paid less than what they did pay for these Products. 16

17 93. Representative Plaintiff and members of the California class were unaware of the 18 existence of facts that Defendant suppressed and failed to disclose and, had the facts been known, 19 would not have purchased the Products and/or purchased them at the prices at which they were 20 offered.

21 94. Representative Plaintiff and the members of the California class have been directly and proximately injured by Defendant's conduct. Such injury may, but does not necessarily include and 22 23 is not limited to, the purchase of the Products and/or the purchase of the Products at the prices at 24 which they were offered.

95. 25 Insofar as Defendant's conduct violated California Civil Code § 1770(a)(5), Representative Plaintiff and members of the California class are entitled to (pursuant to California 26 27 Civil Code § 1780, et seq.) and do seek injunctive relief to end Defendant's violations of the 28 California Consumers Legal Remedies Act.

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96. Moreover, Defendant's conduct is malicious, fraudulent, and wanton. Defendant intentionally mislead and withheld material information from consumers to increase the sale of its Products.

97. Pursuant to California Civil Code § 1782(a), Representative Plaintiff on his own behalf, and on behalf of members of the California class, have notified Defendant of the alleged violations of the Consumer Legal Remedies Act. If, after 30 days from the date of the notification letter, Defendant has failed to provide appropriate relief for the violations, Representative Plaintiff will amend this Complaint to seek compensatory, monetary and punitive damages, in addition to equitable and injunctive relief, and will further request that this Court enter such Orders or judgments as may be necessary to restore to any person in interest any money which may have been acquired by means of such unfair business practices, and for such other relief as provided in California Civil Code § 1780 and the Prayer for Relief.

THIRD CLAIM FOR RELIEF **Common Law Fraud** (for the California and Nationwide Classes)

98. Representative Plaintiff incorporates in this cause of action each and every allegation 16 17 of the preceding paragraphs, with the same force and effect as though fully set forth herein.

18 99. Defendant willfully, falsely, and knowingly misrepresented material facts relating to 19 the character and quality of the Products. These misrepresentations are contained in various media 20 advertising and packaging disseminated or caused to be disseminated by Defendant, and such 21 misrepresentations were reiterated and disseminated by officers, agents, representatives, servants, or 22 employees of Defendant, acting within the scope of their authority, and employed by Defendant to 23 merchandise and market the Products.

24 100. Defendant's misrepresentations were the type of misrepresentations that are material 25 (i.e., the type of misrepresentations to which a reasonable person would attach importance and would 26 be induced to act thereon in making purchase decisions).

27 101. Defendant knew that the misrepresentations alleged herein were false at the time it 28 made them and/or acted recklessly in making such misrepresentations.

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102. Defendant intended that Representative Plaintiff and members of both classes rely on the misrepresentations alleged herein and purchase the Products.

103. Representative Plaintiff and members of both classes reasonably and justifiably relied on Defendant's misrepresentations when purchasing the Products, were unaware of the existence of facts that Defendant suppressed and failed to disclose, and, had the facts been known, would not have purchased the Products and/or purchased them at the prices at which they were offered.

104. As a direct and proximate result of Defendant's wrongful conduct, Representative Plaintiff and members of both classes have suffered and continue to suffer economic losses and other general and specific damages, including, but not necessarily limited to, the monies paid to 10 Defendant, and any interest that would have accrued on those monies, all in an amount to be proven 11 at trial.

12 105. Moreover, in that, at all times herein mentioned, Defendant intended to cause or acted with reckless disregard of the probability of causing damage to Representative Plaintiff and members of both classes, and because Defendant was guilty of oppressive, fraudulent and/or malicious conduct, Representative Plaintiff and members of both classes are entitled to an award of exemplary or punitive damages against Defendant in an amount adequate to deter such conduct in the future.

FOURTH CLAIM FOR RELIEF **Negligent Misrepresentation** (for the California and Nationwide Classes)

106. Representative Plaintiff incorporates in this cause of action each and every allegation 20 of the preceding paragraphs, with the same force and effect as though fully set forth herein. 21 107. Defendant, directly or through its agents and employees, made false representations to 22

Representative Plaintiff and members of both classes. 23

108. Defendant owed a duty to Representative Plaintiff and members of both classes to 24 disclose the material facts set forth above about the Products. 25

26 109. In making the representations, and in doing the acts alleged above, Defendant acted without any reasonable grounds for believing the representations were true, and intended by said 27 representations to induce the reliance of Representative Plaintiff and members of both classes. 28

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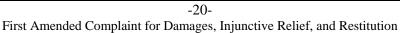
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110. Representative Plaintiff and members of both classes reasonably and justifiably relied on Defendant's misrepresentations when purchasing the All Natural Products, were unaware of the existence of facts that Defendant suppressed and failed to disclose and, had the facts been known, would not have purchased the Products and/or purchased them at the price at which they were offered.

111. As a direct and proximate result of these misrepresentations, Representative Plaintiff and members of both classes have suffered and continue to suffer economic losses and other general and specific damages, including but not limited to the amounts paid for the All Natural Products, and any interest that would have accrued on those monies, all in an amount to be proven at trial.

FIFTH CLAIM FOR RELIEF Breach of Express Warranty (for the California Class Only)

112. Representative Plaintiff incorporates in this cause of action each and every allegation of the preceding paragraphs, with the same force and effect as though fully set forth herein.

15 113. By advertising and selling the Products at issue here as "all natural," Defendant made 16 promises and affirmations of fact on these Products' packaging, and through its marketing and 17 advertising, as described above. This marketing and advertising constitutes express warranties and 18 became part of the basis of the bargain between Representative Plaintiff and members of the 19 California class, on the one hand, and Defendant, on the other.

20 114. Defendant purports, through its advertising, to create express warranties of the
21 Products at issue here as "all natural" by making the affirmation of fact, and promising that these
22 Products were and are "all natural."

23 115. Despite express warranties about the "all natural" character of these Products, the All
24 Natural Products contain one or more synthetic chemical ingredients, as discussed above.

116. Defendant breached express warranties about these Products and their qualities
because these Products do not conform to Defendant's affirmations and promises to be "all natural."
117. As a direct and proximate result of Defendant's breach of express warranty,
Representative Plaintiff and members of the California class were harmed in the amount of the

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purchase price they paid for these Products. Moreover, Representative Plaintiff and members of both 1 2 classes have suffered and continue to suffer economic losses and other general and specific damages, 3 including but not limited to the amounts paid for the All Natural Products, and any interest that 4 would have accrued on those monies, all in an amount to be proven at trial.

SIXTH CLAIM FOR RELIEF **Breach of Contract** (for the California and Nationwide Classes)

118. Representative Plaintiff incorporates in this claim for relief each and every allegation of the preceding paragraphs, with the same force and effect as though fully set forth herein.

10 119. Representative Plaintiff and members of both classes had a valid contract, supported 11 by sufficient consideration, pursuant to which Defendant was obligated to provide food products which were, in fact, "all natural," as represented by Defendant. 12

120. Defendant materially breached its contract with Representative Plaintiff and members 14 of both classes by providing the Products which were not "all natural."

15 121. As a result of Defendant's breach, Representative Plaintiff and members of both classes were damaged in that they received a product with less value than the amount paid. 16 17 Moreover, Representative Plaintiff and members of both classes have suffered and continue to suffer 18 economic losses and other general and specific damages, including but not limited to the amounts 19 paid for the All Natural Products, and any interest that would have accrued on those monies, all in an amount to be proven at trial. 20

SEVENTH CLAIM FOR RELIEF Unfair Business Practices (California Business & Professions Code §§ 17200-17208) (for the California Class Only)

24 122. Representative Plaintiff incorporates in this claim for relief each and every allegation 25 of the preceding paragraphs, with the same force and effect as though fully set forth herein. 26 123. Representative Plaintiff brings this claim seeking equitable and injunctive relief to stop 27 Defendant's misconduct, as complained of herein, and to seek restitution of the amounts Defendant 28 acquired through the unfair, unlawful, and fraudulent business practices described herein.

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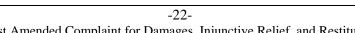
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124. Defendant's knowing conduct, as alleged herein, constitutes an "unfair" and/or "fraudulent" business practice, as set forth in California Business & Professions Code §§ 17200-17208. Representative Plaintiff also asserts a violation of public policy by Defendant by withholding material facts from consumers.

125. Defendant's conduct was and continued to be fraudulent, because directly or through its agents and employees, Defendant made false representations to Representative Plaintiff and members of the California class that were likely to deceive them. These false representations (i.e., the labeling of the Products as "all natural") are and were likely to deceive reasonable California purchasers, such as the Representative Plaintiff and members of the California class, into purchasing 10 the Products.

126. There were reasonable alternatives available to Defendant to further Defendant's legitimate business interests, other than the conduct described herein.

127. Defendant's misrepresentations of material facts, as set forth herein, also constitute an "unlawful" practice because they, inter alia, violate California Civil Code §§ 1572, 1573, 1709, 1710, 1711 and 1770, as well as the common law. Further, Defendant's misrepresentations violate California's Sherman Food, Drug, and Cosmetic Law ("Sherman Law") which provides that "[a]ny food is misbranded if its labeling is false or misleading in any particular." California Health and Safety code, Division 104, Part 5, Article 6 § 110660.

19 128. Finally, Defendant's conduct violated the FDA's policy concerning what is 20 "natural," as set forth throughout this Complaint, although Representative Plaintiff does not 21 seek to enforce any of the state law claims raised herein so as to impose any standard of conduct 22 that exceeds that which would violate the FDA policy concerning, or definitions of what is "natural." 23

24 129. Defendant's conduct in making the representations described herein constitutes a 25 knowing failure to adopt policies in accordance with and/or adherence to applicable laws, as set forth 26 herein, all of which are binding upon and burdensome to its competitors. This conduct engenders an unfair competitive advantage for Defendant, thereby constituting an unfair business practice under 27 28 California Business & Professions Code §§ 17200-17208.

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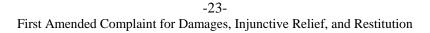
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130. In addition, Defendant's conduct was, and continues to be, unfair, in that its injury to countless purchasers of the Products is substantial, and is not outweighed by any countervailing benefits to consumers or to competitors.

131. Moreover, Representative Plaintiff and members of the California class could not have reasonably avoided such injury, given that Defendant failed to disclose the Products' true characteristics at any point. Representative Plaintiff and members of the California class purchased the Products in reliance on the representations made by Defendant, as alleged herein.

132. Representative Plaintiff and members of the California class have been directly and proximately injured by Defendant's conduct in ways including, but not necessarily limited to, the 10 monies paid to Defendant for Products that lack the characteristics advertised, interest lost on those 11 monies, and their unwitting support of a business enterprise that promotes deception and undue 12 greed to the detriment of health- and environmentally-conscious consumers.

13 133. As a result of the business acts and practices described above, Representative 14 Plaintiff and members of the California class, pursuant to California Business and Professions 15 Code § 17203, are entitled to an Order enjoining such future wrongful conduct on the part of Defendant and such other Orders and judgments which may be necessary to disgorge 16 17 Defendant's ill-gotten gains and to restore to any person in interest any money paid for the All 18 Natural Products as a result of the wrongful conduct of Defendant.

19 134. Defendant has clearly established a policy of accepting a certain amount of collateral 20 damage, as represented by the damages to the Representative Plaintiff and members of the California 21 class herein alleged, as incidental to its business operations, rather than accept the alternative costs of 22 full compliance with fair, lawful, and honest business practices, ordinarily borne by its responsible 23 competitors and as set forth in legislation and the judicial record.

EIGHTH CLAIM FOR RELIEF **Ouasi-Contract/Unjust Enrichment** (for the California and Nationwide Classes)

27 135. Representative Plaintiff incorporates in this cause of action each and every allegation of the preceding paragraphs, with the same force and effect as though fully set forth herein. 28

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136. As alleged herein, Defendant intentionally and/or recklessly made false representations to Representative Plaintiff and members of both classes to induce them to purchase the Products. Representative Plaintiff and members of both classes reasonably relied on these false representations when purchasing the Products.

137. Representative Plaintiff and members of both classes did not receive all of the benefits promised by Defendant, and paid more to Defendant for the Products than they otherwise would and/or should have paid.

138. Defendant's conduct in enticing Representative Plaintiff and members of both classes to purchase Defendant's Products through Defendant's false and misleading packaging, as described 10 in this Complaint, is unlawful because the statements contained on the Product labels are untrue. 11 Defendant took monies from Representative Plaintiff and members of both classes for Products promised to be "all natural," even though the Products were not "all natural" as detailed in this 12 13 Complaint. Defendant has been unjustly enriched at the expense of Representative Plaintiff and 14 members of both classes as a result of the unlawful conduct alleged herein, thereby creating a quasi-15 contractual obligation on Defendant to restore these ill-gotten gains to Representative Plaintiff and members of both classes. 16

17 139. It would be inequitable and unconscionable for Defendant to retain the profit, benefit 18 and/or other compensation it obtained from its deceptive, misleading, and unlawful conduct alleged 19 herein.

140. As a direct and proximate result of Defendant's unjust enrichment, Representative 20 21 Plaintiff and members of both classes are entitled to restitution of, disgorgement of, and/or the 22 imposition of a constructive trust upon all profits, benefits, and other compensation obtained by 23 Defendant from its deceptive, misleading, and unlawful conduct as alleged herein.

<u>RELIEF SOUGHT</u>

26 WHEREFORE, the Representative Plaintiff, on behalf of himself and each of the proposed **Plaintiff classes**, prays for judgment and the following specific relief against **Defendant**, 27 as follows: 28

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11. For an award to Representative Plaintiff and to members of both classes of punitive and/or exemplary damages; -26-

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1. That the Court declare, adjudge and decree that this action is a proper class action and certify each of the proposed classes and/or any other appropriate subclasses under F.R.C.P. Rule 23(b)1, (b)(2) and/or (b)(3);

4 2. That Defendant be found to have violated California Business & Professions Code § 5 17200, et seq., § 17500, et seq., and California Civil Code § 1750, et seq., and § 1790, et seq., as to 6 the Representative Plaintiff and class members;

3. That Defendant be found to have breached its contracts with Representative Plaintiff and members of both classes;

4 That the Court further enjoin Defendant, ordering it to cease and desist from unlawful 10 activities in further violation of California Business and Professions Code § 17200, et seq.;

5. For a preliminary and permanent injunction enjoining Defendant from advertising, representing, or otherwise holding out for sale within the United States of America, any products which contain Sodium Acid Pyrophosphate (also known as disodium dihydrogen pyrophosphate) as being "all natural";

6. For an Order requiring Defendant to provide a form of corrective advertising to correct the misrepresentations, misstatements and omissions made in the marketing, advertising, packaging and other promotional materials related to its All Natural Products;

18 7. For an award of restitution and disgorgement of Defendant's excessive and ill-19 gotten revenues to Representative Plaintiff and members of the California class;

8. 20 For an Order requiring an accounting for, and imposition of a constructive trust upon, all monies received by Defendant as a result of the unfair, misleading, fraudulent and unlawful 21 22 conduct alleged herein;

23 9. For an award to Representative Plaintiff and to members of both classes of 24 compensatory damages in an amount to be proven at trial;

10. For an award of pre- and post-judgment interest on the amount of any and all 25 economic losses, at the prevailing legal rate; 26

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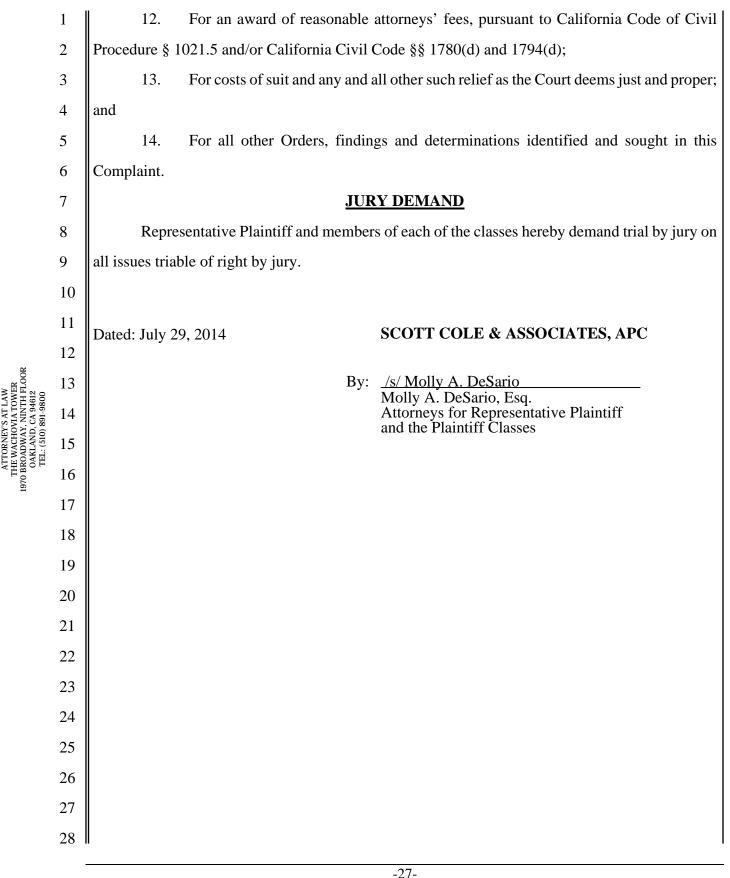
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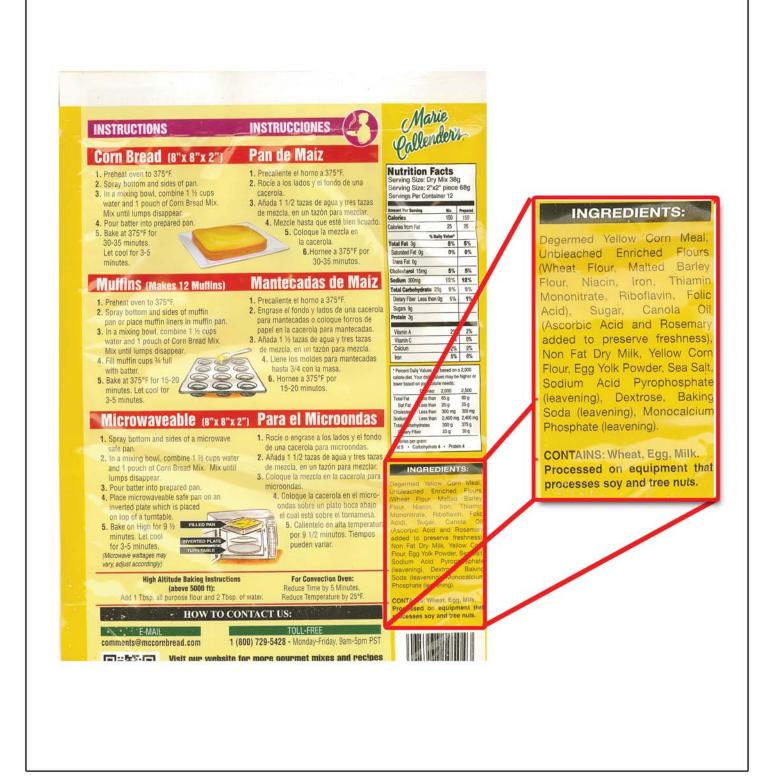


SCOTT COLE & ASSOCIATES, APC

ATTACHMENT A



Marie Callender's All Natural Original Corn Bread Mix (Front View)



Marie Callender's All Natural Original Corn Bread Mix (Back View)



Marie Callender's All Natural Corn Bread Muffin Mix (Front View)



INGREDIENTS:

Enriched Degermed Yellow Corn Meal, Unbleached Enriched Wheat Flour (Niacin, Iron, Thiamin Mononitrate, Riboflavin, Folic Acid), Sugar, Canola Oil (Rosemary and Ascorbic Acid added to preserve freshness), Sea Salt, Leavening (Sodium Acid Pyrophosphate, Sodium Bicarbonate, Monocalcium Phosphate).

Contains: Wheat Manufactured on equipment that processes Milk, Egg, Soy and Tree Nuts.

Marie Callender's All Natural Corn Bread Muffin Mix (Back View)



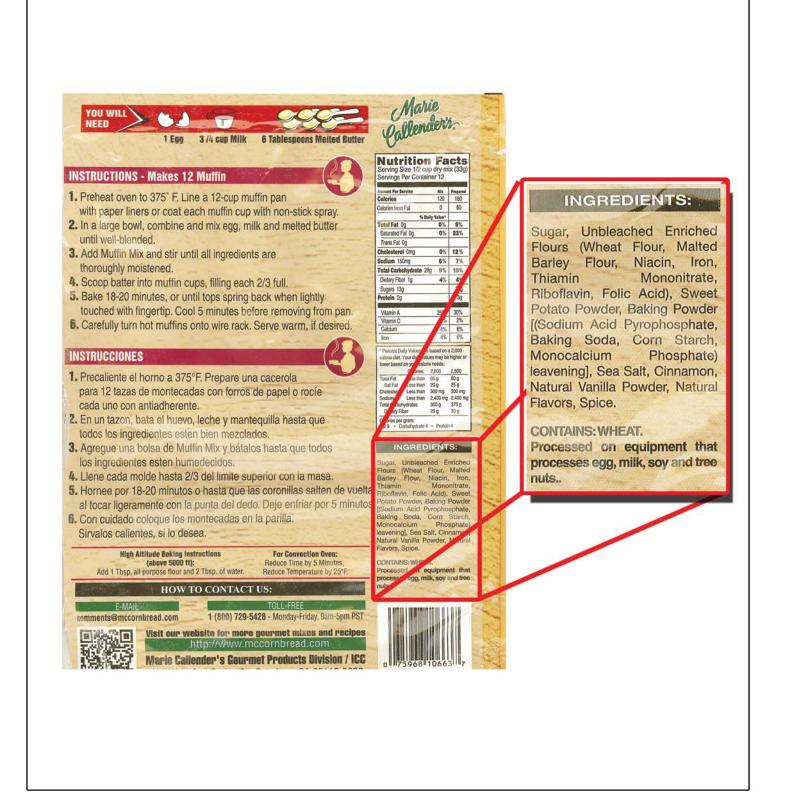
Marie Callender's All Natural All Purpose Biscuit Mix (Front View)



Marie Callender's All Natural All Purpose Biscuit Mix (Back View)



Marie Callender's All Natural Sweet Potato Muffin Mix (Front View)



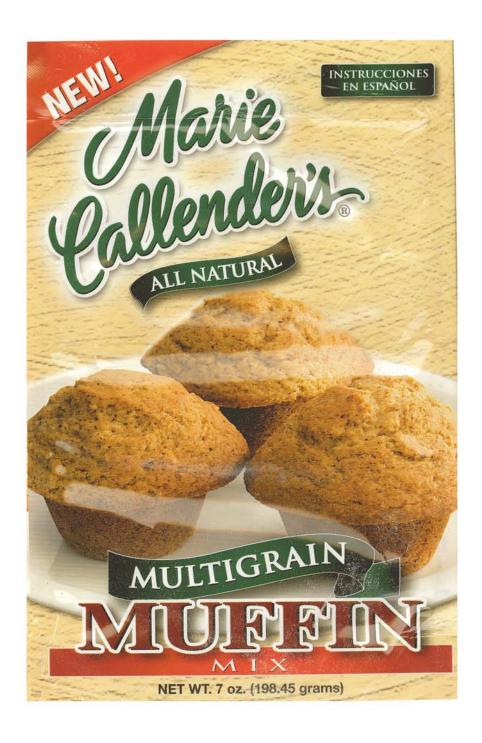
Marie Callender's All Natural Sweet Potato Muffin Mix (Back View)



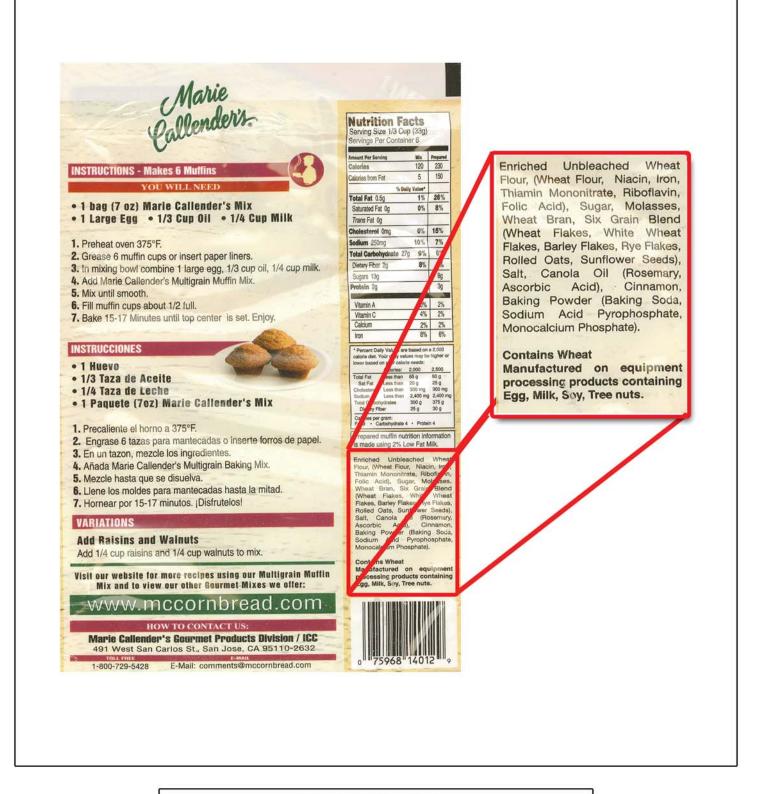
Marie Callender's All Natural Honey Butter Corn Bread and Muffin Mix (Front View)



Marie Callender's All Natural Honey Butter Corn Bread and Muffin Mix (Back View)



Marie Callender's All Natural Multigrain Muffin Mix (Front View)



Marie Callender's All Natural Multigrain Muffin Mix (Back View)