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IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

CLAUDIA MORALES and MOCHA
GUNARATNA, each individually and on
behalf of all others similarly situated,

Plaintiffs,

vs.

KRAFT FOODS GROUP, INC. and
DOES 1 through 100, inclusive,

Defendants.

Case No. 2:14-cv-04387-JAK-PJW

SECOND AMENDED COMPLAINT

1. FALSE AND MISLEADING
ADVERTISING IN VIOLATION
OF BUSINESS AND
PROFESSIONS CODE § 17200, *et*
seq.
2. FALSE AND MISLEADING
ADVERTISING IN VIOLATION
OF BUSINESS AND
PROFESSIONS CODE § 17500, *et*
seq.
3. VIOLATION OF CALIFORNIA
CIVIL CODE § 1750, *et seq.*
(Consumers Legal Remedies Act)

DEMAND FOR JURY TRIAL

Plaintiffs Claudia Morales and Mocha Gunaratna (“Plaintiffs”), each individually and on behalf of all other similarly situated purchasers of Kraft Natural Cheese - Shredded Cheese - Cheddar Fat Free (the “Class”), bring this lawsuit against Kraft Foods Group, Inc. (“Kraft” and/or “Defendant”) and Does 1 through

1 100, inclusive (sometimes collectively referred to herein as “Defendants”) upon
2 personal knowledge as to Plaintiffs’ own acts, and as to all other matters upon
3 information and belief. Plaintiffs seek damages, restitution and injunctive relief on
4 behalf of a California class of consumers who within the last four years purchased
5 Kraft Natural Cheese - Shredded Cheese - Cheddar Fat Free (the “Product”) sold by
6 Kraft, which was labeled and otherwise advertised as “natural” despite containing
7 artificial ingredients, specifically, “artificial color”. The Kraft Natural Cheese -
8 Shredded Cheese - Cheddar Fat Free Product is one of a variety of “Kraft Natural
9 Cheese” products sold and distributed by Kraft.

10 **INTRODUCTION**

11
12 1. For many consumers, seeking out natural food products, as opposed to
13 highly processed, artificial food products, is important. Reliance on food labels is
14 crucial to such discerning, health conscious consumers. But that is not to say that a
15 marketing term just slapped on the front of a package without any meaning is going
16 to suffice. Still, although federal and California laws require truthfulness in food
17 labeling and advertising, too many producers of food products are simply violating
18 labeling and advertising laws because they understand that health claims drive sales.

19 2. Plaintiffs bring this class action against one such manufacturer, Kraft,
20 who is among the world’s leading producers of food products. Kraft has realized
21 that, based on the public’s concern about natural and healthy foods, there is a
22 financial benefit to be derived in selling products claiming to be natural or healthy
23 or to have ingredients or nutritional profiles consistent with such characteristics.
24 Accordingly, Defendant has labeled and advertised its food products as natural even
25 though such claims are in violation of California and federal advertising laws.

26 3. Plaintiffs seek to secure injunctive relief and restitution for the Class
27 against Defendants for false and misleading advertising in violation of Business &
28 Professions Code section 17200, *et seq.* Business & Professions Code section

1 17500, *et seq.* and Civil Code section 1750, *et seq.* Defendants made and continue
2 to make false and misleading statements in their advertising of the Product.
3 Specifically, Defendants label the Kraft Natural Cheese - Shredded Cheese -
4 Cheddar Fat Free as a “natural cheese” and market it as such, despite that the
5 Product contains “artificial color.”

6 4. The false and misleading labeling and advertising of the alleged
7 “natural” Product violate the California Consumers Legal Remedies Act,
8 particularly California Civil Code sections 1770(a)(5) and 1770(a)(7). As such,
9 Defendants have committed *per se* violations of Business & Professions Code
10 section 17200, *et seq.*, Business & Professions Code section 17500, *et seq.* and Civil
11 Code section 1750, *et seq.*

12 5. On January 20, 2014, Plaintiff Claudia Morales effectuated written
13 notice to Defendant Kraft via certified U.S. mail pursuant to Civil Code section
14 1750, *et seq.*, which set forth Plaintiff’s contentions concerning the Product’s
15 fraudulent advertising and outlined Plaintiff’s demand for substantiation of the
16 above-referenced claims and relief. (*See* Plaintiff’s Letter to Defendant Kraft, dated
17 January 20, 2014, a true and correct copy of which is attached hereto as Exhibit 1.)

18 6. Defendant refused to make the proposed modifications to its labeling
19 and advertising of the Product and has, in effect, refused to comply with California
20 advertising laws.

21 **JURISDICTION AND VENUE**

22 7. This Court has jurisdiction over all causes of action asserted herein
23 pursuant to the California Constitution, Article VI, section 10, because this case is a
24 cause not given by statute to other trial courts.

25 8. Plaintiffs have standing to bring this action pursuant to Business &
26 Professions Code section 17200, *et seq.*

27 9. Out-of-state participants can be brought before this Court pursuant to
28 the provisions of Code of Civil Procedure section 395.5.

1 Product contains artificial or synthetic ingredients, such as “artificial color, ” she
2 would not have purchased the Product.

3 14. Plaintiff Mocha Gunaratna (“Gunaratna”) is an individual residing in
4 Los Angeles, California. Gunaratna purchased the Product in California within the
5 last four (4) years of the filing of this Complaint. More specifically, Gunaratna
6 purchased the Product on several occasions in mid-2013 at Vons in Studio City and
7 Ralphs in downtown Los Angeles, California. When purchasing the Product,
8 Gunaratna relied upon the claim “natural cheese” prominently and conspicuously
9 displayed “front and center” on each and every product package, as well as on all
10 other advertising and promotional material, such as the Kraft website and television
11 commercials. Gunaratna viewed and relied upon the “natural cheese” claim both at,
12 and prior to, the point of sale. (*See* copy of Product packaging viewed and relied on
13 by Plaintiff, attached hereto as Exhibit 2.)

14 15. The advertising statements were prepared and approved by Defendants
15 and their agents and disseminated through its packaging, label, and national
16 advertising media, containing the misrepresentations alleged herein and designed to
17 encourage consumers to purchase the Product. In reliance on the packaging and
18 marketing of the Product as “natural cheese”, Gunaratna understood the Product
19 was natural in that it was not artificial or made of synthetic ingredients or additives,
20 and was therefore induced into purchasing the Product . Had Gunaratna known the
21 Product contains artificial or synthetic ingredients, such as “artificial color”, she
22 would not have purchased the Product.

23 16. Defendant Kraft is a corporation organized and existing under the laws
24 of the State of Delaware, with a principal place of business located at Three Lakes
25 Drive, Northfield, Illinois 60093. Kraft offers the Product for sale at stores and
26 retailers as well as through the internet, throughout the nation, including the State of
27 California. Kraft, directly and through its agents, has substantial contacts with and
28 receives substantial benefits and income from and through the State of California.

1 Kraft is the owner and distributor of the Product and is the company that created
2 and/or authorized the false, misleading, and deceptive advertisements and
3 packaging for the Product.

4 17. The true names and capacities, whether individual, corporate, associate
5 or otherwise of certain manufacturers, distributors, and/or their alter egos sued
6 herein as DOES 1 through 100 inclusive are presently unknown to Plaintiffs who
7 therefore sue these Defendants by fictitious names. Plaintiffs will seek leave of this
8 Court to amend the Complaint to show their true names and capacities when the
9 same have been ascertained. Plaintiffs are informed and believe and based thereon
10 allege that DOES 1 through 100 were authorized to do and did business in San
11 Joaquin County. Plaintiffs are further informed and believe and based thereon
12 allege that DOES 1 through 100 were and/or are, in some manner or way,
13 responsible for and liable to Plaintiffs for the events, happenings, and damages
14 hereinafter set forth below.

15 18. Plaintiffs are informed and believe and based thereon allege that at all
16 times relevant herein each of the Defendants was the agent, servant, employee,
17 subsidiary, affiliate, partner, assignee, successor-in-interest, alter ego, or other
18 representative of each of the remaining Defendants and was acting in such capacity
19 in doing the things herein complained of and alleged.

20 19. In committing the wrongful acts alleged herein, Defendants planned
21 and participated in and furthered a common scheme by means of false, misleading,
22 deceptive, and fraudulent representations to induce members of the public to
23 purchase the Product. Defendants participated in the making of such
24 representations in that each did disseminate or cause to be disseminated said
25 misrepresentations.

26 20. Defendants, upon becoming involved with the manufacture,
27 distribution, advertising, marketing, and sale of the Product, knew or should have
28 known that the claims about the Product and, in particular, the claims suggesting

1 and outright stating that the Product is "natural" when it contains artificial coloring.
2 Indeed, since the first time that the Product was advertised, Defendants have been
3 aware that they have been falsely representing the characteristics and effects of the
4 Product. Defendants affirmatively misrepresented the nature and characteristics of
5 the Product in order to convince a certain subsection of the public to purchase and
6 use the Product, resulting in profits of hundreds of thousands of dollars or more to
7 Defendants, all to the damage and detriment of the consuming public. Thus, in
8 addition to the wrongful conduct herein alleged as giving rise to primary liability,
9 Defendants further aided and abetted and knowingly assisted each other in breach of
10 their respective duties and obligations as herein alleged.

11 **CLASS ACTION ALLEGATIONS**

12 21. Plaintiffs bring this action on their own behalves and on behalf of all
13 other persons similarly situated. The Class which Plaintiffs seek to represent
14 comprises:

15 All persons who purchased the Product in the State of
16 California for personal use and not for resale during the
17 time period of May 7, 2010 through the present.

18 Said definition may be further defined or amended by additional pleadings,
19 evidentiary hearings, a class certification hearing, and orders of this Court.

20 22. The Class is comprised of many thousands of persons throughout the
21 State of California. The class is so numerous that joinder of all members is
22 impracticable and the disposition of their claims in a class action will benefit the
23 parties and the Court.

24 23. There is a well-defined community of interest in the questions of law
25 and fact involved affecting the parties to be represented in that the Class was
26 exposed to the same common and uniform false and misleading advertising and
27 omissions. The questions of law and fact common to the Class predominate over
28

1 questions which may affect individual Class members. Common questions of law
2 and fact include, but are not limited to, the following:

- 3 a. Whether Defendants' conduct is an unlawful business act or practice
4 within the meaning of Business and Professions Code section 17200, *et*
5 *seq.*;
- 6 b. Whether Defendants' conduct is a fraudulent business act or practice
7 within the meaning of Business and Professions Code section 17200, *et*
8 *seq.*;
- 9 c. Whether Defendants' advertising is untrue or misleading within the
10 meaning of Business and Professions Code section 17500, *et seq.*;
- 11 d. Whether Defendants made false and misleading representations in their
12 advertising and labeling of the Product;
- 13 e. Whether Defendants knew or should have known that the
14 representations were false; and
- 15 f. Whether Defendants represented that the Product has characteristics,
16 benefits, uses, or quantities which it does not have.

17 24. Plaintiffs' claims are typical of the claims of the proposed Class, as the
18 representations and omissions made by Defendants are uniform and consistent and
19 are contained in advertisements and on packaging that was seen and relied on by
20 Plaintiffs and members of the class.

21 25. Plaintiffs will fairly and adequately represent and protect the interests
22 of the proposed Class. Plaintiffs have retained competent and experienced counsel
23 in class action and other complex litigation.

24 26. Plaintiffs and the Class have suffered injury in fact and have lost money
25 as a result of Defendants' false, deceptive, and misleading representations.

26 27. Plaintiffs would not have purchased the Product but for the
27 representations by Defendants about the Product.

28

1 28. The Class is identifiable and readily ascertainable. Notice can be
2 provided to such purchasers using techniques and a form of notice similar to those
3 customarily used in class actions, and by internet publication, radio, newspapers,
4 and magazines.

5 29. A class action is superior to other available methods for fair and
6 efficient adjudication of this controversy. The expense and burden of individual
7 litigation would make it impracticable or impossible for proposed members of the
8 Class to prosecute their claims individually.

9 30. The trial and the litigation of Plaintiffs' claims are manageable.

10 31. Defendants have acted on grounds generally applicable to the entire
11 Class, thereby making final injunctive relief and/or corresponding declaratory relief
12 appropriate with respect to the Class as a whole. The prosecution of separate
13 actions by individual Class members would create the risk of inconsistent or
14 varying adjudications with respect to individual member of the Class that would
15 establish incompatible standards of conduct for Defendants.

16 32. Absent a class action, Defendants will likely retain the benefits of their
17 wrongdoing. Because of the small size of the individual Class members' claims,
18 few, if any, Class members could afford to seek legal redress for the wrongs
19 complained of herein. Absent a representative action, the Class members will
20 continue to suffer losses and Defendants will be allowed to continue these
21 violations of law and to retain the proceeds of their ill-gotten gains.

22 **FACTS AND DEFENDANTS' COURSE OF CONDUCT**

23 33. As the growing concern over health and food safety has become more
24 prevalent among the consuming public, so, too, have the incidences of false and
25 misleading claims about such products. It is becoming more commonly known that
26 certain claims on food packaging implies that a food is healthier, safer or produced
27 to higher ethical standards. The term "natural" and, in this case, "natural cheese," is
28 one such claim.

1 34. In an effort to capitalize on consumers’ increasing desire (and
2 willingness to pay more) for healthier, less processed foods, manufacturers,
3 including Kraft, routinely make false and/or misleading claims about the benefits
4 and characteristics of a product and advertise their products as though they maintain
5 characteristics they do not have and that the manufacturer cannot validate with
6 competent and reliable scientific evidence so as to make receiving the intended
7 benefit illusory and, in some cases, unsafe.

8 35. Most notably in their marketing of the Product, Defendant uses the
9 label “**Natural** Cheese” [emphasis added], which appears front and center on the
10 packaging, which labeling and packaging, in turn, pervades Kraft’s entire
11 advertising campaign. The “Natural Cheese” label refers to a separate and distinct
12 category of cheese products sold by Kraft, which includes the Product at issue in
13 this Complaint.

14 36. Kraft’s deliberate labeling choice for the Product (i.e., “Natural
15 Cheese”) is evidenced by the fact that Kraft differentiates the Product from other
16 non-“natural” labeled cheddar cheese products, which include the following labeled
17 categories, to name a few:

- 18 a. “Kraft”, which comes in various cheeses, including cheddar (e.g.,
19 “Cheddar” Cheese,” “Triple Cheddar”, “Sharp Cheddar”;
- 20 b. “Kraft Singles”, which comes in various cheeses, including a “Fat Free
21 Sharp Cheddar”;
- 22 c. “Kraft Fresh Take”, which comes in various cheeses, including
23 cheddar (e.g., Spicy Chipotle Cheddar, Cheddar Jack).

24 37. The Product is marketed and sold throughout retailers nationwide with
25 this packaging and labeling.

26 38. In addition to the packaging and labeling of the Product, Defendants’
27 official website (www.kraftfoodsgroup.com), commercial and print media reiterate
28 those very same claims, and state, among other things: “For more than 110 years,

1 Kraft has been selling *high-quality natural* cheeses in a wide variety of flavors and
2 forms.” [emphasis added.]

3 39. When purchasing the Product, Plaintiffs relied upon the label “natural
4 cheese” as well as the overall marketing of the Product as “natural cheese”, and
5 were led to believe based on the foregoing, that the Product was natural in that it
6 was not artificial or made of synthetic ingredients, including “artificial color”. Had
7 Plaintiffs known the Product contains “artificial color”, they would not have
8 purchased the Product.

9 40. Defendants’ labeling and claims about the Product as “natural cheese”
10 lead people to believe that the Product is indeed “natural.” This means therefore,
11 that the public is led to believe the Product, at a minimum, has no *artificial*
12 ingredients or characteristics. The public is further led to believe the Product will
13 be healthier, safer and/or produced to a higher standard.

14 41. The Product was not labeled and advertised as “mostly natural” or
15 “almost all natural” or “95% natural.” The Product was advertised and promoted
16 and differentiated from its other non-“natural” products as “natural cheese.” It is
17 not natural cheese. In point of fact, the Product contains, at a minimum, artificial
18 color.

19 42. Accordingly, Kraft’s claims are false, deceptive, and misleading, as the
20 Product contains artificial color (among other synthetic ingredients) – a clearly *un-*
21 natural ingredient.

22 43. The Food and Drug Administration (“FDA”) explicitly objects to use of
23 the term “natural” if the food contains added color, artificial flavors, or synthetic
24 substances, such as the Product.

25 44. The FDA considers use of the term “natural” on a food label to be
26 truthful and non-misleading *only when* “nothing artificial or synthetic...has been
27 included in, or has been added to, a food that would not normally be expected to be in
28 the food.” See 58 FR 2302, 2407, January 6, 1993.

1 45. In 1993, the FDA stated the following at 58 Fed. Reg. 2302, 2407 (1993)
2 [emphases added].

3 After reviewing and considering the comments, the agency continues to
4 believe that if the term “natural” is adequately defined, the ambiguity
5 surrounding use of this term that results in misleading claims could be
6 abated. However, as the comments reflect, there are many facets of this issue
7 that the agency will have to carefully consider if it undertakes a rulemaking
8 to define the term “natural.”

9 Because of resource limitations and other agency priorities, FDA is not
10 undertaking rulemaking to establish a definition for “natural” at this time.
11 *The agency will maintain its current policy* (as discussed in the general
12 principles proposal (56 FR 60421 at 60466)) *not to restrict the use of the*
13 *term “natural” except for added color, synthetic substances, and flavors as*
14 *provided in § 101.22.*

15 *Additionally, the agency will maintain its policy* (Ref. 32) *regarding the use*
16 *of “natural,” as meaning that nothing artificial or synthetic (including all*
17 *color additives regardless of source) has been included in, or has been*
18 *added to, a food that would not normally be expected to be in the food.*

19 Further, at this time *the agency will continue to distinguish between natural*
20 *and artificial flavors as outlined in § 101.22.*

21 46. Contrary to the implications of the term “natural” on food products,
22 artificial food coloring is not considered healthy or safe. Among the health
23 concerns regarding artificial food coloring are that it could cause everything from
24 hyperactivity in children, to allergic reactions, to asthma complications, or cancer.

25 a. In the 1970s, the FDA famously banned Red Dye No. 2 after some
26 studies found that large doses could cause cancer in rats.

27 b. In 2007, a British study published in *The Lancet* concluded that
28 consuming artificial coloring and preservatives in food can increase

1 hyperactivity in kids. The results of the 2007 study compelled the
2 European Food Standards Agency to urge companies to voluntarily
3 remove artificial coloring from food products. The Center for Science
4 in the Public Interest links food colorings to hyperactivity and behavior
5 problems in children, and has been urging the FDA to ban certain dyes
6 that they believe cause these issues.

7 c. Although the U.S. is behind other countries on its artificial dye policies,
8 the U.K.'s Food Standards Agency has imposed a voluntary ban on
9 several dyes because of their potential harm. And although they turned
10 down a more widespread ban, the European Parliament agreed to place
11 warning labels on all European-produced foods containing one of six
12 artificial colorings.

13 47. During the course of their false, misleading, and deceptive advertising
14 campaign, Defendants have sold hundreds of thousands of units or more of the
15 Product based upon Defendants' false promises. Plaintiffs and the Class have
16 suffered injury in fact and have lost money as a result of Defendants' false
17 representations.

18 **FIRST CAUSE OF ACTION**

19 **FALSE AND MISLEADING ADVERTISING IN VIOLATION OF BUSINESS**

20 **& PROFESSIONS CODE § 17200, et seq.**

21 **(By Plaintiffs against all Defendants)**

22 48. Plaintiffs repeat and reallege the allegations set forth in the preceding
23 paragraphs and incorporates the same as if set forth herein at length.

24 49. This cause of action is brought pursuant to Business and Professions
25 Code section 17200, *et seq.*, on behalf of Plaintiffs and a Class consisting of all
26 persons residing in the State of California who purchased the Product for personal
27 use and not for resale.

1 50. Defendants in their advertising and packaging of the Product make false
2 and misleading statements regarding the quality and characteristics of the Product,
3 particularly that it is “natural”. Such claims appear on the label and packaging of
4 the Product which is sold at retailers (including grocery stores such as Ralphs,
5 Vons, Pavilions, and Lucky) nationwide, as well as on television commercials and
6 the Kraft Foods official website.

7 51. Defendants’ claims about the Product lead people, including Plaintiffs,
8 to believe that the Product is natural, in that, at a minimum, it does not contain
9 artificial coloring or other synthetic ingredients which would normally be included
10 in non-natural cheeses.

11 52. Defendants do not have any reasonable basis for the claims about the
12 Product made in Defendants’ advertising and on Defendants’ packaging or label
13 because the Product indeed contains artificial coloring, among other synthetic
14 ingredients.

15 53. Defendants knew that the claims that they made and continue to make
16 about the Product are false, and misleading.

17 54. As alleged in the preceding paragraphs, the misrepresentations by
18 Defendants of the material facts detailed above constitute an unfair, unlawful, and
19 fraudulent business practice within the meaning of California Business &
20 Professions Code section 17200.

21 55. In addition, Defendants’ use of various forms of advertising media to
22 advertise, call attention to, or give publicity to the sale of goods or merchandise
23 which are not as represented in any manner constitutes unfair competition, unfair,
24 deceptive, untrue or misleading advertising, and an unlawful business practice
25 within the meaning of Business & Professions Code sections 17200 and 17531,
26 which advertisements have deceived and are likely to deceive the consuming public,
27 in violation of Business & Professions Code section 17200.

28

1 63. Defendants in their advertising and packaging of the Product make false
2 and misleading statements regarding the quality and characteristics of the Product,
3 particularly that it is “natural”. Such claims appear on the label and packaging of
4 the Product which is sold at retailers (including grocery stores such as Ralphs,
5 Vons, Pavilions, and Lucky), as well as on television commercials and the Kraft
6 Foods official website.

7 64. Defendants’ claims about the Product lead people, including Plaintiffs,
8 to believe that the Product is natural, in that, at a minimum, it does not contain
9 artificial coloring or other synthetic ingredients which would normally be seen in
10 lower quality cheeses.

11 65. Defendants do not have any reasonable basis for the claims about the
12 Product made in Defendants’ advertising and on Defendants’ packaging or label
13 because the Product indeed contains artificial coloring, among other synthetic
14 ingredients.

15 66. Defendants knew that the claims that they made and continue to make
16 about the Product are false and misleading.

17 67. Plaintiff would not have purchased the Product but for the
18 representations by Defendants about the Product as being “natural cheese”.

19 68. Plaintiff and the Class have suffered injury in fact and have lost or
20 property as a result of and in reliance upon Defendants’ false representations.

21 69. As alleged in the preceding paragraphs, the misrepresentations by
22 Defendants of the material facts detailed above constitutes an unfair, unlawful, and
23 fraudulent business practice within the meaning of California Business &
24 Professions Code section 17500.

25 70. In addition, Defendants’ use of various forms of advertising media to
26 advertise, call attention to, or give publicity to the sale of goods or merchandise
27 which are not as represented in any manner constitutes unfair competition, unfair,
28 deceptive, untrue or misleading advertising, and an unlawful business practice

1 within the meaning of Business & Professions Code sections 17200 and 17531,
2 which advertisements have deceived and are likely to deceive the consuming public,
3 in violation of Business & Professions Code section 17500.

4 71. Pursuant to Business & Professions Code sections 17203 and 17535,
5 Plaintiffs and the members of the Class seek an order of this Court enjoining
6 Defendants from continuing to engage, use, or employ their practice of advertising
7 the sale and use of the Product. Likewise, Plaintiffs and the members of the Class
8 seek an order requiring Defendants to disclose such misrepresentations, and
9 additionally request an order awarding Plaintiffs and the Class restitution of the
10 money wrongfully acquired by Defendants by means of responsibility attached to
11 Defendants' failure to disclose the existence and significance of said
12 misrepresentations.

13 **THIRD CAUSE OF ACTION**

14 **VIOLATION OF CALIFORNIA CIVIL CODE § 1750, et seq.**

15 **(By Plaintiffs against all Defendants)**

16 72. Plaintiffs repeat and reallege the allegations set forth in the preceding
17 paragraphs and incorporates the same as if set forth herein at length.

18 73. This cause of action is brought pursuant to Civil Code section 1750, *et*
19 *seq.*, the Consumers Legal Remedies Act, on behalf of Plaintiffs and a Class
20 consisting of all persons residing in the State of California who purchased the
21 Product for personal use and not for resale.

22 74. The Class consists of thousands of persons, the joinder of whom, is
23 impracticable.

24 75. There are questions of law and fact common to the class, which
25 questions are substantially similar and predominate over questions affecting the
26 individual members, including but not limited to: (a) Whether Defendants
27 represented that the Product has characteristics, benefits, uses, or quantities which
28 they do not have; (b) Whether the existence, extent, and significance of the major

1 misrepresentations regarding the purported benefits, characteristics, and efficacy of
2 the Product violate the Act; and (c) Whether Defendants knew of the existence of
3 these misrepresentations.

4 76. The policies, acts, and practices heretofore described were intended to
5 result in the sale of the Product to the consuming public, and violated and continue
6 to violate section 1770(a)(5) of the Act by representing that the Product has
7 characteristics, benefits, uses, or quantities which it does not have.

8 77. Defendants fraudulently deceived Plaintiffs and the Class by
9 representing that the Product has certain characteristics, benefits, uses, and qualities
10 which it does not have. In doing so, Defendants intentionally misrepresented and
11 concealed material facts from Plaintiffs and the Class, specifically by claiming that
12 the Product is “natural” when in fact it contains “artificial coloring”. Said
13 misrepresentations and concealment were done with the intention of deceiving
14 Plaintiffs and the Class and depriving them of their legal rights and money.

15 78. Defendants’ claims about the Product lead people, including Plaintiffs,
16 to believe that the Product does not contain artificial coloring.

17 79. Defendants knew that they could not back the claims concerning the
18 Product’s purported “natural” quality.

19 80. Defendants’ actions as described hereinabove were done with conscious
20 disregard of Plaintiff’s rights, and Defendants were wanton and malicious in their
21 concealment of same.

22 81. Plaintiff and the Class have suffered injury in fact and have lost or
23 property as a result of and in reliance upon Defendants’ false representations.

24 82. The Product as purchased by the Plaintiffs and the Class was and is
25 unsatisfactory and worth less than the amount paid for.

26 83. Plaintiffs would not have purchased the Product but for the
27 representations by Defendants about the Product as being “natural cheese”.
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- F. Costs of this suit; and
- G. Such other and further relief as the Court may deem necessary or appropriate.

DATED: November 14, 2014 MILSTEIN ADELMAN LLP

By: s/ Paul D. Stevens

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Attorneys for Plaintiffs Claudia Morales and Mocha Gunaratna

JURY TRIAL DEMANDED

Plaintiff demands a jury trial on all triable issues.

DATED: November 14, 2014 MILSTEIN ADELMAN, LLP

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Attorneys for Plaintiff Claudia Morales and Mocha Gunaratna

EXHIBIT 1



January 20, 2014

VIA CERTIFIED U.S. MAIL

Kraft Foods Group, Inc.
Three Lakes Drive
Northfield, IL 60093

Kraft Foods Group, Inc.
Registered Agent
CT Corporation System
818 W Seventh St.
Los Angeles, CA 90017

Re: Violation of the California Consumer Legal Remedies Act Regarding Advertising and Marketing of Kraft Natural Cheese - Shredded Cheese - Cheddar Fat Free

To whom it may concern:

You are hereby notified that Kraft Foods (“Defendant”) has violated and continues to violate provisions of the California Consumer Legal Remedies Act, California Civil Code sections 1750, *et seq.*, (the “CLRA”) with respect to the advertising and marketing of the product “Kraft Natural Cheese - Shredded Cheese - Cheddar Fat Free” (hereinafter the “Product”). Defendant’s false and deceptive advertising and marketing of the Product has affected Claudia Morales and thousands of other similarly situated California consumers (the “Plaintiff Class”).

The Plaintiff Class has entered and continues to enter into transactions and expend money in reliance upon the uniform false and misleading claims contained on the very labels and packaging of the Product, as well as in other advertising of the Product. This letter shall outline: (1) the Defendant’s false and misleading representations, (2) the basis of Ms. Morales’ and the Plaintiff Class complaint, and (3) Ms. Morales’ and the Plaintiff Class’ demand for relief.

I. DEFENDANT’S FALSE AND MISLEADING REPRESENTATIONS

Defendant falsely represents the Kraft Natural Cheese - Shredded Cheese - Cheddar Fat Free as a “natural” food product by way of its labeling, advertising, marketing, and packaging. Indeed, the product is *labeled* “Kraft *Natural* Cheese” (emphasis added), and the Product is generally advertised as being natural and having natural ingredients. In actuality, however, the Product contains artificial coloring, as indicated among its very own ingredients.

II. BASIS OF THE COMPLAINT

Defendant has no reasonable basis for its labeling, advertising, marketing, and packaging of the Product as “natural” when it clearly contains artificial coloring. As a result, consumers are consistently misled into purchasing the Product for this specific (and healthier) feature, when in fact no such benefit could be had given the Product contains at least one artificial ingredient.

The FDA, while it has not developed a definition for use of the term “natural”, objects to the use of the term if the food contains added color, artificial flavors, or synthetic substances, such as here.

Defendant is requested to provide copies of the clinical studies, clinical trials, test results, and scientific literature, if any, which substantiate the claims and representations concerning the Product, namely that the Product is natural, i.e., does not contain artificial ingredients. Until such time, and as set forth herein, Defendant is in violation of the California Civil Code sections 1770(a)(5) and 1770(a)(7), respectively, by representing that the Product: (1) has characteristics, uses, and benefits which it does not have, and (2) is of a particular standard, quality, or grade when it is of another.

III. DEMAND FOR RELIEF

Demand is hereby made that Defendant agrees, within 30 days of receipt of this Notice, to do and complete the following:

A. Changes to Defendant’s Advertising OR Manufacturing of the Product

We, on behalf of Ms. Morales and the Plaintiff Class, demand that Defendant change its advertising of the Product, as follows:

- (1) remove all false and misleading claims from the labels and packaging of the product (i.e., any and all references to being “natural”);
- (2) remove all references in the advertising to any and all false and misleading claims (i.e., any and all references to being “natural”); and
- (3) immediately cease making any and all false and misleading claims about the product (i.e., any and all references to being “natural”).

In the alternative, Defendant must take out the “artificial color,” or dye,¹ which the Product currently contains in all future manufacturing of the Product in order to maintain the truthfulness of its current advertising.

¹ A popular substitute would be a natural coloring ingredient such as annatto, which is used in many “natural” products being sold.

B. Restitution to the Plaintiff Class

We further demand that you offer Ms. Morales and the Plaintiff Class full restitution. Specifically, provide a consumer fund in an amount sufficient to provide each and every class member with a full refund for each and every one of the Products purchased. Of course, this would be subject to our review, as class counsel, of appropriate financial information detailing all sales made to California consumers during the Class Period.

Finally, we also request that Defendant provide for all costs, reasonable attorney fees, and claims administration costs pursuant to California Civil Code sections 1750, *et seq.*

If you wish to discuss the above, please do not hesitate to contact the undersigned at 310-396-9600. If we do not hear from you prior to the close of business on February 21, 2014, then we will assume that Defendant has no interest in attempting to amicably resolve this matter, per C.C.P. 1750, *et seq.* and we will file our Complaint forthwith.

Sincerely,

MILSTEIN ADELMAN, LLP



Shireen Mohsenzadegan

SM:gg



7012 3460 0000 3034 9738

RETURN SERVICE REQUESTED

Hasler 01/21/2014 US POSTAGE

FIRST-CLASS MAIL \$06.11 ZIP 90405 011D12602416

CT Corporation System
818 W Seventh St.
Los Angeles, CA 90017

CERTIFIED MAIL™



7012 3460 0000 3034 9721

RETURN SERVICE REQUESTED

Hasler 01/21/2014 US POSTAGE

FIRST-CLASS MAIL \$06.11 ZIP 90405 011D12602416



Kraft Foods Group, Inc.
Three Lakes Drive
Northfield, IL 60093

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> <i>Rudy Rivera</i> <div style="float: right;"> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee </div>	
1. Article Addressed to: <p style="text-align: center; font-size: 1.2em;">CT Corporation System 818 W Seventh Street Los Angeles, CA 90017</p>	B. Received by (Printed Name) <i>RUDY RIVERA</i>	C. Date of Delivery
2. Article Number (Transfer from service label)	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, February 2004	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Domestic Return Receipt	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7012 3460 0000 3034 9738		
102595-02-M-1540		

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>Kraft Foods Group, Inc. Three Lakes Drive Northfield, IL 60093</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)</p>	<p>7012 3460 0000 3034 9721</p>

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

EXHIBIT 2



AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Central District of California

CLAUDIA MORALES and MOCHA
GUNARATNA, each individually and on
behalf of all others similarly situated

Plaintiff(s)

v.

KRAFT FOODS GROUP, INC. and
DOES 1 through 100, inclusive

Defendant(s)

Civil Action No. 2:14-cv-04387-JAK-PJW

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Kraft Foods Group, Inc.
Three Lakes Drive
Northfield, IL 60093

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you
are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ.
P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of
the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney,
whose name and address are: Paul D. Stevens, Shireen Mohsenzadegan
2800 Donald Douglas Loop North
Santa Monica, California 90405

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint.
You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

AO 440 (Rev. 06/12) Summons in a Civil Action (Page 2)

Civil Action No. 2:14-cv-04387-JAK-PJW

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: