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U.S. DESTRICT COURT
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### UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF INDIANA

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SOUTH CHURTAICT OF HIDIAMA LAMPA A. BRIGGS

ERIKA STROJNY MYERS, on behalf of herself, and on behalf of all others similarly situated.

Plaintiff,

ν.

WAL-MART STORES, INC. 702 SW 8<sup>th</sup> Street, MS#0555 Bentonville, Arkansas 72716

Serve: CT Corporation System 150 West Market Street Suite 800 INDIANAPOLIS, IN 46204

and

WAL-MART ASSOCIATES,INC. 702 SW 8<sup>th</sup> Street Bentonville, Arkansas 72716

> Serve: CT Corporation System 150 West Market Street Suite 800 INDIANAPOLIS, IN 46204

and

WAL-MART.COM USA, LLC 702 SW 8<sup>th</sup> Street
Bentonville, Arkansas 72716

Serve: CT Corporation System 150 West Market Street Suite 800 INDIANAPOLIS, IN 46204

and

WAL-MART STORES EAST, LP, 702 SW 8<sup>th</sup> Street Bentonville, Arkansas 72716

> Serve: CT Corporation System 150 West Market Street Suite 800 INDIANAPOLIS, IN 46204

No. 4:15-cv- 019 TWP-TAB

CLASS ACTION COMPLAINT
JURY TRIAL DEMANDED

WAL-MART STORES EAST, INC. 702 SW 8<sup>th</sup> Street Bentonville, Arkansas 72716

> Serve: CT Corporation System 150 West Market Street Suite 800 INDIANAPOLIS, IN 46204

and

WAL-MART TRS, LLC. 702 SW 8<sup>th</sup> Street Bentonville, Arkansas 72716

> Serve: CT Corporation System 150 West Market Street Suite 800 INDIANAPOLIS, IN 46204

> > Defendants.

### CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL

Plaintiff, Erika Strojny Myers, ("Plaintiff"), and on behalf of herself and a class of consumers, bring this lawsuit against Defendants Wal-Mart Associates, Inc., Wal-Mart.Com USA, LLC, Wal-Mart Starco, LLC, Wal-Mart Stores, Inc. and Wal-Mart Stores East, LP, alleging violations of state consumer fraud and deceptive trade practices laws, negligent misrepresentation, common law fraud, and unjust enrichment and equitable relief. The facts and information averred herein are based upon Plaintiff's personal knowledge and beliefs and upon investigation of counsel. Plaintiff alleges as follows:

### I. NATURE OF THE CASE

- 1. Plaintiff and Class Member Consumers paid all or a portion of the cost of Spring Valley Echinacea ("Echinacea"), Spring Valley Odorless Garlic ("Garlic"), Spring Valley Ginkgo Biloba ("Ginkgo Biloba"), Spring Valley Ginseng ("Ginseng"), Spring Valley Saw Palmetto ("Saw Palmetto") and/or Spring Valley St. John's Wort ("St. John's Wort") (hereinafter collectively "Spring Valley Herbal Supplements"), each of which are herbal supplements ("supplements") marketed by Defendants Wal-Mart Associates, Inc., <u>Wal-Mart.Com</u> USA, LLC, Wal-Mart Starco, LLC, Wal-Mart Stores, Inc. and Wal-Mart Stores East, LP (and their predecessors-in-interest) (hereinafter "Defendants," "Wal-Mart" or "the Wal-Mart Defendants").
- 2. These supplements were marketed as containing various herbs that are believed by some to confer various health benefits. However, the Spring Valley Herbal Supplements do not contain the advertised herbs. As a direct result of Defendants' fraudulent marketing, Plaintiffs were financially injured by paying for herbal supplements that, unbeknownst to consumers, did not contain the advertised herb.

- 3. According to the American Botanical Council, herbal dietary supplement sales in the United States are driven by "the increasing level of interest and confidence that American consumers place in the herbal sector of the dietary supplement market." American consumers' interest and confidence has translated into big business for retailers like GNC
- 4. According to the American Botanical Council, sales of herbal dietary supplements in the United States increased by 7.9% in 2013 to a total estimated figure of six billion dollars for the first time. 2013 marked the tenth consecutive year that herbal supplement sales have increased according to the American Botanical Council. It is expected that this increase in sales will continue.
- 5. Unlike prescription and over-the-counter medications, herbal supplements have limited FDA oversight. However, FDA regulations impose many important requirements on the labeling for herbal supplements:
  - ☐ A Statement of Identity indiating a supplement's common or usual name.<sup>2</sup>☐ Identification of all ingredients either via an Ingredient List or the Supplemental Facts Panel.<sup>3</sup>
- 6. Recent studies have found that herbal supplements often do not contain the herb listed on the Statement of Identity, Ingredient List and/or Supplemental Facts Panel.
- 7. Dr. Steven G. Newmaster and other scientists were concerned that "herbal products available to consumers in the marketplace may be contaminated or substituted with alternative plant species and fillers that are not listed on the labels." For this reason, Dr. Newmaster and his co-authors conducted testing using DNA barcoding to check for authenticity of 44 herbal products. The article, *DNA Barcoding Detects Contamination and Substitution in*

http://cms.herbalgram.org/press/2014/2013\_Herb\_Market\_Report.html?ts=1423075139&signature=66e806c5aaeabf 2c2243a1b8320930d2

<sup>&</sup>lt;sup>2</sup> 21 CFR 101.1 and 21 CFR 101.3.

<sup>&</sup>lt;sup>3</sup> 21 CFR 101.4.

North American Herbal Products, published in 11 BMC Medicine 222 (October 2013) revealed that "most of the herbal products tested were of poor quality, including considerable product substitution, contamination and use of fillers."

- 8. More recently, the New York State Attorney General's office conducted testing of Wal-Mart's Spring Valley Echinacea, Spring Valley Odorless Garlic, Spring Valley Ginkgo Biloba, Spring Valley Ginseng, Spring Valley Saw Palmetto and Spring Valley St. John's Wort. The testing revealed that Spring Valley Herbal Supplements either did not contain the herb listed on the Statement of Identity and/or contained filler and substitute ingredients that were not identified on the supplement's labeling.
- 9. As discussed above, multiple studies have alerted the dietary supplement industry, including Wal-Mart, that supplements were increasingly being found to either not contain the identified herb or contain filler and substitute ingredients that were not identified on the labeling. Defendants knew of and concealed the substitution of identified herbs in its Spring Valley Herbal Supplements. Defendants also knew of and concealed the adulteration of its Spring Valley Herbal Supplements by failing to list filler ingredients on the supplement's Supplement Facts Panel and/or Ingredient List. As part of Defendants' illegal scheme to increase herbal supplement profits, these known mis-brandings and adulterations were systematically concealed and minimized from the public.
- 10. Defendants have each been engaged in a fraudulent and illegal promotion of mislabeled and adulterated herbal supplements. Defendants' scheme targeted and defrauded consumers on a massive scale. Defendants' respective fraudulent practices convinced consumers they could benefit from Spring Valley Herbal Supplements and caused consumers to purchase Spring Valley Herbal Supplements that either did not contain the identified herb and/or

contained filler or substitute ingredients that were not listed on the supplement's labeling.

- 11. Due to Defendants' illegal and fraudulent marketing schemes set forth in detail below, there resulted millions of dollars of sales of Spring Valley Herbal Supplements that did not contain the identified herbs, which continues to this day. Plaintiff and Class Members have purchased millions of Spring Valley Herbal Supplements that do not even contain the listed herb.
- 12. In addition to the loss of any potential health benefits that may have been conferred by a supplement that actually contained the identified herb, the financial impact of Defendants' false and deceptive marketing of Spring Valley Herbal Supplements has likewise been profound, especially for consumers who bear the ultimate cost of herbal supplements. However, as has recently become clear, consumers across the nation instead were duped by Defendants into paying hundreds of millions of dollars for bogus Spring Valley Herbal Supplements.

### II. PARTIES

- 13. Plaintiff, Erika Myers, is and was at all times relevant hereto a resident and citizen of Pekin, Washington County, Indiana. At all times material hereto, Plaintiff purchased Defendants' Spring Valley Herbal Supplements, including Spring Valley St. John's Wort and Spring Valley Echinacea, at a Wal-Mart store located 2910 Grant Line Road, New Albany, Indiana, 47150.
- 14. Defendant Wal-Mart Associates, Inc. is a corporation incorporated in the state of Delaware. Its principal place of business is 702 SW 8<sup>th</sup> Street, Bentonville, Arkansas 72716. Defendant Wal-Mart Associates, Inc. conducts extensive business throughout the United States, including in State of Indiana. Wal-Mart Associates, Inc. may be served through

its registered agent, CT Corporation, 150 West Market Street, Suite 800, Indianapolis, Indiana, 46204.

- 15. Defendant <u>Wal-Mart.Com</u> USA, LLC is a corporation incorporated in the State of California. Its principal place of business is 702 SW 8<sup>th</sup> Street, Bentonville, Arkansas 72716. At all times material hereto, <u>Wal-Mart.Com</u> USA, LLC has conducted extensive business throughout the United States, including in the State of Indiana. Wal-Mart.Com USA, LLC may be served through its registered agent, CT Corporation System, 150 West Market Street, Suite 800, Indianapolis, Indiana, 46204.
- 16. Defendant Wal-Mart Stores East, LLC is a corporation incorporated in the State of Arkansas. Its principal place of business is 702 SW 8<sup>th</sup> Street, Bentonville, Arkansas 72716. At all times material hereto, Wal-Mart Stores East, LLC has conducted extensive business throughout the United States, including in the State of Indiana. Wal-Mart Stores East, LLC may be served through its registered agent, CT Corporation System, 150 West Market Street, Suite 800, Indianapolis, Indiana, 46204.
- Delaware. Its principal place of business is 702 SW 8<sup>th</sup> Street, MS#0555, Bentonville, Arkansas 72716. At all times material hereto, Wal-Mart Stores, Inc. has conducted extensive business throughout the United States, including in the State of Indiana. Wal-Mart Stores Inc. may be served through its registered agent, CT Corporation System, 150 West Market Street, Suite 800, Indianapolis, Indiana, 46204.
- 18. Defendant Wal-Mart Stores East, Limited Partnership is a corporation incorporated in the state of Delaware. Its principal place of business is 702 SW 8<sup>th</sup> Street, Bentonville, Arkansas 72716. Defendant Wal-Mart Stores East, Limited Partnership conducts

extensive business throughout the United States, including in the State of Indiana. Wal-Mart Stores East, Limited Partnership may be served through its registered agent, CT Corporation System, 150 West Market Street, Suite 800, Indianapolis, Indiana, 46204.

- 19. Defendant, Wal-Mart TRS, Inc. is a corporation incorporated in the state of Delaware. Its principal place of business is 702 SW 8th Street, Bentonville, Arkansas 72716. Defendant Wal-Mart Stores TRS, Inc. conducts extensive business throughout the United States, including in the State of Indiana. Wal-Mart Stores East, Limited Partnership may be served through its registered agent, CT Corporation System, 150 West Market Street, Suite 800, Indianapolis, Indiana, 46204.
- 20. Collectively, Wal-Mart Associates, Inc., <u>Wal-Mart.Com</u> USA, LLC, Wal-Mart Stores East, Inc., Wal-Mart Stores, Inc. Wal-Mart Stores East, LP, and Wal-Mart TRS, Inc. shall be referred to herein as "Defendants, "Wal-Mart" or "the Wal-Mart Defendants."

### III. JURISDICTION AND VENUE

- 21. This Court has subject matter jurisdiction over all of the claims of Plaintiff and Class Members pursuant to 28 U.S.C. § 1332(d) (CAFA) because there is minimal diversity of citizenship among the parties and the amount in controversy exceeds \$5 million, exclusive of interest and costs.
- 22. Venue is proper in this District under 28 U.S.C. § 1391 because Defendants engaged in substantial conduct relevant to Plaintiff and Class Members' claims within this District, and have caused harm to Plaintiff and Class Members residing within this District. Defendants received substantial compensation from Spring Valley Herbal Supplements sales in this District, and Defendants made misrepresentations and material omissions about Spring Valley Herbal Supplements in this District.

### IV. FACTUAL ALLEGATIONS: FDA REGULATIONS ON SUPPLEMENTS

- 23. Dietary supplements, including herbal supplements are regulated by the FDA pursuant to the Dietary supplement Health and Education Act of 1994. Although manufacturers and distributors are not required to get FDA approval before producing or selling dietary supplements, they must make sure that all claims and information on the product labeling is truthful and not misleading. 21 C.F.R. § 111.
- 24. FDA regulations also require that dietary supplements include a Statement of Identity that indicates a supplement's common or usual name (21 CFR 101.1 and 21 CFR 101.3).
- 25. Dietary supplements must also identify all ingredients on either an ingredient list or the supplemental facts panel on the labeling (21 CFR 101.4).
- 26. No Spring Valley Herbal Supplement was exempt from the above referenced requirements for dietary supplement product labeling.
- 27. This regulatory scheme is designed to protect consumers by ensuring dietary supplements contain the advertised ingredients and not undisclosed substitute or filler ingredients.

# V. THE WAL-MART DEFENDANTS' FRAUDULENT MARKETING OF SPRING VALLEY HERBAL SUPPLEMENTS

- 28. Wal-Mart has offered Spring Valley Herbal Supplements for sale both online and in stores to people seeking various health benefits.
- 29. Spring Valley Echinacea is labeled as the "#1 Vitamin Brand," "Natural" and "Whole Herb." It is advertised to support "Immune Health":



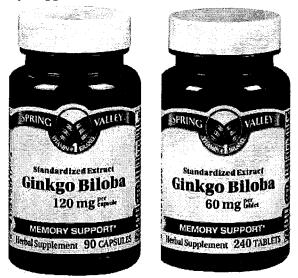
- 30. In direct contradiction to this labeling, Spring Valley Echinacea does not contain Echinacea or plant genetic material of any sort as shown by testing conducted by the New York State Attorney General's Office.
- 31. Spring Odorless Garlic is labeled as the "#1 Vitamin Brand." It is advertised to support "Heart Health":



32. In direct contradiction to this labeling, Spring Valley Garlic either does not contain garlic or contains less than 1/15 (one fifteenth) garlic as shown by testing conducted by the New York State Attorney General's Office:

Garlie: Qualified negative. While one of 15 tests did identify the presence of allium, it was clearly not predominate. The other tests identified oryza (x6), and pinus spp. Genetic material of palm, dracaena, wheat, and oryza was located, with only 1/15 of the tests identifying allium as present in the product. Ten of the 15-tests showed no identifiable genetic plant material.

33. Spring Valley Ginkgo Biloba is labeled as the "#1 Vitamin Brand." It is advertised to assist in "Memory Support":



34. In direct contradiction to this labeling, Spring Valley Ginkgo Biloba does not contain gingko biloba as shown by testing conducted by the New York State Attorney General's Office. Instead, Spring Valley Ginkgo Biloba contains rice, dracaena, mustard, wheat and/or radish:

Gingko Biloba. Negative. No gingko biloba DNA was identified. The only DNA identified was "oryza" (commonly known as rice) in 6 of the fifteen tests, with other tests identifying dracaena (a tropical houseplant), mustard, wheat, and radish. Four of the tests revealed no plant DNA whatsoever.

35. Spring Valley Ginseng is labeled as the "#1 Vitamin Brand." It is advertised to support "General Wellness":

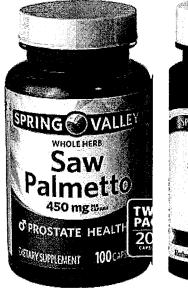


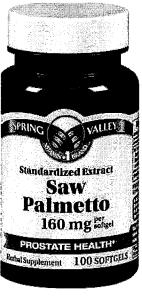


36. In direct contradiction to this labeling, Spring Valley Ginseng does not contain ginseng as shown by testing conducted by the New York State Attorney General's Office. Instead, Spring Valley Ginseng contains rice, dracaena, pinus strobus, wheat and/or grass:

Ginseng: Negative. No ginseng DNA was identified. The testing yielded identification of oryza, dracaena, pinus strobus, wheat/grass, and citrus spp., with 10 of the tests identifying no genetic material at all.

37. Spring Valley Saw Palmetto is labeled as the "#1 Vitamin Brand" and "whole herb." It is advertised to support "Prostate Health":



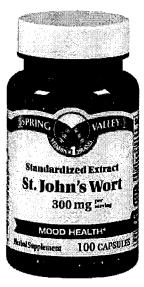


38. In direct contradiction to this labeling, Spring Valley Palmetto either does not

contain Saw Palmetto or contains less of Saw Palmetto than other ingredients as shown by testing conducted by the New York State Attorney General's Office. Instead Spring Valley Palmetto contains rice and/or garlic:

<u>Saw Palmetto:</u> Qualified negative. Three of 15 tests did identify the presence of saw palmetto, but it did not predominate. Three tests identified allium DNA, and six other tests identified the presence of oryza. Four tests were unable to identify any botanic DNA in the samples.

39. Spring Valley St. John's Wort is labeled as the "#1 Vitamin Brand." It is advertised to support "Mood Health":



40. In direct contradiction to this labeling, Spring Valley St. John's Wort does not contain St. John's Wort as shown by testing conducted by the New York State Attorney General's Office. Instead, Spring Valley St. John's Wort contains garlic, rice and/or cassava:

St. John's Wort. Negative. No St. John's Wort DNA was identified. Of the 15-tests performed, only four identified any DNA, and it included allium, oryza (x2), and cassava (garlie, rice, and a tropical root crop).

#### VI. DEFENDANTS' TARGETING OF CONSUMERS

41. Defendants' fraudulent, deceptive, and misleading marketing increased the sales of prescriptions of Spring Valley Herbal Supplements during the relevant time period. Because each Defendant withheld and misrepresented material information about the contents, ingredients, efficacy, and usefulness of Spring Valley Herbal Supplements, consumers did not

have the knowledge necessary to make informed decisions regarding purchasing and using Spring Valley Herbal Supplements. Plaintiff and Class Members, unaware of Defendants' scheme, purchased and used Spring Valley Herbal Supplements to confer the advertised health benefits, relying on many of the misrepresentations by Defendants. Defendants' promotion and marketing of Spring Valley Herbal Supplements based upon false promises of contents, ingredients, and efficacy has been highly successful, resulting in Defendants receiving millions of dollars in profits, representing ill-gotten gains to which Defendants were not entitled.

# VII. SPRING VALLEY HERBAL SUPPLEMENTS DO NOT CONTAIN ADVERTISED HERB AND DO NOT CONFER ADVERTISED BENEFITS

- 42. Defendants misrepresented that Spring Valley Herbal Supplements contained the advertised herbs and were effective in conferring various health benefits.
- 43. As it has come to light that Spring Valley Herbal Supplements do not contain the listed herbs, they cannot confer the various health benefits that are supposedly conferred by using Spring Valley Herbal Supplements.
- 44. Defendants omitted and/or fraudulently misrepresented the contents and efficacy of Spring Valley Herbal Supplements.
- 45. On February 2, 2015, the Office of the Attorney General for the State of New York issued a cease and desist notification to Wal-Mart for its Spring Valley Herbal Supplements. The Attorney General's Office notified Wal-Mart that its Spring Valley Herbal Supplements "were either unrecognizable or a substance other than what they claimed to be, and therefore fairly constitute contaminated or substituted products":

In an investigation recently conducted by the Attorney General's Office, six popular Walmart "Spring Valley" brand dictary supplement products were purchased at three different New York State locations and were then genetically tested five times per sample, yielding 90 results. The supplements tested included Gingko Biloba, St. John's Wort, Ginseng, Garlic, Echinacea, and Saw Palmetto. By using established DNA barcoding technology, analytic testing disclosed that all of the tested dictary supplement products were either unrecognizable or a substance other than what they claimed to be, and therefore fairly constitute contaminated or substituted products. Four (4) percent of the tests yielded DNA matching the product label; 40% tested for botanical material other than what was on the label; and 56% yielded no plant DNA at all.

- 46. Prior to this, studies conducted by the Centre for Biodiversity Genomics at the University of Guelph and others alerted the dietary supplement industry, including the Wal-Mart Defendants, that it is not providing the public with authentic herbal supplements without substitution, contamination or fillers.
- 47. According to the State of New York, Wal-Mart's failure "to clean up its practices" is "disappointing." According to the laws of the State of Indiana, it is illegal and tortious.
- 48. Defendants' advertising sought to create the image and belief by consumers that Spring Valley Herbal Supplements contained the listed herbs and that their use was an effective method of boosting their health, even though Defendants knew these assertions to be false and had no reasonable grounds to believe they were true.
- 49. Defendants concealed materially relevant information from potential Spring Valley Herbal Supplements users and from Plaintiff and Class Members.
- 50. Even after multiple notifications that Spring Valley Herbal Supplements do not contain the listed herbs, the Wal-Mart Defendants have failed and continue to fail to mention the absence of these herbs in their online and print advertising and labeling, and falsely represent the Spring Valley Herbal Supplements contain the listed herbs and are effective in conferring various health benefits. Had Defendants adequately disclosed the true facts associated with Spring Valley Herbal Supplements, consumers in Indiana would not have sought out and purchased anywhere near the volume of Spring Valley Herbal Supplements that is currently sold.
- 51. The absence of listed ingredients in Spring Valley Herbal Supplements and lack of efficacy are common to the entire class of Spring Valley Herbal Supplements users.

### VIII. DEFENDANTS' CONCEALMENT OF THEIR FRAUDULENT CONDUCT

- 52. The applicable statutes of limitations regarding the claims of Plaintiff and the Class Members have been tolled by Defendants' fraudulent concealment of their unlawful, conspiratorial deceit, as alleged in detail throughout this Complaint.
- 53. As evidenced by the allegations in this Complaint, Defendants have employed and continue to employ practices and techniques of secrecy in order to avoid detection of, and to fraudulently conceal, their deceptive and conspiratorial behavior regarding the contents and efficacy of Spring Valley Herbal Supplements.
- 54. Despite taking on the responsibility to reveal this information to the general public, Defendants have kept such information hidden.
- 55. As such, Plaintiff and the Class Members were not effectively alerted to the existence and scope of this industry-wide fraud and were not on notice of their potential claims until shortly prior to the filing of this Complaint.
- 56. Plaintiff and the Class Members could not have acquired such knowledge, through the exercise of reasonable diligence. Through their public statements, marketing and advertising, Defendants' self-concealing scheme and affirmative conduct to perpetuate their fraud deprived Plaintiff and the Class Members of actual or presumptive knowledge of facts sufficient to put them on notice as to their potential claims.
- 57. Any applicable statutes of limitation have been tolled by Defendants' knowing and active concealment and denial of the facts alleged herein. Plaintiff and the other Class Members have been kept in ignorance of vital information essential to the pursuit of these claims without any fault or lack of diligence on their part. Plaintiff and the other Class Members could not have reasonably discovered the fraudulent nature of Defendants' conduct. Accordingly, Defendants are

estopped from relying on any statute of limitations to defeat any of Plaintiff's or the other Class Members' claims.

- 58. Finally, Defendants concealed the absence of listed ingredients from Spring Valley Herbal Supplements, described above, which were known to Defendants. Plaintiff and Class Members could not have known nor could they have reasonably discovered Spring Valley Herbal Supplements' failure to contain the listed herbs and/or adulteration through the inclusion of filler and/or substitute ingredients, which were not generally known until very recently.
- 59. The accrual of all of Plaintiff's and Class Members' claims is tied to the revelation of Spring Valley Herbal Supplements' failure to contain the advertised ingredients. From an economic damages perspective, the degree to which Plaintiff and Class Members have been injured is based on the cost of Spring Valley Herbal Supplements. Plaintiff and Class Members did not discover their injury until the class wide issues of failure to include advertised ingredients in Spring Valley Herbal Supplements was revealed. These recent discoveries took place within the limitations period.

### IX. CLASS ACTION ALLEGATIONS

60. Plaintiff brings this suit as a Class action pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of a Class consisting of:

All natural persons in State of Indiana, who paid or incurred costs for the Spring Valley Herbal Supplements, for purposes other than resale. Excluded from the Class are employees of Defendants, including its officers or directors, and the Court to which this case is assigned.

61. The proposed Class is sufficiently numerous, as thousands of members of the Class were induced to purchase Spring Valley Herbal Supplements through Defendants' scheme. The Class Members are so numerous and dispersed throughout the United States that

joinder of all members is impracticable. The Class is composed of thousands of consumers, and the disposition of their claims in a Class action will benefit both the parties and the Court. Defendants sell hundreds of thousands of Spring Valley Herbal Supplements in the State of Indiana every year, and thus the Class is sufficiently numerous to make joinder impracticable, if not outright impossible. The Class Members can be identified by, *inter alia*, records maintained by Defendants.

- 62. Common questions of law and fact exist as to all members of the Class and predominate over any questions affecting solely individual members of the Class. Among the questions of law and fact common to the Class Members are:
  - a) Whether Defendants misrepresented the ingredients of Spring Valley Herbal Supplements;
  - b) Whether Defendants' acts and omissions violate, *inter alia*, the Indiana Deceptive Consumer Sales Act and common law claims;
  - c) Whether Defendants made material misrepresentations of fact, or omitted to state material facts regarding the effectiveness of Spring Valley Herbal Supplements in conferring various health benefits, which material misrepresentations or omissions operate as a fraud and deceit upon the Class;
  - d) Whether the Class Members paid more for Spring Valley Herbal Supplements than for other efficacious supplements that were available at a cheaper price;
  - e) Whether, in marketing and selling Spring Valley Herbal Supplements, Defendants failed to disclose the contents of Spring Valley Herbal Supplements to persons ingesting the supplements;
  - f) Whether Defendants misrepresented in their materials, among other things, the efficacy and convenience of Spring Valley Herbal Supplements; and
  - g) Whether Defendants knew or should have known that the Spring Valley Herbal Supplements do not contain the listed and advertised ingredients.
- 63. The conduct and patterns of conduct alleged herein, relating to the Wal-Mart Defendants' sale and marketing of Spring Valley Herbal Supplements, occurred between the date of Spring Valley Herbal Supplements initial sale by the Wal-Mart Defendants up to the

present day. The conduct and patterns of conduct alleged herein, relating to the sale and marketing of Spring Valley Herbal Supplements, took place throughout the Commonwealth of Kentucky, as well as various other territories and states.

### X. CLAIMS FOR RELIEF

## FIRST CLAIM FOR RELIEF Violation of Indiana Deceptive Consumer Sales Act IC 24-5-0.5, et seq.

herein.

- 64. Plaintiff repeats and realleges each of the preceding paragraphs, as if fully set forth
- 65. The Wal-Mart Defendants engaged in deceptive or unfair acts or practices in violation of the Indiana Deceptive Consumer Sales Act IC24-5-0.5, et seq. when the Wal-Mart Defendants knowingly and intentionally made numerous misrepresentations regarding the contents, ingredients, efficacy, effectiveness, and usefulness of Spring Valley Herbal Supplements, including:
  - a. Labeling Spring Valley Echinacea as "Natural Echinacea";
  - b. Labeling Spring Valley Echinacea as "Natural Echinacea Golden Seal Complex";
    - c. Labeling Spring Valley Echinacea as "Whole Herb;"
    - d. Labeling Spring Valley Echinacea as supporting "Immune Health;"
    - e. Labeling Spring Valley Garlic as "Odorless Garlic;"
    - f. Labeling Spring Valley Garlic as supporting "Heart Health;"
    - g. Labeling Spring Valley Ginkgo Biloba as "Ginkgo Biloba;"
    - h. Labeling Spring Valley Ginkgo Biloba as supporting "Memory Support;"
    - i. Labeling Spring Valley Ginseng as "Korean Panax Ginseng;"
    - j. Labeling Spring Valley Ginseng as supporting "General Wellness;"

- k. Labeling Spring Valley Saw Palmetto as "Saw Palmetto;"
- 1. Labeling Spring Valley Saw Palmetto as "Whole Herb;"
- m. Labeling Spring Valley Saw Palmetto as supporting "Prostate Health;"
- n. Labeling Spring Valley St. John's Wort as "St. John's Wort;" and
- o. Labeling Spring Valley St. John's Wort as supporting "Mood Health."
- 66. These material representations made by the Wal-Mart Defendants were false as proven by testing conducted by the New York State Attorney General's Office.
- 67. When the Wal-Mart Defendants made these material representations they knew they were false, and/or they made the material representations recklessly without any knowledge of their truth and with a positive assertion.
- 68. The Plaintiff and Class Members were induced to purchase Spring Valley Herbal Supplements for personal use by relying on the statements and representations made by the Wal-Mart Defendants that were false, misleading, and deceptive in violation of Indiana law as set forth in IC 24-5-0.5 et seq. because the Spring Valley Herbal Supplements do not contain the advertised herb, contain ingredients that are not listed on the ingredient list or supplement panel, and do not provide any of the benefits represented by the Wal-Mart Defendants as set forth in detail above.
- 69. The unfair, false, misleading, and deceptive practices of the Wal-Mart Defendants did cause the Plaintiff and the Class to incur actual damages, including financial loss, loss of the benefit of a genuine supplement, and expenses.
- 70. As a result of Defendants' violations of IC 24-5-0.5 et seq, Defendants have been unjustly enriched at the expense of Plaintiff and Class Members. Absent Defendants' unlawful, fraudulent, and deceptive conduct, Plaintiff and Class Members would not have purchased Spring Valley Herbal Supplements.

- 71. The deceptive acts of Defendants have injured and present a continuing injury and threat of injury to Plaintiff and Class Members in that Defendants' conduct has proximately caused Plaintiff and Class Members to pay for Spring Valley Herbal Supplements.
- 72. As alleged herein, Defendants have been unjustly enriched as a result of this unfair marketing. Plaintiff and Class Members are accordingly entitled to actual damages, equitable relief, including restitution and/or disgorgement of all revenues, earnings, profits, compensation and benefits which may have been obtained by Defendants as a result of such business acts or practices, and punitive or exemplary damages, in addition to any other remedy allowable at law.

# SECOND CLAIM FOR RELIEF Fraud

- 73. Plaintiff repeats and realleges each of the preceding paragraphs, as if fully set forth herein.
- 74. Plaintiff and Class Members assert a common law fraud claim under Indiana law against the Wal-Mart Defendants
- 75. The Wal-Mart Defendants knowingly made false representations or omissions of material fact for the purpose of inducing Plaintiff and Class Members to act thereon when the Wal-Mart Defendants knowingly and intentionally misrepresented the contents, ingredients, efficacy, effectiveness, and usefulness of Spring Valley Herbal Supplements.
- 76. The Wal-Mart Defendants' false representations and omissions of material fact were false and were known to be false or known to have been asserted without knowledge of their truth by the Wal-Mart Defendants.
- 77. The Wal-Mart Defendants intended Plaintiff and Class Members to rely on the Wal-Mart Defendants' false representations or omissions of material fact to induce Plaintiff and

Class Members to purchase and consume Spring Valley Herbal Supplements. This reliance was at Plaintiff's and Class Members' detriment.

- 78. The Wal-Mart Defendants' false representations or omissions of material fact made with the intent to defraud caused Plaintiff's and Class Members' injuries.
- 79. Plaintiff and Class Members were injured as a result of the Wal-Mart Defendants' fraudulent representations or omissions, and are entitled to compensatory damages, exemplary and/or punitive damages, to the extent allowable at law, costs and attorney's fees, as well as any other damages or relief allowable at law.

# THIRD CLAIM FOR RELIEF Breach of Express Warranty

- 80. Plaintiff incorporates by reference all preceding paragraphs as if fully set forth herein.
- 81. The Wal-Mart Defendants did expressly warrant to consumers, including Plaintiff and the Class, that Spring Valley Herbal Supplements contained advertised ingredients and were effective in conferring various health benefits, including by:
  - a. Labeling Spring Valley Echinacea as "Natural Echinacea";
  - b. Labeling Spring Valley Echinacea as "Natural Echinacea Golden Seal Complex;"
  - c. Labeling Spring Valley Echinacea as "Whole Herb;"
  - d. Labeling Spring Valley Echinacea as supporting "Immune Health;"
  - e. Labeling Spring Valley Garlic as "Odorless Garlic;"
  - f. Labeling Spring Valley Garlic as supporting "Heart Health;"

- g. Labeling Spring Valley Ginkgo Biloba as "Ginkgo Biloba;"
- h. Labeling Spring Valley Ginkgo Biloba as supporting "Memory Support;"
- i. Labeling Spring Valley Ginseng as "Korean Panax Ginseng;"
- j. Labeling Spring Valley Ginseng as supporting "General Wellness;"
- k. Labeling Spring Valley Saw Palmetto as "Saw Palmetto;"
- 1. Labeling Spring Valley Saw Palmetto as "Whole Herb;"
- m. Labeling Spring Valley Saw Palmetto as supporting "Prostate Health";
- n. Labeling Spring Valley St. John's Wort as "St. John's Wort;" and
- o. Labeling Spring Valley St. John's Wort as supporting "Mood Health."
- 82. The Plaintiff and the Class did rely on these affirmations of fact and promises made by the Wal-Mart Defendants when they purchased and ingested Spring Valley Herbal Supplements to confer various health benefits.
- 83. The Wal-Mart Defendants breached the express warranties it made to the Plaintiff and Class in that the Spring Valley Herbal Supplements sold by the Wal-Mart Defendants did not contain the advertised ingredients, were adulterated as a result of the use of substitute or filler ingredients, and/or did not confer the advertised health benefits.
- 84. As a direct and proximate result of the Plaintiff's and the Class' reliance on these affirmations of fact and promises made by the Wal-Mart Defendants, Plaintiff and the Class suffered damages.

# FOURTH CLAIM FOR RELIEF Breach of Implied Warranty

- 85. Plaintiff incorporates by reference all preceding paragraphs as if fully set forth herein.
  - 86. The Wal-Mart Defendants are merchants with respect to herbal supplements like

the Spring Valley Herbal Supplements purchased by the Plaintiff and the Class.

- 87. The Wal-Mart Defendants impliedly warranted that the Spring Valley Herbal Supplements were merchantable.
- 88. The Wal-Mart Defendants breached their implied warranty of merchantability to the Plaintiffs and Class in that the Spring Valley Herbal Supplements which were sold by the Wal-Mart Defendants were unmerchantable because:
  - a. The Spring Valley Herbal Supplements were not effective for their intended use;
  - b. The Spring Valley Herbal Supplements were not adequately packaged and labeled;
  - c. The Spring Valley Herbal Supplements did not conform to statements made on the labels.
- 89. As a direct and proximate result of the breach of the implied warranty of merchantability by the Wal-Mart Defendants, the Plaintiff and the Class suffered damages.

# FIFTH CLAIM FOR RELIEF Breach of Implied Warranty of Fitness for Particular Purpose

- 90. Plaintiff incorporates by reference all preceding paragraphs as if fully set forth herein.
- 91. The Wal-Mart Defendants are merchants with respect to herbal supplements like the Spring Valley Herbal Supplements purchased and ingested by the Plaintiff and the Class and they impliedly warranted that the Spring Valley Herbal Supplements were fit for the particular purpose of being ingested to confer health benefits.
- 92. The Wal-Mart Defendants knew or had reason to know of the purposes for which the Spring Valley Herbal Supplements would be used by consumers including the Plaintiff and

Class, and that purpose included supplementing certain herbal intake to confer health benefits.

- 93. The Plaintiff and the Class relied on the skill and judgment of the Wal-Mart Defendants when they selected herbal supplements that they believed to be appropriate for use in supplementing herbal intake and conferring health benefits.
- 94. The Wal-Mart Defendants breached their implied warranty of fitness for a particular purpose to the Plaintiff and Class in that the Spring Valley Herbal Supplements were defective because they did not contain the advertised ingredients, were adulterated as a result of the inclusion of unlisted substitute or filler ingredients, and/or did not confer the advertised health benefits.
- 95. As a direct and proximate result of the breach of the implied warranty of fitness for a particular purpose by the Wal-Mart Defendants, the Plaintiff and the Class suffered damages.

# SIXTH CLAIM FOR RELIEF Restitution/Disgorgement for Unjust Enrichment

- 96. Plaintiff incorporates by reference all preceding paragraphs as if fully set forth herein.
- 97. Defendants have been and continue to be enriched by their fraudulent acts and/or omissions alleged herein for Indiana wherein Class Members reside.
- 98. In exchange for payments they made for Spring Valley Herbal Supplements and at the time these payments were made, Plaintiff and Class Members expected that the Spring Valley Herbal Supplements contained the advertised herbs and were a safe and medically effective supplement for treating various conditions, illnesses, disorders, or symptoms.
- 99. Defendants voluntarily accepted and retained these payments with full knowledge and awareness that, as a result of their wrongdoing, Plaintiff and Class Members paid for Spring

Valley Herbal Supplements when they otherwise would not have done so and paid for the Spring Valley Herbal Supplements at a higher price than would have been paid for but for Defendants' wrongful conduct.

- 100. These fraudulent acts and omissions allow Defendants to gain millions of dollars in profits that would not have been gained but for Defendants' fraudulent acts and omissions
- 101. Plaintiff and Class Members and those similarly situated paid and continue to pay Defendants an amount that exceeds the value of the products identified herein as a result of Defendants' fraudulent acts and omissions.
- 102. Plaintiffs and the Class Members suffered damages due to Defendants' acts and omissions as alleged herein.
- 103. Defendants have and continue to be unjustly enriched as a result of their fraudulent acts and omissions.
- 104. Defendants lack any legal justification for engaging in a course of fraudulent acts and omissions as alleged herein at Plaintiff and the Class' expense.
- 105. No other remedy at law can adequately compensate Plaintiff and Class Members for the damages occasioned by Defendants' conscious choice to engage in a course of fraudulent acts and omissions.
- 106. Plaintiff and Class Members are entitled in equity to seek restitution of Defendants' wrongful profits, revenues, and benefits to the extent and in the amount, deemed appropriate by the Court and such other relief as the Court deems just and proper to remedy Defendants' unjust enrichment.

## SEVENTH CAUSE OF ACTION Equitable Relief

- 107. Plaintiff incorporates by reference all preceding paragraphs as if fully set forth herein.
- 108. Defendants are under a legal duty imposed by the FDA to advise consumers of the ingredients of their Spring Valley Herbal Supplements. Such communication, however, is limited to future labeling. No notice is going to be provided to the proposed Class herein.
- 109. Pursuant to the equitable relief provisions of Indiana law, Plaintiff seeks temporary and/or permanent injunctive relief directing Defendants to notify in writing, and through other appropriate forms of notice, all members of the class as to the true contents and ingredients of the Spring Valley Herbal Supplements.
- 110. Without such notice, Plaintiff and the Class risk irreparable harm in paying for and using Spring Valley Herbal Supplements believing that they contain ingredients that they do not and that they confer health benefits that they do not.
- 111. The equitable relief sought pursuant to the applicable Indiana laws is within the jurisdiction of this Honorable Court. The proposed notice class meets the requirements of FRCP 23. Under this claim, Plaintiff seeks no monetary damages on behalf of the proposed class. As noted herein, the proposed class meets the requirements of Rule 23. As such, equitable relief under Rule 23 is appropriate and a class should be certified for the purposes of notice to consumers as set forth herein.

### XI. DEMAND FOR RELIEF

WHEREFORE, Plaintiff and Class Members demand judgment against Defendants, jointly and severally, as follows:

- a) On Plaintiff's First, Second, Third, Fourth and Fifth Claims for Relief, an award to each Plaintiff of the maximum allowable damages under such statute(s) or laws, including but not limited to compensatory and punitive damages;
- b) On Plaintiff's Sixth Claim for Relief, an award to each Plaintiff of disgorgement of all sums improperly received by Defendants;
- c) On Plaintiff's Seventh Claim for Relief, all the equitable relief allowed;
- d) An award of prejudgment interest in the maximum amount allowable by law;
- e) An award to Plaintiff of her costs and expenses in this litigation and reasonable attorney fees and expert fees and expenses; and,
- f) An award to Plaintiff of such other and further relief as may be just and proper under the circumstances.

### **DEMAND FOR JURY TRIAL**

Plaintiff demands a trial by jury on all issues so triable.

Dated this 15<sup>th</sup> day of February 2015.

pactfully submitted

Variessa B. Cantley Nathando. Williams

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Counsel for Plaintiff

The JS 44 (Rev. 12/12)

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

I. (a) PLAINTIFFS Erika Strojny Myers		15 FEB 17 AT	DEFENDANT Wal-Mart Stores,	S Inc. et al	
,,,,		SOUTHLAND	TRICT	mon, or an	
(b) County of Residence	of First Listed Plaintiff EXCEPT IN U.S. PLAINTIFF (	Washington	그층	e of First Listed Defendant	Benton County, Arkansas
·		ween all the	NOTE: IN LAND O	CONDEMNATION CASES, USE TOF LAND INVOLVED.	•
(c) Attomeys (Firm Name, John L. Smith, Faith Ingl	Address, and Telephone Numb	ber)	Attorneys (If Known	)	
47150; Vanessa B. Can Louisville, KY 40202	ley, 312 South Fourth	Street, 6th Floor,	4:15	-cv- 019	TWP -TAB
II. BASIS OF JURISD	ICTION (Place an "X" in	One Box Only)	III. CITIZENSHIP OF I		
☐ 1 U.S. Government Plaintiff	☐ 3 Federal Question (U.S. Government)	t Not a Party)		PTF DEF  I I Incorporated or P  of Business In	
☐ 2 U.S. Government Defendant	2 4 Diversity (Indicate Citizens)	hip of Parties in Item III)	Citizen of Another State	2 Incorporated and of Business In	
				3 G 3 Foreign Nation	□ 6 □ 6
IV. NATURE OF SUI	$\Gamma$ (Place an "X" in One Box O	Inly)	Foreign Country		
CONTRACT  110 Insurance					
☐ 120 Marine	PERSONAL INJURY  ☐ 310 Airplane	PERSONAL INJURY  365 Personal Injury -	√ ☐ 625 Drug Related Seizure of Property 21 USC 881	☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal	☐ 375 False Claims Act ☐ 400 State Reapportionment
130 Miller Act	☐ 315 Airplane Product	Product Liability	☐ 690 Other	28 USC 157	410 Antitrust
140 Negotiable Instrument	Liability	☐ 367 Health Care/			☐ 430 Banks and Banking
<ul> <li>150 Recovery of Overpayment</li> <li>&amp; Enforcement of Judgment</li> </ul>	☐ 320 Assault, Libel & Slander	Pharmaceutical Personal Injury		■ PROPERTY RIGHTS ■ 820 Copyrights	☐ 450 Commerce ☐ 460 Deportation
☐ 151 Medicare Act	330 Federal Employers'	Product Liability		☐ 830 Patent	☐ 470 Racketeer Influenced and
☐ 152 Recovery of Defaulted	Liability	☐ 368 Asbestos Personal		☐ 840 Trademark	Corrupt Organizations
Student Loans	☐ 340 Marine	Injury Product			☐ 480 Consumer Credit
(Excludes Veterans)  153 Recovery of Overpayment	☐ 345 Marine Product Liability	Liability PERSONAL PROPER		SOCIAL SECURITY 861 HIA (1395ff)	
of Veteran's Benefits	☐ 350 Motor Vehicle	370 Other Fraud	Act Act	☐ 862 Black Lung (923)	☐ 850 Securities/Commodities/ Exchange
☐ 160 Stockholders' Suits	☐ 355 Motor Vehicle	371 Truth in Lending	☐ 720 Labor/Management	☐ 863 DIWC/DIWW (405(g))	☐ 890 Other Statutory Actions
190 Other Contract	Product Liability	380 Other Personal	Relations	☐ 864 SSID Title XVI	☐ 891 Agricultural Acts
☐ 195 Contract Product Liability ☐ 196 Franchise	360 Other Personal Injury	Property Damage  385 Property Damage	☐ 740 Railway Labor Act ☐ 751 Family and Medical	☐ 865 RSI (405(g))	☐ 893 Environmental Matters ☐ 895 Freedom of Information
	362 Personal Injury -	Product Liability	Leave Act		Act
	Medical Malpractice	•	☐ 790 Other Labor Litigation		☐ 896 Arbitration
REAL PROPERTY  210 Land Condemnation		PRISONER PETITION	, J	FEDERAL TAX SUITS	-
☐ 220 Foreclosure	☐ 440 Other Civil Rights ☐ 441 Voting	Habeas Corpus:  463 Alien Detainee	Income Security Act	☐ 870 Taxes (U.S. Plaintiff	Act/Review or Appeal of
☐ 230 Rent Lease & Ejectment	442 Employment	510 Motions to Vacate		or Defendant)  ☐ 871 IRS—Third Party	Agency Decision  ☐ 950 Constitutionality of
☐ 240 Torts to Land	443 Housing/	Sentence	į	26 USC 7609	State Statutes
☐ 245 Tort Product Liability	Accommodations	☐ 530 General			
☐ 290 All Other Real Property	445 Amer. w/Disabilities - Employment	535 Death Penalty Other:	IMMIGRATION  ☐ 462 Naturalization Application	4	i
	☐ 446 Amer. w/Disabilities -		465 Other Immigration		
	Other	550 Civil Rights	Actions	1	İ
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	128 U.S.C. 1332(d)	tute under which you are ) (CAFA), 28 U.S.C.	filing (Do not cite jurisdictional state	utes unless diversity);	
VI. CAUSE OF ACTIO	Brief description of ca	use:	·	· · ·	
		<del></del>	mer Sales Act, breach of w		
VII. REQUESTED IN COMPLAINT:	OCHECK IF THIS UNDER RULE 23	IS A CLASS ACTION 3, F.R.Cv.P.	DEMAND \$	CHECK YES only i JURY DEMAND:	if demanded in complaint:  ☑ Yes ☐ No
VIII. RELATED CASE IF ANY	(See instructions):	JUDGE		DOCKET NUMBER	
DATE		SIGNATURE OF ATX	SEV OF RECORD		
02/15/2015		SIGNATIONE OF ATA			
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