	Case3:15-cv-03952 Document1	Filed08/28/15 Page1 of 24				
1 2 3 4 5 6 7 8 9 10 11	Laurence D. King (SBN 206423) Linda M. Fong (SBN 124232) Matthew B. George (SBN 239322) Mario M. Choi (SBN 243409) KAPLAN FOX & KILSHEIMER LLP 350 Sansome Street, Suite 400 San Francisco, CA 94104 Telephone: 415-772-4700 Facsimile: 415-772-4707 Email: <u>lking@kaplanfox.com</u> <u>lfong@kaplanfox.com</u> <u>mgeorge@kaplanfox.com</u> <u>mchoi@kaplanfox.com</u> Frederic S. Fox (<i>pro hac vice</i> to be filed) Donald R. Hall (<i>pro hac vice</i> to be filed) KAPLAN FOX & KILSHEIMER LLP 850 Third Avenue, 14 th Floor New York, NY 10022 Telephone: 212-687-1980 Facsimile: 212-687-7714 Email: <u>ffox@kaplanfox.com</u>					
13 14	Attorneys for Plaintiff COLLEEN GALLAGHER					
		S DISTRICT COURT				
5	NORTHERN DISTR	RICT OF CALIFORNIA				
 16 17 18 19 20 21 22 23 24 25 26 27 28 	COLLEEN GALLAGHER, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. CHIPOTLE MEXICAN GRILL, INC., a Delaware Corporation, Defendant.	Case No. 15-CV-3952 CLASS ACTION COMPLAINT FOR VIOLATION OF: 1. Consumer Legal Remedies Act, Cal. Civ. Code §§ 1750, <i>et seq.</i> ; 2. False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, <i>et seq.</i> ; and 3. Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, <i>et seq.</i> DEMAND FOR JURY TRIAL				
20	CLASS ACTION COMPLAINT Case No. 15-CV-3952					

l

Case3:15-cv-03952 Document1 Filed08/28/15 Page2 of 24

Plaintiff Colleen Gallagher ("Plaintiff"), by and through her attorneys, individually and on behalf of all others similarly situated, brings this Class Action Complaint ("Complaint") against Defendant Chipotle Mexican Grill, Inc., a Delaware corporation ("Chipotle" or "Defendant"), and makes the following allegations based upon knowledge as to herself and her own acts, and upon information and belief as to all other matters, as follows:

INTRODUCTION

1. This is a class action brought by Plaintiff individually and on behalf of all other individuals similarly situated in California who purchased or paid for Chipotle food and beverage products ("Food Products") marketed, advertised, and/or sold by Defendant during the period from April 27, 2015 to the present (the "Class Period").

2. Chipotle owns and operates a nationwide chain of casual Mexican fast-food restaurants that sell four main menu items: burritos, burrito bowls (a burrito without the tortilla), tacos, and salads. Since 2009, Chipotle has marketed itself as serving "Food With Integrity," and sets itself apart from other fast-food chain competitors by claiming to serve locally-sourced produce, antibiotic and hormone free livestock raised in humane conditions, and produce farmed using environmentally-friendly techniques. Chipotle claims that "[w]ith every burrito we roll or bowl we fill, we're working to cultivate a better world."

3. Chipotle has carefully tailored its public image by marketing to healthy-lifestyle and environmentally conscious consumers that it knows are willing to pay premium prices for its food products because they align with the consumers' ethical eating choices. As part of this public image, beginning in 2013, Chipotle began listing its food ingredients on its website, indicating whether an ingredient was organic, locally produced, had a preservative, or contained a genetically modified organism ("GMO").

4 4. The potential health impact of GMOs has been the subject of much scrutiny and debate within the food and science industries, but Chipotle knows customers attach an unhealthy, negative perception towards them. Capitalizing on this perception, in April 2015, Chipotle took the unprecedented step among fast-food restaurants by launching a multi-media publicity campaign touting that it was the "first national company" in the food industry to serve a menu devoid of

Case3:15-cv-03952 Document1 Filed08/28/15 Page3 of 24

GMOs.¹ Chipotle has plastered its GMO-free message on television commercials, billboards, social media, store fronts, and in-store signage. Chipotle represents to customers that, if they eat at Chipotle, they will not be eating GMOs. Chipotle's marketing campaign has been a resounding success for the company, which saw a 100+ point jump in its stock price on the New York Stock Exchange in the four months since its public announcement.

6 5. But as Chipotle told consumers it was "G-M-Over it," the opposite was true. In 7 fact, Chipotle's menu has never been at any time free of GMOs. Among other things, Chipotle 8 serves meat products that come from animals which feed on GMOs, including corn and soy. 9 Chipotle's tacos and burritos are also usually served with sour cream and cheese from dairy farms 10 that feed animals with GMOs. And, Chipotle also sells Coca-Cola and other soft drinks that are made with corn-syrup—a GMO. While Chipotle knows that its menu contains ingredients with 12 GMOs, it takes no meaningful steps to clarify consumer misconceptions in its advertisements and 13 on its billboards, both in stores and in print, which instead say "all" of the ingredients used in its 14 Food Products are "non-GMO". A "Chipotle meal was, and remains, the very definition of a GMO meal...."2 15

16 6. As a result of Chipotle's conduct, customers like Plaintiff Gallagher have been deceived into buying Chipotle's food, or paying more for Chipotle products than they would have otherwise paid. Accordingly, Plaintiff brings a proposed class action against Chipotle arising from Chipotle's deceptive conduct that seeks damages, restitution and/or disgorgement of Chipotle's profits, injunctive and other equitable relief.

PARTIES

22 7. Plaintiff Colleen Gallagher is a resident of Piedmont, California. She purchased 23 Chipotle's Food Products, relying on Defendant's "Food With Integrity" campaign and believing 24 that its Food Products were a healthy alternative based on Chipotle's representations. Plaintiff in

http://www.science20.com/jon_entine/chipotles_gmo_gimmick_turned_them_into_the_public_fac 28 e of science illiteracy-155328.

1

2

3

4

5

11

17

18

19

20

21

25

¹ See Food With Integrity, G-M-Over It, Chipotle, <u>http://chipotle.com/gmo</u> (last accessed Aug. 25, 2015).

² Jon Entine, Chipotle's GMO Gimmick Turned Them Into The Public Face Of Science Illiteracy, Science 2.0 (May 5, 2015, 7:30 AM), 27

Case3:15-cv-03952 Document1 Filed08/28/15 Page4 of 24

particular further relied on the representation that Defendant's Food Products did not contain any GMO ingredients, having seen or heard advertisements, and in-store signage, that Chipotle used "only non-GMO ingredients," in deciding to continue her purchases at Chipotle. Plaintiff would not have purchased from Defendant at the price she had paid, or purchased it at all, had she known that the representations made concerning Defendant's Food Products were materially false and misleading.

8. Defendant Chipotle Mexican Grill, Inc., is a Delaware corporation headquartered in Denver, Colorado. Founded in 1993, Chipotle develops and operates fast-casual and fresh Mexican food restaurants. As of December 31, 2014, Chipotle has over 1,780 restaurants throughout the United States, with 325 restaurants in California alone. Chipotle has reported revenues of \$1.07 billion.

JURISDICTION AND VENUE

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332, as amended by the Class Action Fairness Act of 2005, because the matter in controversy exceeds \$5,000,000, exclusive of interest and costs, and is a class action in which some members of the Class are citizens of different states than the Defendant. *See* 28 U.S.C. § 1332(d)(2)(A). This Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

10. This Court has personal jurisdiction over Defendant because Defendant is authorized to do business and does conduct business in California, has specifically marketed, advertised, and sold its Food Products in California, and has sufficient minimum contacts with this state and/or sufficiently avail itself of the markets of this state through its promotion, sales, and marketing within this state to render the exercise of jurisdiction by this Court permissible.

11. Venue in this Court is proper pursuant to 28 U.S.C. § 1391 because Defendant does
business in this District, has intentionally availed itself of the laws and markets within this District
through the promotion, marketing, distribution and sale of its Food Products in this District, and a
significant portion of the facts and circumstances giving rise to Plaintiff's Complaint occurred in or
emanated from this District.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

12. Pursuant to Civil L.R. 3-2(c), an intra-district assignment to the San Francisco/Oakland Division is appropriate because a substantial part of the events or omissions which give rise to the claims asserted herein occurred in this Division, including that Plaintiff purchased Food Products from a Chipotle restaurant in Alameda County.

FACTUAL ALLEGATIONS

6

I.

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

Genetically Modified Organisms

13. For over 14,000 years, humans have domesticated plants, such as wheat and maize, and animals, including cattle, dogs, and sheep, to develop desired genetic traits through a process of selective breeding (also known as artificial selection).³ Selective breeding differs from traditional breeding, which involves the exchange of large, unregulated chunks of their genomes and can lead to unpredictable and unwanted traits in the offspring. However, selective breeding takes time and may require multiple generations of crossing genes to produce the desired genetic trait (such as bigger, better tasting corn kernels).⁴

14. With advances in technology, new techniques have been applied in the laboratory that obtain faster results in getting desired genetic traits. Now, genes that express a desired trait can be physically moved or added to a new organism to enhance the trait in that organism.⁵ Also known as genetic engineering or genetic modification,⁶ this technique allows new traits to be introduced one at a time without unwanted complications from extra genes and extensive crossbreeding.⁷ A GMO, also known as a transgenic organism, is the term used for any organism whose genetic material has been altered using these genetic engineering techniques.

- 21 22
- 23
- ___
- 24 25

26

27

³ See Genetically modified organism, Wikipedia, <u>https://en.wikipedia.org/wiki/Genetically_modified_organism</u> (last accessed Aug. 7, 2015).

⁴ See Genetically Modified Organisms (GMO), University of California San Diego, <u>http://www.bt.ucsd.edu/gmo.html</u> (last accessed Aug. 7, 2015).

⁵ *Id*.

⁶ See GMO Education, Institute for Responsible Technology, <u>http://www.responsibletechnology.org/gmo-education</u> (last accessed Aug. 7, 2015).

28 ⁷ <u>http://www.bt.ucsd.edu/gmo.html</u>.

Case3:15-cv-03952 Document1 Filed08/28/15 Page6 of 24

15. Today, GMOs are used in biological and medical research, production of pharmaceutical drugs, experimental medicine, and agriculture.⁸ Genetically modified crops are engineered to, among other things, resist certain pests, diseases, or environmental conditions, reduce spoilage, increase size and yield, taste and look better, and resist chemical treatments. As of 2010, 10% of the world's croplands are planted with genetically modified crops.⁹ In the United States, as of 2015, 94% of the planted area of soybeans, 95% of cotton, and 92% of corn were genetically modified varieties.¹⁰ Other common genetically modified crops include alfalfa, canola, papaya, sugar beets, zucchini, and yellow summer squash.¹¹

16. Since 1996, farmers in animal agriculture (including poultry) have optimized GMOs by feeding genetically modified grains (corn) and oilseeds (soybean) to their flocks and herds.¹² Because more than 80% of the corn and soybeans in the United States are raised from genetically modified seeds, almost all corn and soybean used in conventional livestock and poultry feed is genetically modified.¹³ In addition, other genetically modified crops such as cotton, canola, sugar beets, and alfalfa are commonly used in animal feed.¹⁴ Consequently, most meat and dairy products contain GMOs due to the feed consumed by livestock and poultry.

16 17. While the safety or health impact of food and other goods derived from genetically
17 modified crops has been and continues to be hotly debated,¹⁵ according to a January 29, 2015 Pew

- ⁸ <u>https://en.wikipedia.org/wiki/Genetically_modified_organism</u>.
- ⁹ Id.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

18

19

20

21

¹⁰ Adoption of Genetically Engineered Crops in the U.S., United States Department of Agriculture Economic Research Service (July 9, 2015), <u>http://www.ers.usda.gov/data-products/adoption-of-genetically-engineered-crops-in-the-us.aspx</u>.

22 ¹¹ See What is GMO? Agricultural Crops That Have a Risk of Being GMO, Non-GMO Project, <u>http://www.nongmoproject.org/learn-more/what-is-gmo/</u> (last accessed Aug. 7, 2015).

¹² See Genetically Modified Organism (GMO) Use in the Chicken Industry, National Chicken Council (July 5, 2013), <u>http://www.nationalchickencouncil.org/genetically-modified-organism-gmo-use-in-the-chicken-industry/</u>.

¹³ *Id*.

¹⁴ See Ryan Beville, *How Pervasive are GMOs in Animal Feed?*, GMO Inside Blog (July 16, 2013), <u>http://gmoinside.org/gmos-in-animal-feed/</u>.

 ¹⁵ Compare, e.g., European Commission, A Decade of EU-funded GMO Research (2001-2010), <u>http://ec.europa.eu/research/biosociety/pdf/a_decade_of_eu-funded_gmo_research.pdf</u> (last accessed Aug. 7, 2015) ("The main conclusion to be drawn from the efforts of more than 130 research projects, covering a period of more than 25 years of research, and involving more than Research Center survey, only 37% of the general public believes that "it is generally safe to eat genetically modified (GM) foods."16

3

1

2

4

5

6

7

8

9

Because the safety (or benefit) of eating genetically modified foods has been 18. questioned, and the perception that GMOs are unnatural and harm the environment has persisted, consumers who are health and environmentally conscious have sought products that are non-GMO. As a result, companies have created a \$5 billion (and fast growing) market for products without GMOs¹⁷ and consumers are willing to pay the higher costs associated with non-GMO products due to the negative perception of genetically modified foods and because GMO-free ingredients are often more expensive.¹⁸

- 10
- 11

II.

Chipotle's Advertising and Marketing

A. **Chipotle's "Food With Integrity" Campaign**

12 19. Since 2009, Chipotle has marketed, sold, and prided itself on serving "Food With 13 Integrity,"¹⁹ promoting its brand and Food Products as a leader in healthier food and ethical 14 farming practices. In addition to print, outdoor, transit and radio ads, Chipotle conducts online 15 advertising and strategic promotions to demonstrate its "Food With Integrity" mission. Chipotle's 16 video and music programs, events and festivals such as its "Cultivate Festival," and digital, mobile, and social media campaigns (such as its three-minute "The Scarecrow" and two-minute "Back to 17 18 the Start" Youtube.com campaigns) have permitted Chipotle to differentiate itself from other fast-19 food companies as the industry leader in being health and environmentally conscious. In 2014 20 alone, Chipotle spent over \$57 million in advertising and marketing costs in the United States. 21 500 independent research groups, is that biotechnology, and in particular GMOs, are not per se more risky than e.g. conventional plant breeding technologies."), with GMO Facts, Non GMO 22 Project, http://www.nongmoproject.org/learn-more/ (last accessed Aug. 7, 2015) ("Meanwhile, a growing body of evidence connects GMOs with health problems, environmental damage and 23 violation of farmers' and consumers' rights."). ¹⁶ Cary Funk and Lee Rainie, *Public and Scientists' Views on Science and Society*, Pew Research 24 Center (Jan. 29, 2015), http://www.pewinternet.org/files/2015/01/PI ScienceandSociety Report 012915.pdf. 25 ¹⁷ Marv Beth Schweigert, GMO Free Comes at a Price, Gluten-Free Living (Nov. 25, 2014), 26 http://www.glutenfreeliving.com/gluten-free-lifestyle/non-gmo/gmo-free-comes-at-price/. 18 Id

27

¹⁹ See Day After Day, We're Committed, Chipotle, <u>http://chipotle.com/food-with-integrity</u> (last accessed Aug. 25, 2015).

Case3:15-cv-03952 Document1 Filed08/28/15 Page8 of 24

20. Chipotle claims that that it is "all about simple, fresh food without artificial flavors or fillers," that it serves "more local produce than any restaurant company in the U.S.," that it is "serious about pasture-raised animals that have room to be animals," and that there is "no place for nontherapeutic antibiotics and synthetic hormones on the farms that produce" Chipotle's ingredients. Chipotle's "Food with Integrity" principle purportedly led it to stop serving pork in some of its restaurants after it found that suppliers were not meeting its pork production standards.²⁰

21. Beginning in March 2013, Chipotle released a comprehensive list of all of its ingredients on its online website, which was reportedly a first among fast-food chains.²¹ When Chipotle first listed its ingredients online, 12 of the 24 ingredients listed contained the presence of GMOs, including, but not limited to, Chipotle's tortillas, rice, salad dressing, potato chips, and its meat products.²² Chipotle stated, however, that it was committed "to remov[ing] the GMOs from" its Food Products "to the fullest extent possible."²³

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

B. Chipotle's April 2015 "GMO Free" Announcement

- 22. On or about April 27, 2015, Chipotle announced and began advertising that it would only prepare food with ingredients that are free of GMOs.²⁴ Steve Ells, Chipotle's founder and co-chief executive, stated that, "Just because food is served fast doesn't mean it has to be made with
- ²⁰ Hayley Peterson, *Chipotle workers are trained to give you smaller portions of these* 7 *ingredients*, Business Insider (Feb. 25, 2015, 11:46 AM), http://www.businessinsider.com/chipotles-critical-seven-ingredients-2015-2.

²⁰ 21 See A "Food Babe Investigates" Win - Chipotle Posts Ingredients, Food Babe, http://foodbabe.com/2013/03/24/a-food-babe-investigates-win-chipotle-posts-ingredients/ (last 21 accessed Aug. 9, 2015); see also Joe Satran, Chipotle Starts Labeling GMO Ingredients on Website Huff Post Green (June 18. Menu. 2013. 1:57 PM). 22 http://www.huffingtonpost.com/2013/06/18/chipotle-gmo_n_3460402.html; Steve Ellis, Chipotle Is Saying No To GMOs. Here's Why., Huff Post Food for Thought (Jan. 28, 2014, 8:48 AM), 23 http://www.huffingtonpost.com/steve-ells/chipotle-gmos-no b 4063994.html.

^{24 &}lt;sup>22</sup> See Chipotle Starts Labeling GMO Ingredients on Website Menu; A "Food Babe Investigates" Win – Chipotle Posts Ingredients.

²⁵ ²³ Chipotle Is Saying No To GMOs. Here's Why.

^{26 &}lt;sup>24</sup> See Stephanie Strom, Chipotle to Stop Using Genetically Altered Ingredients, The New York Times (Apr. 26, 2015), <u>http://www.nytimes.com/2015/04/27/business/chipotle-to-stop-serving-</u>

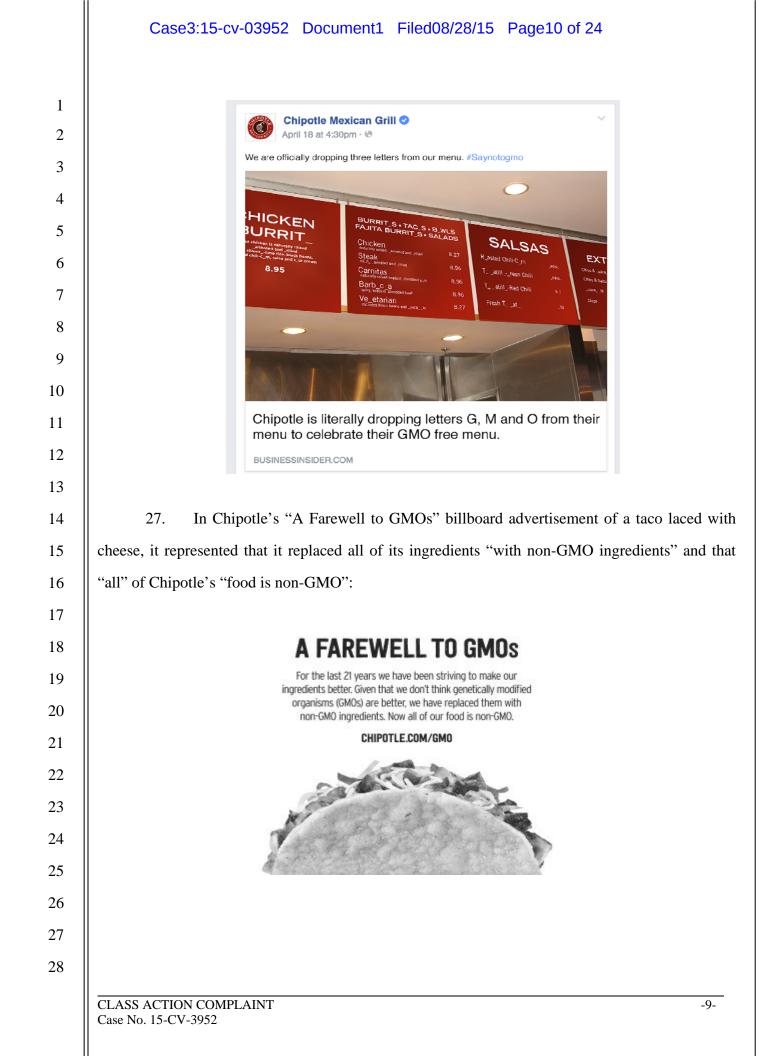
^{27 &}lt;u>genetically-altered-food.html?_r=0;</u> Jana Kasperkevic, *Chipotle removes all GMO ingredients from its menu*, The Guardian (Apr. 27, 2015, 12:09 PM),

^{28 &}lt;u>http://www.theguardian.com/business/2015/apr/27/chipotle-gmo-food-off-the-menu</u>.

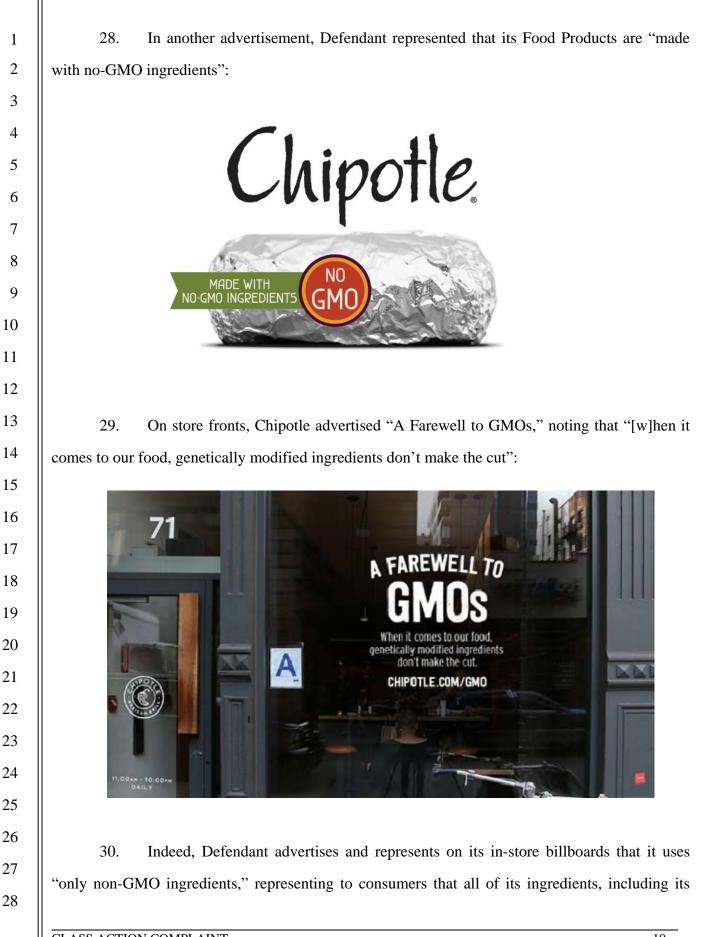
Case3:15-cv-03952 Document1 Filed08/28/15 Page9 of 24

cheap raw ingredients, highly processed with preservatives and fillers and stabilizers and artificial 1 2 colors and flavors."25

3 23. Chipotle's announcement was a strategic marketing campaign to entice new health-4 minded consumers and retain current ones. As Phil Lampert noted in his April 28, 2015 Forbes' 5 article, "Chipotle's Non-GMO Policy Changes Everything," "Chipotle's move will no doubt attract 6 new customers to the chain's restaurants and most likely bring in an entirely new customer base, 7 not for the food, but because they align with the chain's ethical positions. Some will like the food 8 and come back for more."²⁶ 9 24. In an April 30, 2015 article for New York Magazine, Jesse Singal pointed out that 10 Chipotle would "score points" by advertising that it was "ditching" GMOs: 11 Most consumers aren't going to carefully analyze the scientific consensus on a given issue – who has time for that? Rather, they use mental shortcuts, taking cues 12 from people and institutions they trust. Chipotle has developed a reputation for corporate responsibility and making careful decisions about the ingredients on its 13 menu, and Chipotle ditched GMOs — therefore, GMOs must be bad. Chipotle scores points, science loses.²⁷ 14 15 25. On billboards and in its marketing and advertising, Chipotle declared that its Food 16 Products are made from "non-GMO ingredients." Chipotle also took to social media, announcing 17 to its 684,000 followers on Twitter that: "We're now making all of the food at our US restaurants with only non-GMO ingredients[]."28 18 19 26. In another tweet, Chipotle noted that it was "literally dropping" the letters G, M, and 20 O from their menu, including taking out the "O" in "Chicken Burrito," thus representing that its 21 chicken burrito does not have any GMO ingredients-even though Chipotle knew that its meat 22 products come from animals that consume GMO feed: 23 25 *Id*. ²⁶ Phil Lempert, Chipotle's Non-GMO Policy Changes Everything, Forbes (Apr. 28, 2015, 24 3:24 PM). http://www.forbes.com/sites/phillempert/2015/04/28/chipotles-non-gmo-policy-25 changes-everything/. ²⁷ Jesse Singal, Chipotle Is Promoting Opportunistic Anti-Science Hysteria, New York Magazine 26 (Apr. 30, 2015, 1:12 PM), http://nymag.com/scienceofus/2015/04/chipotle-is-promoting-antiscience-hysteria.html. 27 ²⁸ See @ChipotleTweets, Chipotle, 28 https://twitter.com/ChipotleTweets/status/592793417652039680 (last accessed Aug. 10, 2015). CLASS ACTION COMPLAINT -8-



Case3:15-cv-03952 Document1 Filed08/28/15 Page11 of 24



Case3:15-cv-03952 Document1 Filed08/28/15 Page12 of 24

meat "raised without antibiotics or added hormones" and its "pasture-raised dairy" products, do not contain any GMOs:



31. Defendant's nationwide advertising campaign for its Food Products has been extensive and comprehensive throughout the Class Period. Defendant has spent tens of millions of dollars conveying to consumers throughout the United States its deceptive message that Chipotle's Food Products use "only Non-GMO ingredients" and that "all" of its Food Products are "non-GMO."

32. As a result of Chipotle's deceptive and misleading messages and omissions about its Food Products, conveyed directly through its marketing and advertising campaigns, it has been able to charge consumers a significant price premium for its Food Products over other fast-food restaurants by convincing consumers to pay for a purportedly superior product, as its advertising and marketing misleadingly convey.

25

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

III. Defendant's False, Misleading and Deceptive GMO Free Claims

33. Chipotle's false and misleading representation to consumers claiming that its Food
Products do not have GMOs, and its omissions regarding the GMOs used in certain of the meat and
dairy ingredients it uses in its Food Products, have been, and continue to be, material to consumers,

Case3:15-cv-03952 Document1 Filed08/28/15 Page13 of 24

including Plaintiff and other members of the putative class, and Defendant knows that its misleading representations are material in nature. Were the presence of GMOs in food not material to consumers, Chipotle would not focus its marketing and advertising to claim that it is the first GMO-free fast-food restaurant, and Chipotle would not be able to charge customers premium prices for its purportedly "non-GMO" Food Products.

34. However, as food writer Julie Kelly points out, "[t]he company's holier-than-thou PR move proclaiming 'Food with Integrity' struck me as the ultimate cynical marketing tactic: feign integrity while you mislead customers to believe that your food is GMO-free when it's not."²⁹

35. Defendant's advertising and marketing claims that its Food Products are made with "only Non-GMO ingredients" and that "all" of its Food Products are "non-GMO" are false, misleading, deceptive, unfair and unconscionable because Chipotle utilizes meat and dairy products from animals that consume genetically modified food, and because it serves soft drinks that contain GMOs.

36. Among its otherwise false and misleading statements on its website, Chipotle concedes in disclaimers that some of its soft drinks contain GMOs, and that its meat and dairy supplies come from animals fed with GMO grains.³⁰ Contrary to its advertising campaign and instore signage, Chipotle's ingredient list on its website admits "there is currently not a viable supply of responsibly raised meats and dairy from animals raised without GMO feed."³¹ Of course, to the extent fast-food consumers review Chipotle's website, it is misleading because Defendant fails to label its meat and dairy products as having GMOs on its own "Ingredient Statement." More importantly, Chipotle only discloses this information on its website because it knows its fast-food customers never need to visit Chipotle's website to buy food, and are highly unlikely to seek out

23

22

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

27 30 Food With Integrity, G-M-Over It.

 ²⁹ Julie Kelly, *Why Whole Foods and Chipotle's anti-GMO campaigning has lost my business*, Genetic Literacy Project (July 6, 2015), <u>http://www.geneticliteracyproject.org/2015/07/06/why-</u>
 whole-foods-and-chipotles-anti-gmo-campaigning-has-lost-my-business/; *see also* Sarah Zhang, *Chipotle's Anti-GMO Stance Is Some Anti-Science Pandering Bullshit*, Gizmodo (Apr. 27, 2015, 3:18 PM), <u>http://gizmodo.com/chipotles-anti-gmo-stance-is-some-pandering-bullshit-1700437048</u>.

^{28 &}lt;sup>31</sup> See Ingredient Statement, Chipotle, <u>http://chipotle.com/ingredient-statement</u> (last accessed Aug. 25, 2015).

Case3:15-cv-03952 Document1 Filed08/28/15 Page14 of 24

this information when simply deciding where to get lunch or dinner. Rather, consumers are likely to rely on Chipotle's internet, mass media, and in-store advertising to choose Chipotle over its competitors because of materially false information Chipotle has promulgated into the public conscious regarding its Food Products.

5

1

2

3

4

6

7

8

9

10

11

12

37. Noting that "Chipotle's advertising is purposefully misleading" and pointing out that Chipotle "admits as much" on its website, Julie Kelly and Jeff Stier call out Chipotle's advertising "gimmicks" in their May 1, 2015 *National Review* article, "GMO: Gimmicky Marketing Obfuscations":

So you can eat GM-free at Chipotle as long as you don't order the pork, chicken, cheese, sour cream, tortillas, or Coke. "They conveniently ignore GMO-derived ingredients when they don't have alternatives or it doesn't serve profits," said Kevin Folta, chair of the Horticultural Sciences Department at the University of Florida. "It is corporate deception in the name of a buck and anti-GMO deception in the name of ideology." So much for food with integrity.³²

13 38. Chipotle could use only meat and dairy products certified "Organic," which is 14 labeled on products that come from animals *not* fed with genetically modified crops.³³ Instead, 15 Chipotle's in-store advertisements carefully imply that they are by stating that its meat are "raised 16 without antibiotics or added hormones" and that its milk products are "pasture-raised." No 17 billboard or in-store advertisement indicates that Chipotle's Food Products have ingredients 18 containing GMOs, even though Defendant's Food Products are necessarily made with ingredients 19 containing GMOs since Defendant's meat and dairy products come from animals that consume 20 GMOs.

21

22

23

39. Food is considered misbranded under the Federal Food, Drug and Cosmetic Act ("FDCA") if "its labeling is false or misleading in any particular," or if it does not contain certain

³² Julie Kelly and Jeff Stier, *GMO: Gimmicky Marketing Obfuscations; Perhaps Chipotle should have learned from Starbucks*, National Review (May 1, 2015, 5:30 PM), http://www.nationalreview.com/article/417801/gmo-gimmicky-marketing-obfuscations-julie-kelly-jeff-stier; see also Tim McDonnell, Chipotle Says It's Getting Rid of GMOs. Here's the Problem., Mother Jones (Apr. 28, 2015, 4:08 PM), http://www.motherjones.com/blue-marble/2015/04/chipotle-gmos-anti-science.

 ³³ See National Organic Program, United States Department of Agriculture, <u>http://www.ams.usda.gov/about-ams/programs-offices/national-organic-program</u> (last accessed Aug. 25, 2015).

Case3:15-cv-03952 Document1 Filed08/28/15 Page15 of 24

information on its label or labeling. *See* 21 U.S.C. § 343. If any representation in the labeling is misleading, the entire food is misbranded. Because Defendant has made and continues to make misleading claims that "all" of the ingredients comprising its Food Products are "non-GMO," when the representation is false and misleading, Chipotle is in violation of the FDCA.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

IV.

1

2

3

4

Chipotle's Concealment

40. Defendant is and remains under a duty to Plaintiff and the putative class to disclose the facts, as alleged herein. The duty to disclose the true facts arises because, as marketer and seller, Defendant is in a superior position to know the true character and quality of its Food Products and the true facts are not something that Plaintiff and putative class members could, without reasonable diligence, have discovered independently prior to purchase.

41. The facts concealed and/or not disclosed to Plaintiff and the Class, specifically that consumers are not consuming "only non-GMO ingredients," are material facts in that a reasonable person would have considered them important in deciding whether or not to purchase (or pay the same price for) a Chipotle Food Product.

42. Defendant intentionally concealed and/or failed to disclose to consumers that not all of the ingredients Chipotle uses in its Food Products are GMO-free for the purpose of inducing Plaintiff and putative class members to act thereon.

43. Plaintiff and the putative class members justifiably acted upon, or relied upon to their detriment, the concealed and/or non-disclosed material facts as evidenced by their purchase of Chipotle's Food Products. Had they known of the true character and quality of the ingredients used in Chipotle's Food Products, Plaintiff and the putative class members would not have purchased (or would have paid less for) such products.

44. As a direct and proximate cause of Chipotle's misconduct, Plaintiff and the putative class members have suffered actual damages. Defendant's conduct has been and is malicious, wanton and/or reckless and/or shows a reckless indifference to the interests and rights of others.

CLASS ACTION ALLEGATIONS

27 45. Plaintiff brings this nationwide class action pursuant to Rule 23 of the Federal Rules
28 of Civil Procedure on behalf of herself and all members of the following class (the "Class"):

Case3:15-cv-03952 Document1 Filed08/28/15 Page16 of 24

All persons residing in California, during the period April 27, 2015 to the present, who purchased and/or paid for Chipotle Food Products.

Excluded from the Class are: (1) any Judge or Magistrate presiding over this action and members of their families; (2) Defendant, Defendant's subsidiaries, parents, successors, predecessors, and any entity in which Defendant has a controlling interest, and its current or former employees, officers, and directors; (3) counsel for Plaintiff and Defendant; and (4) legal representatives, successors, or assigns of any such excluded persons.

46. The Class are so numerous that joinder of all members is impracticable. Though the exact number and identities of Class members are unknown at this time, Defendant's sales as of December 31, 2014 resulted in revenues of \$1.07 billion. Moreover, Defendant has over 1,780 restaurants, with 325 restaurants in California alone. Based on these figures, it appears that the membership of the Class is in the tens of thousands.

47. Common questions of law and fact exist as to all Class members. These common
questions of law or fact predominate over any questions affecting only individual members of the
Class. Common questions include, but are not limited to, the following:

- (a) Whether Defendant engaged in deceptive and unfair business and trade practices alleged herein;
- (b) Whether Defendant knowingly concealed or omitted material information concerning the ingredients in its Food Products;
- (c) Whether Defendant falsely and deceptively misrepresented in its advertisements and promotional materials, and other materials, that all of its Food Products were made with "non-GMO ingredients";
- (d) Whether Defendant represented that its Food Products and their ingredients have characteristics, uses, benefits, or qualities that they do not have;
- (e) Whether the Class has been injured by virtue of Defendant's unfair and/or deceptive business practices and conduct;
- (f) Whether Class members that purchased Defendant's Food Products suffered monetary damages and, if so, what is the measure of those damages; and

Case3:15-cv-03952 Document1 Filed08/28/15 Page17 of 24

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1

(g) Whether the Class is entitled to injunctive relief.

48. Plaintiff's claims are typical of the claims of the respective Class she seeks to represent, in that the named Plaintiff and all members of the proposed Class has suffered similar injuries as a result of the same practices alleged herein. Plaintiff has no interests adverse to the interests of the other members of the Class.

49. Plaintiff will fairly and adequately protect the interests of the Class, and has retained attorneys experienced in class actions and complex litigation as their counsel.

50. Plaintiff and other members of the Class have suffered damages as a result of Chipotle's unlawful and wrongful conduct. Absent a class action, Chipotle will retain substantial funds received as a result of its wrongdoing, and such unlawful and improper conduct shall, in large measure, not go remedied. Absent a class action, the members of the Class will not be able to effectively litigate these claims and will suffer further losses, as Defendant will be allowed to continue such conduct with impunity and retain the proceeds of its ill-gotten gains.

51. Plaintiff avers that the prerequisites for class action treatment apply to this action and that questions of law or fact common to the Class predominate over any questions affecting only individual members and that class action treatment is superior to other available methods for the fair and efficient adjudication of the controversy which is the subject of this action. Plaintiff further states that the interests of judicial economy will be served by concentrating litigation concerning these claims in this Court, and that the management of the Class will not be difficult.

CLAIMS FOR RELIEF

<u>COUNT I</u> (Violation of the California Consumer Legal Remedies Act, Cal. Civil Code §§ 1750, *et seq*.)

52. Plaintiff repeats and realleges each and every allegation contained above, and incorporates by reference all other paragraphs of this Complaint as if fully set forth herein.

53. The California Consumer Legal Remedies Act ("CLRA"), Civil Code section 1750, *et seq.*, was designed and enacted to protect consumers from unfair and deceptive business
practices. To this end, the CLRA sets forth a list of unfair and deceptive acts and practices in Civil
Code section 1770.

Case3:15-cv-03952 Document1 Filed08/28/15 Page18 of 24

1	54.	The CLRA applies to Defendant's actions and conduct described herein because it			
2	extends to the sale of goods or services for personal, family, or household use.				
3	55.	55. At all relevant times, Plaintiff and members of the Class were "consumers" as that			
4	term is defined in Civil Code section 1761(d).				
5	56.	56. The transactions from which this action arises include transactions involving the			
6	sale or lease of goods or services for personal, family, or household purposes within the meaning of				
7	Civil Code se	ection 1761.			
8	57.	Chipotle's practices in connection with the marketing and sale of its Food Products			
9	violate the CLRA in at least the following respects:				
10		(a) In violation of section 1770(a)(5), Defendant knowingly misrepresented the			
11		character, ingredients, uses and benefits of the ingredients in its Food			
12		Products;			
13		(b) In violation of section $1770(a)(7)$, Defendant represented that the ingredients			
14		in its Food Products are of a particular standard, quality or grade, which they			
15		are not; and			
16		(c) In violation of section 1770(a)(9), Defendant knowingly advertised its Food			
17		Products with the intent not to sell the products as advertised.			
18	58.	Chipotle represents that all of its Food Products contain "non-GMO ingredients"			
19	and omits to	o disclose that its Food Products necessarily contain GMO ingredients in order to			
20	convey to consumers that they are obtaining a product that provides more benefit and are safer for				
21	consumers than other restaurants which offer similar or substantially similar food products. These				
22	representations are false and misleading in that many of the ingredients composing Chipotle's Food				
23	Products do contain GMOs.				
24	59.	Defendant's acts and practices, undertaken in transactions intended to result and			
25	which did result in the purchase of its Food Products by consumers, violate Civil Code				
26	section 1770 and caused harm to Plaintiff and Class members who would not have purchased (or				
27	paid as much	n for) its Food Products had they known the truth. The acts and practices engaged in			
28					

Case3:15-cv-03952 Document1 Filed08/28/15 Page19 of 24

by Defendant that violate the CLRA include inducing Plaintiff and the Class to purchase (or pay more for) its Food Products than they would otherwise have paid had they known the truth.

60.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

Plaintiff was injured by purchasing (or overpaying for) Chipotle's Food Products.

61. In accordance with Civil Code section 1780(a), Plaintiff and members of the Class seek injunctive and equitable relief for violations of the CLRA. In addition, after mailing appropriate notice and demand in accordance with Civil Code sections 1782(a) & (d), Plaintiff will subsequently amend this Class Action Complaint to also include a request for damages. Plaintiff and members of the Class 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, including attorneys' fees and costs, as provided in Civil Code section 1780 and the Prayer for Relief.

COUNT II (Violation of California False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, *et seq*.)

62. Plaintiff repeats and realleges each and every allegation contained above, and incorporates by reference all other paragraphs of this Complaint as if fully set forth herein.

63. Each of the above misleading advertising practices of Chipotle set forth above constitutes untrue or misleading advertising under the California False Advertising Law ("FAL"), California Business & Professions Code section 17500, *et seq*.

64. At all material times, Defendant's marketing materials misrepresented or omitted to state that Defendant's Food Products contain ingredients that have GMOs. Chipotle's acts and practices have deceived and/or are likely to deceive members of the Class and the public.

65. Defendant is disseminating marketing and advertising concerning its Food Products, which by its nature is unfair, untrue, deceptive, or misleading within the meaning of California Business & Professions Code section 17500, *et seq.* Such advertisements are likely to deceive, and continue to deceive, the consumer public.

66. In making and disseminating the statements alleged herein, Chipotle should have known its advertisements were untrue and misleading. Plaintiff and members of the Class based

their decisions to purchase Chipotle Food Products in substantial part on Defendant's misrepresentations and omitted material facts.

67. Plaintiff and the Class are entitled to relief, including enjoining Defendant to cease and desist from engaging in the practices described herein.

COUNT III (Violation of California Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.*)

68. Plaintiff repeats and realleges each and every allegation contained above, and incorporates by reference all other paragraphs of this Complaint as if fully set forth herein.

69. Defendant has engaged in unfair competition within the meaning of California Business & Professions Code section 17200, *et seq.*, because Defendant's conduct is unlawful, misleading and unfair as herein alleged.

12 13

14

15

16

1

2

3

4

5

6

7

8

9

10

11

70. Chipotle's business practices are unlawful because they violate the CLRA, FDCA, and FAL.

71. Chipotle's business practices are misleading because they were likely to deceive consumers into believing that they are obtaining a product that provides more benefit and is safer to consumers than other restaurants which offer similar or substantially similar food products.

17 72. Defendant's business practices, and each of them, are unfair because they offend
18 established public policy and/or are immoral, unethical, oppressive, unscrupulous and/or
19 substantially injurious to consumers, which harm greatly outweighs any benefit associated with the
20 business practice, in that Defendant omits to disclose material information about its products and,
21 as such, consumers are led to believe that the products they were paying for had qualities that it did
22 not have.

73. Plaintiff has standing to pursue this claim because she has been injured by virtue of
suffering a loss of money and/or property as a result of the wrongful conduct alleged herein.
Plaintiff would not have purchased Chipotle's Food Products (or paid as much for it) had she
known the truth.

27 74. Plaintiff and the Class are entitled to relief, including full restitution and/or
28 restitutionary disgorgement, to the greatest extent permitted by law, which may have been obtained

by Defendant as a result of such business acts or practices, and enjoining Defendant to cease and desist from engaging in the practices described herein.

75. Chipotle's aforementioned actions and activities have been committed willfully with an intent to damage Plaintiff and the Class, and have caused and will continue to cause damage and irreparable harm and injury to Plaintiff and the Class unless and until such time as it is preliminarily and permanently enjoined by this Court.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself and on behalf of the Class, prays for relief as follows:

- A. For an Order certifying this case as a class action against Chipotle and appointing
 Plaintiff as Representative of the Class;
- B. Awarding monetary and actual damages and/or restitution, as appropriate;
- C. Awarding declaratory and injunctive relief as permitted by law or equity to assure that the Class have an effective remedy, including enjoining Chipotle from continuing the unlawful practices as set forth above;
 - D. Prejudgment interest to the extent allowed by the law;
- E. Awarding all costs, including experts' fees and attorneys' fees, expenses and costs of prosecuting this action; and
 - F. Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMAND

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

DATED: August 28, 2015

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

KAPLAN FOX & KILSHEIMER LLP

By: <u>/s/ Laurence D. King</u> Laurence D. King

Linda M. Fong Matthew George Mario M. Choi 350 Sansome Street, Suite 400 San Francisco, CA 94104 Telephone: (415) 772-4700 Facsimile: (415) 772-4707

	Case3:15-cv-03952 Document1 Filed08/28/15 Page22 of 24
1 2 3	KAPLAN FOX & KILSHEIMER LLP Frederic S. Fox (<i>pro hac vice</i> to be filed) Donald R. Hall (<i>pro hac vice</i> to be filed) 850 Third Avenue, 14 th Floor New York, NY 10022 Telephone: (212) 687-1980 Facsimile: (212) 687-7714
4 5	
6	Attorneys for Plaintiff COLLEEN GALLAGHER
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	CLASS ACTION COMPLAINT Case No. 15-CV-3952

-

1	Laurence D. King (SBN 206423) Linda M. Fong (SBN 124232)	•				
2	Matthew B. George (SBN 239322) Mario M. Choi (SBN 243409) KAPLAN FOX & KILSHEIMER LLP					
3	KAPLAN FOX & KILSHEIMER LLP 350 Sansome Street, Suite 400					
4	San Francisco, CA 94104 Telephone: 415-772-4700					
5	Facsimile: 415-772-4707 Email: <u>lking@kaplanfox.com</u>					
6	lfong@kaplanfox.com mgeorge@kaplanfox.com					
7	mchoi@kaplanfox.com					
8	Attorneys for Plaintiff Colleen Gallagher					
9						
10	UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA					
11	NOKI HEKN DISTI	AICT OF CALIFORNIA				
12	COLLEEN GALLAGHER , Individually	Case No.:				
13	and on Behalf of All Others Similarly Situated,	CLASS ACTION				
14	Plaintiff,	PLAINTIFF COLLEEN GALLAGHER'S				
15	v .	DECLARATION OF COMPLIANCE WITH CALIFORNIA CIVIL CODE				
16	CHIPOTLE MEXICAN GRILL, INC.,	SECTION 1780(d)				
17	Defendant.					
18						
19						
20						
21						
22		×				
23						
24	,					
25						
26	•					
27						
28						
	GALLAGHER DECL. OF COMP	LIANCE WITH CIVIL CODE § 1780(d)				

- -

.						
1	DECLARATION OF COLLEEN GALLAGHER					
2	I, Colleen Gallagher, hereby declare as follows as follows:					
3	1. I am the plaintiff in the above-captioned action.					
4	2. This Declaration is being made pursuant to California Civil Code section 1780(d).					
. 5	I make this affidavit based on personal knowledge, and if called to do so, I could testify					
6	competently on the information set forth below.					
7	3. · I am a resident of Piedmont, Alameda County, California.					
8	4. I have authorized my attorneys at Kaplan Fox & Kilsheimer LLP to investigate					
9	and prosecute a proposed class action against Chipotle Mexican Grill, Inc. ("Chipotle"), on behalf					
10	of myself and other purchasers of Chipotle's Food Products (as defined in the Complaint).					
11	5. During the Class Period (as defined in the Complaint), I purchased Food Products					
12	at a Chipotle restaurant located in Oakland, Alameda County, California.					
13	I declare under penalty of perjury that the foregoing is true and correct.					
14	Executed this day of August, 2015.					
15	Colleen allabor					
16	Colleen Gallagher					
17						
18						
19						
20						
21						
22						
23						
24						
[·] 25						
26						
27						
28						
	GALLAGHER DECL. OF COMPLIANCE WITH CIVIL CODE § 1780(d)					

.

JS 44 (Rev. 12/12) cand rev (1/15/13) Case3:15-cv-03952 Document1-1_6ied08/28/15_Page1 of 2

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.)*

F . F				.,			
I. (a) PLAINTIFFS COLLEEN GALLAGHER Similarly Situated	, Individually and on B	ehalf of All Others		DEFENDANTS CHIPOTLE MEXIC			
(b) County of Residence of First Listed Plaintiff <u>ALAMEDA</u> (EXCEPT IN U.S. PLAINTIFF CASES)				County of Residence of First Listed Defendant <u>DENVER</u> (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.			
(c) Attorneys (Firm Name, Laurence D. King/KAPLA 350 SANSOME STREET (415) 772-4700	N FOX & KILSHEIME	R LLP,	04	Attorneys (If Known)			
II. BASIS OF JURISDI	CTION (Place an "X" in O	ne Box Only)	III. CI	TIZENSHIP OF P	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff	
□ 1 U.S. Government Plaintiff	□ 3 Federal Question (U.S. Government)	Not a Party)			FF DEF 1 □ 1 Incorporated or P of Business In		
2 U.S. Government Defendant	A Diversity (Indicate Citizensh)	ip of Parties in Item III)	Citize	en of Another State	2 🗖 2 Incorporated and of Business In	Principal Place 🗖 5 🕱 5 Another State	
				en or Subject of a reign Country	3 🗖 3 Foreign Nation		
IV. NATURE OF SUIT				x <i>x</i>			
CONTRACT	1	ORTS		DRFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted 	□ 330 Federal Employers' Product Liability Liability □ 368 Asbestos Personal		-	5 Drug Related Seizure of Property 21 USC 881 0 Other	 422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 PROPERTY RIGHTS 820 Copyrights 830 Patent 840 Trademark 	 375 False Claims Act 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 	
Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise	 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury - Medical Malpractice 	Injury Product Liability PERSONAL PROPER 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability	□ 72 □ 74 □ 75	LABOR 0 Fair Labor Standards Act 0 Labor/Management Relations 0 Railway Labor Act 1 Family and Medical Leave Act 0 Other Labor Litigation	SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g))	 480 Consumer Credit 490 Cable/Sat TV 850 Securities/Commodities/ Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 	
REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property	 Add Mapractice CIVIL RIGHTS 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 448 Education 	PRISONER PETITION Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty Other: 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement	<u>√S</u> □ 79 □ 46	Imployee Retirement Income Security Act IMMIGRATION Xaturalization Application S Other Immigration Actions	FEDERAL TAX SUITS ■ 870 Taxes (U.S. Plaintiff or Defendant) ■ 871 IRS—Third Party 26 USC 7609	 B 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes 	
V. ORIGIN (Place an "X" is	n One Box Only)	•			•	•	
	te Court	Appellate Court		bened Anothe (specify)	r District Litigation		
VI. CAUSE OF ACTIO	DN 28 U.S.C. sec. 13 Brief description of ca	32(d)		Do not cite jurisdictional stat nisleading represent			
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER RULE 2	IS A CLASS ACTION 3, F.R.Cv.P.	•	EMAND \$ 5,000,000.00	CHECK YES only JURY DEMAND	y if demanded in complaint: D: XI Yes □ No	
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE			DOCKET NUMBER		
DATE 08/28/2015	T (Civil I D 2 2)	SIGNATURE OF ATT Laurence D. Kir		OF RECORD			
IX. DIVISIONAL ASSIGNMEN							
(Place an "X" in One Box Only)	√	SAN FRANCISCO/OA	KLAND	SAN JOSE E	UREKA		

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- **I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below. United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box. Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes

precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)

- **III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- **IV.** Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin. Place an "X" in one of the six boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.