

# IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA



OREN PANITCH, GINA DAVIS and MARGIE RIZIKA, individually and on behalf of all others similarly situated,

Plaintiffs,

v.

The Quaker Oats Company,

Defendant.

CASE NO.: \_\_\_\_\_

CLASS ACTION COMPLAINT

16

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

Plaintiffs Oren Panitch, Gina Davis, and Margie Rizika ("Plaintiffs"), individually and on behalf of all others similarly situated (the "Class", as more fully defined below), allege against Defendant The Quaker Oats Company ("Quaker" or "Defendant") the following facts and claims upon knowledge as to the matters relating to themselves and upon information and belief as to all other matters and, by way of this Class Action Complaint, aver as follows:

# NATURE OF ACTION

This action alleges that Quaker, throughout the below-defined Class Period, deceptively
and misleadingly marketed its Quaker oatmeal products, including, (1) Quaker Oats OldFashioned, (2) Quaker Oats Quick 1-Minute, and (3) Quaker Steel Cut Oats (collectively,
"Quaker Oats," or the "Products") in a uniform manner, to Plaintiffs and the other
members of the proposed Class.

- Defendant manufactured, warranted, advertised, distributed, and sold its Quaker Oats to Plaintiffs and Class Members throughout Pennsylvania, New Jersey, Texas and the United States.
- Through its extensive and comprehensive nationwide marketing campaign, Quaker intends to, and does, represent to consumers that Quaker Oats are "100% Natural,"
   "100% Natural Whole grain," "heart healthy," and grown using "eco-friendly" methods that pose "less risk of pollutants and groundwater pollution."
- Quaker also deceptively and unfairly represents that using Quaker Oats provides extraordinary or superior health benefits, including, reducing cholesterol and the risk of heart disease.
- Quaker's omissions and representations about the effectiveness and extraordinary or superior health benefits of Quaker Oats, however, are deceptive and misleading and Quaker has taken no meaningful steps to correct consumer misconceptions regarding the Products.
- 6. Indeed, Quaker Oats are not "100% Natural," but instead contain the chemical glyphosate, a potent and unnatural biocide that has been declared a probable human carcinogen by the cancer research arm of the World Health Organization. Glyphosate makes its way into Quaker Oats because it is used as an agricultural weed killer, and because it is sprayed on the oats as a drying agent shortly before harvest.
- Aware of the health risks and environmental damage caused by chemical-laden foods, especially packaged foods, consumers increasingly demand foods that are natural and whole, and that omit chemicals.

2

# Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 3 of 42

- 8. Quaker knows that consumers seek out and wish to purchase whole, natural foods that do not contain chemicals, and that consumers will pay more for foods that they believe to be natural than they will pay for foods that they do not believe to be natural.
- 9. To capture this growing market, Quaker labels its Quaker Oats as "100% Natural Whole Grain." Quaker also states, on the front labels of its Quaker Oats Old Fashioned product, "As part of a heart-healthy diet, the soluble fiber in Oatmeal can help reduce cholesterol." The back of its Quaker Oats Old Fashioned label advises consumers, "Get your day off to a Heart Healthy Start with Whole Grain Quaker Oatmeal!" See Ex.1 (product labels).
- The only ingredient listed on Quaker's "100% Natural Whole Grain" Quaker Oats products is "100% Natural Whole-Grain Quaker Quality Rolled Oats." See Ex. 1 (product labels).
- 11. No reasonable consumer, seeing these representations, would expect Quaker Oats to contain anything unnatural, or anything other than whole, rolled oats.
- 12. Quaker Oats, despite their labels, do contain something other than whole, rolled oats; namely, Quaker Oats contain glyphosate.
- 13. Glyphosate is not "Natural" or "100% Natural." Glyphosate is a synthetic biocide and probable human carcinogen, with additional health dangers rapidly becoming known.
- 14. By deceiving consumers about the nature, quality, and/or ingredients of its Quaker Oats, Quaker is able to sell a greater volume of Quaker Oats, charge higher prices for Quaker Oats, and take away market share from competing products, thereby increasing its own sales and profits.
- 15. Consumers lack the scientific knowledge necessary to determine whether Quaker Oats in fact contain only "100% Natural Whole Grain," to know or to ascertain the true ingredients and quality of Quaker Oats, or to assess the safety of ingesting glyphosate.

# Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 4 of 42

Reasonable consumers must and do rely on Quaker to report honestly what Quaker Oats contain, and whether the ingredients in fact are "Natural" or "Heart Healthy."

- 16. Quaker further hides the fact that the oats contain a modern biocide by marketing some Quaker Oats as "Old Fashioned," and all Quaker Oats under a picture of the famous Quaker Man, Larry, in "Quaker Garb" which is intended to be a symbol of good quality and honest value.<sup>1</sup>
- 17. Across all Quaker Oats products, Quaker conceals the presence of glyphosate, fails to warn consumers of the presence of glyphosate, and fails to warn consumers about the harmful effects of ingesting glyphosate.
- 18. Should any consumer seek further information, Quaker's own website declares that Quaker Oats are "a healthful and tasty ingredient to many recipes."<sup>2</sup> Quaker's website further promotes the health benefits of Quaker Oats, stating: "Even better, the goodness doesn't stop with the taste; Quaker Oats is 100% whole grains which may help reduce the risk of heart disease." *Id.*
- 19. Quaker intended for consumers to rely on its representations, and reasonable consumers did in fact so rely. As a consequence of Quaker's false and misleading labeling, failure to warn, and omissions of fact perpetuated through Quaker's substantially uniform and extensive nationwide marketing campaign Plaintiffs and the other members of the Class have purchased Quaker Oats under the false impression that the Products provide the benefit of being "100% Natural," "heart healthy," and grown using "eco-friendly" methods that pose "less risk of pollutants and groundwater pollution."

<sup>&</sup>lt;sup>1</sup> <u>http://www.quakeroats.com/about-quaker-oats/content/quaker-history.aspx</u> (last visited August 1, 2016)

<sup>&</sup>lt;sup>2</sup> <u>http://www.quakeroats.com/products/hot-cereals/old-fashioned-oats.aspx</u> (last visited August 1, 2016).

- 20. Plaintiffs, and all other similarly situated customers, did not bargain for Products that contain unnatural ingredients in exchange for their payment of the purchase price. Plaintiffs contend that the Products are not "Natural" or "100% Natural Whole Grain" as labeled and marketed, and as a result, such representations mislead consumers into purchasing the Products.
- 21. The Products are sold pursuant to unlawful trade practices because they offend public policy and are immoral, unethical, oppressive, unscrupulous, and substantially injurious to consumers.
- 22. As a result of Quaker's extensive and substantially uniform marketing campaign, every consumer who has purchased Quaker Oats has been exposed and continues to be exposed to substantially the same material misrepresentations and/or omissions, the majority of which are included and prominently displayed on the packaging of all Quaker Oats sold as well as in other forms of mass market advertising, prior to purchasing the Products.
- 23. As a result of Quaker's misrepresentations and/or omissions regarding Quaker Oats, Plaintiffs and Class Members substantially overpaid for the Products. Had Plaintiffs and Class Members been made aware that Quaker Oats contained unnatural ingredients, are not produced in an environmentally friendly manner, and/or do not provide the promised health benefits, they would not have purchased Quaker Oats at a premium, but, instead, would have paid substantially less for the Products, not purchased the Products at all, or purchased ordinary oats that did not contain glyphosate.

5

- 24. Plaintiffs are not seeking damages for any personal injuries in this Complaint<sup>3</sup>; rather this case is based on Quaker's misrepresentations and omissions regarding the Quaker Oats Products purchased by Plaintiff and Class Members during the class period, defined below.
- 25. Plaintiffs bring this action on behalf of themselves and on behalf of other similarlysituated consumers residing throughout the United States to halt Quaker's dissemination of false and misleading advertising, to correct the false and misleading perception that Quaker creates in the minds of consumers and the general public, and to obtain redress for Quaker Oats purchasers, including Plaintiffs and Class Members. <sup>4</sup> Plaintiffs allege violations of consumer protection laws, breach of express and implied warranty and unjust enrichment laws of each of the states in which they respectively reside.

#### JURISDICTION AND VENUE

- 26. This Court has original subject-matter jurisdiction over this proposed class action pursuant to 28 USC §1332(d), the Class Action Fairness Act ("CAFA"). The matter in controversy, exclusive or interest and costs, exceeds the sum or value of \$5,000,000 and Plaintiffs and other members of the Classes are citizens of states different from Defendant.
- 27. This Court has personal jurisdiction over the parties in this case. Plaintiff Panitch is a citizen of Pennsylvania and a resident of Philadelphia. Quaker purposefully avails itself of the laws of Pennsylvania, New Jersey and Texas to market Quaker Oats to consumers

<sup>&</sup>lt;sup>3</sup> All potential claims for individual tort relief by Plaintiffs and putative class members are preserved and outside the scope of the damages sought in this litigation.

<sup>&</sup>lt;sup>4</sup> In the alternative, Plaintiffs assert state subclasses for purchasers of Quaker Oats residing in Texas, New Jersey and Pennsylvania.

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 7 of 42

nationwide, including consumers in Pennsylvania, New Jersey and Texas, and distributes Quaker Oats to numerous retailers throughout the United States, including Pennsylvania, New Jersey and Texas.

28. Venue is proper pursuant to 29 U.S.C. §1391 because many of the acts and transactions giving rise to this action occurred in this District and because Quaker is authorized to conduct 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 products in this District; does substantial business in this District; and is subject to personal jurisdiction in this District.

#### **PARTIES**

#### A. Plaintiffs

- 29. Oren Panitch is, and at all times relevant to this action has been, a resident of Philadelphia, Pennsylvania, currently residing at 1101 N. Hope Street, Philadelphia, PA. As such, Plaintiff Panitch is a Pennsylvania Citizen.
- 30. Prior to purchasing Quaker Oats in May of 2016, Plaintiff Panitch was exposed to and saw Quaker's packaging for Quaker Oats, described more fully below, and purchased Quaker Oats at various physical and online grocery delivery retail stores in the Philadelphia, Pennsylvania area, in reliance on those packaging and advertising claims.
- 31. Margie Rizika is, and at all times relevant to this action has been, a resident of Wayne, New Jersey. As such, Plaintiff Rizika is a New Jersey Citizen.
- 32. Prior to purchasing Quaker Oats in June of 2016, Plaintiff Rizika was exposed to and saw Quaker's packaging for Quaker Oats, described more fully below, and purchased Quaker Oats at various retail stores in the Wayne, New Jersey area, in reliance on those packaging and advertising claims.

- 33. Gina Davis is and at all times relevant to this action has been, a resident of Huntsville, Texas. As such, Plaintiff Davis is a Texas Citizen.
- 34. Prior to purchasing Quaker Oats in April of 2016, Plaintiff Davis was exposed to and saw Quaker's packaging for Quaker Oats, described more fully below, and purchased Quaker Oats at various retail stores in the Huntsville, Texas area, in reliance on those packaging and advertising claims.
- 35. As a result of reviewing Quaker's pervasive advertising and packaging on the Products, Plaintiffs each believed and understood that Quaker Oats were "100% Natural," "100% Natural Whole grain," "heart healthy," and grown using "eco-friendly" methods that pose "less risk of pollutants and groundwater pollution."
- 36. Based on Quaker's representations, Plaintiffs each viewed the package and thereafter purchased the Products at premium prices. As a result of those purchases, Plaintiffs each suffered injury in fact and lost money and/or property as a result of the conduct described herein.
- 37. In making their purchasing decision, Plaintiffs each relied upon, among other things, the packaging, advertising and/or other promotional materials which were prepared and approved by Quaker and/or its agents and disseminated through its packaging, advertising, and marketing, and/or through local and national advertising media, including Quaker's internet website, media, and in-store advertisements and packaging seen at retail outlets, containing the misrepresentations and/or omissions alleged herein.
- 38. Had Plaintiffs known at the time that Quaker Oats contain the unnatural biocide glyphosate, they would not have purchased Quaker Oats at a premium, but instead would have paid less for the Products, purchased other oats, or would not have purchased the Products at all.

- 39. Had Plaintiffs been warned of the dangers of ingesting glyphosate, and of the presence of glyphosate in Quaker Oats, they would not have purchased or continued to purchase Quaker Oats.
- 40. If Quaker Oats were reformulated such that Quaker's representations were truthful, i.e., such that Quaker Oats contained only "100% Natural Whole grain" and no glyphosate, Plaintiffs would consider purchasing Quaker Oats in the future.

## B. Defendant

41. At all times mentioned herein, Quaker Oats Company was a Chicago, Illinois-based division of PepsiCo, Inc., a North Carolina corporation headquartered in Purchase, New York, and one of the world's largest food and beverage companies. Quaker was, at all relevant times, engaged in commercial transactions throughout New Jersey, Texas, and Pennsylvania, including this Judicial District.

# SUBSTANTIVE ALLEGATIONS

## A. Defendant Quaker

42. According to its parent's (PepsiCo, Inc.) 2015 10K Annual Report, Defendant Quaker

(referred to as QFNA in the 10K):

makes, markets, distributes and sells cereals, rice, pasta, dairy and other branded products. QFNA's products include Quaker oatmeal, Aunt Jemima mixes and syrups, Quaker Chewy granola bars, Quaker grits, Cap'n Crunch cereal, Life cereal, Rice-A-Roni side dishes, Quaker rice cakes, Quaker oat squares and Quaker natural granola. These branded products are sold to independent distributors and retailers. QFNA's net revenue was \$2.6 billion in each of 2014, 2013 and 2012, and approximated 4% of our total net revenue in each of 2014, 2013 and 2012.<sup>5</sup>

<sup>&</sup>lt;sup>5</sup> <u>https://www.pepsico.com/docs/album/default-document-library/pepsico-2014-annual-report\_final.pdf?sfvrsn=0</u> (last visited July 13, 2016).

43. Quaker states that "For over 130 years, we've been inspired by the power and wholesome

goodness of the amazing oat. See how we've grown with it."6

44. Quaker's well-known marketing device is Larry, a man dressed in Quaker clothing. As

Quaker describes it, the Quaker name symbolizes "good quality and honest value."7

45. Quaker describes its oats farming as follows:

"At Quaker, we know our oats. Having worked with farmers for over 70 years, we have high standards for our growers. But we appreciate the farmers who have helped us become the world's largest miller of oats, and have worked with them over the years to implement new changes and innovations in the way they farm their land.

Crowding Out the Competition

Oats grow densely, casting a dark shade over the ground they cover. This deep shadow denies competing plants the sunlight necessary for survival, and otherwise damaging weeds are unable to gain a foothold among the oats. Since oats require less herbicide spray than many other grains, there is less risk of pollutants and groundwater contamination.<sup>8</sup>

46. Quaker boasts that it is green and environmentally responsible, stating:

Change From the Roots Up

Our employees reflect and help drive Quaker's commitment to "green" practices. A group of motivated individuals formed a green community, and are working to make positive changes within the corporation from the grassroots level. At Quaker, we applaud this initiative and support these conscientious forward-thinkers whenever possible. They have managed to reduce paper and electricity use within their offices, and frequently organize volunteers for environmental projects benefiting the communities around them.

At every level of Quaker, we are committed to improving our environmental practices throughout every step of our business. Whether it's how our products are packaged and shipped or the types of cups our employees use in the breakroom, Quaker is thinking about how best to implement positive change within the world."<sup>9</sup>

 <sup>&</sup>lt;sup>6</sup> <u>http://www.quakeroats.com/about-quaker-oats/content/quaker-history.aspx</u> (last visited July 13, 2016).
 <sup>7</sup> Id.

<sup>&</sup>lt;sup>8</sup> <u>http://www.quakeroats.com/oats-do-more/for-your-world/oats-and-the-environment/growing-our-oat</u> (last visited July 13, 2016).

<sup>&</sup>lt;sup>9</sup> <u>http://www.quakeroats.com/oats-do-more/for-your-world/oats-and-the-environment/we-are-living-change</u> (last visited July 13, 2016).

- 47. Quaker also presents itself as an expert source of information on oats touting their health benefits and environmentally friendly properties. Quaker's website headlines the "Quaker Oats Center of Excellence," billed as "advancing the unique benefits of the oat" with a "Scientific Advisory Board comprised of prominent experts in science agricultural sustainability, product innovation and consumer insights."<sup>10</sup>
- 48. Quaker also suggests that purchasing Quaker Oats is a "green" choice, and that Quaker Oats are "eco-friendly." Its website links to Facebook "conversations" with topics like, "What are some of your tips for living a 'greener' life?" and runs polls like, "What's preventing you from buying 'eco-friendly' products?"<sup>11</sup>
- 49. Quaker also promotes the health benefits of its products, explaining, "With the growing number of people who are overweight or obese in America, it is now more important than ever that we educate ourselves about the foods that we are eating and their nutritional content."<sup>12</sup>
- 50. While Quaker's marketing represents the above, it does not mention the presence of glyphosate, a widely-used herbicide, in the Products.
- 51. Quaker's marketing does not warn consumers about the risks of ingesting glyphosate, or glyphosate's impact on the "unique benefits of the oat" that Quaker uses to market its Quaker Oats.
- 52. Quaker's Marketing does not explain the environmental risks presented by glyphosate.

#### B. Quaker's All Natural Claims Are False.

<sup>&</sup>lt;sup>10</sup> <u>http://www.quakeroats.com/about-quaker-oats/content/quakeroats-center-of-excellence/meet-the-exerts.aspx</u> (last visited August 1, 2016).

<sup>&</sup>lt;sup>11</sup> See <u>http://www.quakeroats.com/oats-do-more/for-your-world/oats-and0the-environment</u> (last visited August 1, 2016).

<sup>&</sup>lt;sup>12</sup> http://www.quakeroats.com/oats-do-more/for-your-health/healthy-eating/what-to-look-for-when-reading-food-labels (last visited August 1, 2016).

- 53. Under the Food and Drug Cosmetic Act ("FDCA"), § 403(a), a food is "misbranded" if "its labeling is false or misleading in any particular," or if it does not contain certain information on its label or its labeling. 21 U.S.C. § 343(a).
- 54. In October 2009, FDA issued a "Guidance for Industry: Letter regarding Point Of Purchase Food Labeling." In March 2010, FDA issued "Open Letter to Industry from [FDA Commissioner] Dr. Hamburg." These documents placed the industry on notice that food labeling compliance was an area of enforcement priority. Additionally, FDA has sent warning letters to the industry, including many of Defendant's peer food manufacturers, for the same types of misbranded labels and deceptive labeling claims described herein.
- 55. Quaker saw, or should have seen, these warning letters.
- 56. Quaker states that its (1) Quaker Oats Old-Fashioned; (2) Quaker Steel Cut Oats; and (3) Quaker Oats-Quick 1-Minute products are "Natural," "Heart Healthy," and "100%

Natural Whole Grain."

57. For instance, on its website, it describes Quaker Oats Old-Fashioned as:

Mornings, meet your maker. A piping hot bowl of Quaker Oats is one of nature's most perfect energy sources. It goes great with everything from fresh or dried fruits to crunchy nuts. Even better, the goodness doesn't stop with the taste; Quaker Oats is 100% whole grains which may help reduce the risk of heart disease.\*

# Made with 100% natural wholegrain oats Helps keep you full through the morning\*\* A sodium free food<sup>13</sup>

58. It describes as Quaker Steel Cut Oats as:

Just when you thought Quaker Oats couldn't get any better, Quaker Steel Cut Oats are out to prove otherwise. These 100% whole grain oats are steel cut, rather than rolled, offering you a heartier texture and a rich, nutty taste. Try them topped with

<sup>&</sup>lt;sup>13</sup> <u>http://www.quakeroats.com/products/hot-cereals/old-fashioned-oats.aspx</u> (last visited July 13, 2016).

your favorite fruits, nuts or a dab of honey, and you'll agree that Quaker Steel Cut Oats are a distinctly delicious way to start your day.

#### Made from 100% natural, whole grain Quaker Oats Heart Healthy Whole Grains\* Sodium free<sup>14</sup>

59. It describes Quaker Oats-Quick 1-Minute as:

Just because you don't have time for a relaxing breakfast doesn't mean you don't deserve the tasty benefits of Quaker Oats. Quick Quaker Oats give you all the wholesome goodness of Quaker in just one minute. Try topping Quick Quaker Oats with fresh or dried fruits, nuts or cinnamon and enjoy the healthy benefits of a satisfying breakfast.

## Made with 100% natural, whole grain Quaker Oats Helps keep you full through the morning\* A sodium free food<sup>15</sup>

60. Quaker prominently labels its Old Fashioned Quaker Oats as "100% Natural Whole

Grain" that is "part of a heart healthy diet." These representations appear on the front label of the product. Should any consumer seek additional information from back of the label Quaker lists the product's ingredients as not only "100% Natural" but also of a particular quality: "100% Natural Whole Grain Quaker Quality Rolled Oats."

- 61. Quaker prominently labels its Quick 1-Minute Quaker Oats product as "100% Natural Whole Grain" that is "Heart Healthy." These representations appear on the front label of the product. Should any consumer seek additional information from the back of the label, Quaker lists the product's ingredients as not only "100% Natural" but also of a particular quality: "100% Natural Whole Grain Quaker Quality Rolled Oats."
- 62. Quaker prominently labels its Quaker Steel Cut Oats product as "Hearty 100% Natural Whole Grain Oats" that is "part of a healthy diet." These representations appear on the

<sup>&</sup>lt;sup>14</sup> <u>http://www.quakeroats.com/products/hot-cereals/steel-cut-oats.aspx</u> (last visited July 13, 2016).

<sup>&</sup>lt;sup>15</sup> http://www.quakeroats.com/products/hot-cereals/quick-oats.aspx (last visited July 13, 2016).

front label. Quaker lists the product's ingredients as not only "100% Natural" but also of a particular quality: "100% Natural Whole Grain Quaker Quality Steel Cut Oats."

- 63. Upon information and belief, Quaker has profited enormously from the sale of its products that it has mislabeled as being healthy, natural or "100% natural."
- 64. American Consumers increasingly and consciously seek out natural and healthful food products. Once a small niche market, healthful, natural foods are now sold by conventional retailers, and their sales continue to soar. The trend toward natural and healthful food products includes, for many consumers, a preference for whole grains over processed or otherwise refined grains.
- 65. Consumers value natural foods, including whole grains, for a myriad of health, environmental, and political reasons, including avoiding chemicals and/or additives, attaining health and wellness, helping the environment, and financially supporting companies that share these values.
- 66. Consumers reasonably believe that a product labeled "Natural" or "100% Natural" does not contain pesticides.
- 67. Consumers reasonably believe that a product labeled "Natural" or "100% Natural" does not contain synthetic ingredients.
- 68. Consumers reasonably believe that a product labeled "100% Natural Whole Grain," especially a product whose only ingredient is listed as "100% Natural Whole-Grain Quaker Quality Rolled Oat," does not contain anything other than natural oats.
- 69. Quaker knows and intends that when consumers see labels promising that a product is "Natural," "100% Natural," or "100% Natural Whole Grain," consumers will understand that to mean that, at the very least, the product does not contain synthetic ingredients or harmful chemicals.

- 70. Referring to its "Old Fashioned" and "Quick Oats" products, Quaker's website states that "100% Natural" "means these products do not contain any artificial or synthetic ingredients, just oats."<sup>16</sup>
- 71. Consumers reasonably expect that if a product contains a harmful substance, the presence of that substance will be disclosed, and they will be warned of the dangers associated with the substance.
- 72. Quaker consumers reasonably believe that the products are all natural and do not contain synthetic ingredients. Quaker consumers also reasonably believe that the products are all natural and do not contain pesticides.
- 73. Quaker's representations that Quaker Oats are "Natural," "100% Natural," or "100% Natural Whole Grain" are false. In fact, quantitative testing revealed that Quaker Oats contain glyphosate.
- 74. Glyphosate is a widely-used herbicide. When added to oats, glyphosate reduces the level of beta glucan, a soluble fiber linked to cardiovascular health and improvements in cholesterol levels. The National Center for Biotechnology Information ("NCBI") conducted studies on the cholesterol-lowering effects of oat beta glucan:

Results of this analysis show that studies conducted during the past 13 years support the suggestion that intake of oat  $\beta$ -glucan at daily doses of at least 3 g may reduce plasma total and low-density lipoprotein (LDL) cholesterol levels by 5-10% in normocholesterolemic or hypercholesterolemic subjects. Studies described herein have shown that, on average, oat consumption is associated with 5% and 7% reductions in total and LDL cholesterol levels, respectively. Significant scientific agreement continues to support a relationship between oat  $\beta$ -glucan and blood cholesterol levels, with newer data being consistent with earlier conclusions made by the FDA and JHCI.<sup>17</sup>

<sup>&</sup>lt;sup>16</sup> See <u>https://cu.pepsico.com/quaker</u> (last visited August 1, 2016)

<sup>&</sup>lt;sup>17</sup> http://www.ncbi.nlm.nih.gov/pubmed/21631511 (last visited July 13, 2016).

# Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 16 of 42

75. Glyphosate is a category 2A "probable" human carcinogen, according to the World

Health Organization ("WHO").<sup>18</sup> The International Agency for Research on Cancer

(IARC), the cancer-research arm of the WHO, described their findings in March 2015:

[O]ther evidence, including from animal studies, led the IARC to its 'probably carcinogenic' classification. Glyphosate has been linked to tumours in mice and rats — and there is also what the IARC classifies as 'mechanistic evidence', such as DNA damage to human cells from exposure to glyphosate.

Kathryn Guyton, a senior toxicologist in the monographs programme at the IARC and one of the authors of the study, says, "In the case of glyphosate, because the evidence in experimental animals was sufficient and the evidence in humans was limited, that would put the agent into group 2A.<sup>19</sup>

76. In a study on the effects of glyphosate entitled, "Glyphosate-based herbicides are toxic

and endocrine disruptors in human cell lines," researchers at NCBI consistently observed

human cell endocrine disruptions, even at extremely low concentrations of the

herbicide.<sup>20</sup>

77. Glyphosate kills the beneficial bacteria that inhabit the GI tracts of humans and other

animals. Recent studies give evidence of glyphosate's toxicity to bacteria:

A study examining the effect of glyphosate on bacteria that grow in the GI tract of chickens found that beneficial bacteria were susceptible, and harmful bacteria were resistant, to glyphosate. The growth of four types of beneficial bacteria-Lactobacillus, Bacillus, Bifidobacterium, and Enterococcus-was reduced at low concentrations of glyphosate. [Shehata, A.A.; Schrödl, W.; Aldin, A.A.; Hafez, H.M.; Krüger, M. 2013. The effect of glyphosate on potential pathogens and beneficial members of poultry microbiota in vitro. Curr. Microbiol. 66, 350-358.] The same types of beneficial bacteria inhabit the human GI tract, and they are sold over the counter as a probiotic supplement. Some strains are also found in yogurt.

When exposed to the same levels of glyphosate that harmed the beneficial bacteria, several harmful bacteria, including Salmonella, grew successfully. The authors concluded that ingestion of glyphosate can disturb the normal microbial

<sup>&</sup>lt;sup>18</sup> http://www.nytimes.com/2016/05/02/business/quaker-oats-100-natural-claim-questioned-in-lawsuit.html? r=1 (last visited July 13, 2016).

<sup>&</sup>lt;sup>19</sup> http://www.scientificamerican.com/article/widely-used-herbicide-linked-to-cancer/ (last visited July 13, 2016).

<sup>&</sup>lt;sup>20</sup> http://www.ncbi.nlm.nih.gov/pubmed/19539684 (last visited July 13, 2016).

community and predispose chickens to carrying high levels of *Salmonella* or other harmful bacteria.

A similar study found that glyphosate was toxic to beneficial bacteria in cattle, and hypothesized that glyphosate residues on cattle feed may predispose cattle to infection by *Clostridium botulinum*, the bacterium that causes botulism. [Krüger, M.; Shehata, A.A.; Schrödl, W.; Rodloff, A. 2013. Glyphosate suppresses the antagonistic effect of Enterococcus spp. on Clostridium botulinum Anaerobe 2013, 20, 74–78.]<sup>21</sup>

- 78. Upon information and belief, glyphosate is not necessary to plant, grow, or harvest oats. It is not a "natural" method of growing or harvesting oats; is applied to oats as a drying agent before harvest; and is applied for commercial purposes only.
- 79. Glyphosate is not "Natural." It is not "100% Natural" nor is it present in "100% Natural Whole Grain."
- 80. Quaker has a duty to disclose the presence of glyphosate and to warn of the dangers associated with glyphosate.

## C. Quaker's Labels Were Misleading

- 81. Quaker labeled, advertised and sold its products as being natural. However, they were not all natural and contained dangerous glyphosate.
- 82. Consumers reasonably believed Quaker's representations from reading the products label as drafted and represented by Quaker. Unsuspecting consumers had no way to discern that the products were not what they claimed to be. Discovery of the true ingredients of the products requires scientific knowledge of the ingredients and composition that is not available to the average consumer.

<sup>&</sup>lt;sup>21</sup> <u>http://www.cornucopia.org/2014/03/gut-wrenching-new-studies-reveal-insidious-effects-glyphosate/#8note</u> (last visited July 13, 2016).

- 83. Because the products contain glyphosate, they are not natural. As such, a real mislabeling and falsehood exists.
- 84. Quaker never warned consumers that the products contain glyphosate. Consumers had no reason to know that dangers existed by ingestion of Quaker's products. Further, consumers, and the putative class here, had no reason to discover the dangers associated (and other salient facts) with Quaker's products until recently (as described herein).
- 85. Only Quaker itself knows exactly how it grows, processed and harvested it oats for use in its Products for sale to the public.
- 86. To this day, Quaker continues to conceal the true processing, composition, content and development of its oats.
- 87. Quaker holds itself out to be a leader in growing oats and general food preparation for human consumption. Quaker is a trusted name in this arena. Quaker presumably has labs, engineers and quality control teams that monitor its oat production. Quaker had knowledge as to how it grew and harvested and cultivated the oats used in (1) Quaker Oats Old-Fashioned; (2) Quaker Steel Cut Oats; and (3) Quaker Oats-Quick 1-Minute that contain dangerous glyphosate.
- 88. Instead of warning consumers about the dangers associated with glyphosate, Quaker developed and sold the products with this dangerous ingredient all the while touting the superior health benefits of these products. In doing so, it charged a premium amount of money for the products under the guise that they were all natural and provided superior health benefits.
- 89. As part of its marketing and labeling campaign, Quaker intended for consumers to rely on its representations, hoping that consumers would trust it representations that state, in part:

Just because you don't have time for a relaxing breakfast doesn't mean you don't deserve the tasty benefits of Quaker Oats. Quick Quaker Oats give you all the wholesome goodness of Quaker in just one minute. Try topping Quick Quaker Oats with fresh or dried fruits, nuts or cinnamon and enjoy the healthy benefits of a satisfying breakfast.

## Made with 100% natural, whole grain Quaker Oats<sup>22</sup>

- 90. Quaker's intentions were to have consumers purchase its products rather than competitors' and entice them with suggestive and appealing representations about the products being all natural and providing superior health benefits.
- 91. Consumers, and the putative class, were willing to spend more money on a "100% natural" product that they believed (based on the defendant's statements) was superior and offered superior health benefits.
- 92. Based on information and belief, Quaker is aware that consumers will pay more for products that state "100% natural" and specifically market and label their products with these considerations in mind.
- 93. Consumers would not have relied on Quaker's representations had they known that the products were not all natural, contained glyphosate, did not provide the health benefits of oats, and were dangerous.
- 94. To their detriment, consumers unknowingly and unwittingly did indeed rely on Quaker's representations of "100% natural" related to its (1) Quaker Oats Old-Fashioned; (2) Quaker Steel Cut Oats; and (3) Quaker Oats-Quick 1-Minute. Consumers, and the putative class, paid premium amounts of money for a product that they trusted, pursuant to Quaker's promises, were natural, grown in an eco-friendly manner, and offered superior health benefits.

<sup>&</sup>lt;sup>22</sup> <u>http://www.quakeroats.com/products/hot-cereals/quick-oats.aspx</u> (last visited July 13, 2016).

- 95. Consumers did so rely in part because they did not possess the same knowledge concerning the products that Quaker did.
- 96. To their detriment, Plaintiffs were among the intended recipients of Quaker's statements. When Plaintiffs and Class Members purchased Quaker Oats, they saw the false, misleading, and deceptive representations detailed above, and did not receive disclosure of the presence of glyphosate or any warning of the dangers associated with glyphosate, as detailed above.
- 97. These misrepresentations and omissions were uniform and communicated to Plaintiffs and every other Class Member at every point of purchase and consumption.
- 98. Plaintiffs and Class Members reasonably relied to their detriment on Quaker's misleading representations and omissions.
- 99. Quaker's false, misleading, and deceptive misrepresentations and omissions deceived and misled, and are likely to continue to deceive and mislead, Plaintiffs, the Class Members, reasonable consumers, and the general public.
- 100. Quaker's misleading affirmative statements further obscured what it failed to disclose, and the warnings failed to give. Thus, reliance upon Quaker's misleading and deceptive representations and omissions may be presumed.
- 101. As a result of Quaker's actions and conduct, Plaintiffs and the putative class have suffered significant harms, including, but not limited to, financial harms for paying premium prices for what they believed to be natural products that contained glyphosate; paying premium prices for what they believed to be an environmentally friendly product; not being warned of the dangers of glyphosate and its possible dangers; being deprived of the benefit of the bargain because they did not receive what they were promised; ingesting harmful chemicals without their consent and permission and knowledge; and

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 21 of 42

being denied the "natural" or "all natural" properties in certain foods that they originally sought.

- 102. The injuries in fact suffered by Plaintiffs and the putative class are real and they would not have purchased the products, or trusted Quaker's representations, had they been aware (or had they been put on notice) concerning the presence of glyphosate and the dangers associated with glyphosate.
- 103. Plaintiffs and the Class Members all paid money for Quaker Oats, but did not obtain the full value of the advertised products due to Quaker's misrepresentations and omissions. Plaintiffs and the Class Members purchased, purchased more of, or paid more for, Quaker Oats than they would have had they known the truth about Quaker Oats.
- 104. Quaker has benefited from developing, marketing and selling products labeled as "natural" that are actually not. Consumers pay a premium price for what they believe to be products that are indeed "natural," and are grown in an environmentally friendly manner. Quaker took advantage of consumers' reliance and benefited by labeling the products in the manner that they did – even though the products contained glyphosate.

#### **CLASS ACTION ALLEGATIONS**

- 105. This action is brought and may be maintained as a nationwide class action pursuant to Federal Rule of Civil Procedure 23 and case law thereunder, on behalf of Plaintiffs and all others similarly situated, with the Nationwide Class defined as follows:
  All persons who have purchased the Products, for personal use, and not for resale, within any applicable limitations period until Notice is provided to the Class.
  106. Alternatively, or in addition to the Nationwide Class, Plaintiff Oren Panitch seeks
  - to represent a Pennsylvania Subclass defined as follows:

All persons who have purchased the Products in Pennsylvania, for personal use, and not for resale, within any applicable limitations period until Notice is provided to the Pennsylvania Subclass.

107. Alternatively or in addition to the Nationwide Class Plaintiff Margie Rizika seeks

to represent a "New Jersey Subclass" defined as follows:

All persons who have purchased the Products in New Jersey, for personal use, and not for resale, within any applicable limitations period until Notice is provided to the New Jersey Subclass.

108. Alternatively or in addition to the Nationwide Class Plaintiff Gina Davis seeks to

represent a "Texas Subclass" defined as follows:

All persons who have purchased the Products in Texas, for personal use, and not for resale, within any applicable limitations period until Notice is provided to the Texas Subclass.

109. Excluded from the Class are Defendant, any entity in which Defendant has a

controlling interest or which has a controlling interest of Defendant, and Defendant's

legal representatives, assigns and successors. Also excluded are the judge to whom this

case is assigned and any member of the judge's immediate family, the attorneys of

record, and all persons who properly execute and file a timely request for exclusion

therefrom.

- 110. Plaintiffs reserve the right to re-define the Class prior to class certification.
- 111. *Numerosity*: The proposed Class is so numerous that the individual joinder of all Class Members, in this or any action, is impracticable. The exact number and identification of all Class Members is presently unknown to Plaintiffs, but it is believed to comprise thousands of Members, who, upon information and belief, are ascertainable and identifiable.
- 112. *Commonality*: The critical question of law and fact common to the Class that will materially advance the litigation is whether Quaker's misrepresentations and omissions

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 23 of 42

related to the marketing, labeling, and sale of the Products were unfair, deceptive, fraudulent, and/or unlawful in any respect. Furthermore, other questions of law and fact common to the Class that exist as to all members of the Class include the following:

- a. Whether Defendant's practices and representations related to the marketing, labeling, testing, and sales of the Products were unfair, deceptive, fraudulent, and/or unlawful in any respect;
- b. Whether Defendant failed to warn Plaintiffs and Class Members of the presence of glyphosate in the Products and/or of the health effects of ingesting glyphosate in violation of the law with its practices and representations related to the marketing, labeling, and sale of the Products;
- c. Whether Quaker Oats were not suitable for use for the benefits advertised, marketed, and warranted by Defendant;
- d. Whether Defendant knew or should have known of the effect of glyphosate on the advertised, marketed, and warranted benefits of the Products;
- e. Whether the Products failed to provide the benefits in accordance with the reasonable expectations of ordinary consumers;
- f. Whether Defendant breached an express warranty created through the labeling and marketing of its falsely labeled Products;
- g. Whether Defendant breached an implied warranty of its falsely labeled Products;
- Whether Defendant negligently represented, omitted, and concealed from consumers material facts relating to the quality and ingredients of the Products;
- i. Whether Defendant's conduct as set forth above economically injured Plaintiffs and Class Members; and

- j. Whether Plaintiffs and Class Members are entitled to injunctive or any other equitable relief.
- 113. *Typicality*: The claims of the representative Plaintiffs are typical of the claims of the claims of the other members of the Classes because, among other things, all members of the Class were comparably injured through the substantially uniform misconduct described above, were subject to Quaker's false, deceptive, misleading and unfair advertising and marketing practices concerning Quaker Oats. Plaintiffs herein are advancing the same claims and legal theories on behalf of themselves and all members of the Classes and there are no defenses available to Quaker that are unique to the Plaintiffs.
- 114. Adequacy of Representation: Plaintiffs are adequate representatives of the proposed Classes because their interests do not conflict with the interests of the other members of the Classes they seek to represent; they have retained counsel competent and experienced in complex class action litigation; and Plaintiffs will prosecute this action vigorously. The Classes' interests will be fairly and adequately protected by Plaintiffs and their counsel.
- 115. *Injunctive Relief*: Quaker has acted or refused to act on grounds generally applicable to Plaintiffs and the other members of the Classes, thereby making appropriate final injunctive relief, as described below, with respect to the members of the Classes as a whole. Specifically, injunctive relief is necessary and appropriate to require Quaker to, among other things: (a) discontinue advertising, marketing packaging and otherwise representing its Quaker Oats as being "Natural," "100% Natural," "Heart Healthy," and grown in an eco-friendly manner; (b) undertake an immediate public information campaign to inform members of the proposed Classes of the truth about the Products and Quaker's prior practices relating thereto; and (c) to correct any erroneous impression

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 25 of 42

consumers may have derived concerning the nature, characteristics, or qualities of Quaker Oats, including, without limitation, the placement of corrective advertising and providing written notice to the public.

116. Superiority: A class action is superior to any other available means for the fair and efficient adjudication of this controversy, and no unusual difficulties are likely to be encountered in the management of this class action. The damages or other financial detriment suffered by Plaintiffs and the other members of the Classes are relatively small compared to the burden and expense that would be required to individually litigate their claims against Quaker, so it would be impracticable for members of the Classes to individually seek redress for Quaker's wrongful conduct. Even if the members of the Classes could afford individual litigation, the court system could not. Individualized litigation creates a potential for inconsistent or contradictory judgments and increases the delay an expense to all parties and the court system. By contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court. Given the similar nature the members of the Classes' claims and the absence of material differences in the statutes and common laws upon which the members of the Classes' claims are based when such claims are grouped as proposed above and below, the Classes will be easily managed by the Court and the parties.

# QUAKER IS ESTOPPED FROM ASSERTING STATUTE OF LIMITATIONS-BASED DEFENSES

117. Quaker knew or reasonably should have known that Quaker Oats were not Natural, 100% Natural, Heart Healthy, and grown in an eco-friendly manner, and intentionally or negligently concealed that material information and the truth concerning their Products from Plaintiffs and the general public, while continually marketing Quaker Oats as being "Natural," "100% Natural," "Heart Healthy," and grown in an eco-friendly. Quaker's acts of fraudulent concealment include failing to disclose that Quaker Oats contain Glyphosate.

- 118. Plaintiffs had no reasonable way to discover or detect Quaker's misrepresentations and omissions about whether the Products were all natural, the presence of glyphosate in the Products and of the health and environmental effects of the use and ingestion of glyphosate until shortly before Plaintiffs filed their respective Complaints.
- 119. Quaker Oats had a duty to change the misapprehension created by its misleading conduct and representations, and disclose that Quaker Oats was not all natural, the presence of glyphosate and to warn of the dangers associated with glyphosate.

# <u>CLAIMS FOR RELIEF</u> Count I Breach of Express Warranty

- 120. Plaintiffs incorporate by reference each of the allegations contained in the preceding paragraphs of this Complaint.
- 121. Defendant marketed and sold the Quaker Oats into the stream of commerce with the intent that Quaker Oats would be purchased by Plaintiffs and members of the Class.
- 122. Defendant created express warranties on the Quaker Oats' packaging, marketing materials, and its website that Quaker Oats were "Natural," "100% Natural," "Heart Healthy," and grown in an eco-friendly manner.
- 123. Plaintiffs and Class Members reasonably relied on Defendants' marketing materials, packaging and website, in making their decision to purchase the Humidifiers.

- 124. Defendant's warranties became part of the basis of the bargain Plaintiffs and members of the Class entered into when they purchased Quaker Oats.
- 125. Quaker breached its express warranties to Plaintiffs and the Class in that Quaker Oats are not, as it promised, "Natural," "100% Natural," "Heart Healthy," and grown in an eco-friendly manner. As set forth in more detail above, Quaker Oats contained glyphosate, an unnatural and dangerous biocide.
- 126. As a result of Quaker's breaches of its express warranties, Plaintiffs and Class Members were damaged in the amount of the purchase price they paid for Quaker Oats, in an aggregate amount to be proven at trial.
- 127. Plaintiffs, on behalf of themselves and the Class Members, demand judgment against Quaker for compensatory damages for themselves and each of the other Class members, as well as attorneys' fees, interest, and costs.
- 128. Quaker has been given ample notice of the nonconformities alleged herein through numerous consumer claims and complaints advising it of the presence of glyphosate and dangers associated. Despite being given such notice, Quaker still warrants through its marketing materials, packaging and website that its' Products are "Natural," "100% Natural," "Heart Healthy," and grown in an eco-friendly manner.

## Count II Breach of Implied Warranty

- 129. Plaintiffs incorporate by reference each of the allegations contained in all of the preceding paragraphs of this Complaint.
- 130. Quaker Oats are goods and Defendant is a merchant with respect thereto, within the meaning of the Uniform Commercial Code, as adopted in Pennsylvania, New Jersey, and California.

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 28 of 42

- 131. Defendant developed, manufactured, distributed, marketed, advertised, and/or sold Quaker Oats directly to or for the purpose of their eventual sale to end users for consumption.
- 132. Defendant impliedly warranted to Plaintiffs and Class Members, prior to their purchase of Quaker Oats, that Quaker Oats were merchantable and reasonably fit for the purposes for which such products are used and that the product be acceptable in trade for the product description.
- 133. Plaintiffs and Class Members relied on Defendant's skill and judgment in selecting Defendant's product to purchase. Moreover, Plaintiffs and Class Members relied on statements made on Defendant's packaging, that Quaker Oats contained nothing more than Oats and were fit for the ordinary purposes for which such Oats are consumed.
- 134. Defendant breached its duty by selling to Plaintiffs and Class Members Oats that were not merchantable. In fact, the Products are unfit for their intended use and not of merchantable quality, in that they contain glyphosate, an unnatural and dangerous biocide that reduces the level of beta glucan in Oats, a soluble fiber linked to the cardiovascular health and improvements in cholesterol levels associated with Oats.
- 135. Quaker Oats are unfit for their ordinary purpose and are of non-merchantable quality because they contain glyphosate.
- 136. Defendant breached its implied warranties in that Quaker Oats contain glyphosate and are grown and sold using glyphosate.
- 137. Plaintiffs as well as members of the Class relied on Defendant's implied warranties concerning Quaker Oats and sustained an ascertainable loss and financial injury resulting from Defendant's breach of those warranties.

28

138. Plaintiffs, individually and on behalf of Class Members demand judgement against Quaker for compensatory damages for themselves and each of the Class Members, plus attorneys' fees, interest, and costs.

### Count III Unjust Enrichment

- 139. Plaintiffs incorporate by reference each of the allegations contained in the preceding paragraphs of this Complaint.
- 140. Plaintiffs conferred a tangible economic benefit upon Defendants by purchasing Quaker Oats products. Plaintiffs would have expected remuneration from Defendants at the time this benefit was conferred had they known that the Product was not as promised.
- 141. As a result of Quaker's deceptive, fraudulent, and misleading packaging advertising, marketing, and sales of its Quaker Oats, Quaker was enriched, at the expense of the Plaintiffs and Class Members through the payment of the purchase price for Quaker Oats.
- 142. Under the circumstances, it would be against equity and good conscious to permit Quaker to retain the ill-gotten benefits that it received from Plaintiffs and Class Members in light of the fact that Quaker Oats products purchased by Plaintiffs and Class Members were not as Quaker purports them to be, as set forth more fully above.
- 143. It would be unjust or inequitable for Quaker to retain the benefits without restitution or disgorgement of monies paid to Quaker for Quaker Oats, or such other appropriate equitable remedy to Plaintiffs and Class Members.

### Count IV Violation of the Pennsylvania Unfair Trade Practices And Consumer Protection Law (On behalf of the Pennsylvania Subclass)

- 144. Plaintiffs incorporate by reference the allegations contained in the forgoing paragraphs of this Complaint.
- 145. Pennsylvania's Unfair Trade Practices and Consumer Protection Law, 73 Pa. Cons. Stat. Ann. §§201-1 *et seq.* (the "UTPCPL") makes unlawful "unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce."
- 146. Defendant is a manufacturer, marketer, seller, and/or distributor of Quaker Oats.
- 147. Defendant markets, and sells Quaker Oats with express warranties created on the Products' packaging, labeling, advertisements, marketing literature, and website regarding the qualities, ingredients, and benefits of Quaker Oats.
- 148. Plaintiff Panitch and Pennsylvania Subclass Members purchased Quaker Oats for personal, household, or family use.
- 149. The conduct described above and throughout this Complaint took place within the Commonwealth of Pennsylvania and constitutes unfair methods of competition or unfair or deceptive acts or practices pursuant to §§201-2(4)(v), (vii), and (xxi) of the UTCPL.
- 150. The UTPCPL applies to the claims of all of the Pennsylvania Subclass Members because the conduct which constitutes violation of the UTPCPL by Defendant occurred within the Commonwealth of Pennsylvania.
- 151. In violation of the UTPCPL, Defendant omitted and/or concealed material facts from Plaintiff Panitch and the Pennsylvania Subclass regarding the quality, characteristics, benefits and/or uses of Quaker Oats.
- 152. The omissions described herein were likely to deceive consumers into purchasing Quaker Oats.

- 153. Defendant knew or reasonably should have known that its representations about Quaker Oats were false, that Quaker Oats contained glyphosate, and otherwise were not as warranted and represented by Defendant.
- 154. Defendant knew or should have known, at the time Quaker Oats left its control that Quaker Oats contained glyphosate. Additionally, Defendant knew or should have known that glyphosate reduces the level of beta glucan, a soluble fiber linked to the cardiovascular health and improvements in cholesterol levels that Defendant warrants its products as providing.
- 155. Defendant deceived and continues to deceive consumers. This conduct constitutes unfair or deceptive acts or practices within the meaning of the UTPCPL. This illegal conduct by Defendant is continuing, with no indication that it will cease.
- 156. Defendant's actions in connection with the manufacture and distribution of Quaker Oats, as set forth herein, evidence a lack of good faith, honesty in fact, and observance of fair dealing so as to constitute unconscionable commercial practices, in violation of the UTPCPL.
- 157. Defendant acted willfully, knowingly, intentionally, unconscionably, and with reckless indifference when it committed these acts of consumer fraud.
- 158. Defendant intended that Plaintiff Panitch and the Pennsylvania Subclass Members rely on the acts of concealment, omissions and misrepresentations regarding the nature of the Products so that Plaintiff Panitch and the Pennsylvania Subclass Members would purchase Quaker Oats.
- 159. Plaintiff Panitch and the Pennsylvania Subclass Members relied on the acts of concealment, omissions, and misrepresentations regarding the nature of Quaker Oats.

31

- 160. Plaintiff Panitch and the Pennsylvania Subclass Members, had Defendant disclosed to them all material information regarding Quaker Oats, would have considered the omitted information material to their decision to purchase Quaker Oats at the price they paid.
- 161. As a direct and proximate cause of the UTCPL violations described above, Plaintiff Panitch and the Pennsylvania Subclass have been injured in that they have purchased Quaker Oats based on the nondisclosure material facts and material misrepresentations alleged above.
- 162. The foregoing acts, misrepresentations, omissions and unconscionable commercial practices cause Plaintiff Panitch and the Pennsylvania Subclass Members to suffer an ascertainable loss in the form of monies paid to Defendant for Quaker Oats that, contrary to Defendant's representations, contain and are grown using glyphosate. Plaintiff Panitch and the Pennsylvania Subclass Members are entitled to recover actual compensatory and/or statutory damages, as well as attorneys' fees and costs of suit, to the fullest extent permitted.

## Count V Violation of the New Jersey Consumer Fraud Act (On behalf of the New Jersey Subclass)

163. Plaintiffs incorporate by reference the allegations contained in the foregoing paragraphs of this Complaint.

164. Defendant is a manufacturer, marketer, seller, and/or distributor of Quaker Oats.

165. Defendant markets, and sells Quaker Oats with express warranties created on the Products' packaging, labeling, advertisements, marketing literature, and website regarding the qualities, ingredients, and benefits of Quaker Oats.

- 166. Plaintiff Rizika and New Jersey Subclass Members purchased Quaker Oats for personal, household, or family use.
- 167. The conduct described above and throughout this Complaint took place within the State of New Jersey and constitutes unfair business practices in violation of the New Jersey Consumer Fraud Act, N.J.S.A. §§ 56:8-1, *et seq.* (the "CFA").
- 168. Plaintiff Rizika, the New Jersey Subclass Members, and Defendant are "persons" within the meaning of the CFA.
- 169. Plaintiff Rizika and all other members of the New Jersey Subclass are"consumers" within the meaning of the CFA.
- 170. At all relevant times hereto, Defendant conducted trade and commerce in New Jersey and elsewhere within the meaning of the CFA.
- 171. The CFA applies to the claims of Plaintiff Rizika as well as the New Jersey Subclass Members because Defendant's conduct that constitutes CFA violations occurred within the State of New Jersey.
- 172. In violation of the CFA, Defendant employed fraud, deception, false promise, misrepresentation, and the knowing concealment, suppression, or omission of material facts concerning its express warranties.
- 173. The omissions and misrepresentations described herein were likely to deceive consumers into purchasing Quaker Oats.
- 174. Plaintiff Rizika as well as members of the New Jersey Subclass relied on the representations made by the Defendant and were in fact deceived by those representations.
- 175. As a direct and proximate result of the violations of the CFA described above, Plaintiff Rizika and the New Jersey Subclass have been injured in that they have

purchased Quaker Oats based on the nondisclosure of material facts and material misrepresentations alleged above.

- 176. Defendant knew or should have known that its Quaker Oats contained glyphosate, were not suitable for their intended use, and were otherwise not as warranted and represented by Defendant.
- 177. Defendant used unfair methods of competition and unfair or deceptive acts or practices in conducting its business. This conduct constitutes fraud within the meaning of the CFA. Defendant continues to engage in and has given no indication that it will cease this unlawful conduct.
- 178. Defendant's actions in connection with the manufacture, distribution, marketing, and sale of Quaker Oats, as set forth herein, evidence a lack of good faith, honesty in fact, and observance of fair dealing so as to constitute unconscionable commercial practices in violation of the CFA.
- 179. Defendant intended that Plaintiff Rizika and the other New Jersey Subclass Members rely on the acts of concealment, omissions, and misrepresentations regarding the nature of the Products, so that Plaintiff Rizika and the other New Jersey Subclass Members would purchase Quaker Oats.
- 180. Plaintiff Rizika and the other New Jersey Subclass Members relied on the above described acts of deception, concealment, omissions, and misrepresentations regarding the nature of Quaker Oats.
- 181. Had Defendant disclosed all material information regarding Quaker Oats to Plaintiff Rizika and the other New Jersey Subclass Member they would have considered those facts material to their decision to purchase Defendant's Quaker Oats at the price they were charged.

- 182. As a direct and proximate result of the CFA violations described above, Plaintiff Rizika and the other New Jersey Subclass Members have been injured in that they have purchased Quaker Oats based on the nondisclosure of material facts, and misrepresentations alleged above.
- 183. Defendant used unfair methods of competition and unfair or deceptive acts or practices in conducting its business. This conduct which is continuing, constitutes fraud within the meaning of the CFA.
- 184. Defendant's actions in connection with the manufacture, distribution, marketing, advertising, and sale of Quaker Oats, as set forth herein, evidence a lack of good faith, honesty in fact, and observance of fair dealing so as to constitute unconscionable commercial practices in violation of the CFA.
- 185. Defendant acted willfully, knowingly, intentionally, unconscionably, and with reckless indifference when it committed these acts of consumer fraud.
- 186. The foregoing acts, misrepresentations, omissions, and unconscionable commercial practices causes Plaintiff Rizika and the New Jersey Subclass Members to suffer an ascertainable loss in the form of monies paid to Defendant for Quaker Oats that, contrary to Defendant's representations, contain and are grown with glyphosate. Plaintiff Rizika and the New Jersey Subclass Members are entitled to recover actual compensatory and/or statutory damages, as well as attorneys' fees and costs of suit, to the fullest extent permitted.

## Count VI Violation of Texas Deceptive Trade Practices Law (On behalf of the Texas Subclass)

187. Plaintiffs incorporate by reference the allegations contained in the foregoing paragraphs of this Complaint.

- 188. By committing the acts and practices alleged herein, Quaker has engaged in deceptive, unfair, and unlawful business practices in violation of Texas's Deceptive Trade Practices And Consumer Protection Law, Tex. Bus. & Com. Code §§ 17.41-63, et seq. (the "UCL").
- 189. Plaintiff Davis has standing to pursue this claim as she has suffered injury in fact and has lost money or property as a result of Quaker's actions as set forth above. Texas Subclass Members also have suffered injury in fact and have lost money or property as a result of Quaker's actions as set forth above.
- 190. The violation of any law constitutes an "unlawful" business practice under the UCL.
- 191. Each of Quaker's false representations and omissions alleged herein violates
  Subchapter E of the UCL, including but not necessarily limited to Sec. 17.46(a), (b)(5), (b)(7), (b)(23).
- 192. Quaker has violated the UCL's proscription against engaging in unlawful conduct, as alleged above.
- 193. As more fully described herein, Quaker's misleading marketing, advertising, packaging, and labeling of the Products is likely to deceive a reasonable consumer. Indeed, Plaintiff Davis and the Texas Subclass Members were unquestionably deceived regarding the characteristics of Quaker Oats, as Quaker's marketing, advertising, packaging, and labeling of Quaker Oats misrepresents and/or omits the true nature, quality, and/or ingredients of the Products.
- 194. There is no benefit to consumers or competition from deceptively marketing and labeling products. Indeed, the harm to consumers and competition is substantial.

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 37 of 42

Plaintiff Davis and Texas Subclass Members who purchased the Products suffered a substantial injury as alleged herein.

- 195. Plaintiff Davis and the Texas Subclass Members who purchased Quaker Oats had no way of reasonably knowing that the Products they purchased were not as marketed, advertised, packaged, and labeled. Thus, they could not have reasonably avoided the injury each of them suffered.
- 196. Quaker's acts and omissions alleged above constitute unfair business practices under the UCL because the gravity of the consequences of Quaker's conduct as described above outweighs any justification, motive, or reason therefor, particularly considering the available legal alternatives which exist in the marketplace, and such conduct is immoral, unethical, unscrupulous, offends established public policy, and/or is substantially injurious to Plaintiff Davis and the Texas Subclass Members. Quaker's false and misleading representations and omissions also violate legislatively declared policy as they have violated numerous state and federal laws. Moreover, the gravity of the harm to Plaintiff Davis and the Texas Subclass Members resulting from Quaker's conduct outweighs Quaker's legitimate reasons, justifications, and/or motives for engaging in such deceptive acts and practices, if any.
- 197. Each false and misleading misrepresentation and omission constitutes fraudulent business practice under the UCL because the representations and omissions were false. Quaker's representations and deceptive concealment were fraudulent under the UCL because they were misleading and were likely to, and did deceive the reasonable consumer, including Plaintiff Davis and the Texas Subclass Members.
- 198. Quaker's violations continue to this day.

37

199. Pursuant to the UCL, Plaintiff Davis and the Texas Subclass Members seek an order of this Court that includes, but is not limited to, an order enjoining such future conduct on the part of Quaker and such other orders and judgements which may be necessary to disgorge Quaker's ill-gotten gains and to restore to any person in interest any monies paid for Quaker Oats.

#### Count VII Negligent Misrepresentation

- 200. Plaintiffs incorporate by reference each of the allegations contained in the preceding paragraphs of this Complaint.
- 201. Defendant had a duty to disclose to Plaintiffs and the Class the actual quality and ingredients of Quaker Oats.
- 202. Defendant had a duty to disclose the presence of glyphosate and to warn of the dangers associated with glyphosate.
- 203. During the Class Period, Defendant negligently represented, omitted, and concealed from consumers material facts relating to the quality and ingredients of Quaker Oats, including that Quaker Oats were not 100% Natural, contained an artificial ingredient, contained glyphosate, were not grown in an environmentally friendly manner, and that glyphosate had a direct negative impact on the health benefits associated with Quaker Oats and propounded by Quaker.
- 204. Defendant made such false and misleading statements and omissions on its website, on the Products' packaging, and in its product literature, advertisements, and warranties, with the intention of inducing Plaintiffs and Class Members to purchase Quaker Oats.

- 205. Defendant was careless in ascertaining the truth of its representations in that it failed to adequately test Quaker Oats to determine the effects of its use of glyphosate on the health benefits associated with Quaker Oats.
- 206. Plaintiffs and the Class Members were unaware of the falsity of Defendant's misrepresentations and omissions and justifiably relied on them in deciding to purchase Quaker Oats. Had Plaintiffs and Class Members been made aware that Quaker Oats contained unnatural ingredients, are not produced in an environmentally friendly manner, and/or do not provide the promised health benefits, they would not have purchased Quaker Oats at a premium, but, instead, would have paid substantially less for the Products, not purchased the Products at all, or purchased ordinary oats that did not contain glyphosate.
- 207. As a direct and proximate result of these misrepresentations and omissions of material facts by Defendant, Plaintiffs and Class Members have suffered and will continue to suffer damages and losses as alleged herein in an amount to be determined at trial.

#### Count VIII Injunctive Relief

- 208. Plaintiffs incorporate by reference each of the allegations contained in the preceding paragraphs of this Complaint.
- 209. Quaker has acted or refused to act on grounds generally applicable to Plaintiffs and Class Members, thereby making final injunctive relieve appropriate.
- 210. Quaker's conduct, as more fully set forth herein, both in the past and through the present day, has demonstrated a willful disregard for material facts in a clear attempt to sell a product that is not "Natural," "100% Natural," or grown in an eco-friendly manner.

#### Case 2:16-cv-04586-SD Document 1 Filed 08/22/16 Page 40 of 42

- 211. Quaker persists in its deceptive and unfair marketing and sales practices concerning the Products to the detriment of consumers across the country, including Plaintiffs and Class Members.
- 212. If Quaker is allowed to continue with these practices, consumers Plaintiffs and Class Members – will be irreparably harmed in that they do not have a plain, adequate, or complete remedy at law to address all of the wrongs alleged in this complaint, unless injunctive relief is granted to stop Quaker's improper conduct concerning its marketing and sale of the Products.
- 213. Plaintiffs and Class Members are, therefore, entitled to an injunction requiring Quaker remedy its unfair and deceptive practices relating to the marketing and sale of the Products, as alleged herein, including the effects thereof.
- 214. Plaintiffs and Class Members seek an order from this Court requiring Quaker to do the following:
  - a. discontinue advertising, marketing, packaging and otherwise representing its
     Quaker Oats as being "Natural," "100% Natural," and grown in an eco-friendly
     manner;
  - b. undertake an immediate public information campaign to inform Plaintiffs and Class Members of the truth about Quaker Oats and Quaker's prior practices relating thereto; and
  - c. correct any erroneous impression Plaintiffs and Class Members may have derived concerning the nature, characteristic, or qualities of Quaker Oats, including, without limitation, the placement of corrective advertising and providing written notice to the general public.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of the Class, prays for relief as follows:

- A. An order certifying that this action is properly brought and may be maintained as a class action, and adjudge Plaintiffs and their counsel to be adequate representatives thereof;
- B. An Order requiring Quaker to pay Plaintiffs' and Class Members; economic, monetary, actual damages (including multiple damages), consequential, compensatory, or statutory damages, whichever is greater; and, awarding Plaintiffs and Class Members exemplary damages, to the extent permitted;
- C. An Order awarding restitution and disgorgement of Quaker's revenues arising from its conduct alleged above, or any other appropriate remedy in equity, to Plaintiffs and Class Members;
- D. An Order awarding injunctive relief as permitted by law or equity, including: enjoining Quaker from continuing the unlawful practices set forth above; directing Quaker to cease its deceptive and misleading marketing campaign concerning Quaker Oats, and to disgorge all monies Quaker acquired by means of any act or practice declared by this Court to be wrongful;
- E. An Order awarding Plaintiffs, individually and on behalf of the Class Members, their expenses and costs of suit, including reasonable attorneys' fees and reimbursement of reasonable expenses, to the extent provided by law;
- F. An Order awarding to Plaintiffs individually and on behalf of the Class Members preand post-judgment interest, to the extent allowable; and
- G. For such other and further relief as may be just and proper.

#### JURY DEMAND

Plaintiffs, on behalf of themselves and the Members of the Classes hereby demand a trial by jury

of any and all issues in this action so triable.

Dated: August 19, 2016

Charles E. Schaffer LEVIN, FISHBEIN, SEDRAN & BERMAN 510 Walnut Street, Suite 500 Philadelphia, PA 19106 Telephone: (215) 592-1500 Facsimile (215) 592-4663 cschaffer@lfsblaw.com

Michael McShane Clint Woods David Ling AUDET & PARTNERS, LLP 711 Van Ness Avenue, Suite 500 San Francisco, CA 94102 Telephone: (415) 568-2555 Facsimile: (415) 568-2556 <u>mmcshane@audetlaw.com</u> <u>cwoods@audetlaw.com</u> <u>lkuang@audetlaw.com</u>

Charles J. LaDuca CUNEO, GILBERT & LADUCA, LLP 8120 Woodmont Avenue, Suite 810 Bethesda, MD 20814 Telephone: (202) 789-3960 Facsimile (202) 789-1813 <u>charles@cuneolaw.com</u>

### Case 2:16-cv-04586- EV Pocovert 1-3 HEET 08/22/16 Page 1 of 6

JS 44 (Rev. 07/16)

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 Oren Panitch, Gina Davi of all others similarly situ		ndividually and on b	ehalf	DEFENDANTS The Quaker Oats (	Company			
(b) County of Residence (E)	of First Listed Plaintiff XCEPT IN U.S. PLAINTIFF CA	Philadelphia County (SES)	y, PA	County of Residence NOTE: IN LAND CC THE TRACT	(IN U.S. P.	LAINTIFF CASES C	Cook County, IL DNLY) HE LOCATION OF	
(c) Attorneys (Firm Name, Levin, Fishbein, Sedran 510 Walnut Street, Suite Philadelphia, PA 19106	& Berman 500	r)		Attorneys (If Known)				
II. BASIS OF JURISD	CTION (Place an "X" in C	ne Box Only)	III. CI	TIZENSHIP OF P	RINCIPA	L PARTIES	(Place an "X" in One Box for Plainth	
1 U.S. Government Plaintiff	□ 3 Federal Question (U.S. Government)	Not a Party)			rf def \$1 □ 1	Incorporated or Pr of Business In 7		
2 U.S. Government Defendant	★ 4 Diversity (Indicate Citizensh)	ip of Parties in Item III)	Citizo	en of Another State	2 🗖 2	Incorporated and 1 of Business In		
				en or Subject of a reign Country	3 🗖 3	Foreign Nation	06 06	
IV. NATURE OF SUIT		**			1			
CONTRACT	PERSONAL INJURY	PRTS PERSONAL INJUR		ORFEITURE/PENALTY 25 Drug Related Seizure		KRUPTCY eal 28 USC 158	OTHER STATUTES	
<ul> <li>110 Insurance</li> <li>120 Marine</li> <li>130 Miller Act</li> <li>140 Negotiable Instrument</li> <li>150 Recovery of Overpayment &amp; Enforcement of Judgment</li> <li>151 Medicare Act</li> <li>152 Recovery of Defaulted Student Loans</li> </ul>	<ul> <li>BARSONAL INJURY</li> <li>BARSONAL PROPER</li> <li>BAR</li></ul>		□ 69	of Property 21 USC 881 0 Other	□ 423 With 28 U	drawal ISC 157 RTY RIGHTS /rights nt	<ul> <li>375 False Claims Act</li> <li>376 Qui Tam (31 USC 3729(a))</li> <li>400 State Reapportionment</li> <li>410 Antitrust</li> <li>430 Banks and Banking</li> <li>450 Commerce</li> <li>460 Deportation</li> <li>470 Racketeer Influenced and</li> </ul>	
<ul> <li>(Excludes Veterans)</li> <li>153 Recovery of Overpayment of Veteran's Benefits</li> <li>160 Stockholders' Suits</li> <li>190 Other Contract</li> <li>195 Contract Product Liability</li> <li>196 Franchise</li> </ul>			0 72 0 74 0 75	LABOR 0 Fair Labor Standards Act 20 Labor/Management Relations 10 Railway Labor Act 51 Family and Medical Leave Act 20 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))           86		<ul> <li>Corrupt Organizations</li> <li>480 Consumer Credit</li> <li>490 Cable/Sat TV</li> <li>850 Securities/Commodities/ Exchange</li> <li>890 Other Statutory Actions</li> <li>891 Agricultural Acts</li> <li>893 Environmental Matters</li> <li>895 Freedom of Information</li> </ul>	
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITION		1 Employee Retirement		AL TAX SUITS	Act	
<ul> <li>210 Land Condemnation</li> <li>220 Foreclosure</li> <li>230 Rent Lease &amp; Ejectment</li> <li>240 Torts to Land</li> <li>245 Tort Product Liability</li> </ul>	<ul> <li>440 Other Civil Rights</li> <li>441 Voting</li> <li>442 Employment</li> <li>443 Housing/ Accommodations</li> </ul>	Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General	,	Income Security Act	<ul> <li>870 Taxes (U.S. Plaintiff or Defendant)</li> <li>871 IRS—Third Party 26 USC 7609</li> </ul>		<ul> <li>B96 Arbitration</li> <li>B99 Administrative Procedure Act/Review or Appeal of Agency Decision</li> <li>950 Constitutionality of</li> </ul>	
290 All Other Real Property	<ul> <li>445 Amer. w/Disabilities - Employment</li> <li>446 Amer. w/Disabilities - Other</li> <li>448 Education</li> </ul>	<ul> <li>535 Death Penalty Other:</li> <li>540 Mandamus &amp; Oth</li> <li>550 Civil Rights</li> <li>555 Prison Condition</li> <li>560 Civil Detainee - Conditions of Confinement</li> </ul>		IMMIGRATION 2 Naturalization Application 5 Other Immigration Actions			State Statutes	
		Remanded from C Appellate Court		istated or 5 Transfe pened Anothe (specify)	er District	□ 6 Multidist Litigation Transfer		
VI. CAUSE OF ACTION	DN 28 USC Section	1332(d)		Do not cite jurisdictional stat	tutes unless di	iversity):		
VII. REQUESTED IN COMPLAINT:		IS A CLASS ACTION			20	CHECK YES only	y if demanded in complaint: : X Yes □ No	
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE	1		DOCKI	ET NUMBER		
DATE 08/19/2016		SIGNATURE OF AT	TORNEY	OF RECORD				
FOR OFFICE USE ONLY			$\leq$					
RECEIPT # AM	IOUNT	APPLYING IFP		JUDGE		MAG. JU	IDGE	

#### **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 seven 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 – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.

Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket. **PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statue.

- 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.

Case 2:16-cv-04586-SD Document 1-1 F FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be assignment to appropriate calendar.	
Address of Plaintiff: 1101 N. Hope Street, Philadelphia, PA 191	23
Address of Defendant: 555 W. Monroe Street, Chicago, IL 6066	1
Place of Accident, Incident or Transaction: Philadelphia, PA (Use Reverse Side For Ad	ditional Space)
Does this civil action involve a nongovernmental corporate party with any parent corporation and (Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a))	i any publicly held corporation owning 10% or more of its stock? Yes No
Does this case involve multidistrict litigation possibilities?	Yest No
RELATED CASE, IF ANY:	
Case Number: Judge	_ Date Terminated:
Civil cases are deemed related when yes is answered to any of the following questions:	
1. Is this case related to property included in an earlier numbered suit pending or within one yea	r previously terminated action in this court? Yes $\Box$ No $X$
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior su action in this court?	
	Yes No X
3. Does this case involve the validity or infringement of a patent already in suit or any earlier nu terminated action in this court?	mbered case pending or within one year previously $Y_{cs} \square N_0 X$
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights	case filed by the same individual?
	Yes□ NoX
CIVIL: (Place 🖌 in ONE CATEGORY ONLY)	
A. Federal Question Cases:	B. Diversity Jurisdiction Cases:
1. D Indemnity Contract, Marine Contract, and All Other Contracts	1.  Insurance Contract and Other Contracts
2. I FELA	2. 🗆 Airplane Personal Injury
3. 🗆 Jones Act-Personal Injury	3. 🗆 Assault, Defamation
4. 🗆 Antitrust	4. 🗆 Marine Personal Injury
5. 🗆 Patent	5. 🗆 Motor Vehicle Personal Injury
6. 🗆 Labor-Management Relations	6. 🗆 Other Personal Injury (Please specify)
7. D Civil Rights	7. 🗘 Products Liability
8. 🗆 Habeas Corpus	8. 🗆 Products Liability — Asbestos
9. D Securities Act(s) Cases	9. 🗆 All other Diversity Cases
10. 🗆 Social Security Review Cases	(Please specify)
11. □ All other Federal Question Cases (Please specify)	
ARBITRATION CERTI (Check Appropriate Cat	egory)
I, <u>Charles E. Schaffer</u> , counsel of record do hereby certify X Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and b \$150,000.00 exclusive of interest and costs; Relief other than monetary damages is sought.	
DATE: 08/19/2016	76259
DATE: 00/19/2010 Attorney-gt-Law	Attorney I.D.#
NOTE: A trial de novo will be a trial by jury only if there	has been compliance with F.R.C.P. 38.
I certify that, to my knowledge, the within case is not related to any case now pending or w except as noted above.	ithin one year previously terminated action in this court
DATE: 08/19/2016	76259
CIV. 609 (5/2012) Attorney-at-Law	Attorney I.D.#

Case 2:16-cv-04586-SD Document 1-1 F FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be assignment to appropriate calendar.		
Address of Plaintiff: 1101 N. Hope Street, Philadelphia, PA 191	23	
Address of Defendant: 555 W. Monroe Street, Chicago, IL 6066	1	
Place of Accident, Incident or Transaction: Philadelphia, PA (Use Reverse Side For Accident)	lditional Space)	
Does this civil action involve a nongovernmental corporate party with any parent corporation an (Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a))		
Does this case involve multidistrict litigation possibilities?	Yest X	Io 🗆
RELATED CASE, IF ANY:	D. t. There is the h	
Case Number: Judge	Date Terminated:	
Civil cases are deemed related when yes is answered to any of the following questions:		
1. Is this case related to property included in an earlier numbered suit pending or within one year		
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior su action in this court?		Not X terminated
		Not
3. Does this case involve the validity or infringement of a patent already in suit or any earlier nu terminated action in this court?	A CONTRACTOR OF A CONTRACTOR AND A CONTRAC	previously No <b>X</b>
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights	an and the rest of	×
	Yes	NoX
CIVIL: (Place 🖌 in ONE CATEGORY ONLY)		
A. Federal Question Cases:	B. Diversity Jurisdiction Cases:	
1. D Indemnity Contract, Marine Contract, and All Other Contracts	1. □ Insurance Contract an	d Other Contracts
2. $\Box$ FELA	2. 🗆 Airplane Personal Inj	ury
3.  I Jones Act-Personal Injury	3. D Assault, Defamation	
4. D Antitrust	4. □ Marine Personal Inju	
<ol> <li>□ Patent</li> <li>□ Labor-Management Relations</li> </ol>	<ol> <li>5. □ Motor Vehicle Persor</li> <li>6. □ Other Personal Injury</li> </ol>	
7. Civil Rights	7. 🛱 Products Liability	(i lease specify)
8. 🗆 Habeas Corpus	8. D Products Liability	Asbestos
9. □ Securities Act(s) Cases	9. D All other Diversity Ca	
10. □ Social Security Review Cases		
11. □ All other Federal Question Cases (Please specify)		
ARBITRATION CERTI (Check Appropriate Ca	tegory)	
I, <u>Charles E. Schaffer</u> , counsel of record do hereby certify X Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and b		vil action case exceed the sum of
<ul> <li>\$150,000.00 exclusive of interest and costs;</li> <li>Relief other than monetary damages is sought.</li> </ul>		
DATE: 08/19/2016	7625	9
Attorney-at-Law NOPE: A trial de novo will be a trial by jury only if ther	Attor	ney I.D.#
I certify that, to my knowledge, the within case is not related to any case now pending or v except as noted above.	vithin one year previously terminated	action in this court
DATE: 08/19/2016	762	59
DATE: 00/19/2010Attorney-at-Law	the second s	ey I.D.#
CIV. 609 (5/2012)		

#### Case 2:16-cv-04586-SD Document 1-1 Filed 08/22/16 Page 5 of 6 IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

#### CASE MANAGEMENT TRACK DESIGNATION FORM

Oren Panitch, Gina Davis and Margie Rizika, i	individually	CIVIL ACTION	
and on behalf of all others similarly situated	:		
ν.			
	· · · · · · · · · · · · · · · · · · ·		
The Quaker Oats Company		NO.	

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a Case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a Case Management Track Designation Form specifying the track to which that defendant believes the case should be assigned.

#### SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

(	(a) Habeas Corpus – Cases brought under 28 U.S.C. § 2241 through § 2255.	()	
(	(b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits.	()	
(	c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2.	()	
(	d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos.	()	
(	(e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.)	(X)	
(	f) Standard Management – Cases that do not fall into any one of the other tracks.	()	

08/19/2016	Charles E. Schaffer	Plaintiffs, Oren Panitch, Gina Davis and Margie Rizika
Date	Attorney-at-law	Attorney for
(215) 592-1500	(215) 592-4663	cschaffer@lfsblaw.com
Telephone	FAX Number	E-Mail Address

(Civ, 660) 10/02

#### Case 2:16-cv-04586-SD Document 1-1 Filed 08/22/16 Page 6 of 6

#### Civil Justice Expense and Delay Reduction Plan Section 1:03 - Assignment to a Management Track

(a) The clerk of court will assign cases to tracks (a) through (d) based on the initial pleading.

(b) In all cases not appropriate for assignment by the clerk of court to tracks (a) through (d), the plaintiff shall submit to the clerk of court and serve with the complaint on all defendants a case management track designation form specifying that the plaintiff believes the case requires Standard Management or Special Management. In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

(c) The court may, on its own initiative or upon the request of any party, change the track assignment of any case at any time.

(d) Nothing in this Plan is intended to abrogate or limit a judicial officer's authority in any case pending before that judicial officer, to direct pretrial and trial proceedings that are more stringent than those of the Plan and that are designed to accomplish cost and delay reduction.

(e) Nothing in this Plan is intended to supersede Local Civil Rules 40.1 and 72.1, or the procedure for random assignment of Habeas Corpus and Social Security cases referred to magistrate judges of the court.

#### SPECIAL MANAGEMENT CASE ASSIGNMENTS (See §1.02 (e) Management Track Definitions of the Civil Justice Expense and Delay Reduction Plan)

Special Management cases will usually include that class of cases commonly referred to as "complex litigation" as that term has been used in the Manuals for Complex Litigation. The first manual was prepared in 1969 and the Manual for Complex Litigation Second, MCL 2d was prepared in 1985. This term is intended to include cases that present unusual problems and require extraordinary treatment. See §0.1 of the first manual. Cases may require special or intense management by the court due to one or more of the following factors: (1) large number of parties; (2) large number of claims or defenses; (3) complex factual issues; (4) large volume of evidence; (5) problems locating or preserving evidence; (6) extensive discovery; (7) exceptionally long time needed to prepare for disposition; (8) decision needed within an exceptionally short time; and (9) need to decide preliminary issues before final disposition. It may include two or more related cases. Complex litigation typically includes such cases as antitrust cases; cases involving a large number of parties or an unincorporated association of large membership; cases involving requests for injunctive relief affecting the operation of large business entities; patent cases; copyright and trademark cases; common disaster cases such as those arising from aircraft crashes or marine disasters; actions brought by individual stockholders; stockholder's derivative and stockholder's representative actions; class actions or potential class actions; and other civil (and criminal) cases involving unusual multiplicity or complexity of factual issues. See §0.22 of the first Manual for Complex Litigation and Manual for Complex Litigation Second, Chapter 33.

Case 2:16-cv-04586-SD Document 1-2 Filed 08/22/16 Page 1 of 5

## **EXHIBIT 1**



Amount Par Serving	Cereal	As prepare one cup A&D for	of Vit.			YOU COULD
Calories Calories from Fat	150 25		230 25		/	\$250,000
Total Fat 3g	4%	% Daily Val	ve** 5%		HERE	S HOW TO BE
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				See Sugar		
		REAL PROPERTY.		a san bear	the second of	

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#### Case 2:16-cv-04586-SD Document 1-2 Filed 08/22/16 Page 4 of 5



Case 2:16-cv-04586-SD Document 1-2 Filed 08/22/16 Page 5 of 5

# OLD FASHIONED

As part of a heart-healthy diet, the soluble fiber in Oatmeal can help reduce cholesterol

1

SUGARS

**4**g

FIBER

IRON

10% DI

3 grams of soluble fiber from oatmeal daily in a diet low in saturated fat and cholesterol may reduce the risk of heart disease. This cereal has 2 grams per serving. 1