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18	UNITED STATES DISTRICT COURT		
19	CENTRAL DISTRICT OF CALIFORNIA		
20	SHANE MICHAEL, JONATHAN D.	Case No: 2:15-cv-07059-JAK (AGRx)	
21	RUBIN, DREAMA HEMBREE, ETHEL LUNG, AND STAVROULA	SECOND AMENDED AND	
22	DA SILVA each individually and on behalf of all those similarly situated,	CONSOLIDATED CLASS ACTION COMPLAINT	
23	Plaintiffs,	JURY TRIAL DEMANDED	
24	V.	[Commelt love loved Delta or The	
25	THE HONEST COMPANY, INC,	[Consolidated with Rubin v. The Honest Company, Inc., Case No. 2:15-cv-09091-JAK-AGR]	
26	Defendant.	or opopi with Hory	
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SECOND AMENDED CLASS ACTION COMPLAINT – *Michael v. The Honest Company, Inc.*, 2:15-cv-07059-JAK (AGRx)

INTRODUCTION

1. Honest isn't. From at least September 20, 2012 through the present (the "Class Period"), The Honest Company, Inc. ("Defendant" or "Honest") deceptively and misleadingly labeled, advertised and marketed its products, including the following Honest products: Honest 4-in-1 Laundry Packs, Honest Air + Fabric Freshener, Honest Auto Dishwasher Gel, Honest Bar Soap,, Honest Bathtime Gift Set, Honest Bubble Bath, Honest Conditioner, Honest Conditioning Detangler, Honest Deodorant, Honest Discovery Set, Honest Dish Soap, Honest Dishwasher Packs, Honest Dryer Cloths, Honest Diapers, Honest Essential Gift Bundle, Honest Face + Body Lotion, Honest Floor Cleaner, Honest Floor Cleaner Concentrate, Honest Foaming Hand Soap, Honest Fruit + Veggie Wash, Honest Essentials Bundles, Honest Glass + Window Cleaner, Honest Glass + Window Cleaner Concentrate, Honest Hand Sanitizer Gel, Honest Hand Soap, Honest Housewarming Gift Set, Honest Kids' Toothpaste, Honest Laundry Detergent, Honest Mouthwash, Honest Multi-Surface Cleaner, Honest Multi-Surface Cleaner Concentrate, Honest Oxy Boost, Honest Rinse Aid, Honest Shampoo and Body Wash, Honest Soothing Bottom Wash, Honest Stain Remover, Honest Stain Remover Concentrate, Honest Toothpaste, Honest Wipes, and Honest Wipes – Travel Packs, (collectively the "Natural Products")<sup>1</sup> and Honest Sunscreen (together with the Natural Products, the "Honest Products") as both natural and effective, when in fact, the Natural Products contain non-natural ingredients, and Honest Sunscreen is ineffective.

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<sup>&</sup>lt;sup>1</sup> Honest has discontinued offering some of the Natural Products, has altered packaging, has altered ingredients, or has selectively marketed the products. Honest also regularly introduces new products, advertised as natural, that include non-natural ingredients. The identity of these additional products will be ascertained through discovery, and these products are hereby included as "Natural Products" at issue in this action.

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- 2. Plaintiffs Jonathan D. Rubin, Shane Michael, Stavroula Da Silva, Dreama Hembree, and Ethel Lung bring this class action lawsuit against Defendant, each individually and on behalf of two nationwide classes (the "Honest Natural Products Class" and the "Honest Sunscreen Class") that include other similarly situated purchasers of the Honest Products who experienced the same or substantially similar harm as a result of Defendant's false advertising.
- 3. Defendant's conduct harms consumers by inducing them to purchase and consume the Honest Products on the false premise that the products are natural and effective and by implicitly promising that the products are manufactured, marketed and sold "honestly."
- 4. Plaintiffs Rubin and Da Silva and the Honest Natural Products Class paid a premium for certain Natural Products over comparable products, based on Defendant's representations that the Natural Products were natural. Instead of receiving products that were natural, Plaintiffs Rubin and Da Silva and the Honest Natural Products Class received products that, contrary to Defendant's representations, contained synthetic, non-natural ingredients.
- 5. Plaintiffs Michael, Hembree, and Lung, and the Honest Sunscreen Class paid for Honest Sunscreen based in part on Defendant's representations that it was effective. Plaintiffs Michael and Hembree used the product as directed and suffered severe sunburns. Plaintiff Lung used the product as directed on her children, who experienced severe sunburns. Numerous customer complaints and negative product reviews indicate Plaintiffs' experiences with Honest Sunscreen were not unique.

### **JURISDICTION AND VENUE**

The Court has subject matter jurisdiction over the individual and class 6. claims asserted herein pursuant to 28 U.S.C. § 1332, as amended in 2005 by the Class Action Fairness Act, because: (A) the amount in controversy in this class

- action exceeds \$5,000,000, exclusive of interests, costs, and attorneys' fees; and (B) a substantial number of the members of the proposed class are citizens of a state different from that of Defendant. In addition, Plaintiffs Rubin, Michael, Da Silva, Hembree, and Lung are citizens of states different from that of Defendant, a Delaware Corporation.
- 7. The Court has personal jurisdiction over Defendant. Honest maintains headquarters in Santa Monica, California and conducts substantial and continuous business throughout the State of California.
- 8. Venue is proper pursuant to 28 U.S.C. § 1391(a) & (b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this District, and because Defendant conducts a substantial part of its business in this District.

#### **PARTIES**

- 9. Plaintiff Jonathan D. Rubin is a resident of Los Angeles, California and an individual consumer. During the Natural Products Class Period, Mr. Rubin purchased Honest brand hand soap ("Honest Hand Soap") and Honest brand dish soap ("Honest Dish Soap") from the supermarket chain Gelson's Markets in Los Angeles, California. As with all members of the Honest Natural Products Class, Mr. Rubin paid a premium for these Natural Products based upon the representation that the Natural Products are natural, in excess of the price for comparable products not purporting to be natural.
- 10. Plaintiff Shane Michael is a resident of West Des Moines, Iowa and an individual consumer. During the Sunscreen Class Period, Plaintiff Michael purchased Honest Sunscreen from the supermarket chain Costco Wholesale in West Des Moines, Iowa. Plaintiff Michael paid a premium for Honest Sunscreen because Defendant promised natural, chemical-free SPF 30 sun protection and he

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believed, based on these representations, that it would be safer for his family than chemical-based sunscreens.

- 11. Plaintiff Stavroula Da Silva is a resident of Miramar, Florida, and an individual consumer. During the Natural Products Class Period, Plaintiff Da Silva purchased Honest Hand Soap and Honest Dish Soap from Target in Florida. As with all members of the Honest Natural Products Class, Ms. Da Silva paid a premium for these Natural Products based upon the representation that the Natural Products are natural, in excess of the price for comparable products not purporting to be natural.
- 12. Plaintiff Dreama Hembree is a resident of Burlington, Kansas and an individual consumer. During the Sunscreen Class Period, Ms. Hembree purchased Honest Sunscreen from the supermarket chain Costco Wholesale in Burlington, Kansas. Ms. Hembree paid for the Honest Sunscreen because she believed the sunscreen would effectively protect her family from exposure to UV rays, and because Defendant promised natural, chemical-free SPF 30 sun protection.
- 13. Plaintiff Ethel Lung is a resident of Burbank, California and an individual consumer. During the Sunscreen Class Period, Ms. Lung purchased Honest Sunscreen from the supermarket chain Costco Wholesale in Burbank, California. Ms. Lung paid for the Honest Sunscreen because she believed the sunscreen would effectively protect her family from exposure to UV rays.
- 14. Defendant The Honest Company, Inc. is a Delaware corporation headquartered in Santa Monica, California. The company markets its products online through the website <a href="https://www.honest.com">https://www.honest.com</a> ("Honest.com") and operates an active storefront on Amazon.com selling the Honest Products. Defendant maintains supply chain control over the manufacture of the Honest Products, operates as an online retailer, and distributes the Honest Products, business-to-business, to major retail outlets throughout the U.S. and Canada.

FACTUAL ALLEGATIONS

# **Defendant's Nationwide Distribution**

- 15. California has significant contacts to the class claims asserted in the Complaint.
- 16. On information and belief, Defendant has designed, controlled, and overseen a national production and distribution network from the company's headquarters in California.
- 17. According to the company's public statements, Defendant contracts with third-party manufacturing and supplier facilities to produce and distribute the Honest Products. On information and belief, Defendant controls its entire supply chain from its company headquarters in California.
- 18. Defendant sells the Honest Products online via Honest.com, a direct-to-consumer e-commerce website. On information and belief, Defendant controls its entire e-commerce operation from its company headquarters in California.
- 19. Defendant actively generates traffic to its website through promotions on Facebook.com and Twitter.com, on information and belief, operated from the company's headquarters in California.
- 20. Defendant uploads Honest Product videos on its YouTube account, on information and belief, operated from the company's headquarters in California.
- 21. Defendant also sells the Honest Products through a popular online storefront in the Amazon.com marketplace. On information and belief, Honest controls its Amazon storefront from its company headquarters in California.
- 22. Defendant distributes the Honest Products, business-to-business, for purchase in big box chain retail locations nationwide, including Target, Costco Wholesale Corporation, Whole Foods Market, Inc., Gelson's Markets, and Buy Buy Baby, Inc., across the United States. On information and belief, Defendant

controls national distribution of the Honest Products from its company headquarters in California.

# **Defendant's Long-Term Advertising Campaign**

23. Defendant created, designed, and since at least 2012, carried out a long-term, national advertising campaign from the company's California headquarters.

 24. Defendant's advertising campaign has been sufficiently lengthy in duration, and widespread in dissemination, such that it would be unrealistic to require Plaintiffs to plead relying upon each advertised misrepresentation.

25. Defendant's advertising campaign has been widespread, continuous, and contained in various media, labels, and point-of-sale displays.

26. Defendant's advertising campaign has included and includes traditional media and new media, such as print circulars, television advertisements, television appearances, social media promotions, sales copy on its own website, and sales copy on third party marketplace websites.

27. Defendant has engaged in this long-term advertising campaign to convince potential customers, first, that the company's advertising representations should be taken literally, because those claims are "honest," and second, that the company's products are literally "natural" and "effective."

28. Representative samples of the campaign are contained herein.

# Defendant's Overarching Brand Advertising

29. As part of the long term advertising campaign, Defendant at all times has advertised, and continues to advertise, itself as a consumer products company that is centrally defined by selling natural, effective products and publishing honest advertising claims.

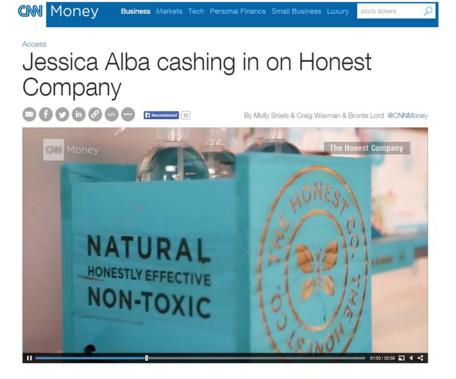
As a representative example, Defendant advertises its company as 30. "Natural, Safe, Beautiful, Effective," on its own website, including in the following screenshot from Honest.com captured on August 14, 2015:



# Join the Honest Company

Natural • Safe • Beautiful • Effective Products for Baby, Family & Home

31. As another representative example, on August 18, 2015, Defendant's celebrity co-founder Jessica Alba and CEO Brian Lee appeared jointly, in their capacities as executive officers for Defendant, for a company feature on CNN Money that broadcast the same advertising representations, as follows:



32. Defendant advertises the company's product lines, in general, as "effective" and "safe" in offline point-of-sale locations as well, including airport kiosks, as demonstrated by the following picture from July 2015:



- 33. As part of the long term advertising campaign, Defendant includes its company's name, in lower case, on its product labels, specifically as part of the product names: "honest hand soap," "honest dish soap," "honest diapers," "honest multi-surface cleaner," "honest sunscreen," etc.
- 34. As part of its advertising campaign, Defendant further amplifies its representations with the "honestly FREE guarantee," which is displayed on product labels and displayed at Honest.com, Defendant's Amazon storefront, and partner websites including Target.com.

- 35. The "honestly FREE guarantee" states: "Providing clear, credible, transparent information. No smoke and mirrors. No confusion."
- 36. Defendant further describes itself, its advertising, and its numerous product lines as follows on Honest.com:

"Free from fraud or deception, truthful – We believe in transparency and that applies to everything – from what we put into our products and how they are made to our internal operations and how we do things.

"Genuine, real – The Honest Company was started by parents for parents. We are real tangible people, parents that understand what families need and we want to deliver on that – not some big corporation with no social consciousness that only cares about making a profit.

"Respectable, praiseworthy – We are people with integrity and we intend on not only doing things right, but also going above and beyond to earn your respect and loyalty – making you so delighted you want to shout it from a rooftop (or tweet it from your iPhone).

"Humble – We know no one can be absolutely perfect and a part of our commitment to honesty means we'll admit our flaws. It's pretty scary, but we think it's a good way to keep us focused on constant improvement."

- 37. Defendant's Chief Creative Officer and celebrity co-founder Jessica Alba serves as the public face of the company.
- 38. To further advertise the company image as selling natural products, Ms. Alba has crafted public statements about Defendant to convince the public that the Defendant is leading a movement to protect consumers from products that contain chemicals.
- 39. Ms. Alba's celebrity status ensures the company's claims are reported by numerous media outlets.

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- 40. In this way, Ms. Alba has coordinated her media appearances with Defendant's long-term advertising campaign.
- On June 18, 2015, Ms. Alba and The Honest Company, Inc.'s COO 41. Christopher Gavigan appeared jointly in their capacities as Defendant's cofounders to petition federal officials to strengthen regulations against consumer products containing toxic chemicals, and Ms. Alba and Mr. Gavigan coordinated this appearance with Defendant's extensive marketing campaign, including as follows:
  - Ms. Alba appeared in the hallway of a Congressional office building, before a professional media crew, and stated: "[A]s a business owner, I'm proof of concept that you can do business right—right by humans, right by the planet —and you can be very successful and grow very quickly."
  - Mr. Gavigan tweeted the following statement with a picture of the Washington Monument: "Here in D.C. to convince lawmakers to join @honest to protect citizens. #chemical #reform."
- Defendant's representations that advertise the company as "honest," 42. "natural," and "effective," extending to all of its product lines, are available to consumers via numerous online, offline, and point-of-sale platforms, extending to all or substantially all potential and actual customers that fall within the class definitions set forth in this Complaint.
- By advertising the company as "honest" and as "natural" and 43. "effective," Defendant has extended its overarching advertising claims to each individual product line, such that Defendant has cultivated an image in the minds of consumers that would lead a reasonable consumer to conclude that Defendant's product lines are all "natural" and "effective."

### Defendant's Product Advertising: Natural

- 44. Defendant sells the Natural Products to consumers at a ten to twenty percent premium, based on its advertising representations that they are "natural."
- 45. Since at least September 20, 2012 and up to the filing of this lawsuit, Defendant has disseminated advertising statements to the public, rising to the level of a long-term advertising campaign that falsely claims the Natural Products are "natural."
- 46. Defendant amplifies its representations that the Natural Products are "natural" with supplemental representations, including that the Natural Products do not contain harsh chemicals, are safe, are non-toxic, and are plant-based.
- 47. Below is a representative sampling of advertising for various Honest Products. All Honest Products are or were consistently and systematically advertised as (A) "natural" and (B) "honest" throughout the Natural Products Class Period. These representations are and were false as to each Honest Product. Defendant intended that all consumers purchasing Honest Products would be exposed to these advertising claims and take them literally.

# Honest Hand Soap

- 48. Honest Hand Soap product packaging stated and continues to state that the Honest Hand Soap is "natural."
- 49. The following excerpted screenshot appeared on Honest.com on August 14, 2015, displaying Honest Hand Soap product packaging:



- 50. Honest.com described and continues to describe Honest Hand Soap as "non-toxic," and containing "NO harsh chemicals (ever!)," and in so doing, has amplified its representation that Honest Hand Soap is natural.
- 51. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Hand Soap as "Natural":

about

- Rich and creamy lather infused with botanicals and essential oils to clean and soften hands
- Great for the whole family from sticky, little fingers to Dad's soiled gardening hands and everything in between
- . Soft lather gently removes dirt and grime and easily rinses away without drying skin leaving behind nothing but pure, clean delight!
- pH balanced to leave skin soft and hydrated
- Hypoallergenic and ultra pure for sensitive skin
- Available in 3 delightful scents!
- · NO harsh chemicals (ever!)
- Natural Hypoallergenic Non-Toxic Biodegradable pH Balanced



made without: phthalates, SLS, DEA, triclosan, synthetic fragrances, glycols, dyes, phosphates, 1,4-dioxane, formaldehyde, or most common allergens

- 52. On information and belief, these website statements, and all other statements accessible on Defendant's Honest website in August of 2015 that are excerpted in this Complaint, were available online during the duration of the Natural Products Class Period, with the exception of website statements about Honest Sunscreen.
- 53. By consistently and systematically labeling and advertising Honest Hand Soap as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Defendant intended that all consumers purchasing Honest Hand Soap would be exposed to these advertising claims and take them literally.

# Honest Dish Soap

- 54. Honest Dish Soap's product webpage on Target.com states that the Honest Dish Soap is "Natural."
- 55. The product description on Target.com also described and continues to describe Honest Dish Soap as "non-toxic" and containing "no harsh chemicals

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(ever!)," and in so doing, has amplified Defendant's representation that Honest Dish Soap is natural.

56. The following excerpted screenshots appeared on Target.com on August 14, 2015, displaying Honest Dish Soap product packaging:

No harsh chemicals (ever!). Natural, non-toxic, biodegradable, pH balanced, ultra-concentrated, and Honestly Free of SLS, SLES, phthalates, synthetic fragrances, glycols, enzymes, dyes, phosphates, 1,4dioxane, chlorine, DEA, formaldehyde, and caustics.

Product Results: Removes Residue, Removes Grease, Used for Cleaning, Cleaner

Target.com includes a disclaimer stating this description "comes from 57. the product manufacturers."

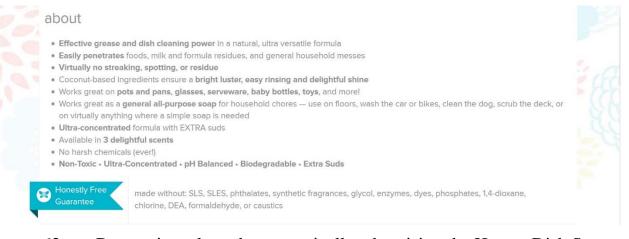




- 58. Honest Dish Soap product packaging stated and continues to state 'plant-based" and "non-toxic," and in so doing, has amplified its representation that Honest Dish Soap is natural.
- The following excerpted screenshot appeared on Honest.com on 59. August 14, 2015, displaying Honest Dish Soap product packaging:



- 60. Honest Dish Soap's product webpage on Honest.com stated and continues to state that Honest Dish Soap has a "natural" formula; is "non-toxic"; and contains "no harsh chemicals (ever!)"; and in so doing, has further amplified its representation that Honest Dish Soap is natural.
- 61. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Dish Soap:



62. By consistently and systematically advertising the Honest Dish Soap as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Defendant intended that all consumers purchasing Honest Dish Soap would be exposed to these advertising representations, and would take them literally.

63.

# Honest Diapers

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64. The following excerpted screenshots appeared on Honest.com on

Honest.com states that Honest Diapers are "natural."

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August 26, 2015, in the "Diapering" section of the website:

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# effective, eco-friendly, utterly adorable.

Diapers and bottles don't have to be boring. And they absolutely shouldn't be un-safe. Enjoy the worry-free fun of honest baby products that are:

· natural · safe · effective

OUR PHILOSOPHY

Your baby deserves the very best and that's what we deliver.

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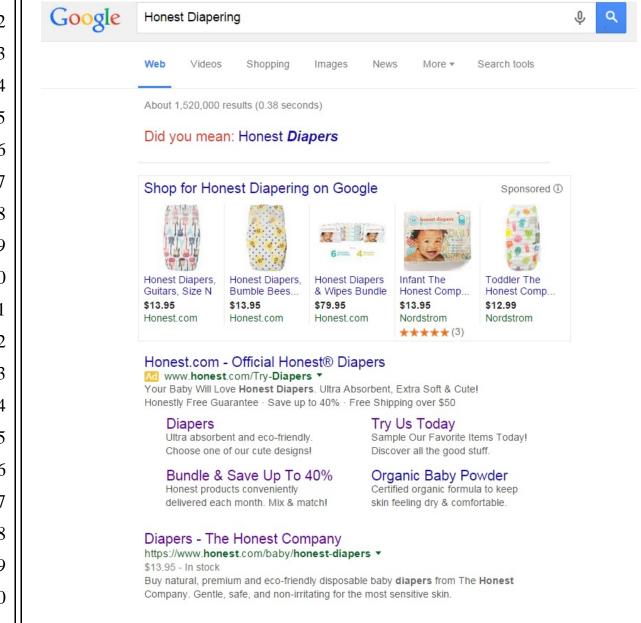
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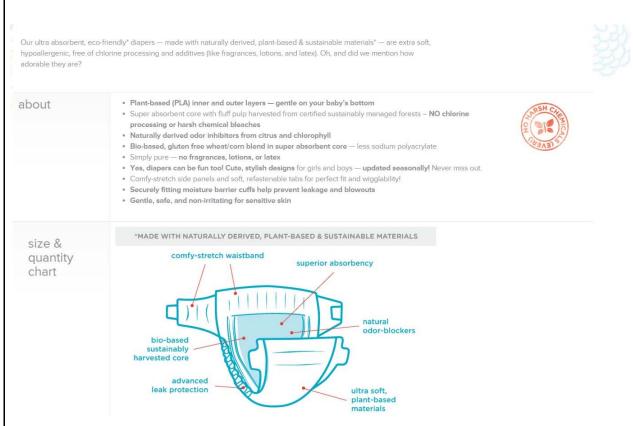
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- 65. The Honest.com "Diapering" section provides the following website "meta-tag" description to search engine crawlers: <meta content="Buy safe, natural baby products and eco-friendly disposable diapers. The Honest Company provides bath, skin care and green cleaning products." name="description" />.
- 66. As a result of this meta-tag, the representation that Honest Diapers are "natural" appears verbatim in Google search results for Honest Diapering.
- 67. The following excerpted screenshot is a Google search conducted for "Honest Diapering" on August 26, 2015:



- 68. The Honest Diapers' product webpage on Honest.com states that Honest Diapers are "plant-based" and "safe" and contain "NO HARSH CHEMICALS (EVER)," and in so doing, has amplified its representation that Honest Diapers are "natural."
- 69. The following excerpted screenshot appeared on Honest.com on August 25, 2015, describing Honest Diapers:



- 70. The Honest Diapers' product page on Honest.com previously stated that Honest Diapers were "100%....plant-based," and in so doing, further amplified its representations that Honest Diapers are natural.
- 71. The following excerpted screenshot appeared on the Internet Archive's Wayback Machine on August 26, 2015, accessed by inserting the Honest.com Diaper Bundle webpage, and selecting January 21, 2013:

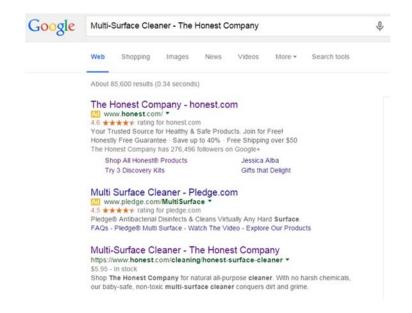
A new diaper for a new generation!

100% non-toxic, chlorine-free, sustainable, and plant-based materials - ensuring your baby is safe and NOT exposed to any harsh or synthetic chemicals (ever!)

- Diapers
- Wipes
- Patterns
- Details & Ingredients
  - 72. By consistently and systematically advertising the Honest Diapers as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Defendant intended that all consumers purchasing Honest Diapers would be exposed to these advertising representations and would take them literally.

### Honest Multi-Surface Cleaner

- 73. Honest.com states that Honest Multi-Surface Cleaner is "natural."
- 74. The Honest Multi-Surface Cleaner's product webpage on Honest.com provides the following website "meta-tag" description to search engine crawlers: <meta content="Shop The Honest Company for natural all-purpose cleaner. With no harsh chemicals, our baby-safe, non-toxic multi-surface cleaner conquers dirt and grime." name="description" />.
- 75. As a result of this meta-tag, the representation that Honest Multi-Surface Cleaner is "natural" appears verbatim in Google search results for Honest Multi-Surface Cleaner.
- 76. The following excerpted screenshot is a Google search conducted for "Multi-Surface Cleaner The Honest Company" on August 26, 2015:



77. The Honest Multi-Surface Cleaner product webpage on Honest.com states that Honest Multi-Surface Cleaner is "naturally fresh," and "Non-Toxic," and that it contains "No Harsh Chemicals (ever!)," and "Repels dust naturally."

Each of these statements has amplified Defendant's representation that Honest Multi-Surface Cleaner is natural.

78. The following excerpted screenshots appeared on Honest.com on August 25, 2015:

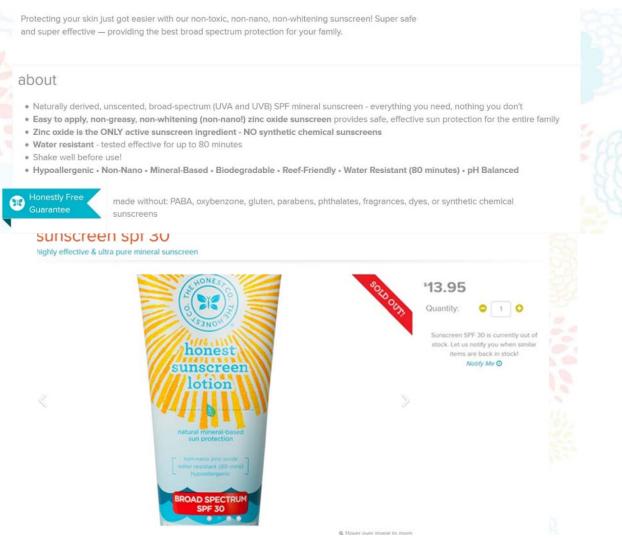
about	A naturally fresh way to safely clean and remove dirt & buildup from virtually all surfaces and items in your home  Effectively penetrate and emulsify dirt, grease, oil, grime and tiny fingerprints  Only the fresh smell of grapefruit essential oil, and not harsh fumes  Repels dust naturally  No toxic residue left behind (unlike other glass & all-purpose cleaners)  Great for cleaning: kitchen countertops, high chairs, toys, walls, hardwood floors, painted surfaces, furniture, inside ovens, laminate, porcelain, granite, bathroom fixtures, wood, sealed stone, electronics, grills, decks & more!  No harsh chemicals (ever!)  Non-Toxic - Biodegradable - pH Balanced	3
Honestly Free Guarantee	made without: ammonia, SLS, SLES, fragrances, glycol, dyes, phosphates, 1,4-dioxane, chlorine, bleach, DEA, formaldehyde, triclosan, or caustics	

79. By consistently and systematically advertising the Honest Multi-Surface Cleaner as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Honest intended that all consumers purchasing Honest Multi-Surface Cleaner would be exposed to these advertising representations, and would take them literally.

#### Honest Sunscreen

- 80. Honest Sunscreen originally contained 20 percent zinc oxide, the only active ingredient. In March 2015, Defendant reformulated Honest Sunscreen to contain only 9.3 percent zinc oxide, but continued to advertise Honest Sunscreen as "effective."
- 81. At some point in time during or slightly after March 2015, Defendant labeled Honest Sunscreen as providing (A) "broad-spectrum mineral-based protection" or (B) "natural mineral based sun protection."
- 82. Defendant amplified these representations by labeling Honest Sunscreen with the phrase "broad spectrum SPF 30."
- 83. Honest.com further amplified these representations by describing Honest Sunscreen as "highly effective," "super effective," and "safe."

84. These excerpted screenshots appeared on Honest.com on August 14, 2015:



85. By consistently and systematically labeling and advertising Honest Sunscreen as (A) providing "broad-spectrum mineral-based protection"; (B) providing "natural mineral based sun protection"; (C) "effective"; (D) "highly effective," (E) "super effective;" (F) "safe," and/or (G) providing "broad spectrum SPF 30" and (H) "honest" throughout the Sunscreen Class Period, Defendant intended that all consumers purchasing Honest Sunscreen would be exposed to these advertising representations and take them literally.

86. Defendant's representations regarding Honest Sunscreen's sun protection characteristics are not mere puffery, including because sun protection is the product's express purpose and thus any consumer would necessarily rely on such representations in deciding to purchase the product.

#### **Untrue, Misleading, and/or Deceptive Claims**

#### Natural Goods Advertising

- 87. Defendant's representations in advertisements and labels are misleading, deceptive, and/or untrue.
- 88. Defendant falsely represented and continues to represent, expressly and by implication, that the Natural Products are natural.
- 89. "Natural" in the context of Defendant's products means each product contains no artificial ingredients.
- 90. The representation that a product is natural is material to a reasonable consumer.

### Synthetic Ingredients Are Not Natural

- 91. Honest Natural Products that Defendant advertised and/or labeled as "natural" contain non-natural ingredients.
- 92. Contrary to Defendant's representations in advertisements and labels, including in product descriptions on Honest.com and Target.com, the each of the Honest Natural Products contains at least one non-natural ingredient, including one or more of the following:
  - a. *Caprylic/capric triglyceride* is an artificial compound manufactured by hydrolyzing coconut oil, removing the free glycerine, and separating the medium chain length fatty acids by fractional distillation. The acids are then blended in the proper ratio and re-esterified with glycerine

b. *Caprylyl glycol* is synthesized by the catalytic oxidation of caprylyl alkine oxides, which are themselves often synthesized. Honest admits on its "honestly blog" that its caprylyl glycol is synthetic:



This is part of our ongoing series helping consumers better understand chemicals, chemistry, and product formulations. We translate the science, bust the myths, and give you an honest assessment, so you can make informed choices for your family!

Ingredient: Caprylyl Glycol

What it is: Caprylyl glycol is an alcohol derived from caprylic acid—a natural fatty acid found in the milk of some mammals, as well as palm and coconut oils. Ours is synthetically made, but nature-identical.

- c. *Caprylyl/myristyl glucoside* is produced by alcoholysis of glucose with myristyl and caprylyl alcohol under acidic conditions.
- d. *Cetearyl alcohol* is a mixture of cetyl and stearyl alcohols. Cetyl alcohol is classified as synthetic by federal regulations. It is chemically synthesized by, for example: catalytic hydrogenation of the triglycerides obtained from coconut oil or tallow, oxidation of a chain growth product of ethylene oligomerized on a triethylaluminum catalyst, reaction of palmitoyl chloride and sodium borohydride, reaction of methylthiopalmitate plus Raney nickel. Stearyl alcohol is also produced synthetically.

- e. *Cetearyl olivate* is synthetic, and is produced from cetyl and stearyl alcohols. Cetyl alcohol is classified as synthetic by federal regulations. It is chemically synthesized by, for example: catalytic hydrogenation of the triglycerides obtained from coconut oil or tallow, oxidation of a chain growth product of ethylene oligomerized on a triethylaluminum catalyst, reaction of palmitoyl chloride and sodium borohydride, reaction of methylthiopalmitate plus Raney nickel. Stearyl alcohol is also produced synthetically.
- f. "Cetyl esters" is a synonym for synthetic spermaceti wax, a wax found in the head of a sperm or bottlenose whale. This synthetic wax is designed to be indistinguishable in composition and properties with natural spermaceti wax. It is a mixture of alkyl esters, most of which are produced synthetically.
- g. *Cocamidopropyl betaine* is a synthetic surfactant produced by reacting coconut oil fatty acids with 3,3-dimethylaminopropylamine, yielding cocamidopropyl dimethylamine. It is then reacted with sodium monochloroacetate to produce cocamidopropyl betaine. Trade associations prohibit cocamidopropyl betaine from being included in products labeled as "natural."
- h. *Cocamidopropyl hydroxysultaine* is also a synthetic ingredient, prohibited by the trade associations from household products and personal care products labeled as "natural."
- i. *Cocamidopropylamine oxide* is a synthetic surfactant produced by reacting hydrogenated coconut oil with dimethylamidopropylamine, and further reacting the product with hydrogen peroxide.

- j. *Decyl glucoside* can be produced by reacting glucose and n-butanol in the presence of a strong acid catalyst such as p-toluenesulfonic acid or sulfuric acid, followed by the transglycosidation of the resulting butyl glucoside with fatty alcohol to yield decyl glucoside. Alternatively, it can be produced by reacting highly refined glucose with fatty acids in the presence of an acid catalyst.
- k. For personal care products, *ethyl alcohol* is produced chemically, and federal regulations classify it as synthetic. Additionally, Honest Co. does not identify the denaturing agent for many of the products.
- 1. *Ethylhexyl palmitate* is obtained by reacting 2-ethylhexyl alcohol with palmitic acid.
- m. *Glyceryl stearate* is chemically synthesized by glycerolysis or by esterification of glycerol and stearic acid.
- n. According to the ingredient supplier, *guar hydroxypropyltrimonium chloride* is produced by chemically modifying guar gum by adding positively charged trimethylammonium hydroxypropyl ether side chains.
- o. *Hydroxyethylcellulose* is prepared by reacting alkali cellulose with ethylene oxide in the presence of alcohol or acetone.
- p. *Hydroxypropyl guar hydroxypropyltrimonium chloride* is the hydroxyporopyl derivative of guar hydroxypropyltrimonium chloride, which itself is produced by chemically modifying guar gum by adding positively charged trimethylammonium hydroxypropyl ether side chains.
- q. *Lauryl glucoside* is produced by alcoholysis of glucose and lauryl alcohol under acidic conditions. Historically, lauryl alcohol was prepared solely from natural products, but is now synthesized from ethylene.

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- *Methylisothiazolinone* is a synthetic biocide preservative produced r. by the controlled chlorination of dimethyl-dithiodipropionamide in solvent and then neutralized.
- **Panthenol** is a synthetic compound, produced by adding S. propanolamine to optically active alpha, gamma-dihydroxy-beta-betadimethylbutyrolacton, such as by combining 3-amino-1-propanolamine with the lactone of 2,4-dihydroxy-3,3-dimethyl butyric acid or the panthotheinc lactone of 2,4-dihydroxy-3,3-dimethyl butyric acid.
- **Phenoxyethanol** is produced by reacting phenol with ethylene oxide t. in the presence of a basic catalyst under pressure and heat. It is classified as synthetic by trade associations governing the use of the term "natural" on household and personal care products. Honest admits on its "honestly blog" that phenoxyethanol is synthetic:



This is part of our ongoing series helping consumers better understand chemicals, chemistry, and product formulations. We translate the science, bust the myths, and give you an honest assessment, so you can make informed choices for your family!

Ingredient: Phenoxyethanol

What it is: Phenoxyethanol can be found naturally in green tea, but the commercial ingredient is synthetically produced in a laboratory creating what's termed a "nature identical" chemical. Specifically, it's created by treating phenol with ethylene oxide in an alkaline medium which all reacts to form a pH-balanced ingredient.

- u. *PPG-4 Laureth/Myreth-5* is the reaction product of lauryl and/or myristyl alcohol with ethylene oxide and propylene oxide. It is the polyoxypropylene, polyoxyethylene ether of lauryl alcohol and/or myristyl alcohol, containing an average of 5 moles of ethylene oxide and 4 moles of propylene oxide. It is produced by activating the alkyl alcohol with a metal hydroxide, reacting the resulting alkoxide with propylene oxide and ethylene oxide, and then processing, usually with a Brønsted-Lowry type acid or a methyl halide, which can potentially lead to the generation of some 1,4-dioxane.
- v. *Sodium citrate* is classified as synthetic by federal regulations. It is usually prepared by reacting sodium carbonate or sodium hydroxide with citric acid, or by reacting sodium sulfate with calcium citrate.
- w. *Sodium coco-sulfate* is synthetic, produced by isolating C12 C18 saturated fatty acids from oils, and then sulfonating with chemicals such as sulfuric acid, sulfur trioxide, or chlorosulfonic acid.
- x. *Sodium lauryl glucose carboxylate* is a novel synthetic surfactant, prohibited by trade groups from household products and personal care products labeled as "natural."
- y. **Sodium methyl cocoyl taurate** is synthetic, produced by reacting taurine or a taurate salt with an appropriate fatty acid.
- z. *Sorbitan olivate* is also synthetic, formed by the esterification of sorbitan with the wax obtained by partial hydrogenation of olive oil.
- aa. *Triethyl citrate* is prepared by esterifying citric acid with ethyl alcohol.
- bb. *Ammonium glycyrrhizate* is produced by acid precipitation of licorice root extract, followed by neutralization with dilute ammonia.

Ammonia is the fifth-highest-volume chemical produced in the U.S., where it is principally produced by the partial combustion of natural gas.

- cc. *Benzisothiazolinone* is a synthetic biocide that is used as a preservative. According to ingredient suppliers, it is produced by a complex and proprietary series of chemical reactions and separations.
- dd. While *bisabolol* is naturally occurring substance, the ingredient used in personal care products is alpha-bisabolol, which is synthesized by reacting ketodiene in ether with methyl magnesium iodide, and adding saturated aqueous ammonium acetate solution.
- ee. According to an ingredient manufacturer, *butyloctyl salicylate* is the synthetically produced ester of Salicylic Acid.
- ff. *C12-15 Pareth-7* and *C9-11 Pareth-3* can be derived from tallow. However, Honest's products are claimed to be vegan, which would preclude the use of tallow. Thus, the ingredients in Honest's product are synthesized by reacting ethylene oxide with the appropriate alcohol and alkali earth metal or alkoxide, and the reaction is terminated by an acid (*e.g.*, hyrochloric acid). 1,4 dioxane is commonly formed as a byproduct. It is prohibited by industry associations from household products and personal care products labeled as "natural."
- gg. *Calcium ascorbate* is classified by federal regulations as a chemical preservative. It is prepared from ascorbic acid and calcium carbonate in acetone or alcohol.
- hh. *Coco-betaine* is artificially produced by reacting fatty dimethyl amines from coconuts with chloroacetic acid. It is classified as synthetic by trade associations governing the use of the term "natural" on household and personal care products.

- ii. *Coco-glucoside* is chemically produced through coconut alcohol and glucose. Coconut alcohol is a mixture of the fatty alcohols from the fatty acids derived from coconut oil. Glucose is produced commercially by reacting sulfuric acid or hydrochloric acid with starch.
- jj. *Dipropylene glycol* is produced by reacting propylene glycol and propylene oxide.
- kk. *Ethylhexylglycerin* is a synthetic skin-conditioning agent produced by thecatalytic splitting of ethylhexylglycidyl ether (also an artificial compound). It is prohibited by industry associations from being included in products labeled as "natural."
- ll. *Hydrated silica* is also known as synthetic amorphous silicon dioxide. It is synthetically produced by reacting an aqueous alkali metal silicate solution and a mineral acid.
- mm. *Isopropyl myristate* is produced synthetically, either by reacting myristic acid and isopropanol or myristoyl chloride with 2-propanol.
- nn. *Isopropyl palmitate* is a synthetic compound prohibited by industry associations from being added to household products and personal care products labeled as "natural." It is produced by reacting palmitic acid and isopropyl alcohol in the presence of an acid catalyst.
- oo. *Polysorbate 20* is classified as synthetic by federal regulations, and prohibited by trade groups from being in products labeled as "natural." It is a surfactant produced by reacting sorbitol and its anhydrides with ethylene oxide.
- pp. *Polysorbate 80* is similarly a synthetic substance, prohibited by trade groups from being in products labeled as "natural." It is produced by reacting oleic acid with sorbitol and ethylene oxide.

1	zz. According to federal regulations, <b>sodium metasilicate</b> is synthetic as	
2	"it does not occur naturally but rather is synthesized by melting sand with	
3	sodium carbonate at 1400 °C."	
4	aaa. Sodium palmate is synthesized by reacting palm oil with sodium	
5	hydroxide.	
6	bbb. Sodium polyaspartate is a new anionic polymeric humectant derived	
7	from aspartic acid, an artificial compound.	
8	ccc. According to federal regulations, sodium sulfate is prepared by the	
9	neutralization of sulfuric acid with sodium hydroxide.	
10	ddd. Sorbitol occurs naturally but is produced synthetically for household	
11	products by the electrolytic reduction or the transition metal catalytic	
12	hydrogenation of sugar solutions containing glucose or fructose.	
13	eee. Tocopherols are classified as synthetic substances by federal	
14	regulations, even when extracted from natural oils, done through molecular	
15	distillation, solvent extraction, or absorption chromatography.	
16	fff. By federal regulation, <i>triacetin</i> is prepared by heating glycerin with	
17	acetic anhydride alone or in the presence of finely divided potassium	
18	hydrogen sulfate. It can also be prepared by the reaction of oxygen with a	
19	liquid-phase mixture of allyl acetate and acetic acid using a bromide salt as	
20	a catalyst. It is synthetic.	
21	ggg. By federal regulation, calcium glycerophosphate is prepared by	
22	neutralizing glycerophosphoric acid with calcium hydroxide or calcium	
23	carbonate. It is synthetic.	
24	hhh. Though <i>calcium silicate</i> occus naturally in mineral form, commercia	
25	calcium silicate sold for industrial use is prepared synthetically to control it	
26	absorbing power.	
27		

1	iii. Capryl/capramidopropyl betaine is a synthetic substance, produced	
2	by reacting coconut oil fatty acids with synthetic substances, including 3,3-	
3	dimethylaminopropylamine.	
4	jjj. Cellulose gum is prepared synthetically, by treating cellulose with	
5	alkali, reacting with sodium monochloroacetate, and purifying.	
6	kkk. <i>Polyglyceryl-4 laurate/sebacate</i> is the monoester of Polyglycerin-4	
7	and a mixture of lauric and sebacic acids.	
8	lll. <i>Polyglyceryl-6 caprylate/caprate</i> is the monoester of polyglycerin-6	
9	(q.v.) and a mixture of caprylic and capric acids.	
10	mmm. Zinc ricinoleate is chemically produced, such as by reacting a zinc	
11	compound with a ricinoleic acid-rich mixture obtained by cleaving glycerol	
12	from castor oil.	
13	nnn. While <i>urea</i> exists in nature, it is synthesized for commercial use from	
14	carbon dioxide and ammonia.	
15	ooo. Isopropyl alcohol is classified as synthetic by federal regulations.	
16	ppp. According to federal regulations, <i>titanium dioxide</i> is a synthetically	
17	prepared color additive.	
18	qqq. According to federal regulations, the color additive <i>zinc oxide</i> is	
19	manufactured by the French process, whereby zinc metal isolated from zinc-	
20	containing ore is vaporized and then oxidized.	
21	rrr. <i>Polymer spandex</i> is a petroleum-based, synthetic fiber manufactured	
22	by reacting a diamine with a diisocyanate and a polyether/polyester polyol.	
23	sss. Sodium polyacrylate is synthetic, produced, e.g., by the	
24	polymerization of acrylic acid and subsequent hydrolysis of the polyacrylic	
25	acid with an aqueous sodium hydroxide solution.	
26	ttt. Sodium Lauroyl Methyl Isethionate is also synthetic, produced by	
27	reacting dodecanoic acid and sodium methyl isethionate.	

- uuu. Other ingredients are also synthetic, including *polyolefin*, polyurethane, tetrasodium iminodisuccinate, triethoxycaprylylsilane, polyglyceryl-4 oleate, polyhydroxystearic acid, dl-alpha tocopherol acetate, hydrogenated methyl abietate, and hydroxyethyl ammonium methyl sulfate.
- 92. Other ingredients in Honest's products may be synthetic. For example:
- a. The *enzymes* used in Honest's products may be produced from genetically modified materials, as most enzymes used in household products nowadays are.
- b. *Amylase* may be produced from genetically modified materials, as most enzymes used in household products nowadays are.
- c. *Glycerin* can be naturally produced, but is typically chemically manufactured by, *e.g.*, hydrogenolysis of carbohydrates; by hydration of epichlorohydrin followed by reaction with sodium hydroxide; reaction of allyl alcohol with hydrogen peroxide; reaction of allyl alcohol with peracetic acid followed by hydrolysis. Glycerin can also be produced from propylene oxide, where propene is epoxidized to propylene oxide, which is then isomerized to allyl alcohol. A second epoxidation is carried out with peracetic acid, and the resulting glycidol is hydrolyzed to glycerol.
- d. *Acetic acid* may be chemically synthesized, such as by oxidation of acetaldehyde derived from ethylene, liquid phase oxidation of butane, and reaction of carbon monoxide with methanol derived from natural gas.
- e. *Menthol* can be produced from mint oils or prepared synthetically.
- f. *Sodium bicarbonate* may be chemically synthesized, depending on the processing methods used. In cosmetic products, sodium bicarbonate is typically artificially produced by the Solvay process, where carbon dioxide

is bubbled through a solution of sodium chloride and ammonia to precipitate sodium bicarbonate.

- g. **Sodium cocoate** is the sodium salt of coconut acid. Coconut acid is produced by hydrolysis and isolation of fatty material from coconut oil, and is then distilled. The result is then reacted with sodium hydroxide to produce sodium cocoate.
- 93. Honest has concealed the nature, identity, source, and/or method of preparation of additional ingredients, which may also be synthetic ingredients. Thus, discovery is necessary to uncover the true nature of other ingredients in Honest's products.
  - 94. Synthetic ingredients are artificial, not natural.
- 95. Defendant's own statements on the "honestly blog" concede that these ingredients are not natural.
- 96. Defendant has expressly criticized its competitors for using "preservatives (and ingredients) with synthetic fragrances," including "Methylisothiazolinone."
- 97. Defendant stated on the "honestly blog" that Cocamidopropyl Betaine "isn't found in nature," adding the statement "but that's the beauty and power of chemistry!"
- 98. As shown above, Defendant stated on the "honestly blog" that the ingredient Phenoxyethanol is "synthetically produced in a laboratory."
- 99. Defendant indicated on the "honestly blog" that the ingredient Sodium Polycrylate is "petroleum-based." This statement also contradicts Defendant's prior advertising representation that Honest Diapers are 100% plant-based.

- 100. As indicated by the statements above, Defendant knowingly advertises and or labels the Natural Products as natural despite knowing the Natural Products contain synthetic, non-natural ingredients.
- 101. If these products were reformulated such that the "natural" labeling and advertising would be true, Plaintiffs would consider purchasing the Natural Products again.
- 102. However, even if the products were reformulated, Plaintiffs would be unable to ascertain whether the "natural" labels were true.
- 103. Even if the synthetic ingredients identified above were removed from the Natural Products, Plaintiffs reasonable consumers who are not chemistry experts would not know whether the *new* ingredients are natural. Thus, in the future, Plaintiffs still would not know whether the "natural" labeling and advertising was true or false. In other words, Honest would continue to harm Plaintiffs absent an injunction.
- 104. Moreover, Honest has not disclosed all of the ingredients in the products. For example, Honest has not disclosed the naturing agents used in its products, or has vaguely described but not identified other ingredients, as described above, such as "enzymes," which may be produced through synthetic biology, "absorbent bio-core," "plant based PLA," or "non-toxic adhesives." Thus, Plaintiffs would be unable to ascertain whether the "natural" representation was true or false. In other words, Honest would continue to harm Plaintiffs absent an injunction.
- 105. By claiming Natural Products that contain synthetic ingredients are natural, Defendant knowingly deceived and misled reasonable consumers and knowingly made representations in advertising and/or labels Defendant knew to be untrue and would mislead consumers, or which by the exercise of reasonable care Defendant should have known were untrue and would mislead consumers.

Sunscreen Advertising

106. Defendant falsely represented in advertising and labeling, and continues to so represent, expressly and by necessary implication, that Honest Sunscreen is effective, when Defendant knew the only active ingredient in Honest Sunscreen had been reduced by more than half in March 2015.

- 107. According to Defendant, "Zinc oxide is the ONLY active sunscreen ingredient" in Honest Sunscreen.
  - 108. Honest Sunscreen originally contained 20 percent zinc oxide.
- 109. As of March 15, 2015, Defendant's website stated Honest Sunscreen's zinc oxide content was 20 percent and the Drug Facts on the back of Honest Sunscreen's bottle stated "Active Ingredient: Zinc Oxide 20%":



- 110. However, sometime later in March 2015, Defendant quietly reformulated Honest Sunscreen to contain only 9.3 percent zinc oxide. (In comparison, other sunscreens typically contain between 18 and 25 percent zinc oxide.)
- 111. As of August 12, 2015, Defendant's website stated Honest Sunscreen's zinc oxide content was 9.3 percent and the Drug Facts on the back of Honest Sunscreen's bottle stated "Active Ingredient: Zinc Oxide 9.3%":

details & ingredients	3.0 oz. Broad Spectrum SPF 30 Water Resistant (80 mins)
	ACTIVE INGREDIENT:
	Non-Nano Zinc Oxide 9.3%
	INACTIVE INGREDIENTS:
	Beeswax*, Butyloctyl Salicylate, Butyrospermum Parkli (Shea) Butter*, Calendula Officinalis Flower Extract*, Chamomilla Recutita (Matricarla) Flower Extract*, Cocos Nuclfera (Coconut) Oli, Helianthus Annuus (Sunflower) Seed Oli, Hydrogenated Vegetable Oli, Jojoba Esters, Methyl Dihydroabletate, Olea Europaea (Olive) Fruit Oli*, Prunus Armeniaca (Apricot) Kernel Oli, Silica, Simmondsia Chinensis (Jojoba) Seed Oli*, Tocopherol
	*Certified Organic Ingredient





- 112. Although in March 2015 Defendant reduced the content of zinc oxide—by its own admission, "the ONLY active sunscreen ingredient" in Honest Sunscreen—by more than half, it continued to represent that Honest Sunscreen was effective and provided "broad spectrum SPF 30 sun protection."
- 113. The advertising representations that a product is "effective" and provides "broad-spectrum mineral-based protection" or "natural mineral based sun protection," in the context of Honest Sunscreen, mean the product should protect the user from unhealthy exposure to harmful UV rays.



Don't buy @Honest sunscreen unless u want to look like this. Second time I've tried this stuff and got fried





The Honest Company - Sunscreen Lotion SPF 30, 3 FI Oz

★☆☆☆☆ Horrible product! We went to Hawaii with our kids

By Jaymie Chapman on Jul 30, 2015

Horrible product! We went to Hawaii with our kids. We sat at the pool for a few hours. Everyone used honest sunscreen and continued to reapply the sunscreen. It was like we used baby oil! We were all extremely burned! Especially my little 2 year old! She had blisters on her shoulder! It is so sad! Worst product ever!

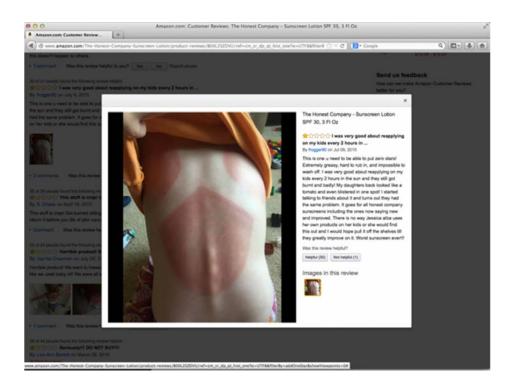
Was this review helpful?

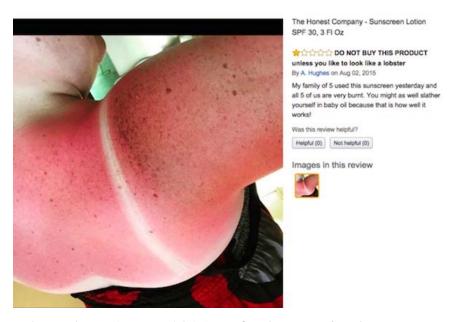


Images in this review









120. Throughout August 2015, Defendant received numerous customer reviews and complaints alleging Honest Sunscreen did not offer the sun protection it promised and marketed. According to one news story:

Jessica Alba's Honest Company has come under fire by unhappy customers who say the brand's sunscreen option is sub-par. Several

people took to social media to show off the painful-looking sunburns they got after using the product, with many mentioning they were only in the sun for a few minutes. A study done by NBC5 Chicago found that Honest's sunscreen contains only 9.3 percent non-nano zinc oxide while other products contain 18 to 25 percent of the active ingredient. They wonder if the reduced amount of zinc oxide contributed to the issues customers were having. Honest changed its formula, which originally had 20 percent zinc oxide, earlier this year but claims to have added other components to make up for the reduced amounts.

(See Jihan Forbes, "Jessica Alba Responses to Honest Sunscreen Fails," The Fashion Spot, http://www.thefashionspot.com/buzz-news/latest-news/624761-jessica-alba-honest-sunscreen/ (last visited Jan. 7, 2016)).

- 121. Defendant's Amazon marketplace webpage contains documented customer reviews that detail evidence of sunburn and blisters resulting from exposure to the sun, after applying Honest Sunscreen.
- 122. Defendant's Twitter and Facebook accounts received numerous messages published by users who documented sunburn injuries resulting from exposure to the sun, after applying Honest Sunscreen.
- 123. Consumer comments on Defendant's blog also contained numerous complaints about sunburn and after-effects resulting from exposure to the sun after applying Honest Sunscreen.

Defendant Knew its Sunscreen Failed to Protect Users as of August 2015

- 124. Defendant continued to represent that Honest Sunscreen was effective even after learning that numerous consumers suffered sunburns using Honest Sunscreen.
- 125. Defendant responded to the media backlash with a statement that compounded its deceptive representations regarding Honest Sunscreen.

Specifically, Defendant stated, "Our previous Sunscreen formulation had a 40-minute water resistance and customers told us that it didn't apply as easily as they would've liked. Based on our own experience and consumer feedback, we redesigned our Sunscreen Lotion for 80-minute water resistance and an improved formulation that allows for easier application and a lighter-weight feel."

- 126. Defendant further attempted to create false confidence in Honest Sunscreen by claiming it was tested by a third party to meet FDA standards, even though according to the FDA it neither verifies such testing nor requires any company to share the result of any such testing.
- 127. Defendant's false advertising misconduct is further belied by its own subsequent actions. According to one news story:

After seeing the rash of complaints NBC 5 Investigates visited some local stores and found the product was no longer on some store shelves, like Target where an employee told us it was "discontinued." The shelves were nearly empty at the Nordstrom we visited, and "out of stock" for visitors to the company website. Which made us wonder: is the company quietly pulling a problem product? (Parker, "Burn Notice," *supra*.)

# Plaintiffs' Experience with Defendant's Advertising and Products

# Plaintiffs' Purchase of the Products

# Hand Soap

- 128. Starting in late 2013 and through the summer of 2015, Plaintiff Stavroula purchased Honest Hand Soap from Target in the State of Florida.
- 129. In or about July 2015, Plaintiff Rubin purchased "lemongrass" Honest Hand Soap from Gelson's Markets in Los Angeles, California.

1 Dish Soap 2 130. Starting in late 2013 and through the summer of 2015, Plaintiff 3 Stavroula purchased Honest Dish Soap from Target in the State of Florida. 4 131. In or about July 2015, Plaintiff Rubin purchased "white grapefruit" 5 Honest Dish Soap from Gelson's Markets in Los Angeles, California 6 Sunscreen 7 132. In late April or early May 2015, Plaintiff Michael purchased Honest 8 Sunscreen at Costco Wholesale in West Des Moines, Iowa. 133. On June 26, 2015 Ms. Hembree purchased Honest Sunscreen from 9 10 Costco Wholesale in Burlington, Kansas. 11 134. On March 29, 2015, Ms. Lung purchased Honest Sunscreen from Costco Wholesale in Burbank, California. 12 13 Plaintiffs' Exposure to the False Advertising and the Resulting Harm 14 135. Plaintiffs Rubin, Michael, Da Silva, Hembree, and Lung all actually 15 witnessed Defendant's advertising campaign. 136. Starting in at least February 2015, Rubin became aware of the Honest 16 Company's representations that its Hand Soap and Dish Soap, along with its other 17 products, were "natural" and non-toxic. From approximately February 2015 18 19 through at least July 2015, he viewed Defendant's website several times, he saw Defendant's ads on Facebook and saw banner ads on other websites, promoting its 20 products as "natural." He also viewed videos of Jessica Alba on television and the 21 internet promoting Defendant's image as a company that only sells natural 22 products 23 24 137. When Rubin purchased the Honest Hand Soap in or about July 2015, he saw Defendant's representation on the label that the product was "natural." 25 26 138. Rubin bought the Honest Hand Soap and Dish Soap, which were 27 marked up at a premium as compared to comparable products, based on SECOND AMENDED CLASS ACTION COMPLAINT - Michael v. The

Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

Defendant's representations on its labels, advertising and marketing that the products were natural.

- 139. Starting in late 2013 and through 2015, Plaintiff Da Silva read and generally believed that Honest products were natural, non-toxic, and plant based. Plaintiff Da Silva saw Defendant's advertising and labeling representations on product packaging, in-store displays, internet advertising, magazines, and advertising and articles in parenting magazines.
- 140. Plaintiff Da Silva bought the Honest Hand Soap and Dish Soap, which were marked up at a premium as compared to comparable products, based on Defendant's representations on its labels, advertising and marketing that the products were natural.
- 141. As stated above, Defendant knew or should have known that its representations regarding the Natural Products would mislead consumers into believing those products did not contain synthetic ingredients.
- 142. Plaintiffs Rubin and Da Silva did not know and had no reason to suspect that Defendant misrepresented the characteristics of Honest Hand Soap, Dish Soap, and other Honest Natural Products.
- 143. As a result of their payments of a premium to Defendant for these Natural Products, both Rubin and Da Silva experienced economic harm.
- 144. Prior to purchasing Honest Sunscreen, Plaintiffs Michael, Hembree, and Lung all saw Defendant's representations that, among other things, Honest Sunscreen offered "broad spectrum SPF 30" sun protection.
- 145. For example, in the months prior to her purchase of the Sunscreen in June 2015, Plaintiff Hembree observed Defendant's advertising and marketing of its products, including the sunscreen, as natural, safe and effective, on television, on Defendant's Facebook page, its website, and in floor displays at Costco and other stores.

- 146. Starting in late 2013, Plaintiff Lung became aware of Honest Sunscreen as a consumer products brand. At least as early as 2013, she purchased pre-2015 formulations of Honest Sunscreen. Lung reasonably believed that the Honest Sunscreen was effective, based upon Defendant's brand and company name, and based upon her experience with earlier versions of the Honest Sunscreen product.
- 147. Plaintiff Lung purchased Honest Sunscreen from CostCo Wholesale on March 29, 2015. In addition to purchasing a product she believed was effective, based upon her experience with previous Honest Sunscreen products, Lung took special notice that the Honest Sunscreen product she purchased was labelled as SPF 30, and that it offered broad spectrum protection.
- 148. Plaintiffs Michael and Hembree experienced sunburns as a result of using the product. Plaintiff Lung's children experienced sunburns as a result of using the product.
- 149. Michael used Honest Sunscreen as directed in May 2015 and suffered a severe sunburn resulting in blistering and peeling.
- 150. Hembree used Honest Sunscreen as directed starting in August 2015 and suffered a severe sunburn as well.
- 151. Lung applied Honest Sunscreen on her two sons during her family's regular beach outings in the spring of 2015. Lung applied the sunscreen and abided by package directions, including instructions specific to outdoor use near water. Lung's two children suffered sunburns after using Honest Sunscreen. Assuming that she had misapplied the sunblock, she tried to use the product again, during a second outing. Lung's children again experienced sunburn, after which she stopped using Honest Sunscreen.

- 152. Prior to their purchases, Plaintiffs did not know and had no reason to know Defendant misrepresented Honest Sunscreen's sun protection characteristics.
- 153. Plaintiffs each paid for an ineffective Honest Sunscreen product and experienced economic harm. Had Plaintiffs known that Defendant falsely marketed and sold Honest Sunscreen, they would not have purchased the Honest Sunscreen product.

## Plaintiffs' Reliance Was Reasonable

- 154. Plaintiffs reasonably relied on Defendant's own statements and advertising concerning the particular qualities and benefits of their products.
- 155. Plaintiffs read and relied upon the labels on products in making their purchasing decisions, along with viewing the statements and advertising on Defendant's website and elsewhere on the internet.
- 156. A reasonable consumer would consider the statements and advertising regarding the sun protection characteristics of a sunscreen. Here, Plaintiffs relied on the specific statements and representations by Defendant that the Honest Sunscreen would provide SPF 30 protection and offered the "best broad spectrum protection."
- 157. A reasonable consumer would consider the ingredients and physical properties when looking to purchase a natural or organic product. Here, Plaintiffs relied on the specific statements and representations by Defendant that the Natural Products were natural supplemental representations, including that the Natural Products do not contain harsh chemicals, are safe, are non-toxic, and are plant-based.

# <u>Defendant's Knowledge and Notice of its Breaches of its</u> <u>Express and Implied Warranties</u>

- 158. Defendant had sufficient notice of its breaches of its express and implied warranties. Defendant had and has exclusive knowledge of the physical and chemical make-up of its Sunscreen and the Natural Products.
- 159. For instance, as early as June 28, 2012, a consumer inquired with Defendant about its inadequate disclosure that its cleaning products contained cocamidopropyl betaine, phenoxyethanol, and methylisothiazolinone<sup>2</sup>:

#### katie says

Wednesday, June 27th, 2012 1:27 PM at 1:27 pm

Where does it say that the dish soap contains the ingredients: cocamidopropyl betaine, phenoxyethanol, and methylisothiazolinone. On the bottle it says water and coconut oil derived surfactants. Are all those things what makes coconut oil derived surcactants?

Update before I even send. I just need to say, I am surprised that the label of a company who's goal is to be completely transparent, was not so transparent. I went to the website and now the dish soap has an 'updated scent' of white grapefruit and spells out those ingredients you mentioned instead of what's on my bottle, "Water, and coconut oil derived surfactants.". I am disappointed in the 'honest' company and will not be purchasing from them again.

Reply

#### Maia says

Thursday, June 28th, 2012 6:25 PM at 6:25 pm

#### Hi Katie-

I got my information from the website and a couple of phone calls to the company; I've not yet held a bottle of the soap in my hand, and I'm disappointed to hear that the ingredients listed there are vague and, frankly, sneaky. I agree that there is an inconsistency between the ostensible mission of the company and not only the inclusion of such chemicals, but also the intentional obscuring of their inclusion! That said, I have to reiterate what I said in my post: I think Jessica Alba is sincerely passionate about making safe products, and the vast majority of the Honest line is clean, safe, and...well, honest. It's unfortunate that the dish soap is such a glaring exception.

<sup>2</sup> https://gimmethegoodstuff.org/the-honest-company-by-jessica-alba-good-bad-or-sneaky/#comments

- 160. Defendant was also notified of the defective nature of its Honest Sunscreen through consumer contacts, complaints, and news related articles. (David Kroll, "The Failure of Jessica Alba's Honest Company Sunscreen Explained," Forbes, http://www.forbes.com/sites/davidkroll/2015/08/03/the-failure-of-jessica-albas-honest-company-sunscreen-explained/ (Last accessed on Aug. 3, 2015).)
- 161. Indeed, on information and belief, Honest itself chose to run tests on its sunscreen based on the numerous complaints, articles and bad press on August 2, 2015. (Jessica Fecteau, "Jessica Alba's Honest Company Responds to Sunscreen Complaints: 'We Take All Consumer Feedback Very Seriously.'" People.com, available online at http://www.people.com/article/jessica-alba-honest-company-sunscreen (last accessed Jan. 7, 2016).) Thus, Defendant had knowledge and notice from proposed class members prior to the filing of any complaint.
- 162. Plaintiff Michael and Rubin also timely sent Defendant letters detailing the bases for their claims of breach of implied and express warranties. These letters were sent months before the filing of this consolidated complaint.

# **Privity Exists With Plaintiffs and the Proposed Class**

- 163. Defendant knew that consumers such as Plaintiffs and the proposed Class would be the ultimate user of the products and target of its advertising and statements.
- 164. Defendant intended that its statements and representations would be considered by the end-users of its products, including Plaintiffs and the proposed Class.
- 165. Defendant directly marketed to Plaintiffs through its statements on its websites and packaging.
- 166. Plaintiffs are the intended beneficiaries of the express and implied warranties.

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CLASS ACTION ALLEGATIONS

167. Plaintiffs bring this action on behalf of themselves and, pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of two nationwide classes (the "Honest Natural Products Class" and the "Honest Sunscreen Class") that include other similarly situated purchasers of the Honest Products who experienced the same or substantially similar harm as a result of Defendant's false advertising.

HONEST NATURAL PRODUCTS CLASS: All U.S. residents who have purchased Honest 4-in-1 Laundry Packs, Honest Air + Fabric Freshener, Honest Auto Dishwasher Gel, Honest Bar Soap, Honest Bathtime Gift Set, Honest Bubble Bath, Honest Conditioner, Honest Conditioning Detangler, Honest Deodorant,

Honest Discovery Set, Honest Dish Soap, Honest Dishwasher Packs, Honest Dryer Cloths, Honest Diapers, Honest Essential Gift Bundle, Honest Face + Body

Lotion, Honest Floor Cleaner, Honest Floor Cleaner Concentrate, Honest Foaming

Hand Soap, Honest Fruit + Veggie Wash, Honest Essentials Bundles, Honest

Glass + Window Cleaner, Honest Glass + Window Cleaner Concentrate, Honest

Hand Sanitizer Gel, Honest Hand Soap, Honest Housewarming Gift Set, Honest

Kids' Toothpaste, Honest Laundry Detergent, Honest Mouthwash, Honest Multi-

19 | Surface Cleaner, Honest Multi-Surface Cleaner Concentrate, Honest Oxy Boost,

20 Honest Rinse Aid, Honest Shampoo and Body Wash, Honest Soothing Bottom

21 Wash, Honest Stain Remover, Honest Stain Remover Concentrate, Honest

Toothpaste, Honest Wipes, and Honest Wipes – Travel Packs, (collectively the

"Natural Products") from any retail store or website and who did not register for

membership with the Honest Company during the applicable statute of limitations.

HONEST SUNSCREEN CLASS: All U.S. residents who have purchased Honest Sunscreen from any retail store or website and who did not register for membership with the Honest Company during the applicable statute of limitations.

<u> 50</u>

Both of the Classes exclude any judge or magistrate assigned to this case; all persons who make a timely election to be excluded from the Class; governmental entities; Defendant and any entity in which Defendant has a controlling interest, and its officers, directors, legal representatives, successors and assigns; and any person who purchased the Honest Products for resale.

- 168. As used herein, the terms "Natural Products Class Members" and "Sunscreen Class Members" shall mean and refer to the members of the respective Classes described above.
- 169. Plaintiffs reserve the right to amend the Class definitions, and to add subclasses, as warranted by facts discovered.
- 170. Class-wide treatment is appropriate because Plaintiffs can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.
- 171. Numerosity—Federal Rule of Civil Procedure 23(a)(1). The members of the Classes are so numerous that joinder is impracticable. Upon information and belief, there are at least thousands of individual purchasers of Honest Natural Products and Honest Sunscreen. The precise number of Honest Natural Products Class Members or Honest Sunscreen Class Members is unknown to Plaintiffs, but may be ascertained, including by objective criteria. Members of the classes may be notified of the pendency of this action by recognized, Courtapproved notice dissemination methods.
- 172. Commonality and Predominance—Federal Rules of Civil Procedure 23(a)(2) & 23(b)(3). This action involves common questions of law or fact, which predominate over any questions affecting individual members of the Classes. Common questions include:
- (a) Whether Defendant owed a duty of care to the Honest Natural Products Class and/or the Honest Sunscreen Class.

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- Whether Plaintiffs and the members of the Classes are entitled to (q) actual, statutory, and punitive damages; and
- Whether Plaintiffs and members of the Classes are entitled to (r) declaratory and injunctive relief.
- 173. Defendant engaged in a common course of conduct giving rise to the legal rights sought to be enforced by Plaintiffs each individually and on behalf of the other members of the Classes. Identical statutory violations and business practices and harms are involved. Individual questions, if any, are not prevalent in comparison to the numerous common questions that dominate this action.
- 174. Typicality—Federal Rule of Civil Procedure 23(a)(3). Plaintiffs' claims are typical of the claims of the other members of each of the Classes because, among other things, all members of the Classes were comparably injured through the uniform misconduct described above and were subject to Defendant's false, deceptive, misleading, and unfair labeling and marketing practices, including the false claims that the Honest Natural Products are natural and the Honest Sunscreen is effective. Plaintiffs do not have any interests adverse to the Classes.
- 175. Adequacy of Representation—Federal Rule of Civil Procedure 23(a)(4). Plaintiffs are adequate representatives of the members of each of the Classes because their interests do not conflict with the interests of the other members of the Class they seek to represent; they have retained competent counsel with experience in complex class action litigation; and Plaintiffs will prosecute this action vigorously. The interests of the members of the Classes will be fairly and adequately protected by Plaintiffs and their counsel.
- 176. Declaratory and Injunctive Relief—Federal Rule of Civil Procedure 23(b)(2). Defendant has acted or refused to act on grounds generally applicable to Plaintiffs and other members of the Classes, thereby making appropriate final

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injunctive relief and declaratory relief, as described below, with respect to the members of the Classes, each as a respective whole.

Superiority—Federal Rule of Civil Procedure 23(b)(3). 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 Defendant, so it would be impracticable for members of the Classes to seek redress for Defendant's wrongful conduct on an individual basis. Individualized litigation would also pose the threat of significant administrative burden to the court system. Individual cases would create the potential for inconsistent or contradictory judgments, and would increase delay and expense to all parties and the court system. By contrast, the class action device presents far fewer management difficulties and provides the streamlined benefits of singular adjudication and comprehensive supervision by one court. Given the similar nature of the class members' claims, the Classes will be easily managed by the Court and the parties and will be managed more efficiently in this integrated class action than through multiple separate actions in the various states.

# **CLAIMS FOR RELIEF**

# FIRST CLAIM FOR RELIEF

Violation of California's Consumer Legal Remedies Act California Civil Code §§ 1750 et seq.

178. Plaintiffs hereby incorporate by reference the allegations contained in this Complaint.

- 179. Plaintiffs bring this claim for relief pursuant to the California Consumers Legal Remedies Act ("CLRA").
- 180. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(5), which prohibits "Representing that goods or services have . . . characteristics, ingredients, uses, benefits, or quantities which they do not have."
- 181. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(7), which prohibits "Representing that goods or services are of a particular standard, quality or grade . . . if they are of another."
- 182. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(9), which prohibits "Advertising goods . . . with intent not to sell them as advertised."
- 183. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(16), which prohibits "Representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not."
- 184. Honest Products are "goods" within the meaning of Civil Code § 1761(a) and § 1770.
  - 185. Defendant is a "person," as defined by Civil Code § 1761(c).
- 186. Plaintiffs and the members of the Classes are "consumers" within the meaning of Civil Code § 1761(d) and § 1770.
- 187. Plaintiffs Rubin and Da Silva and members of the Classes purchased Honest Products for personal, family, and household purposes as meant by Civil Code § 1761(d).
- 188. Each purchase of the Honest Products by Plaintiffs and each member of the Classes constitutes a "transaction" within the meaning of Civil Code § 1761(e) and § 1770.
- 189. In fact, Plaintiffs Rubin and Da Silva and the Honest Natural Products Class Members relied upon the representations in advertising and labels

to their detriment and paid a higher price for Honest Natural Products than they would have paid for products that are not natural.

- 190. In fact, Plaintiffs Michael, Hembree, and Lung and the Honest Sunscreen Class Members relied upon the representations in advertisements and labels to their detriment and paid for the ineffective Honest Sunscreen products.
  - 191. Defendant's conduct is ongoing and, unless restrained, likely to recur.
- 192. If the Honest Natural Products were reformulated such that the "natural" labeling and advertising would be true and/or Honest Sunscreen products were reformulated such that the "natural" and "effective" labeling and advertising would be true, Plaintiffs and Class Members would consider purchasing the Honest Products again.
- 193. However, even if the products were reformulated, Plaintiffs and Class Members would be unable to ascertain whether the "natural" labels were true.
- 194. Even if the synthetic ingredients identified above were removed from the Natural Products, Plaintiffs and Class Members reasonable consumers who are not chemistry experts would not know whether the *new* ingredients are natural. Thus, in the future, Plaintiffs and Class Members still would not know whether the "natural" labeling and advertising was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.
- 195. Moreover, Honest has not disclosed all of the ingredients in the products. For example, Honest has not disclosed the naturing agents used in its products, or has vaguely described but not identified other ingredients, as described above, such as "enzymes," which may be produced through synthetic biology, "absorbent bio-core," "plant based PLA," or "non-toxic adhesives." Thus, Plaintiffs and Class Members would be unable to ascertain whether the "natural" representation was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.

punitive damages under CLRA § 1780(a)(4) and because Defendant attorneys' fees and costs under CLRA § 1780(d); and any other relief the Court deems proper under CLRA § 1780(a)(5). 202. Plaintiff Rubin previously prepared and filed a declaration stating facts showing that the Rubin action was filed in a court described as a proper place for the trial of the action. Since Defendant sought to transfer the Rubin action to SECOND AMENDED CLASS ACTION COMPLAINT – Michael v. The Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

this District, Defendant has acknowledged that this District is a proper place for trial of this Action, and a supplemental CLRA § 1780(d) declaration from Plaintiffs is not required.

### **SECOND CLAIM FOR RELIEF**

For Violation of California's False Advertising Law, California Business & Professions Code §§ 17500 et seq.

- 203. Plaintiffs hereby incorporate by reference the allegations contained in this Complaint.
- 204. California's False Advertising Law, Business & Professions Code §§ 17500 et seq. ("FAL"), provides that "[i]t is unlawful for any . . . corporation . . . with intent . . . to dispose of . . . personal property . . . to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated . . . from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet, any statement . . . which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading . . . ."
- 205. Defendant's acts and practices as described herein have deceived and/or are likely to deceive Plaintiffs and the Honest Natural Products Class Members and the Honest Sunscreen Class Members.
- 206. By its actions, Defendant has been and is disseminating uniform marketing statements concerning the Honest Products, and the performance, facts connected with, and disposition of Honest Products, which by their nature are untrue or misleading, and which Defendant knew or should have known were untrue and/or misleading, within the meaning of California Business & Professions Code §§ 17500 *et seq.*

- 207. Defendant used numerous advertising devices and other manner and means to disseminate these statements, including those set forth more fully elsewhere in this Complaint.
- 208. The statements are likely to deceive and continue to deceive the consuming public for the reasons detailed above.
- 209. Defendant intended, and continues to intend, that Plaintiffs and the members of the Classes rely upon the untrue and/or leading statements set forth more fully elsewhere in this Complaint.
- 210. In fact, Plaintiffs and the members of the Classes relied upon Defendant's statements to their detriment.
- 211. The above-described untrue and misleading marketing representations Honest disseminated continue to have a likelihood to deceive Plaintiffs and Class Members.
- 212. Plaintiffs and Class Members have experienced an economic injury as a result of Defendant's untrue and/or misleading statements.
- 213. Plaintiffs Rubin and Da Silva and the members of the Honest Natural Products Class purchased Honest Natural Products and paid a premium for them based on Defendant's untrue and/or misleading statements.
- 214. Plaintiffs Michael, Hembree, and Lung and the members of the Honest Sunscreen Class purchased ineffective Honest Sunscreen products, which they would never have purchased but for Defendant's untrue and/or misleading statements.
  - 215. Defendant's conduct is ongoing and, unless restrained, likely to recur.
- 216. If the Honest Natural Products were reformulated such that the "natural" labeling and advertising would be true and/or Honest Sunscreen products were reformulated such that the "natural" and "effective" labeling and advertising

would be true, Plaintiffs and Class Members would consider purchasing the Honest Products again.

- 217. However, even if the products were reformulated, Plaintiffs and Class Members would be unable to ascertain whether the "natural" labels were true.
- 218. Even if the synthetic ingredients identified above were removed from the Natural Products, Plaintiffs and Class Members reasonable consumers who are not chemistry experts would not know whether the *new* ingredients are natural. Thus, in the future, Plaintiffs and Class Members still would not know whether the "natural" labeling and advertising was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.
- 219. Moreover, Honest has not disclosed all of the ingredients in the products. For example, Honest has not disclosed the naturing agents used in its products, or has vaguely described but not identified other ingredients, as described above, such as "enzymes," which may be produced through synthetic biology, "absorbent bio-core," "plant based PLA," or "non-toxic adhesives." Thus, Plaintiffs and Class Members would be unable to ascertain whether the "natural" representation was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.
- 220. Plaintiffs on behalf of all members of the Classes seek equitable relief requiring Defendants to refund and restore to Plaintiffs and all members of the Classes the premiums they paid for Honest Natural Products and all monies they paid for Honest Sunscreen in an amount to be determined by this Court but at least \$5,000,000, and injunctive relief prohibiting Defendants from engaging in the misconduct described herein.

1 THIRD CLAIM FOR RELIEF 2 For Violation of California's Unfair Competition Law ("UCL"), Cal. Bus. & 3 Prof. Code §§ 17200 et seq. 4 221. Plaintiffs hereby incorporate by reference the allegations contained in this Complaint. 5 6 222. Plaintiffs assert this claim on behalf of themselves and the members 7 of the Classes against Defendant. 8 223. Defendant's misconduct violated the Unfair Competition Law, 9 Business and Professions Code §§ 17200 et seq. ("UCL"). 224. Defendant's misconduct is unlawful under the UCL, as it violates: 10 11 (a) California's FAL, California Business & Professions Code §§ 17500 et seq., as set forth more fully above, supra. 12 13 (b) California's CLRA, California Civil Code §§ 1750 et seq., as set forth more fully above, supra. 14 Section 5(a) of the Federal Trade Commission Act ("FTC Act"), 15 15 (c) U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting 16 17 commerce; and 18 (d) Section 12 of the FTC Act, 15 U.S.C. § 52, which prohibits the 19 dissemination of any false advertisement in or affecting commerce for the purpose of inducing, or which is likely to induce, the purchase of food, drugs, devices, 20 21 services, or cosmetics. 22 Plaintiffs reserve the right to identify additional provisions of law (e) violated by Defendant as further investigation and discovery are undertaken and 23 24 additional facts are discovered. 25 225. Defendant's misrepresentations and its false and misleading advertising constitute "unfair" business acts and practices under the UCL. 26 27

- 226. Defendant's misconduct offends established public policy and is unethical, and/or substantially injurious to Plaintiffs and Class Members.
- 227. Defendant's misconduct undermines and violates the policies codified in the FAL and the CLRA.
- 228. There is no legitimate utility of Defendant's misconduct, let alone any that would outweigh the harm to Plaintiffs and Class Members.
- 229. Plaintiffs and Class Members could not have reasonably avoided the injury each of them suffered, as reasonable consumers had no way of reasonably ascertaining the Honest Products are misbranded and are not properly labeled or advertised, and were at all relevant times dissuaded from avoiding any injury by Defendant's long term advertising campaign.
- 230. Defendant's misrepresentations and its false and misleading advertising regarding Honest Products constitute "fraudulent" business acts and practices because members of the consuming public, including Plaintiffs and Class Members, were and are likely to be deceived thereby.
- 231. In fact, Plaintiffs Rubin and DeSilva and the Honest Natural Products Class Members relied upon Defendant's representations on labels and in advertisements to their detriment and paid a higher price for Honest Natural Products than they would have paid for products that are not natural.
- 232. In fact, Plaintiffs Michael, Hembree, and Lung, and the Honest Sunscreen Class Members relied upon Defendant's representations on labels and in advertisements to their detriment and paid for ineffective products they would not have purchased but for Defendant's untrue and/or misleading statements.
  - 233. Defendant's conduct is ongoing and unless restrained, likely to recur.
- 234. If the Honest Natural Products were reformulated such that the "natural" labeling and advertising would be true and/or Honest Sunscreen products were reformulated such that the "natural" and "effective" labeling and advertising

would be true, Plaintiffs and Class Members would consider purchasing the products labeled as "natural" again.

- 235. However, even if the products were reformulated, Plaintiffs and Class Members would be unable to ascertain whether the "natural" labels were true.
- 236. Even if the synthetic ingredients identified above were removed from the Natural Products, Plaintiffs and Class Members reasonable consumers who are not chemistry experts would not know whether the *new* ingredients are natural. Thus, in the future, Plaintiffs and Class Members still would not know whether the "natural" labeling and advertising was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.
- 237. Moreover, Honest has not disclosed all of the ingredients in its products. For example, Honest has not disclosed the denaturing agents used in its products, or has vaguely described but not identified other ingredients, such as "enzymes," which may be produced through synthetic biology, and "absorbent bio-core," "plant based PLA," or "non-toxic adhesives," which may be synthetic. Thus, Plaintiffs and Class Members would be unable to ascertain whether the "natural" representation was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.
- 238. Plaintiffs and each Class Member has been injured in fact, and has lost money or property, and each is entitled to restitution and injunctive relief.
- 239. Defendant should be required to pay damages and/or make restitution to Plaintiffs and the members of the Classes and pay for Plaintiffs' in an amount to be determined by this Court but at least \$5,000,000 in the aggregate, as well as Plaintiffs' and the Class members' attorneys' fees.

# FOURTH CLAIM FOR RELIEF

**Breach of Express Warranty** 

- 240. Plaintiffs hereby incorporate by reference the allegations contained in this Complaint.
- 241. As set forth hereinabove, Defendant made representations to Plaintiffs and Class Members that, among other things, Honest Sunscreen provides "broad spectrum SPF 30" sun protection and that it is "super safe and super effective" and that it provides the "best broad spectrum protection for your family," and Honest Natural Products are "natural."
- 242. The representations set forth herein as to the Natural Products and the Sunscreen constitute express warranties.
- 243. These promises became part of the basis of the bargain between the parties and thus constituted express warranties.
  - 244. Plaintiffs and Class Members reasonably relied on these promises.
- 245. On the basis of these express warranties, Defendant sold and Plaintiffs and the Honest Sunscreen Class Members purchased Honest Sunscreen, and Defendant sold and Plaintiffs and the Honest Natural Products Class Members purchased the Honest Natural Products.
- 246. Honest Sunscreen did not offer the promised sun protection and therefore Defendant breached its express warranties. As a result of Defendant's breach, Plaintiffs and the Honest Sunscreen Class Members did not receive goods as warranted by Defendant.
- 247. The Honest Natural Products contained unnatural ingredients and therefore Defendant breached its express warranties. As a result, Plaintiffs and the Honest Natural Products Class Members did not receive goods as warranted by Defendant.
- 248. Privity exists because Defendant expressly warranted to Plaintiffs and the Honest Sunscreen Class Members that Honest Sunscreen would provide SPF

30 sun protection on its labeling, which labeling was reviewed and relied upon by Plaintiffs and the Honest Sunscreen Class Members.

- 249. Privity exists because Defendant expressly warranted to Plaintiffs and the Honest Natural Products Class Members that the Honest Natural Products did not contain natural products, including on the labeling of Honest Hand Soap, which labeling was reviewed and relied upon by Plaintiffs and the Honest Natural Products Class Members.
- 250. As a proximate result of Defendant's breaches of warranty, Plaintiffs and members of the Classes have been damaged in an amount to be determined at trial.

## FIFTH CLAIM FOR RELIEF

# Breach Of Implied Warranty Of Merchantability (California Commercial Code § 2314)

- 251. Plaintiffs hereby incorporate by reference the allegations contained in this Complaint.
- 252. Plaintiffs bring this claim on behalf of themselves and the proposed Honest Sunscreen Class.
- 253. As set forth hereinabove, Defendant made representations to Plaintiffs and the Honest Sunscreen Class Members that, among other things, Honest Sunscreen provides "broad spectrum SPF 30" sun protection and that it is "super safe and super effective" and that it provides the "best broad spectrum protection for your family."
- 254. Defendant was a merchant with respect to goods of this kind which were sold to Plaintiff and the Honest Sunscreen Class Members, and there was in the sale to Plaintiffs and the Honest Sunscreen Class an implied warranty that those goods were merchantable.

- 255. Defendant breached the implied warranty of merchantability when it sold Plaintiffs and the Honest Sunscreen Class Members Honest Sunscreen that, among other things, did not conform to the promises or affirmations of fact made on its labels.
- 256. Privity exists as Defendant directly marketed Honest Sunscreen to Plaintiffs and the Honest Sunscreen Class Members through its product labeling.
- 257. As a result of Defendant's conduct, Plaintiffs and the Honest Sunscreen Class Members did not receive goods as impliedly warranted by Defendant to be merchantable.
- 258. As a proximate result of this breach of warranty by Defendant, Plaintiffs and the Honest Sunscreen Class Members have been damaged in an amount to be determined at trial.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and the Classes, pray for:

- A. An order certifying the Classes and appointing Plaintiffs as the representatives of the Classes, and appointing counsel of record for Plaintiffs as counsel for the Classes;
- B. Declaratory and injunctive relief as permitted by law or equity, including enjoining Defendant from continuing the unlawful practices described herein, and directing Defendant to identify, with Court supervision, victims of the misconduct and pay them restitution and disgorgement of all profits and unjust enrichment Defendant acquired by means of any business practice declared by this Court to be unlawful, unfair, and fraudulent;
- C. An Order for Defendant to engage in a corrective advertising campaign;

1	D.	Actual damages, including under CLRA § 1780(a)(1), in an amount
2	to be determ	mined by this Court but at least \$5,000,000;
3	E.	Restitution, disgorgement, and/or constructive trust on all of the
4	inequitable	payments and profits Defendant retained from Plaintiffs and the
5	members o	f the Classes, including under CLRA § 1780(a)(2), in an amount to be
6	determined	by this Court but at least \$5,000,000;
7	F.	Punitive damages under CLRA § 1780(a)(4) and because Defendant
8	has engage	d in fraud, malice or oppression;
9	G.	Attorneys' fees, per Cal. Civil Code 1780(d) and California Code of
10	Civil Proce	edure § 1201.5;
11	H.	Expenses and costs of this action;
12	I.	Pre-judgment and post-judgment interest; and
13	J.	Such other and further relief as the Court may deem just and proper,
14	including u	ander CLRA § 1780(a)(5).
15	Dated: Jan	uary 12, 2017
16		By <u>/s/ Nicholas A. Carlin</u> Nicholas A. Carlin
17		Brian S. Conlon
18		Phillips, Erlewine, Given & Carlin LLP
19		39 Mesa Street, Suite 201-The Presidio San Francisco, CA 94129
20		Telephone: 415-398-0900
21		Email: nac@phillaw.com bsc@phillaw.com
22		•
23		<u>/s/ Leonard B. Simon</u> The Law Offics of Leonard B. Simon
24		655 West Broadway, Suite 1900 San Diego, CA 92101
25		Telephone: 619-338-4549 Email: lsimon@rgrdlaw.com
26		
27		

1	/s/ Rebecca A. Peterson Rebecca A. Peterson
2	Robert K. Shelquist Lockridge, Grindal, Nauen P.L.L.P.
3	100 Washington Avenue South, Suite 2200
4	Minneapolis, MN 55401 Telephone: 312-339-6900 Email: rapeterson@locklaw.com
5	Email: rapeterson@locklaw.com rkshelquist@locklaw.com
6	/s/ Jon W. Borderud
7	Jon W. Borderud Law Offices of Jon W. Borderud
8	2028 Cliff Drive Santa Barbara, CA 93109
9	Telephone: 310-621-7004 Email: borderudlaw@cox.net
10	/s/ Charles J. LaDuca
11	Charles J. LaDuca Cuneo Gilbert & LaDuca, LLP
12	8120 Woodmont Avenue, Suite 810 Bethesda, MD 20814 Phone: (202) 789, 3060
13	Phone: (202) 789-3960 Fax: (202) 789-1813 charles@cuneolaw.com
14	charies@cuneolaw.com
15	/s/ Michael J. Flannery
16	Michael J. Flannery Cuneo Gilbert & LaDuca, LLP 7733 Forsyth Boulevard, Suita 1675
17	7733 Forsyth Boulevard, Suite 1675 St. Louis, MO 63105
18	Telephone: 314.226.1015 Facsimile: 202.789.1813 mflannery@cuneolaw.com
19	minamery & cuncoraw.com
20	/s/ J. Barton Goplerud J. Barton Goplerud Brian O. Marty
21	Brian O. Marty Hudson Mallaney Shindler & Anderson
22	5015 Grand Ridge Drive, Suite 100 West Des Moines, Jowa 50265
23	Hudson Mallaney Shindler & Anderson 5015 Grand Ridge Drive, Suite 100 West Des Moines, Iowa 50265 Telephone: 515.223.4567 Facsimile: 515.223.8887
24	jbgoplerud@hudsonlaw.net bmarty@hudsonlaw.net
25	omarty & nuusomaw.net
26	
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	SECOND AMENDED CLASS ACTION COMPLAINT - Michael v. The

/s/ Beth E. Terrell 1 Beth E. Terrell Adrienne D. McEntee (pro hac vice) Terrell Marshall Law Group PLLC 2 936 North 34<sup>th</sup> Street, Suite 300 Seattle, WA 89103 Telephone: 206-806-6603 Facsimile: 206-319-5450 3 4 Email: bterrell@terrellmarshall.com 5 amcentee@terrellmarshall.com 6 /s/ Todd S. Garber 7 Todd S. Garber (*pro hac vice*) Finkelstein, Blankinship, Frei-Pearson 8 and Garber LLP 445 Hamilton Avenue, Suite 605 9 White Plains, NY 10601 Telephone: 914-298-3281 Fax: 914-824-1561 10 Email: tgarber@fbfglaw.com 11 12 <u>/s/ Yvette Golan</u> Yvette Golan (pro hac vice forthcoming) 13 The Golan Firm 1712 N St. NW Suite 302 Washington, DC 20036 Telephone: 866-298-4150 ext. 101 14 15 Email: ygolan@tgfirm.com 16 Attorneys for Plaintiffs Shane Michael, Jonathan D. Rubin 17 Stavroula Da Silva, Dreama Hembree, and Ethel Lung 18 19 20 21 22 23 24 25 26 27 69

**JURY DEMAND** Plaintiffs hereby demand a jury trial on all issues so triable. Dated: January 12, 2017 By: /s/ Nicholas A. Carlin Nicholas A. Carlin **ATTESTATION** I, Brian S. Conlon, am the ECF user whose identification and password is being used to file the instant document. I hereby attest that all counsel whose electronic signatures appear above provided their authority and concurrence to file this document. /s/ Brian S. Conlon Brian S. Conlon 

**EXHIBIT A** 



39 Mesa Street Suite 201 The Presidio San Francisco California 94129

Tel: 415.398.0900 Fax: 415.398.0911 www.phillaw.com Phillips, Erlewine, Given & Carlin LLP

September 3, 2015

Brian Lee, Chief Executive Officer The Honest Company, Inc. 2700 Pennsyl van a Ave., Ste. 1200 Santa Mon ca, CA 90404

Crag Gatarz, Registered Agent for Service of Process The Honest Company, Inc. 2700 Pennsylvan a Ave., Ste. 1200 Santa Monca, CA 90404

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: Notice Per California Consumer Legal Remedies Act

Dear Mr. Lee:

We represent Jonathan D. Rubin. Pursuant to the California Consumer Legal Remedies Act ("CLRA"), California Civil Code § 1750, *et seq.* (specifically, §§ 1782(a)(5), (7), (9) and (16), Mr. Rubin, on behalf of himself and all other similarly situated consumers in the United States, (collectively, the "Class"), through his undersigned counsel, hereby notifies you that The Honest Company, Inc.'s ("Honest's") practice of advertising and marketing Honest products as natural and effective violates the CLRA as set forth in more detail below. We demand that Honest rectify the violations of the CLRA within 30 days of receipt of this letter.

Honest states that many of its products are "natural" and "naturally derived." Honest uses these terms to describe its Dish Soap, its Hand Soap, its Multi-Surface Cleaner, and its Diapers. Honest puts "natural" on the label for Honest Hand Soap. Honest includes "natural" in the product description for Honest Dish Soap on Target.com. Honest promotes the Diapering section on Honest.com with claims its diapers are "natural." Honest promotes its Multi-Surface Cleaner using the same claims. In conjunction with Honest's marketing statements, the word "honest" encourages consumers to take Honest's marketing statements literally. After all, reasonable consumers expect they can take an "honest" company at its word.

Mr. Rubin purchased Honest hand soap, dish soap and sunscreen from Gelson's Markets in Los Angeles, reasonably believing that they were both natural and effective.

Despite Honest's marketing statements, Honest Hand Soap, Honest Dish Soap, Honest Diapers, and Honest Multi-Surface Cleaner contain synthetic ingredients. Honest

B. Lee, CEO, The Honest Company, Inc. September 3, 2015 Page 2 of 3

admits this in blog posts, which contradict Honest product labels and marketing statements. Honest Dish Soap and Honest Multi-Surface Cleaner contain Methylisothizaolinone. Honest has expressly criticized its competitors for using Methylisothiazolinone, referring to the ingredient as synthetic. Honest Dish Soap contains Cocamidopropyl Betaine, which "isn't found in nature," according to the Honest blog. Both Honest Dish Soap and Honest Hand Soap contain Phenoxyethanol, which the Honest blog described as "synthetically produced in a laboratory." Honest Diapers contain the additive Sodium Polycrylate ("SAP"). SAP is "petroleum-based," as Honest concedes on the honestly blog. This not only contradicts Honest's statement that its diapers are natural, but Honest has previously identified on Honest.com that its diapers are "100% plant-based."

Honest also misstates the effectiveness of its "natural" products. It almost goes without saying that reasonable consumers of natural goods expect natural goods that are also effective, so these marketing statements are material. Honest expressly stated Honest Sunscreen is effective — "super effective" and "highly effective," in fact. Both of these statements appeared on Honest.com, and both statements remain on the Honest Sunscreen product page.

As Honest has no doubt noticed, many consumers have experienced harm from using Honest Sunscreen. Some consumers are documenting the harm they experienced, and publicly sending you photographs that constitute evidence that Honest Sunscreen does not protect consumers from harmful UV rays. This documentation serves as evidence that Honest Sunscreen is ineffective. Despite this evidence, Honest has yet to redact and rectify its marketing claims. To avoid doubt, we demand retraction, not merely surreptitious deletion. In select cases, we have reviewed evidence that your company has deleted marketing claims from Honest.com without providing an honest account of contradictions between marketing claims and product ingredients.

Honest's material misrepresentations and failures to disclose violate the CLRA, as follows:

- 1. Honest has misrepresented Honest Hand Soap, Honest Dish Soap, Honest Diapers, Honest Multi-Surface Cleaner, and Honest Sunscreen as having characteristics, ingredients, uses, and benefits that they do not have (Cal. Civ. Code §1770(a)(5));
- 2. Honest has misrepresented Honest Hand Soap, Honest Dish Soap, Honest Diapers, Honest Multi-Surface Cleaner, and Honest Sunscreen are of a particular standard, quality, or grade, when they are of another (Cal. Civ. Code §1770(a)(7));
- 3. Honest advertised Honest Hand Soap, Honest Dish Soap, Honest Diapers, Honest Multi-Surface Cleaner, and Honest Sunscreen with the intent not to sell them as advertised (Cal. Civ. Code §1770(a)(9)); and
- 4. Honest represented the Honest Hand Soap, Honest Dish Soap, Honest Diapers, Honest Multi-Surface Cleaner, and Honest Sunscreen were supplied in commercial transactions in accordance with previous representations, when in fact these products did not accord with Honest's representations. (Cal. Civ. Code §1770(a)(16)).

B. Lee, CEO, The Honest Company, Inc. September 3, 2015
Page 3 of 3

We demand that within 30 days of receiving this letter, Honest agrees to immediately and permanently discontinue its marketing practices described above and return the monetary premium paid by Honest consumers who purchased "natural" products that contained synthetic ingredients as well as the entire price paid by Honest consumers who purchased Honest Sunscreen. If Honest refuses to provide the demanded relief within 30-days, we will seek compensatory and punitive damages and any other appropriate equitable relief.

Finally, please allow this letter to serve as an initial litigation hold, and be advised that spoliation sanctions may be assessed against your company if, *inter alia*, it modifies or deletes any web copy without first creating an exact, comprehensive copy of the visual appearance at the time of modification or deletion, AND a copy of the corresponding HTML/CSS/Javascript code, placed into reliable data storage, including all relevant metadata, including for any webpages or webcopy Honest decides to change or amend as a result of the claims identified in this letter.

Very truly yours,

Nicholas A. Carlin



7733 FORSYTH BLVD, SUITE 1675 St. Louis, MO 63105 Tel (314) 226-1015 FAX (202) 789-1813 mflannery@cuneolaw.com www.cuneolaw.com

September 24, 2015

#### <u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Brian Lee Chief Executive Officer The Honest Company, Inc. 2700 Pennsylvania Ave., Ste. 1200 Santa Monica, CA 90404

Craig Gatarz
Registered Agent for Service of Process
The Honest Company, Inc.
2700 Pennsylvania Ave., Ste. 1200
Santa Monica, CA 90404

Re: CLRA NOTICE

Dear Mr. Lee,

We represent Shane Michael. Pursuant to the California Consumer Legal Code § 1750, et seq. (specifically, §§ 1782(a)(5), Remedies Act ("CLRA"), California Civil (7), (9) and (16), Mr. Michael, on behalf of himself and all other similarly situated consumers in the United States, (collectively, the "Class"), through his undersigned counsel, hereby notify you that The Honest Company, Inc.'s ("Honest's") practices regarding SPF 30 Honest Sunscreen (the "Sunscreen")



violates the CLRA as set forth in more detail below. We demand that Honest rectify the violations of the CLRA within 30 days of receipt of this letter.

We believe you are already aware of this issue based on consumer complaints. However, many customers have been misled, overcharged, and otherwise suffered injury, in their purchase of Honest Sunscreen. The facts are more fully detailed below.

#### I. Claim Summary

This case involves unfair business practices by Defendant in the marketing and sale of its Sunscreen. According to Defendant, Honest Sunscreen's only active sunscreen ingredient is zinc oxide. Honest Sunscreen originally contained 20 percent zinc oxide. Honest advertises its Sunscreen as effective, safe, and natural, and promises that it provides "safe, effective sun protection for the entire family," by providing "broad spectrum (UVA and UVB) 30 SPF mineral sunscreen—everything you need."

However, in March 2015, Defendant reformulated Honest Sunscreen to contain only 9.3 percent zinc oxide. Despite reducing the only active ingredient in Honest Sunscreen by more than half, Defendant continued to represent that Honest Sunscreen provides "broad spectrum SPF 30" sun protection.

Mr. Michael purchased the Sunscreen in April-May 2015, and paid a premium for Honest Sunscreen because it promised natural, chemical-free SPF 30 sun protection and he believed, based on these representations, that it would be safer for his family than chemical-based sunscreens. Mr. Michael used the Sunscreen as directed and suffered a severe sunburn, resulting in blistering and peeling.

Honest's conduct violates California state law, including the Consumers Legal Remedies Act, Calif. Civil Code § 1750, et seq. (the "CLRA"), California's False Advertising Law, California Bus. & Prof. Code § 17500, California Commercial Code § 2313, California Commercial Code § 2314, Section 5(a) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. §§ 45(a) & 52.12. In particular, Honest's conduct violates, among other potentially applicable provisions, California Civil Code § 1770(a):

(5) representing goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person



has a sponsorship, approval, status, affiliation, or connection which he or she does not have;

- (7) representing goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;
- (9) advertising goods or services with intent to not sell them as advertised;
- (14) representing that a transaction confers or involves rights, remedies or obligations which it does not have or involve or which are prohibited by law; [and,]
- (16) representing the subject of a transaction has been supplied in accordance with a previous representation when it has not.

# II. Remedy for Unlawful Activity

On behalf of Plaintiff and all other similarly affected persons, we request Honest's cease such conduct and undertake the following actions to resolve the issues raised by this letter. To satisfy all applicable statutory and common law provisions, whether in tort or in contract, we request Honest's commit to undertake all of the following:

- 1. Identify all affected customers in addition to Plaintiff;
- 2. Advise all such persons of the right upon request to a full, complete and timely refund of the purchase price of any falsely advertised products, including interest; and,
- 3. Reimbursement of any associated expenditures, interest on all such sums, costs and reasonable attorneys' fees incurred.

While Plaintiff reserves the right to file a claim arising out of these issues before this date, Honest;s failure to comply with this request within thirty (30) days from the date of this letter may subject Honest to additional damages, restitution and injunctive relief claims under relevant statutory law. The additional relief sought may include \$1,000 per person as provided under Civil Code § 1782, exemplary damages, plus any other relief as may be appropriate.

Please note an individual offer will not avoid potential suit or liability, even if accepted individually by Plaintiff. California law prohibits defendants from "picking off the



representative plaintiff' because any proffered relief "must be granted to the entire class." Watkins v. Wachovia Corp., 172 Cal.App.4th 1576, 1590 n.15 (2009); see also Kagan v. Gibraltar Sav. & Loan Ass'n, 35 Cal.3d 582, 593 (1984). Thus, to avoid unnecessary litigation, it is in all parties' interests for Honest to take immediate action to address this problem.

This notice also serves as a demand to cure breaches of express and implied warranties, and to comply with all agreements and covenants of good faith and fair dealing created by Honest's warranties, advertisements, offers and agreements or as established by law. The requested relief applies to all such claims to the extent required by California or other applicable law.

#### III. Evidence Preservation

Plaintiff hereby places Honest on notice to immediately preserve, and not to destroy, any evidence, documents or materials, including all electronic or electronically stored information, that may be relevant (or lead to the discovery of relevant or admissible evidence) concerning the claims summarized above. Relevant evidence, created in electronic form subsequent to the date of delivery of this letter, should also be retained and not destroyed. Plaintiff requests that Honest take whatever steps are appropriate to preserve such evidence.

Please have your legal counsel contact us with any questions or response.

Very truly yours,

Michael Flannery

cc: Plaintiffs' Counsel

APPENDIX 1

The Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

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THE HONEST COMPANY, INC,

Defendant.

#### **INTRODUCTION**

Honest isn't. From at least September 20, 2012 through the present

(the "Class Period"), The Honest Company, Inc. ("Defendant" or "Honest") deceptively and misleadingly labeled, advertised and marketed its products, including the following five Honest products: Honest Hand Soap, Honest Dish Soap, Honest Diapers, and Honest Multi-Surface Cleaner (collectively the "Natural Products")Honest products: Honest 4-in-1 Laundry Packs, Honest Air + Fabric Freshener, Honest Auto Dishwasher Gel, Honest Bar Soap,, Honest Bathtime Gift Set, Honest Bubble Bath, Honest Conditioner, Honest Conditioning Detangler, Honest Deodorant, Honest Discovery Set, Honest Dish Soap, Honest Dishwasher Packs, Honest Dryer Cloths, Honest Diapers, Honest Essential Gift Bundle, Honest Face + Body Lotion, Honest Floor Cleaner, Honest Floor Cleaner Concentrate, Honest Foaming Hand Soap, Honest Fruit + Veggie Wash, Honest Essentials Bundles, Honest Glass + Window Cleaner, Honest Glass + Window Cleaner Concentrate, Honest Hand Sanitizer Gel, Honest Hand Soap, Honest Housewarming Gift Set, Honest Kids' Toothpaste, Honest Laundry Detergent, Honest Mouthwash, Honest Multi-Surface Cleaner, Honest Multi-Surface Cleaner Concentrate, Honest Oxy Boost, Honest Rinse Aid, Honest Shampoo and Body Wash, Honest Soothing Bottom Wash, Honest Stain Remover, Honest Stain Remover Concentrate, Honest Toothpaste, Honest Wipes, and Honest Wipes –

<u>Travel Packs, (collectively the "Natural Products")</u><sup>1</sup> and Honest Sunscreen (together with the Natural Products, the "Honest Products") as both natural and effective, when in fact, the Natural Products contain non-natural ingredients, and Honest Sunscreen is ineffective.

- 2. Plaintiffs Jonathan D. Rubin, Shane Michael, Stavroula Da Silva, Dreama Hembree, and Ethel Lung bring this class action lawsuit against Defendant, each individually and on behalf of two nationwide classes (the "Honest Natural Products Class" and the "Honest Sunscreen Class") that include other similarly situated purchasers of the Honest Products who experienced the same or substantially similar harm as a result of Defendant's false advertising.
- 3. Defendant's conduct harms consumers by inducing them to purchase and consume the Honest Products on the false premise that the products are natural and effective and by implicitly promising that the products are manufactured, marketed and sold "honestly."
- 4. PlaintiffPlaintiffs Rubin and Da Silva and the Honest Natural Products Class paid a premium for certain Natural Products over comparable products, based on Defendant's representations that the Natural Products were natural. Instead of receiving products that were natural, PlaintiffPlaintiffs Rubin and Da Silva and the Honest Natural Products Class received products that, contrary to Defendant's representations, contained synthetic, non-natural ingredients.

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¹ Honest has discontinued offering some of the Natural Products, has altered packaging, has altered ingredients, or has selectively marketed the products. Honest also regularly introduces new products, advertised as natural, that include non-natural ingredients. The identity of these additional products will be ascertained through discovery, and these products are hereby included as "Natural Products" at issue in this action.

5. Plaintiffs Michael, Hembree, and Lung, and the Honest Sunscreen Class paid for Honest Sunscreen based in part on Defendant's representations that it was effective. Plaintiffs Michael and Hembree used the product as directed and suffered severe sunburns. Plaintiff Lung used the product as directed on her children, who experienced severe sunburns. Numerous customer complaints and negative product reviews indicate Plaintiffs' experiences with Honest Sunscreen were not unique.

## **JURISDICTION AND VENUE**

- 6. The Court has subject matter jurisdiction over the individual and class claims asserted herein pursuant to 28 U.S.C. § 1332, as amended in 2005 by the Class Action Fairness Act, because: (A) the amount in controversy in this class action exceeds \$5,000,000, exclusive of interests, costs, and attorneys' fees; and (B) a substantial number of the members of the proposed class are citizens of a state different from that of Defendant. In addition, Plaintiffs Rubin, Michael, Da Silva, Hembree, and Lung are citizens of states different from that of Defendant, a Delaware Corporation.
- 7. The Court has personal jurisdiction over Defendant. Honest maintains headquarters in Santa Monica, California and conducts substantial and continuous business throughout the State of California.
- 8. Venue is proper pursuant to 28 U.S.C. § 1391(a) & (b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in this District, and because Defendant conducts a substantial part of its business in this District.

### **PARTIES**

9. Plaintiff Jonathan D. Rubin is a resident of Los Angeles, California and an individual consumer. During the Natural Products Class Period, Mr. Rubin purchased Honest brand hand soap ("Honest Hand Soap") and Honest brand dish

soap ("Honest Dish Soap") from the supermarket chain Gelson's Markets in Los Angeles, California. As with all members of the Honest Natural Products Class, Mr. Rubin paid a premium for these Natural Products based upon the representation that the Natural Products are natural, in excess of the price for

comparable products not purporting to be natural.

- 10. Plaintiff Shane Michael is a resident of West Des Moines, Iowa and an individual consumer. During the Sunscreen Class Period, Plaintiff Michael purchased Honest Sunscreen from the supermarket chain Costco Wholesale in West Des Moines, Iowa. Plaintiff Michael paid a premium for Honest Sunscreen because Defendant promised natural, chemical-free SPF 30 sun protection and he believed, based on these representations, that it would be safer for his family than chemical-based sunscreens.
- 11. Plaintiff Stavroula Da Silva is a resident of Miramar, Florida, and an individual consumer. During the Natural Products Class Period, Plaintiff Da Silva purchased Honest Hand Soap and Honest Dish Soap from Target in Florida. As with all members of the Honest Natural Products Class, Ms. Da Silva paid a premium for these Natural Products based upon the representation that the Natural Products are natural, in excess of the price for comparable products not purporting to be natural.
- 12. Plaintiff Dreama Hembree is a resident of Burlington, Kansas and an individual consumer. During the Sunscreen Class Period, Ms. Hembree purchased Honest Sunscreen from the supermarket chain Costco Wholesale in Burlington, Kansas. Ms. Hembree paid for the Honest Sunscreen because she believed the sunscreen would effectively protect her family from exposure to UV rays, and because Defendant promised natural, chemical-free SPF 30 sun protection.
- 13. Plaintiff Ethel Lung is a resident of Burbank, California and an individual consumer. During the Sunscreen Class Period, Ms. Lung purchased

Honest Sunscreen from the supermarket chain Costco Wholesale in Burbank, California. Ms. Lung paid for the Honest Sunscreen because she believed the sunscreen would effectively protect her family from exposure to UV rays.

14. Defendant The Honest Company, Inc. is a Delaware corporation headquartered in Santa Monica, California. The company markets its products online through the website <a href="https://www.honest.com">https://www.honest.com</a> ("Honest.com") and operates an active storefront on Amazon.com selling the Honest Products. Defendant maintains supply chain control over the manufacture of the Honest Products, operates as an online retailer, and distributes the Honest Products, business-to-business, to major retail outlets throughout the U.S. and Canada.

# **FACTUAL ALLEGATIONS**

# **Defendant's Nationwide Distribution**

- 15. California has significant contacts to the class claims asserted in the Complaint.
- 16. On information and belief, Defendant has designed, controlled, and overseen a national production and distribution network from the company's headquarters in California.
- 17. According to the company's public statements, Defendant contracts with third-party manufacturing and supplier facilities to produce and distribute the Honest Products. On information and belief, Defendant controls its entire supply chain from its company headquarters in California.
- 18. Defendant sells the Honest Products online via Honest.com, a direct-to-consumer e-commerce website. On information and belief, Defendant controls its entire e-commerce operation from its company headquarters in California.
- 19. Defendant actively generates traffic to its website through promotions on Facebook.com and Twitter.com, on information and belief, operated from the company's headquarters in California.

- 20. Defendant uploads Honest Product videos on its YouTube account, on information and belief, operated from the company's headquarters in California.
- 21. Defendant also sells the Honest Products through a popular online storefront in the Amazon.com marketplace. On information and belief, Honest controls its Amazon storefront from its company headquarters in California.
- 22. Defendant distributes the Honest Products, business-to-business, for purchase in big box chain retail locations nationwide, including Target, Costco Wholesale Corporation, Whole Foods Market, Inc., Gelson's Markets, and Buy Buy Baby, Inc., across the United States. On information and belief, Defendant controls national distribution of the Honest Products from its company headquarters in California.

# **Defendant's Long-Term Advertising Campaign**

- 23. Defendant created, designed, and since at least 2012, carried out a long-term, national advertising campaign from the company's California headquarters.
- 24. Defendant's advertising campaign has been sufficiently lengthy in duration, and widespread in dissemination, such that it would be unrealistic to require the plaintiff plaintiffs to plead relying upon each advertised misrepresentation.
- 25. Defendant's advertising campaign has been widespread, continuous, and contained in various media, labels, and point-of-sale displays.
- 26. Defendant's advertising campaign has included and includes traditional media and new media, such as print circulars, television advertisements, television appearances, social media promotions, sales copy on its own website, and sales copy on third party marketplace websites.

- 27. Defendant has engaged in this long-term advertising campaign to convince potential customers, first, that the company's advertising representations should be taken literally, because those claims are "honest," and second, that the company's products are literally "natural" and "effective."
  - 28. Representative samples of the campaign are contained herein.

# **Defendant's Overarching Brand Advertising**

- 29. As part of the long term advertising campaign, Defendant at all times has advertised, and continues to advertise, itself as a consumer products company that is centrally defined by selling natural, effective products and publishing honest advertising claims.
- 30. As a representative example, Defendant advertises its company as "Natural, Safe, Beautiful, Effective," on its own website, including in the following screenshot from Honest.com captured on August 14, 2015:



# Join the Honest Company

Natural • Safe • Beautiful • Effective Products for Baby, Family & Home

31. As another representative example, on August 18, 2015, Defendant's celebrity co-founder Jessica Alba and CEO Brian Lee appeared jointly, in their capacities as executive officers for Defendant, for a company feature on CNN Money that broadcast the same advertising representations, as follows:

32. Defendant advertises the company's product lines, in general, as "effective" and "safe" in offline point-of-sale locations as well, including airport kiosks, as demonstrated by the following picture from July 2015:





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- 33. As part of the long term advertising campaign, Defendant includes its company's name, in lower case, on its product labels, specifically as part of each of the product names: "honest hand soap," "honest dish soap," "honest diapers," "honest multi-surface cleaner," and "honest sunscreen."," etc.
- 34. As part of its advertising campaign, Defendant further amplifies its representations with the "honestly FREE guarantee," which is displayed on

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- product labels and displayed at Honest.com, Defendant's Amazon storefront, and partner websites including Target.com.
- The "honestly FREE guarantee" states: "Providing clear, credible, 35. transparent information. No smoke and mirrors. No confusion."
- 36. Defendant further describes itself, its advertising, and its numerous product lines as follows on Honest.com:
  - "Free from fraud or deception, truthful We believe in transparency and that applies to everything – from what we put into our products and how they are made to our internal operations and how we do things.
  - "Genuine, real The Honest Company was started by parents for parents. We are real tangible people, parents that understand what families need and we want to deliver on that – not some big corporation with no social consciousness that only cares about making a profit.
  - "Respectable, praiseworthy We are people with integrity and we intend on not only doing things right, but also going above and beyond to earn your respect and loyalty – making you so delighted you want to shout it from a rooftop (or tweet it from your iPhone).
  - "Humble We know no one can be absolutely perfect and a part of our commitment to honesty means we'll we'll admit our flaws. It's It's pretty scary, but we think it's a good way to keep us focused on constant improvement."
- Defendant's Chief Creative Officer and celebrity co-founder Jessica 37. Alba serves as the public face of the company.
- 38. To further advertise the company image as selling natural products, Ms. Alba has crafted public statements about Defendant to convince the public that the Defendant is leading a movement to protect consumers from products that contain chemicals.

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- 39. Ms. Alba's celebrity status ensures the company's claims are reported by numerous media outlets.
- In this way, Ms. Alba has coordinated her media appearances with 40. Defendant's long-term advertising campaign.
- On June 18, 2015, Ms. Alba and The Honest Company, Inc.'s COO 41. Christopher Gavigan appeared jointly in their capacities as Defendant's cofounders to petition federal officials to strengthen regulations against consumer products containing toxic chemicals, and Ms. Alba and Mr. Gavigan coordinated this appearance with Defendant's extensive marketing campaign, including as follows:
  - Ms. Alba appeared in the hallway of a Congressional office building, before a professional media crew, and stated: "[A]s a business owner, I'm proof of concept that you can do business right—right by humans, right by the planet —and you can be very successful and grow very quickly."
  - Mr. Gavigan tweeted the following statement with a picture of the Washington Monument: "Here in D.C. to convince lawmakers to join @honest to protect citizens. #chemical #reform."
- 42. Defendant's representations that advertise the company as "honest," "natural," and "effective," extending to all of its product lines, are available to consumers via numerous online, offline, and point-of-sale platforms, extending to all or substantially all potential and actual customers that fall within the class definitions set forth in this Complaint.
- 43. By advertising the company as "honest" and as "natural" and "effective," Defendant has extended its overarching advertising claims to each individual product line, such that Defendant has cultivated an image in the minds

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August 14, 2015, displaying Honest Hand Soap product packaging: 4.95 \$4.95



48.49. The following excerpted screenshot appeared on Honest.com on

49.50. Honest.com described and continues to describe Honest Hand Soap as "non-toxic," and containing "NO harsh chemicals (ever!)," and in so doing, has amplified its representation that Honest Hand Soap is natural.

50.51. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Hand Soap as "Natural":

#### about

- Rich and creamy lather infused with botanicals and essential oils to clean and soften hands
- Great for the whole family from sticky, little fingers to Dad's soiled gardening hands and everything in between
- Soft lather gently removes dirt and grime and easily rinses away without drying skin leaving behind nothing but pure, clean delight!
- pH balanced to leave skin soft and hydrated
- Hypoallergenic and ultra pure for sensitive skin
- Available in 3 delightful scents!
- · NO harsh chemicals (ever!)
- Natural Hypoallergenic Non-Toxic Biodegradable pH Balanced



made without: phthalates, SLS, DEA, triclosan, synthetic fragrances, glycols, dyes, phosphates, 1,4-dioxane, formaldehyde, or most common allergens

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about

- . Rich and creamy lather infused with botanicals and essential oils to clean and soften hands
- . Great for the whole family from sticky, little fingers to Dad's soiled gardening hands and everything in between
- . Soft lather gently removes dirt and grime and easily rinses away without drying skin leaving behind nothing but pure, clean delight!
- pH balanced to leave skin soft and hydrated
- Hypoallergenic and ultra pure for sensitive skin
- Available in 3 delightful scents!
- NO harsh chemicals (ever!)
- Natural · Hypoallergenic · Non-Toxic · Biodegradable · pH Balanced

Honestly Free

made without: phthalates, SLS, DEA, triclosan, synthetic fragrances, glycols, dyes, phosphates, 1,4-dioxane, formaldehyde, or most common allergens

51.52. On information and belief, these website statements, and all other statements accessible on Defendant's Honest website in August of 2015 that are excerpted in this Complaint, were available online during the duration of the Natural Products Class Period, with the exception of website statements about Honest Sunscreen.

52.53. By consistently and systematically labeling and advertising Honest Hand Soap as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Defendant intended that all consumers purchasing Honest Hand Soap would be exposed to these advertising claims and take them literally.

# Honest Dish Soap

53.54. Honest Dish Soap's product webpage on Target.com states that the Honest Dish Soap is "Natural."

54.55. The product description on Target.com also described and continues to describe Honest Dish Soap as "non-toxic" and containing "no harsh chemicals (ever!)," and in so doing, has amplified Defendant's representation that Honest Dish Soap is natural.

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55.56. The following excerpted screenshots appeared on Target.com on August 14, 2015, displaying Honest Dish Soap product packaging:

No harsh chemicals (ever!). Natural non-toxic, No harsh chemicals (ever!). Natural, non-toxic, biodegradable, pH balanced, ultra-concentrated, and Honestly Free of SLS, SLES, phthalates, synthetic fragrances, glycols, enzymes, dyes, phosphates, 1,4-dioxane, chlorine, DEA, formaldehyde, and caustics.

**Product Results:** Removes Residue, Removes Grease, Used for Cleaning, Cleaner

56.57. Target.com includes a disclaimer stating this description "comes from the product manufacturers."





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57.58. Honest Dish Soap product packaging stated and continues to state "plant-based" and "non-toxic," and in so doing, has amplified its representation that Honest Dish Soap is natural.

58.59. The following excerpted screenshot appeared on Honest.com on August 14, 2015, displaying Honest Dish Soap product packaging:



59. Honest Dish Soap's product webpage on Honest.com stated and continues to state that Honest Dish Soap has a "natural" formula; is "non-toxic"; and contains "no harsh chemicals (ever!)"; and in so doing, has further amplified its representation that Honest Dish Soap is natural.

60. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Dish Soap:

#### about

- Effective grease and dish cleaning power in a natural, ultra versatile formula
- · Easily penetrates foods, milk and formula residues, and general household messes
- Virtually no streaking, spotting, or residue
- Coconut-based ingredients ensure a bright luster, easy rinsing and delightful shine
- Works great on pots and pans, glasses, serveware, baby bottles, toys, and more!
- Works great as a general all-purpose soap for household chores use on floors, wash the car or bikes, clean the dog, scrub the deck, or
  on virtually anything where a simple soap is needed
- Ultra-concentrated formula with EXTRA suds
- Available in 3 delightful scents
- · No harsh chemicals (ever!)
- Non-Toxic Ultra-Concentrated pH Balanced Biodegradable Extra Suds



made without: SLS, SLES, phthalates, synthetic fragrances, glycol, enzymes, dyes, phosphates, 1,4-dloxane, chlorine, DEA, formaldehyde, or caustics



60. Honest Dish Soap's product webpage on Honest.com stated and continues to state that Honest Dish Soap has a "natural" formula; is "non-toxic"; and contains "no harsh chemicals (ever!)"; and in so doing, has further amplified its representation that Honest Dish Soap is natural.

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61. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Dish Soap:

#### about

- Effective grease and dish cleaning power in a natural, ultra versatile formula
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made without: SLS, SLES, phthalates, synthetic fragrances, glycol, enzymes, dyes, phosphates, 1,4-dioxane, chlorine, DEA, formaldehyde, or caustics

61.62. By consistently and systematically advertising the Honest Dish Soap as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Defendant intended that all consumers purchasing Honest Dish Soap would be exposed to these advertising representations, and would take them literally.

# Honest Diapers

62.63. Honest.com states that Honest Diapers are "natural."

63.64. The following excerpted screenshots appeared on Honest.com on August 26, 2015, in the "Diapering" section of the website:

#### OUR PHILOSOPHY

# effective, eco-friendly, utterly adorable.

Diapers and bottles don't have to be boring. And they absolutely shouldn't be un-safe. Enjoy the worry-free fun of honest baby products that are:



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OUR PHILOSOPHY

# effective, eco-friendly, utterly adorable.

Diapers and bottles don't have to be boring. And they absolutely shouldn't be un-safe. Enjoy the worry-free fun of honest baby products that are:

· natural · safe · effective

Your baby deserves the very best and that's what we deliver.

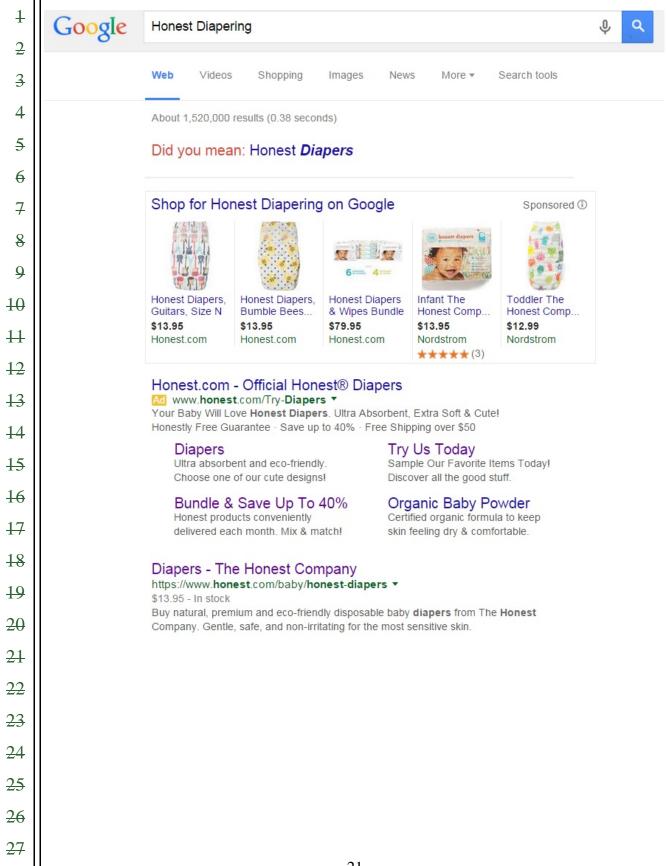


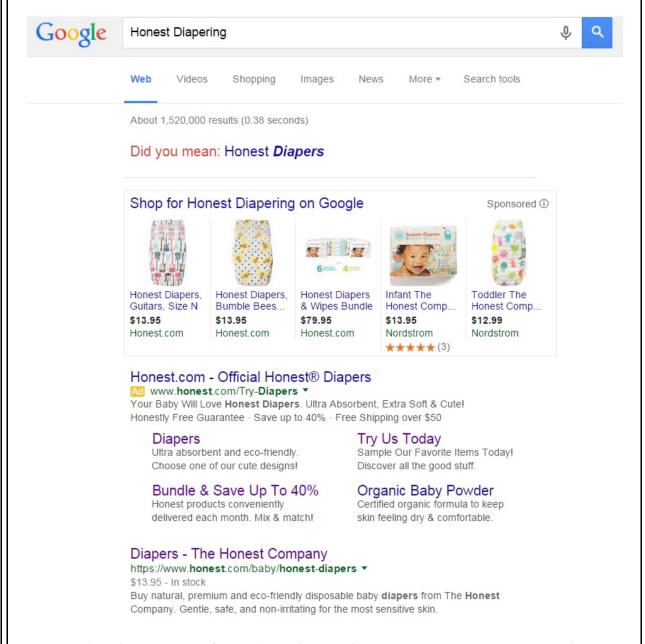
64.65. The Honest.com "Diapering" section provides the following website "meta-tag" description to search engine crawlers: "<meta-tag" description to search engine crawlers: "temperature content="Buy safe, natural baby products and eco-friendly disposable diapers. The Honest Company provides bath, skin care and green cleaning products." name="description" />.

65.66. As a result of this meta-tag, the representation that Honest Diapers are "natural" appears verbatim in Google search results for Honest Diapering.

66.67. The following excerpted screenshot is a Google search conducted for "Honest Diapering" on August 26, 2015:

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67.68. The Honest Diapers' product webpage on Honest.com states that Honest Diapers are "plant-based" and "safe" and contain "NO HARSH CHEMICALS (EVER)," and in so doing, has amplified its representation that Honest Diapers are "natural."

68.69. The following excerpted screenshot appeared on Honest.com on August 25, 2015, describing Honest Diapers:

# Case 2:15-cv-07059-JAK-AGR Document 86-3 Filed 01/20/17 Page 24 of 89 Page ID #:881

Our ultra absorbent, eco-friendly\* diapers — made with naturally derived, plant-based & sustainable materials\* — are extra soft, hypoallergenic, free of chlorine processing and additives (like fragrances, lotions, and latex). Oh, and did we mention how adorable they are?



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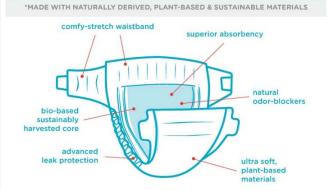
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- Plant-based (PLA) inner and outer layers gentle on your baby's bottom
- · Super absorbent core with fluff pulp harvested from certified sustainably managed forests NO chlorine processing or harsh chemical bleaches
- Naturally derived odor inhibitors from citrus and chlorophyll
- $\bullet \ \ \textbf{Bio-based, gluten free wheat/corn blend in super absorbent core} \text{less sodium polyacrylate} \\$
- $\bullet$  Simply pure no fragrances, lotions, or latex
- $\bullet \ \ \text{Yes, diapers can be fun too! Cute, stylish designs} \ \text{for girls and boys} \mathbf{updated \, seasonally!} \ \text{Never miss out.} \\$
- · Comfy-stretch side panels and soft, refastenable tabs for perfect fit and wigglability!
- Securely fitting moisture barrier cuffs help prevent leakage and blowouts
- Gentle, safe, and non-irritating for sensitive skin

size & quantity chart



chart

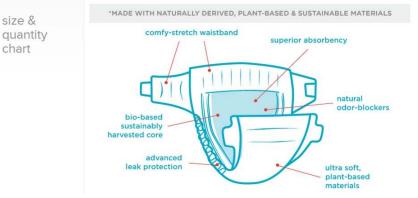
Our ultra absorbent, eco-friendly\* diapers -- made with naturally derived, plant-based & sustainable materials\* -- are extra soft. hypoallergenic, free of chlorine processing and additives (like fragrances, lotions, and latex). Oh, and did we mention how adorable they are?



about	<ul> <li>Plant-based (PLA) inner and outer layers — gentle on your baby's bottom</li> </ul>
	Super absorbent core with fluff pulp harvested from certified sustainably managed forests – NO chlorine
	processing or harsh chemical bleaches



- · Naturally derived odor inhibitors from citrus and chlorophyll
- Bio-based, gluten free wheat/corn blend in super absorbent core less sodium polyacrylate
- · Simply pure no fragrances, lotions, or later
- $\bullet \ \ \text{Yes, diapers can be fun too! Cute, stylish designs} \ \text{for girls and boys} \mathbf{updated \, seasonally!} \ \text{Never miss out}$
- Comfy-stretch side panels and soft, refastenable tabs for perfect fit and wigglability!
- Securely fitting moisture barrier cuffs help prevent leakage and blowouts
- Gentle, safe, and non-irritating for sensitive skin



69.70. The Honest Diapers' product page on Honest.com previously stated that Honest Diapers were "100%....plant-based," and in so doing, further amplified its representations that Honest Diapers are natural.

70.71. The following excerpted screenshot appeared on the Internet Archive's Wayback Machine on August 26, 2015, accessed by inserting the Honest.com Diaper Bundle webpage, and selecting January 21, 2013:

A new diaper for a new generation!

100% non-toxic, chlorine-free, sustainable, and plant-based materials - ensuring your baby is safe and NOT exposed to any harsh or synthetic chemicals (ever!)

- Diapers
- Wipes
- Patterns
- Details & Ingredients

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71.72. By consistently and systematically advertising the Honest Diapers as (A) "natural" and (B) "honest" throughout the Natural Products Class Period,

Defendant intended that all consumers purchasing Honest Diapers would be exposed to these advertising representations and would take them literally.

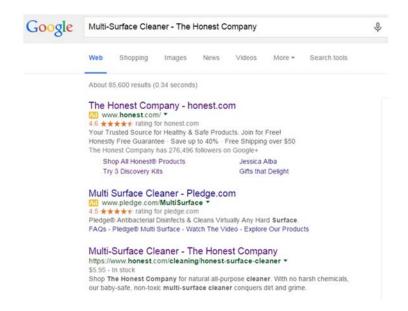
### Honest Multi-Surface Cleaner

72.73. Honest.com states that Honest Multi-Surface Cleaner is "natural."

73.74. The Honest Multi-Surface Cleaner's product webpage on Honest.com provides the following website "meta-tag" description to search engine crawlers: <meta content="Shop The Honest Company for natural all-purpose cleaner. With no harsh chemicals, our baby-safe, non-toxic multi-surface cleaner conquers dirt and grime." name="description" />.

74.75. As a result of this meta-tag, the representation that Honest Multi-Surface Cleaner is "natural" appears verbatim in Google search results for Honest Multi-Surface Cleaner.

75.76. The following excerpted screenshot is a Google search conducted for "Multi-Surface Cleaner – The Honest Company" on August 26, 2015:



76.77. The Honest Multi-Surface Cleaner product webpage on Honest.com states that Honest Multi-Surface Cleaner is "naturally fresh," and "Non-Toxic,"

and that it contains "NO HARSH CHEMICALS (EVER)," No Harsh Chemicals (ever!)," and "Repels dust naturally." Each of these statements has amplified Defendant's representation that Honest Multi-Surface Cleaner is natural.

77.78. The following excerpted screenshots appeared on Honest.com on August 25, 2015:

about	A naturally fresh way to safely clean and remove dirt & buildup from virtually all surfaces and items in your home  Effectively penetrate and emulsify dirt, grease, oil, grime and tiny fingerprints  Only the fresh smell of grapefruit essential oil, and not harsh fumes  Repels dust naturally  No toxic residue left behind (unlike other glass & all-purpose cleaners)  Great for cleaning: kitchen countertops, high chairs, toys, walls, hardwood floors, painted surfaces, furniture, inside ovens, laminate, porcelain, granite, bathroom fixtures, wood, sealed stone, electronics, grills, decks & more!  No harsh chemicals (ever!)  Non-Toxic - Biodegradable - pH Balanced	
Honestly Free Guarantee	made without: ammonia, SLS, SLES, fragrances, glycol, dyes, phosphates, 1,4-dioxane, chlorine, bleach, DEA, formaldehyde, triclosan, or caustics	
about	A naturally fresh way to safely clean and remove dirt & buildup from virtually all surfaces and items in your home  Effectively penetrate and emulsify dirt, grease, oil, grime and tiny fingerprints  Only the fresh smell of grapefruit essential oil, and not harsh fumes  Repels dust naturally  No toxic residue left behind (unlike other glass & all-purpose cleaners)  Great for cleaning: kitchen countertops, high chairs, toys, walls, hardwood floors, painted surfaces, furniture, inside ovens, laminate, porcelain, granite, bathroom fixtures, wood, sealed stone, electronics, grills, decks & more!  No harsh chemicals (ever!)  Non-Toxic - Biodegradable - pH Balanced	33
Honestly Free Guarantee	made without: ammonia, SLS, SLES, fragrances, glycol, dyes, phosphates, 1,4-dioxane, chlorine, bleach, DEA, formaldehyde, triclosan, or caustics	

78.79. By consistently and systematically advertising the Honest Multi-Surface Cleaner as (A) "natural" and (B) "honest" throughout the Natural Products Class Period, Honest intended that all consumers purchasing Honest Multi-Surface Cleaner would be exposed to these advertising representations, and would take them literally.

#### Honest Sunscreen

79.80. Honest Sunscreen originally contained 20 percent zinc oxide, the only active ingredient. In March 2015, Defendant reformulated Honest Sunscreen to

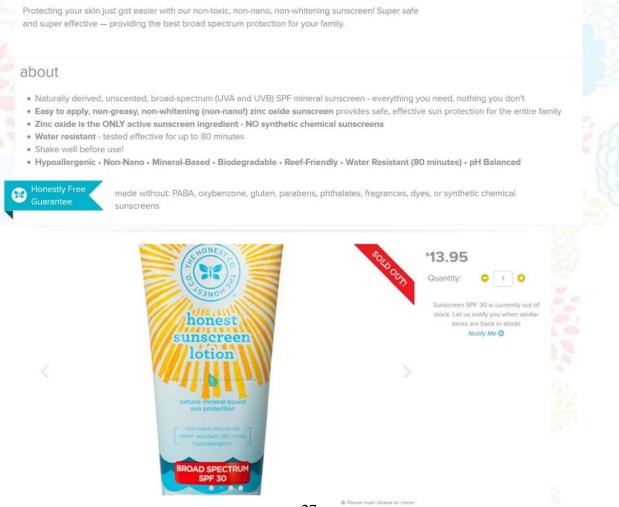
contain only 9.3 percent zinc oxide, but continued to advertise Honest Sunscreen as "effective."

80.81. At some point in time during or slightly after March 2015, Defendant labeled Honest Sunscreen as providing (A) "broad-spectrum mineral-based protection" or (B) "natural mineral based sun protection."

81.82. Defendant amplified these representations by labeling Honest Sunscreen with the phrase "broad spectrum SPF 30."

82.83. Honest.com further amplified these representations by describing Honest Sunscreen as "highly effective," "super effective," and "safe."

83.84. These excerpted screenshots appeared on Honest.com on August 14, 2015:





84.85. By consistently and systematically labeling and advertising Honest Sunscreen as (A) providing "broad-spectrum mineral-based protection"; (B) providing "natural mineral based sun protection"; (C) "effective"; (D) "highly effective," (E) "super effective;" (F) "safe," and/or (G) providing "broad spectrum SPF 30" and (H) "honest" throughout the Sunscreen Class Period, Defendant intended that all consumers purchasing Honest Sunscreen would be exposed to these advertising representations and take them literally.

85.86. Defendant's representations regarding Honest Sunscreen's sun protection characteristics are not mere puffery, including because sun protection is the product's express purpose and thus any consumer would necessarily rely on such representations in deciding to purchase the product.

# **Untrue, Misleading, and/or Deceptive Claims**

# Natural Goods Advertising

86.87. Defendant's representations in advertisements and labels are misleading, deceptive, and/or untrue.

Case	2:15-cv-07059-JAK-AGR Document 86-3 Filed 01/20/17 Page 30 of 89 Page ID #:887
1	87.88. Defendant falsely represented and continues to represent, expressly
2	and by implication, that the Natural Products are natural.
3	88.89. "Natural" in the context of Defendant's products means each product
4	contains no artificial ingredients.
5	89.90. The representation that a product is natural is material to a reasonable
6	consumer.
7	Synthetic Ingredients Are Not Natural
8	90.91. Honest Natural Products that Defendant advertised and/or labeled as
9	"natural" contain non-natural ingredients.
10	91.92. Contrary to Defendant's representations in advertisements and labels,
11	including in product descriptions on Honest.com and Target.com, the each of the
<del>12</del>	Honest Natural Products contains at least one non-natural ingredients as
13	followsingredient, including one or more of the following:
14	a. Honest Dish Soap
15	ia. Caprylic/capric triglyceride is an artificial compound manufactured
16	by hydrolyzing coconut oil, removing the free glycerine, and separating the
<del>17</del>	medium chain length fatty acids by fractional distillation. The acids are
18	then blended in the proper ratio and re-esterified with glycerine
<del>19</del>	b. Caprylyl glycol is synthesized by the catalytic oxidation of caprylyl
20	alkine oxides, which are themselves often synthesized. Honest admits on its
21	"honestly blog" that its caprylyl glycol is synthetic:
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an honest look at

Cap-ry-lyl
Gly-col

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chael v.

synthetically.

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growth product of ethylene oligomerized on a triethylaluminum catalyst,

methylthiopalmitate plus Raney nickel. Stearyl alcohol is also produced

reaction of palmitoyl chloride and sodium borohydride, reaction of

- f. "Cetyl esters" is a synonym for synthetic spermaceti wax, a wax found in the head of a sperm or bottlenose whale. This synthetic wax is designed to be indistinguishable in composition and properties with natural spermaceti wax. It is a mixture of alkyl esters, most of which are produced synthetically.
- g. Cocamidopropyl betaine is a synthetic surfactant produced by reacting coconut oil fatty acids with 3,3-dimethylaminopropylamine, yielding cocamidopropyl dimethylamine. It is then reacted with sodium monochloroacetate to produce cocamidopropyl betaine. Trade associations prohibit cocamidopropyl betaine from being included in products labeled as "natural."
- h. *Cocamidopropyl hydroxysultaine* is also a synthetic ingredient, prohibited by the trade associations from household products and personal care products labeled as "natural."
- i. Cocamidopropylamine oxide is a synthetic surfactant produced by reacting hydrogenated coconut oil with dimethylamidopropylamine, and further reacting the product with hydrogen peroxide.
- j. Decyl glucoside can be produced by reacting glucose and n-butanol in the presence of a strong acid catalyst such as p-toluenesulfonic acid or sulfuric acid, followed by the transglycosidation of the resulting butyl glucoside with fatty alcohol to yield decyl glucoside. Alternatively, it can be produced by reacting highly refined glucose with fatty acids in the presence of an acid catalyst.
- k. For personal care products, *ethyl alcohol* is produced chemically, and federal regulations classify it as synthetic. Additionally, Honest Co. does not identify the denaturing agent for many of the products.

exide in the presence of alcohol or acetone.
droxypropyl guar hydroxypropyltrimonium chloride is the
propyl derivative of guar hydroxypropyltrimonium chloride, which
oduced by chemically modifying guar gum by adding positively
imethylammonium hydroxypropyl ether side chains.
aryl glucoside is produced by alcoholysis of glucose and lauryl
nder acidic conditions. Historically, lauryl alcohol was prepared
n natural products, but is now synthesized from ethylene.
thylisothiazolinone- <u>is</u> a synthetic <u>biocide</u> preservative- <u>produced</u>
trolled chlorination of dimethyl-dithiodipropionamide in solvent
eutralized.
athenol is a synthetic compound, produced by adding
mine to optically active alpha, gamma-dihydroxy-beta-beta-
utyrolacton, such as by combining 3-amino-1-propanolamine with
e of 2,4-dihydroxy-3,3-dimethyl butyric acid or the panthotheinc
2,4-dihydroxy-3,3-dimethyl butyric acid.
t # Cocamidopropyl Betaine- a synthetic surfactant.
iii.—Phenoxyethanol- a synthetic preservative.
22
32 ND AMENDED CLASS ACTION COMPLAINT – <i>Michael v</i> .
Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

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b. Honest Hand Soap
 i. Phenoxyethanol- see above.

c. Honest Multi-Surface Cleaner

i. Methylisothiazolinone- see above.

d. Honest Diapers

i. Sodium Polycrylate—a petrochemical based Phenoxyethanol is produced by reacting phenol with ethylene oxide in the presence of a basic catalyst under pressure and heat. It is classified as synthetic by trade associations governing the use of the term "natural" on household and personal care products. Honest admits on its "honestly blog" that phenoxyethanol is synthetic:



This is part of our ongoing series helping consumers better understand chemicals, chemistry, and product formulations. We translate the science, bust the myths, and give you an honest assessment, so you can make informed choices for your family!

Ingredient: Phenoxyethanol

What it is: Phenoxyethanol can be found naturally in green tea, but the commercial ingredient is synthetically produced in a laboratory creating what's termed a "nature identical" chemical. Specifically, it's created by treating phenol with ethylene oxide in an alkaline medium which all reacts to form a pH-balanced ingredient.

u. *PPG-4 Laureth/Myreth-5* is the reaction product of lauryl and/or myristyl alcohol with ethylene oxide and propylene oxide. It is the

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polyoxypropylene, polyoxyethylene ether of lauryl alcohol and/or myristyl alcohol, containing an average of 5 moles of ethylene oxide and 4 moles of propylene oxide. It is produced by activating the alkyl alcohol with a metal hydroxide, reacting the resulting alkoxide with propylene oxide and ethylene oxide, and then processing, usually with a Brønsted-Lowry type acid or a methyl halide, which can potentially lead to the generation of some 1,4-dioxane.

- v. Sodium citrate is classified as synthetic by federal regulations. It is usually prepared by reacting sodium carbonate or sodium hydroxide with citric acid, or by reacting sodium sulfate with calcium citrate.
- w. Sodium coco-sulfate is synthetic, produced by isolating C12 C18 saturated fatty acids from oils, and then sulfonating with chemicals such as sulfuric acid, sulfur trioxide, or chlorosulfonic acid.
- x. Sodium lauryl glucose carboxylate is a novel synthetic surfactant, prohibited by trade groups from household products and personal care products labeled as "natural."
- y. Sodium methyl cocoyl taurate is synthetic, produced by reacting taurine or a taurate salt with an appropriate fatty acid.
- z. Sorbitan olivate is also synthetic, formed by the esterification of sorbitan with the wax obtained by partial hydrogenation of olive oil.
- aa. *Triethyl citrate* is prepared by esterifying citric acid with ethyl alcohol.
- bb. Ammonium glycyrrhizate is produced by acid precipitation of licorice root extract, followed by neutralization with dilute ammonia.

  Ammonia is the fifth-highest-volume chemical produced in the U.S., where it is principally produced by the partial combustion of natural gas.

- cc. *Benzisothiazolinone* is a synthetic biocide that is used as a preservative. According to ingredient suppliers, it is produced by a complex and proprietary series of chemical reactions and separations.
- dd. While *bisabolol* is naturally occurring substance, the ingredient used in personal care products is alpha-bisabolol, which is synthesized by reacting ketodiene in ether with methyl magnesium iodide, and adding saturated aqueous ammonium acetate solution.
- ee. According to an ingredient manufacturer, *butyloctyl salicylate* is the synthetically produced ester of Salicylic Acid.
- ff. C12-15 Pareth-7 and C9-11 Pareth-3 can be derived from tallow. However, Honest's products are claimed to be vegan, which would preclude the use of tallow. Thus, the ingredients in Honest's product are synthesized by reacting ethylene oxide with the appropriate alcohol and alkali earth metal or alkoxide, and the reaction is terminated by an acid (e.g., hyrochloric acid). 1,4 dioxane is commonly formed as a byproduct. It is prohibited by industry associations from household products and personal care products labeled as "natural."
- gg. *Calcium ascorbate* is classified by federal regulations as a chemical preservative. It is prepared from ascorbic acid and calcium carbonate in acetone or alcohol.
- hh. *Coco-betaine* is artificially produced by reacting fatty dimethyl amines from coconuts with chloroacetic acid. It is classified as synthetic by trade associations governing the use of the term "natural" on household and personal care products.
- <u>ii.</u> <u>Coco-glucoside</u> is chemically produced through coconut alcohol and glucose. Coconut alcohol is a mixture of the fatty alcohols from the fatty

1	zz. According to federal regulations, sodium metasilicate is synthetic as
2	"it does not occur naturally but rather is synthesized by melting sand with
3	sodium carbonate at 1400 °C."
4	aaa. Sodium palmate is synthesized by reacting palm oil with sodium
5	<u>hydroxide.</u>
6	bbb. Sodium polyaspartate is a new anionic polymeric humectant derived
7	from aspartic acid, an artificial compound.
8	ccc. According to federal regulations, sodium sulfate is prepared by the
9	neutralization of sulfuric acid with sodium hydroxide.
10	ddd. Sorbitol occurs naturally but is produced synthetically for household
11	products by the electrolytic reduction or the transition metal catalytic
12	hydrogenation of sugar solutions containing glucose or fructose.
13	eee. Tocopherols are classified as synthetic substances by federal
14	regulations, even when extracted from natural oils, done through molecular
15	distillation, solvent extraction, or absorption chromatography.
16	fff. By federal regulation, <i>triacetin</i> is prepared by heating glycerin with
17	acetic anhydride alone or in the presence of finely divided potassium
18	hydrogen sulfate. It can also be prepared by the reaction of oxygen with a
<del>19</del>	liquid-phase mixture of allyl acetate and acetic acid using a bromide salt as
20	a catalyst. It is synthetic.
21	ggg. By federal regulation, calcium glycerophosphate is prepared by
22	neutralizing glycerophosphoric acid with calcium hydroxide or calcium
23	carbonate. It is synthetic.
24	hhh. Though calcium silicate occus naturally in mineral form, commercial
25	calcium silicate sold for industrial use is prepared synthetically to control its
<del>26</del>	absorbing power.
27	<u>iii.</u> <u>additive.</u> 38
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1	Capryl/capramidopropyl betaine is a synthetic substance, produced by
2	reacting coconut oil fatty acids with synthetic substances, including 3,3-
3	dimethylaminopropylamine.
4	iii. Cellulose gum is prepared synthetically, by treating cellulose with
5	alkali, reacting with sodium monochloroacetate, and purifying.
6	kkk. <i>Polyglyceryl-4 laurate/sebacate</i> is the monoester of Polyglycerin-4
7	and a mixture of lauric and sebacic acids.
8	Ill. Polyglyceryl-6 caprylate/caprate is the monoester of polyglycerin-6
9	(q.v.) and a mixture of caprylic and capric acids.
10	mmm. Zinc ricinoleate is chemically produced, such as by reacting a zinc
11	compound with a ricinoleic acid-rich mixture obtained by cleaving glycerol
12	from castor oil.
13	nnn. While <i>urea</i> exists in nature, it is synthesized for commercial use from
14	carbon dioxide and ammonia.
15	ooo. Isopropyl alcohol is classified as synthetic by federal regulations.
16	ppp. According to federal regulations, titanium dioxide is a synthetically
17	prepared color additive.
18	qqq. According to federal regulations, the color additive zinc oxide is
<del>19</del>	manufactured by the French process, whereby zinc metal isolated from zinc
20	containing ore is vaporized and then oxidized.
21	rrr. Polymer spandex is a petroleum-based, synthetic fiber manufactured
22	by reacting a diamine with a diisocyanate and a polyether/polyester polyol.
23	sss. Sodium polyacrylate is synthetic, produced, e.g., by the
24	polymerization of acrylic acid and subsequent hydrolysis of the polyacrylic
25	acid with an aqueous sodium hydroxide solution.
<del>26</del>	ttt. Sodium Lauroyl Methyl Isethionate is also synthetic, produced by
27	reacting dodecanoic acid and sodium methyl isethionate.
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- uuu. Other ingredients are also synthetic, including polyolefin,
  polyurethane, tetrasodium iminodisuccinate, triethoxycaprylylsilane,
  polyglyceryl-4 oleate, polyhydroxystearic acid, dl-alpha tocopherol
  acetate, hydrogenated methyl abietate, and hydroxyethyl ammonium
  methyl sulfate.
- 92. Other ingredients in Honest's products may be synthetic. For example:

  a. The *enzymes* used in Honest's products may be produced from genetically modified materials, as most enzymes used in household products nowadays are.
- b. Amylase may be produced from genetically modified materials, as most enzymes used in household products nowadays are.
- c. *Glycerin* can be naturally produced, but is typically chemically manufactured by, *e.g.*, hydrogenolysis of carbohydrates; by hydration of epichlorohydrin followed by reaction with sodium hydroxide; reaction of allyl alcohol with hydrogen peroxide; reaction of allyl alcohol with peracetic acid followed by hydrolysis. Glycerin can also be produced from propylene oxide, where propene is epoxidized to propylene oxide, which is then isomerized to allyl alcohol. A second epoxidation is carried out with peracetic acid, and the resulting glycidol is hydrolyzed to glycerol.
- d. Acetic acid may be chemically synthesized, such as by oxidation of acetaldehyde derived from ethylene, liquid phase oxidation of butane, and reaction of carbon monoxide with methanol derived from natural gas.
- e. *Menthol* can be produced from mint oils or prepared synthetically.
- f. Sodium bicarbonate may be chemically synthesized, depending on the processing methods used. In cosmetic products, sodium bicarbonate is typically artificially produced by the Solvay process, where carbon dioxide

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- 96. Defendant has expressly criticized its competitors for using 'preservatives (and ingredients) with synthetic fragrances," including "Methylisothiazolinone."
- Defendant stated on the "honestly blog" that Cocamidopropyl Betaine "isn't found in nature," adding the statement "but that's the beauty and power of chemistry!"
- 98. As shown above, Defendant stated on the "honestly blog" that the ingredient Phenoxyethanol is "synthetically produced in a laboratory."
- 99. Defendant indicated on the "honestly blog" that the ingredient Sodium Polycrylate is "petroleum-based." This statement also contradicts Defendant's prior advertising representation that Honest Diapers are 100% plantbased.
- 100. As indicated by the statements above, Defendant knowingly advertises and or labels the Natural Products as natural despite knowing the Natural Products contain synthetic, non-natural ingredients.
- 101. If these products were reformulated such that the "natural" labeling and advertising would be true, Plaintiffs would all-consider purchasing Honestthe Natural Products again.
- 102. However, even if the products were reformulated, Plaintiffs would be unable to ascertain whether the "natural" labels were true.
- 103. Even if the synthetic ingredients identified above were removed from the Natural Products, Plaintiffs – reasonable consumers who are not chemistry experts – would not know whether the new ingredients are natural. Thus, in the future if Defendant ceases selling misrepresented products as alleged, Plaintiffs still would not know whether the "natural" labeling and advertising was true or false. In other words, Honest would continue to harm Plaintiffs absent an injunction.

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106.109. As of March 15, 2015, Defendant's website stated Honest Sunscreen's zinc oxide content was 20 percent and the Drug Facts on the back of Honest Sunscreen's bottle stated "Active Ingredient: Zinc Oxide 20%":2

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Water Resistant (40 Easy to Apply • Non- Hypoallergenic • Re- Great for the Entire	Whitening ef-Friendly
Drug Facts	
Active Ingredient Non-Nano Zinc Oxide 20%	Purpose Sunscreen
Uses • Helps prevent sunburn • directed with other sun protection Directions), decreases the risk of early skin aging caused by the su	skin cancer and
Warnings For Do not use on damaged or broke	external use only

 $^{2}$ *Id*.

107.110. However, sometime later in March 2015, Defendant quietly reformulated Honest Sunscreen to contain only 9.3 percent zinc oxide. (In comparison, other sunscreens typically contain between 18 and 25 percent zinc oxide.)

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108.111. As of August 12, 2015, Defendant's website stated Honest Sunscreen's zinc oxide content was 9.3 percent and the Drug Facts on the back of Honest Sunscreen's bottle stated "Active Ingredient: Zinc Oxide 9.3%":

details & ingredients details & ingredients

3.0 oz. Broad Spectrum SPF 30 3.0 oz. Broad Spectrum SPF 30 Water Resistant (80 mins)

#### ACTIVE INGREDIENT:

Non-Nano Zinc Oxide 9.3% INACTIVE INGREDIENTS:

Beeswax\*, Butyloctyl Salicylate, Butyrospermum Parkil (Shea) Butter\*, Calendula Officinalis Flower Extract\*, Chamomilia Recutita (Matricaria) Flower Extract\*, Cocos Nucifera (Coconut) Oil, Helianthus Annuus (Sunflower) Seed Oil, Hydrogenated Vegetable Oil, Jojoba Esters, Methyl Dihydroabietate, Olea Europaea (Olive) Fruit Oil\*, Prunus Armeniaca (Apricot) Kernel Oil, Silica, Simmondsia Chinensis (Jojoba) Seed Oil\*, Tocopherol

\*Certified Organic Ingredient







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109.112. Although in March 2015 Defendant reduced the content of zinc oxide—by its own admission, "the ONLY active sunscreen ingredient" in Honest Sunscreen—by more than half, it continued to represent that Honest Sunscreen was effective and provided "broad spectrum SPF 30 sun protection."

and provides "broad-spectrum mineral-based protection" or "natural mineral based sun protection," in the context of Honest Sunscreen, mean the product should protect the user from unhealthy exposure to harmful UV rays.

1	111.114. These representations are material to a reasonable consumer.
2	This is evidenced by Defendants Defendant making these representations in
3	labeling and advertising in online webpage descriptions on Honest.com, and point-
4	of-sale displays, and in other advertising materials.
5	112.115. Defendant knew or should have known its representations
6	would mislead consumers about Honest Sunscreen's sun protection characteristics
7	Honest Sunscreen Is Ineffective
8	113.116. Defendant stated and continues to state that Honest Sunscreen
9	is "effective" for sunblock protection and provides "broad-spectrum mineral-based
10	protection" and/or "natural mineral based sun protection,"."
11	114.117. These representations are untrue, misleading, and/or deceptive.
12	115.118. Defendant sought to induce consumers including
13	Plaintiff Plaintiffs to purchase Honest Sunscreen by making the above
14	representations regarding its alleged health and safety benefitsAs one consumer
15	stated, "I'm not a chemist But when I buy a bottle that says SPF 30 on it and
16	it has zinc oxide, I just thought I was getting her a bottle that would offer some
17	protection." (Lisa Parker, "Burn Notice: Angry Parents, Sunburned Kids and
18	Complaints About a Popular Brand of Sunscreen," NBC Chicago,
<del>19</del>	http://www.nbcchicago.com/news/local/Angry-Parents-Complaints-About-
20	Popular-Sunscreen-Brand-318367591.html (last visited Jan. 4, 2016)).
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Lindsy

@LindsyMarshall

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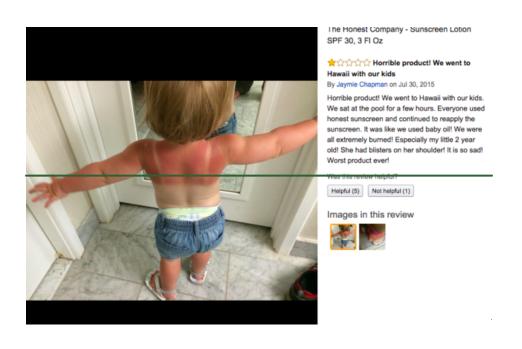
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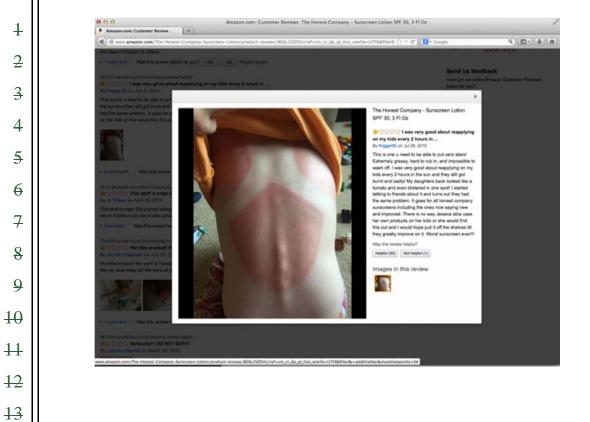
116.119. Defendant's claims regarding Honest Sunscreen's effectiveness are directly contradicted by Plaintiffs' experiences and those of hundreds of other unhappy customers, to wit:

... Follow





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## Case 2:15-cv-07059-JAK-AGR Document 86-3 Filed 01/20/17 Page 53 of 89 Page ID #:910

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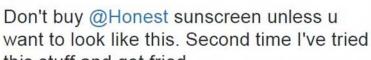
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The Honest Company - Sunscreen Lotion SPF 30, 3 FI Oz

- Follow

★☆☆☆☆ Horrible product! We went to Hawaii with our kids

By Jaymie Chapman on Jul 30, 2015

Horrible product! We went to Hawaii with our kids. We sat at the pool for a few hours. Everyone used honest sunscreen and continued to reapply the sunscreen. It was like we used baby oil! We were all extremely burned! Especially my little 2 year old! She had blisters on her shoulder! It is so sad! Worst product ever!

Was this review helpful?

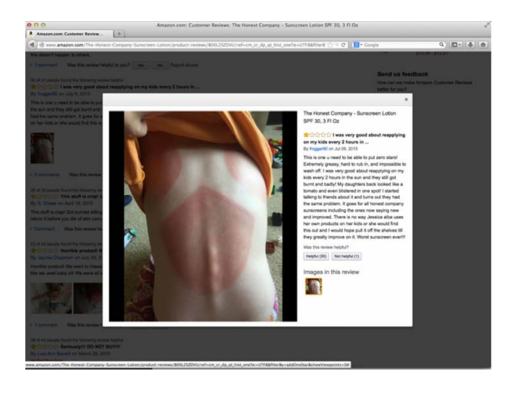


Images in this review





<del>26</del> <del>27</del>





117.120. Throughout August 2015, Defendant received numerous customer reviews and complaints alleging Honest Sunscreen did not offer the sun protection it promised and marketed. According to one news story:

Jessica Alba's Honest Company has come under fire by unhappy customers who say the brand's sunscreen option is sub-par. Several

people took to social media to show off the painful-looking sunburns they got after using the product, with many mentioning they were only in the sun for a few minutes. A study done by NBC5 Chicago found that Honest's sunscreen contains only 9.3 percent non-nano zinc oxide while other products contain 18 to 25 percent of the active ingredient. They wonder if the reduced amount of zinc oxide contributed to the issues customers were having. Honest changed its formula, which originally had 20 percent zinc oxide, earlier this year but claims to have added other components to make up for the reduced amounts.

(See Jihan Forbes, "Jessica Alba Responses to Honest Sunscreen Fails," The Fashion Spot, http://www.thefashionspot.com/buzz-news/latest-news/624761-jessica-alba-honest-sunscreen/ (last visited Jan. 7, 2016)).

118.121. Defendant's Amazon marketplace webpage contains documented customer reviews that detail evidence of sunburn and blisters resulting from exposure to the sun, after applying Honest Sunscreen.

119.122. Defendant's Twitter and Facebook accountaccounts received numerous messages published by users who documented sunburn injuries resulting from exposure to the sun, after applying Honest Sunscreen.

120.123. Consumer comments on Defendant's blog also contained numerous complaints about sunburn and after-effects resulting from exposure to the sun after applying Honest Sunscreen.

Defendant Knew its Sunscreen Failed to Protect Users as of August 2015

121.124. Defendant continued to represent that Honest Sunscreen was effective even after learning that numerous consumers suffered sunburns using Honest Sunscreen.

122.125. Defendant responded to the media backlash with a statement that compounded its deceptive representations regarding Honest Sunscreen.

Specifically, Defendant stated, "Our previous Sunscreen formulation had a 40-minute water resistance and customers told us that it didn't apply as easily as they would've liked. Based on our own experience and consumer feedback, we redesigned our Sunscreen Lotion for 80-minute water resistance and an improved formulation that allows for easier application and a lighter-weight feel."

Honest Sunscreen by claiming it was tested by a third party to meet FDA standards, even though according to the FDA it neither verifies such testing nor requires any company to share the result of any such testing.

124.127. Defendant's false advertising misconduct is further belied by its own subsequent actions. According to one news story:

After seeing the rash of complaints NBC 5 Investigates visited some local stores and found the product was no longer on some store shelves, like Target where an employee told us it was "discontinued." The shelves were nearly empty at the Nordstrom we visited, and "out of stock" for visitors to the company website. Which made us wonder: is the company quietly pulling a problem product? (Parker, "Burn Notice," *supra*.)

### Plaintiffs' Experience with Defendants' Defendant's Advertising and Products

#### Plaintiffs' Purchase of the Products

#### Hand Soap

125.128. Starting in late 2013 and through the summer of 2015, Plaintiff Stavroula purchased Honest Hand Soap from Target in the State of Florida.

126.129. In or about July 2015, Plaintiff Rubin purchased "lemongrass" Honest Hand Soap from Gelson's Markets in Los Angeles, California.

1	Dish Soap
2	127.130. Starting in late 2013 and through the summer of 2015, Plaintif
3	Stavroula purchased Honest Dish Soap from Target in the State of Florida.
4	128.131. In or about July 2015, Plaintiff Rubin purchased "white
5	grapefruit" Honest Dish Soap from Gelson's Markets in Los Angeles, California
6	Sunscreen
7	129.132. In late April or early May 2015, Plaintiff Michael purchased
8	Honest Sunscreen at Costco Wholesale in West Des Moines, Iowa.
9	130.133. On June 26, 2015 Ms. Hembree purchased Honest Sunscreen
10	from Costco Wholesale in Burlington, Kansas.
11	131.134. On March 29, 2015, Ms. Lung purchased Honest Sunscreen
12	from Costco Wholesale in Burbank, California.
13	Plaintiffs' Exposure to the False Advertising and the Resulting Harm
14	132.135. Plaintiffs Rubin, Michael, Da Silva, Hembree, and Lung all
<del>15</del>	actually witnessed Defendant's advertising campaign.
<del>16</del>	133.136. Starting in at least February 2015, Rubin became aware of the
<del>17</del>	Honest Company's representations that its Hand Soap and Dish Soap, along with
18	its other products, were "natural" and non-toxic. From approximately February
<del>19</del>	2015 through at least July 2015, he viewed Defendant's website several times, he
20	saw Defendant's ads on Facebook and saw banner ads on other websites,
21	promoting its products as "natural"" He also viewed videos of Jessica Alba on
<del>22</del>	television and the internet promoting Defendant's image as a company that only
23	sells natural products
24	134.137. When Rubin purchased the Honest Hand Soap in or about July
25	2015, he saw Defendant's representation on the label that the product was
<del>26</del>	"natural."
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1	135.138. Rubin bought the Honest Hand Soap and Dish Soap, which
2	were marked up at a premium as compared to comparable products, based on
3	Defendant's representations on its labels, advertising and marketing that the
4	products were natural.
5	136.139. Starting in late 2013 and through 2015, Plaintiff Da Silva read
6	and generally believed that Honest products were natural, non-toxic, and plant
7	based. Plaintiff Da Silva saw Defendant's advertising and labeling representations
8	on product packaging, in-store displays, internet advertising, magazines, and
9	advertising and articles in parenting magazines.
10	137.140. Plaintiff Da Silva bought the Honest Hand Soap and Dish
11	Soap, which were marked up at a premium as compared to comparable products,
12	based on Defendant's representations on its labels, advertising and marketing that
13	the products were natural.
14	138.141. As stated above, Defendant knew or should have known that its
15	representations regarding the Natural Products would mislead consumers into
16	believing those products did not contain synthetic ingredients.
17	139.142. Plaintiffs Rubin and Da Silva did not know and had no reason
18	to suspect that Defendant misrepresented the characteristics of Honest Hand Soap
<del>19</del>	and, Dish Soap, and other Honest Natural Products.
20	140.143. As a result of his paymenttheir payments of a premium to
21	Defendant for these Natural Products, both Rubin and Da Silva experienced
22	economic harm.
23	141.144. Prior to purchasing Honest Sunscreen, Plaintiffs Michael,
24	Hembree, and Lung all saw Defendant's representations that, among other things,
25	Honest Sunscreen offered "broad spectrum SPF 30" sun protection.
26	142.145. For example, in the months prior to her purchase of the
27	Sunscreen in June 2015, Plaintiff Hembree observed Defendant's advertising and 58
	FIRSTSECOND AMENDED CLASS ACTION COMPLAINT – Michael v.

The Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

marketing of its products, including the sunscreen, as natural, safe and effective, on television, on Defendant's Facebook page, its website, and in floor displays at Costco and other stores.

Starting in late 2013, Plaintiff Lung became aware of Honest Sunscreen as a consumer products brand. At least as early as 2013, she purchased pre-2015 formulations of Honest Sunscreen. Lung reasonably believed that the Honest Sunscreen was effective, based upon Defendant's brand and company name, and based upon her experience with earlier versions of the Honest Sunscreen product.

144.147. Plaintiff Lung purchased Honest Sunscreen from CostCo Wholesale on March 29, 2015. In addition to purchasing a product she believed was effective, based upon her experience with previous Honest Sunscreen products, Lung took special notice that the Honest Sunscreen product she purchased was labelled as SPF 30, and that it offered broad spectrum protection.

145.148. Plaintiffs Michael and Hembree experienced sunburns as a result of using the product. Plaintiff Lung's children experienced sunburns as a result of using the product.

146.149. Michael used Honest Sunscreen as directed in May 2015 and suffered a severe sunburn resulting in blistering and peeling.

147.150. Hembree used Honest Sunscreen as directed starting in August 2015 and suffered a severe sunburn as well.

148.151. Lung applied Honest Sunscreen on her two sons during her family's regular beach outings; in the spring of 2015. Lung applied the sunscreen and abided by package directions, including instructions specific to outdoor use near water. Lung's two children suffered sunburns after using Honest Sunscreen. Assuming that she had misapplied the sunblock, she tried to use the product again,

during a second outing. Lung's children again experienced sunburn, after which she stopped using Honest Sunscreen.

149.152. Prior to their purchases, Plaintiffs did not know and had no reason to know Defendant misrepresented Honest Sunscreen's sun protection characteristics.

150.153. Plaintiffs each paid for an ineffective Honest Sunscreen product and experienced economic harm. Had Plaintiffs known that Defendant falsely marketed and sold Honest Sunscreen, they would not have purchased the Honest Sunscreen product.

#### Plaintiffs' Reliance Was Reasonable

151.154. Plaintiffs reasonably relied on Defendant's own statements and advertising concerning the particular qualities and benefits of their products.

152.155. Plaintiffs read and relied upon the labels on products in making their purchasing decisions, along with viewing the statements and advertising on Defendant's website and elsewhere on the internet.

153.156. A reasonable consumer would consider the statements and advertising regarding the sun protection characteristics of a sunscreen. Here, Plaintiffs relied on the specific statements and representations by Defendant that the Honest Sunscreen would provide SPF 30 protection and offered the "best broad spectrum protection."

154.157. A reasonable consumer would consider the ingredients and physical properties when looking to purchase a natural or organic product. Here, Plaintiffs relied on the specific statements and representations by Defendant that the Natural Products were natural supplemental representations, including that the Natural Products do not contain harsh chemicals, are safe, are non-toxic, and are plant-based.

FIRSTSECOND AMENDED CLASS ACTION COMPLAINT – Michael v. The Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

katie says

Wednesday, June 27th, 2012 1:27 PM at 1:27 pm

Where does it say that the dish soap contains the ingredients: cocamidopropyl betaine, phenoxyethanol, and methylisothiazolinone. On the bottle it says water and coconut oil derived surfactants. Are all those things what makes coconut oil derived surcactants?

Update before I even send. I just need to say, I am surprised that the label of a company who's goal is to be completely transparent, was not so transparent. I went to the website and now the dish soap has an 'updated scent' of white grapefruit and spells out those ingredients you mentioned instead of what's on my bottle, "Water, and coconut oil derived surfactants.". I am disappointed in the 'honest' company and will not be purchasing from them again.

Reply

Maia says

Thursday, June 28th, 2012 6:25 PM at 6:25 pm

Hi Katie-

I got my information from the website and a couple of phone calls to the company; I've not yet held a bottle of the soap in my hand, and I'm disappointed to hear that the ingredients listed there are vague and, frankly, sneaky. I agree that there is an inconsistency between the ostensible mission of the company and not only the inclusion of such chemicals, but also the intentional obscuring of their inclusion! That said, I have to reiterate what I said in my post: I think Jessica Alba is sincerely passionate about making safe products, and the vast majority of the Honest line is clean, safe, and...well, honest. It's unfortunate that the dish soap is such a glaring exception.

Honest Sunscreen through consumer contacts, complaints, and news related articles. (David Kroll, "The Failure of Jessica Alba's Honest Company Sunscreen Explained," Forbes, http://www.forbes.com/sites/davidkroll/2015/08/03/the-failure-of-jessica-albas-honest-company-sunscreen-explained/ (Last accessed on Aug. 3, 2015).)

158.161. Indeed, on information and belief, Honest itself chose to run tests on its sunscreen based on the numerous complaints, articles and bad press on 62

FIRSTSECOND AMENDED CLASS ACTION COMPLAINT – *Michael v. The Honest Company, Inc.*, 2:15-cv-07059-JAK (AGRx)

1	August 2, 2015. (Jessica Fecteau, "Jessica Alba's Honest Company
2	Responses Responds to Sunscreen Complaints: 'We Take All Consumer Feedback
3	Very Seriously." People.com, available online at
4	http://www.people.com/article/jessica-alba-honest-company-sunscreen (last
5	accessed Jan. 7, 2016).) Thus, Defendant had knowledge and notice from
6	proposed class members prior to the filing onof any complaint.
7	159.162. Plaintiff Michael and Rubin also timely sent Defendant a
8	letterletters detailing the bases for their claims of breach of implied and express
9	warranties. These letters were sent months before the filing of this consolidated
10	complaint.
11	Privity Exists With Plaintiffs and the Proposed Class
12	160.163. Defendant knew that consumers such as Plaintiffs and the
13	proposed Class would be the ultimate user of the products and target of its
14	advertising and statements.
15	161.164. Defendant intended that its statements and representations
16	would be considered by the end-users of its products, including Plaintiffs and the
17	proposed Class.
18	162.165. Defendant directly marketed to Plaintiffs through its statements
<del>19</del>	on its websites and packaging.
20	163.166. Plaintiffs are the intended beneficiaries of the express and
21	implied warranties.
22	CLASS ACTION ALLEGATIONS
23	164.167. Plaintiffs bring this action on behalf of themselves and,
24	pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of two
25	nationwide classes (the "Honest Natural Products Class" and the "Honest
26	Sunscreen Class") that include other similarly situated purchasers of the Honest
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1	Products who experienced the same or substantially similar harm as a result of
2	Defendant's false advertising.
3	HONEST NATURAL PRODUCTS CLASS: All U.S. residents who have
4	purchased Honest <u>4-in-1 Laundry Packs</u> , <u>Honest Air + Fabric Freshener</u> , <u>Honest</u>
5	Auto Dishwasher Gel, Honest Bar Soap, Honest Bathtime Gift Set, Honest Bubble
6	Bath, Honest Conditioner, Honest Conditioning Detangler, Honest Deodorant,
7	Honest Discovery Set, Honest Dish Soap, Honest Dishwasher Packs, Honest
8	Dryer Cloths, Honest Diapers, Honest Essential Gift Bundle, Honest Face + Body
9	Lotion, Honest Floor Cleaner, Honest Floor Cleaner Concentrate, Honest Foaming
10	Hand Soap, Honest Diapers, Honest or Fruit + Veggie Wash, Honest Essentials
11	Bundles, Honest Glass + Window Cleaner, Honest Glass + Window Cleaner
12	Concentrate, Honest Hand Sanitizer Gel, Honest Hand Soap, Honest
13	Housewarming Gift Set, Honest Kids' Toothpaste, Honest Laundry Detergent,
14	Honest Mouthwash, Honest Multi-Surface Cleaner-(, Honest Multi-Surface
15	Cleaner Concentrate, Honest Oxy Boost, Honest Rinse Aid, Honest Shampoo and
16	Body Wash, Honest Soothing Bottom Wash, Honest Stain Remover, Honest Stain
17	Remover Concentrate, Honest Toothpaste, Honest Wipes, and Honest Wipes –
18	Travel Packs, (collectively the "Natural Product(s)")Products") from any retail
19	store or website and who did not register for membership with the Honest
20	Company during the applicable statute of limitations.
21	HONEST SUNSCREEN CLASS: All U.S. residents who have purchased
22	Honest Sunscreen from any retail store or website and who did not register for
23	membership with the Honest Company during the applicable statute of limitations
24	Both of the Classes exclude any judge or magistrate assigned to this case;
25	all persons who make a timely election to be excluded from the Class;
26	governmental entities; Defendant and any entity in which Defendant has a
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controlling interest, and its officers, directors, legal representatives, successors and assigns; and any person who purchased the Honest Products for resale.

165.168. As used herein, the terms "Natural Products Class Members" and "Sunscreen Class Members" shall mean and refer to the members of the respective Classes described above.

166.169. Plaintiffs reserve the right to amend the Class definitions, and to add subclasses, as warranted by facts discovered.

167.170. Class-wide treatment is appropriate because Plaintiffs can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions alleging the same claims.

168.171. Numerosity—Federal Rule of Civil Procedure 23(a)(1). The members of the Classes are so numerous that joinder is impracticable. Upon information and belief, there are at least thousands of individual purchasers of Honest Natural Products and Honest Sunscreen. The precise number of Honest Natural Products Class Members or Honest Sunscreen Class Members is unknown to Plaintiffs, but may be ascertained, including by objective criteria. Members of the classes may be notified of the pendency of this action by recognized, Courtapproved notice dissemination methods.

169.172. Commonality and Predominance—Federal Rules of Civil Procedure 23(a)(2) & 23(b)(3). This action involves common questions of law or fact, which predominate over any questions affecting individual members of the Classes. Common questions include:

- (a) Whether Defendant owed a duty of care to the Honest Natural Products Class and/or the Honest Sunscreen Class.
- (b) Whether Defendant represented and continues to represent that certain Honest Natural Products are natural;

- (c) Whether Defendant represented and continues to represent that Honest Sunscreen is effective;
- (d) Whether Defendant's representations in advertising and/or labeling are false, deceptive, and misleading;
- (e) Whether those representations are likely to deceive a reasonable consumer;
- (f) Whether Defendant had knowledge that those representations were false, deceptive, and misleading;
- (g) Whether Defendant continues to disseminate those representations despite knowledge that the representations are false, deceptive, and misleading;
- (h) Whether a representation that a product is natural is material to a reasonable consumer of natural products;
- (i) Whether a representation that a product is effective is material to a reasonable consumer of products;
- (j) Whether Defendant knowingly failed to protect the Sunscreen Class from the risks and consequences of decreasing the amount of zinc oxide in Honest Sunscreen;
  - (k) Whether California law applies to the claims of the proposed Classes;
  - (l) Whether Defendant breached express and implied warranties;
- (m) Whether Defendant violated California Business and Professions Code § 17200 *et seq.*;
- (n) Whether Defendant violated California Business and Professions Code § 17500 *et seq.*;
  - (o) Whether Defendant violated California Civil Code § 1750 et seq.;
  - (p) Whether Defendant was unjustly enriched;
- (q) Whether Plaintiffs and the members of the Classes are entitled to actual, statutory, and punitive damages; and

(1<u>r</u>) Whether Plaintiffs and members of the Classes are entitled to declaratory and injunctive relief.

170.173. Defendant engaged in a common course of conduct giving rise to the legal rights sought to be enforced by Plaintiffs each individually and on behalf of the other members of the Classes. Identical statutory violations and business practices and harms are involved. Individual questions, if any, are not prevalent in comparison to the numerous common questions that dominate this action.

171.174. Typicality—Federal Rule of Civil Procedure 23(a)(3). Plaintiffs' claims are typical of the claims of the other members of each of the Classes because, among other things, all members of the Classes were comparably injured through the uniform misconduct described above and were subject to Defendant's false, deceptive, misleading, and unfair labeling and marketing practices, including the false claims that the Honest Natural Products are natural and the Honest Sunscreen is effective. Plaintiffs do not have any interests adverse to the Classes.

172.175. Adequacy of Representation—Federal Rule of Civil Procedure 23(a)(4). PlaintiffPlaintiffs are adequate representatives of the members of each of the Classes because their interests do not conflict with the interests of the other members of the Class they seek to represent; they have retained competent counsel with experience in complex class action litigation; and Plaintiffs will prosecute this action vigorously. The interests of the members of the Classes will be fairly and adequately protected by Plaintiffs and their counsel.

173.176. Declaratory and Injunctive Relief—Federal Rule of Civil Procedure 23(b)(2). Defendant has acted or refused to act on grounds generally applicable to Plaintiffs and other members of the Classes, thereby making

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appropriate final injunctive relief and declaratory relief, as described below, with respect to the members of the Classes, each as a respective whole.

174.177. Superiority—Federal Rule of Civil Procedure 23(b)(3). 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 Defendant, so it would be impracticable for members of the Classes to seek redress for Defendant's wrongful conduct on an individual basis. Individualized litigation would also pose the threat of significant administrative burden to the court system. Individual cases would create the potential for inconsistent or contradictory judgments, and would increase delay and expense to all parties and the court system. By contrast, the class action device presents far fewer management difficulties and provides the streamlined benefits of singular adjudication and comprehensive supervision by one court. Given the similar nature of the class members' claims, the Classes will be easily managed by the Court and the parties and will be managed more efficiently in this integrated class action than through multiple separate actions in the various states.

# **CLAIMS FOR RELIEF**

## **FIRST CLAIM FOR RELIEF**

Violation of California's Consumer Legal Remedies Act California Civil Code §§ 1750 et seq.

175.178. Plaintiffs hereby incorporate by reference the allegations contained in this Complaint.

1	176.179. Plaintiffs bring this claim for relief pursuant to the California
2	Consumers Legal Remedies Act ("CLRA").
3	177.180. Defendant's conduct violated the CLRA, Civil Code §
4	1770(a)(5), which prohibits "Representing that goods or services have
5	characteristics, ingredients, uses, benefits, or quantities which they do not have."
6	178.181. Defendant's conduct violated the CLRA, Civil Code §
7	1770(a)(7), which prohibits "Representing that goods or services are of a
8	particular standard, quality or grade if they are of another."
9	179.182. Defendant's conduct violated the CLRA, Civil Code §
10	1770(a)(9), which prohibits "Advertising goods with intent not to sell them as
11	advertised."
<del>12</del>	180.183. Defendant's conduct violated the CLRA, Civil Code §
13	1770(a)(16), which prohibits "Representing that the subject of a transaction has
14	been supplied in accordance with a previous representation when it has not."
<del>15</del>	181.184. Honest Products are "goods" within the meaning of Civil Code
<del>16</del>	§1761(a) and § 1770.
<del>17</del>	182.185. Defendant is a "person," as defined by Civil Code § 1761(c).
18	183. 186. Plaintiffs and the members of the Classes are "consumers"
<del>19</del>	within the meaning of Civil Code § 1761(d) and § 1770.
20	184.187. Plaintiffs Rubin and Da Silva and members of the Classes
21	purchased Honest Hand Soap, Honest Dish Soap, and Honest Sunscreen Products
22	for personal, family, and household purposes as meant by Civil Code § 1761(d).
23	185.188. Each purchase of the Honest Products by Plaintiffs and each
24	member of the Classes constitutes a "transaction" within the meaning of Civil
25	Code §§ § 1761(e) and § 1770.
<del>26</del>	186.189. In fact, PlaintiffPlaintiffs Rubin and Da Silva and the Honest
27	Natural Products Class Members relied upon the representations in advertising and 69
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labels to their detriment and paid a higher price for Honest Natural Products than they would have paid for products that are not natural.

187.190. In fact, Plaintiffs Michael, Hembree, and Lung and the Honest Sunscreen Class Members relied upon the representations in advertisements and labels to their detriment and paid for the ineffective Honest Sunscreen products.

188.191. Defendant's conduct is ongoing and, unless restrained, likely to recur.

192. If the Honest Natural Products were reformulated such that the "natural" labeling and advertising would be true and/or Honest Sunscreen products were reformulated such that the "natural" and "effective" labeling and advertising would be true, Plaintiffs and Class Members would consider purchasing the Honest Products again.

193. However, even if the products were reformulated, Plaintiffs and Class Members would be unable to ascertain whether the "natural" labels were true.

194. Even if the synthetic ingredients identified above were removed from the Natural Products, Plaintiffs and Class Members – reasonable consumers who are not chemistry experts – would not know whether the *new* ingredients are natural. Thus, in the future, Plaintiffs and Class Members still would not know whether the "natural" labeling and advertising was true or false. In other words, Honest would continue to harm Plaintiffs and Class Members absent an injunction.

195. Moreover, Honest has not disclosed all of the ingredients in the products. For example, Honest has not disclosed the naturing agents used in its products, or has vaguely described but not identified other ingredients, as described above, such as "enzymes," which may be produced through synthetic biology, "absorbent bio-core," "plant based PLA," or "non-toxic adhesives." Thus, Plaintiffs and Class Members would be unable to ascertain whether the

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1	(e)—any other relief the Court deems proper under CLRA §
2	1780(a)(5).
3	195.202. Plaintiff Rubin previously prepared and filed a declaration
4	stating facts showing that the Rubin action was filed in a court described as a
5	proper place for the trial of the action. A copy of that declaration is attached as
6	Exhibit D. Since Defendant sought to transfer the Rubin action to this District,
7	Defendant has acknowledged that this District is a proper place for trial of this
8	Action, and a supplemental CLRA § 1780(d) declaration from Plaintiffs is not
9	required.
10	SECOND CLAIM FOR RELIEF
11	For Violation of California's False Advertising Law,
10	California Business & Professions Code §§ 17500 et seq.
12	Cantof ma Business & Floressions Code 33 17300 et seq.
13	196.203. Plaintiffs hereby incorporate by reference the allegations
	_
13	196.203. Plaintiffs hereby incorporate by reference the allegations
13 14	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.
13 14 15	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions
13 14 15 16	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any
13 14 15 16 17	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any corporation with intent to dispose of personal property to induce
13 14 15 16 17 18	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any corporation with intent to dispose of personal property to induce the public to enter into any obligation relating thereto, to make or disseminate or
13 14 15 16 17 18 19	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any corporation with intent to dispose of personal property to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated from this state before the public in any state,
13 14 15 16 17 18 19 20	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any corporation with intent to dispose of personal property to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public
13 14 15 16 17 18 19 20 21	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions  Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any  corporation with intent to dispose of personal property to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over
13 14 15 16 17 18 19 20 21 22	196.203. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.  197.204. California's False Advertising Law, Business & Professions  Code §§-17500 et seq. ("FAL"), provides that "[i]t is unlawful for any  corporation with intent to dispose of personal property to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet, any statement which is untrue or misleading, and which is known,

198.205. Defendant's acts and practices as described herein have deceived and/or are likely to deceive Plaintiffs and the Honest Natural Products Class Members and the Honest Sunscreen Class Members.

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1	199.206. By its actions, Defendant has been and is disseminating
2	uniform marketing statements concerning the Honest Products, and the
3	performance, facts connected with, and disposition of Honest Products,
4	which by their nature are untrue or misleading, and which Defendant knew or
5	should have known were untrue and/or misleading, within the meaning of
6	California Business & Professions Code §§ 17500 et seq.
7	200.207. Defendant used numerous advertising devices and other
8	manner and means to disseminate these statements, including those set forth more
9	fully elsewhere in this Complaint.
10	201.208. The statements are likely to deceive and continue to deceive
11	the consuming public for the reasons detailed above.
12	202.209. Defendant intended, and continues to intend, that Plaintiffs and
13	the members of the Classes rely upon the untrue and/or leading statements set
14	forth more fully elsewhere in this Complaint.
15	203.210. In fact, Plaintiffs and the members of the Classes relied upon
16	Defendant's statements to their detriment.
17	204.211. The above—described untrue and misleading marketing
18	representations Honest disseminated continue to have a likelihood to deceive
19	Plaintiffs and members of the Classes Class Members.
20	205.212. Plaintiffs and the members of the Classes Class Members have
21	experienced an economic injury as a result of Defendant's untrue and/or
22	misleading statements.
23	206.213. Plaintiff Plaintiffs Rubin and Da Silva and the members of the
24	Honest Natural Products Class purchased Honest Natural Products and paid a
25	premium for them based on Defendant's untrue and/or misleading statements.
<del>26</del>	207.214. Plaintiffs Michael, Hembree, and Lung and the members of the
27	Honest Sunscreen Class purchased ineffective Honest Sunscreen products, which
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1	they would never have purchased but for Defendant's untrue and/or misleading
2	statements.
3	215. Defendant's conduct is ongoing and, unless restrained, likely to recur.
4	216. If the Honest Natural Products were reformulated such that the
5	"natural" labeling and advertising would be true and/or Honest Sunscreen products
6	were reformulated such that the "natural" and "effective" labeling and advertising
7	would be true, Plaintiffs and Class Members would consider purchasing the
8	Honest Products again.
9	217. However, even if the products were reformulated, Plaintiffs and Class
10	Members would be unable to ascertain whether the "natural" labels were true.
11	218. Even if the synthetic ingredients identified above were removed from
12	the Natural Products, Plaintiffs and Class Members – reasonable consumers who
13	are not chemistry experts – would not know whether the new ingredients are
14	natural. Thus, in the future, Plaintiffs and Class Members still would not know
15	whether the "natural" labeling and advertising was true or false. In other words,
16	Honest would continue to harm Plaintiffs and Class Members absent an injunction.
17	219. Moreover, Honest has not disclosed all of the ingredients in the
18	products. For example, Honest has not disclosed the naturing agents used in its
<del>19</del>	products, or has vaguely described but not identified other ingredients, as
20	described above, such as "enzymes," which may be produced through synthetic
21	biology, "absorbent bio-core," "plant based PLA," or "non-toxic adhesives."
22	Thus, Plaintiffs and Class Members would be unable to ascertain whether the
23	"natural" representation was true or false. In other words, Honest would continue
24	to harm Plaintiffs and Class Members absent an injunction.
25	208.220. Plaintiffs on behalf of all members of the Classes seek
<del>26</del>	equitable relief requiring Defendants to refund and restore to Plaintiffs and all
27	members of the Classes the premiums they paid for Honest Natural Products and 74
	FIRSTSECOND AMENDED CLASS ACTION COMPLAINT – Michael v. The Honest Company, Inc., 2:15-cv-07059-JAK (AGRx)

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of inducing, or which is likely to induce, the purchase of food, drugs, devices, services, or cosmetics.

- Plaintiffs reserve the right to identify additional provisions of law (e) violated by Defendant as further investigation and discovery are undertaken and additional facts are discovered.
- Defendant's misrepresentations and its false and misleading <del>213.</del>225. advertising constitute "unfair" business acts and practices under the UCL.
- 214.226. Defendant's misconduct offends established public policy and is unethical, and/or substantially injurious to Plaintiffs and the members of the Classes. Class Members.
- <u>215.227.</u> Defendant's misconduct undermines and violates the policies codified in the FAL and the CLRA.
- 216.228. There is no legitimate utility of Defendant's misconduct, let alone any that would outweigh the harm to Plaintiff and the members of the Classes Plaintiffs and Class Members.
- 217.229. Plaintiffs and the members of the Classes Class Members could not have reasonably avoided the injury each of them suffered, as reasonable consumers had no way of reasonably ascertaining the Honest Products are misbranded and are not properly labeled or advertised, and were at all relevant times dissuaded from avoiding any injury by Defendant's long term advertising campaign.
- 218.230. Defendant's misrepresentations and its false and misleading advertising regarding Honest Products constitute "fraudulent" business acts and practices because members of the consuming public, including Plaintiffs and the members of the Classes Class Members, were and are likely to be deceived thereby.

1	219.231. In fact, PlaintiffPlaintiffs Rubin and DeSilva and the Honest
2	Natural Products Class Members relied upon Defendant's representations on
3	labels and in advertisements to their detriment and paid a higher price for Honest
4	Natural Products than they would have paid for products that are not natural.
5	220.232. In fact, Plaintiffs Michael, Rubin, Hembree, and Lung, and the
6	Honest Sunscreen Class Members relied upon Defendant's representations on
7	labels and in advertisements to their detriment and paid for ineffective products
8	they would not have purchased but for Defendant's untrue and/or misleading
9	statements.
10	<u>221.233.</u> Defendant's conduct is ongoing and unless restrained, likely to
11	recur.
12	234. If the Honest Natural Products were reformulated such that the
13	"natural" labeling and advertising would be true and/or Honest Sunscreen product
14	were reformulated such that the "natural" and "effective" labeling and advertising
15	would be true, Plaintiffs and Class Members would consider purchasing the
16	products labeled as "natural" again.
17	235. However, even if the products were reformulated, Plaintiffs and Class
18	Members would be unable to ascertain whether the "natural" labels were true.
<del>19</del>	236. Even if the synthetic ingredients identified above were removed from
20	the Natural Products, Plaintiffs and Class Members – reasonable consumers who
21	are not chemistry experts – would not know whether the new ingredients are
22	natural. Thus, in the future, Plaintiffs and Class Members still would not know
23	whether the "natural" labeling and advertising was true or false. In other words,
24	Honest would continue to harm Plaintiffs and Class Members absent an injunction
25	237. Moreover, Honest has not disclosed all of the ingredients in its
<del>26</del>	products. For example, Honest has not disclosed the denaturing agents used in its
27	products, or has vaguely described but not identified other ingredients, such as
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'enzymes," which may be produced through synthetic biology, and "absorbent 1 2 bio-core," "plant based PLA," or "non-toxic adhesives," which may be synthetic. Thus, Plaintiffs and Class Members would be unable to ascertain whether the 3 'natural" representation was true or false. In other words, Honest would continue 4 5 to harm Plaintiffs and Class Members absent an injunction. Plaintiffs and each Class Member has been injured in fact, and 6 7 has lost money or property, and each is entitled to restitution and injunctive relief. 8 223.239. Defendant should be required to pay damages and/or make restitution to Plaintiffs and the members of the Classes and pay for Plaintiffs' in an 9 10 amount to be determined by this Court but at least \$5,000,000 in the aggregate, as 11 well as Plaintiffs' and the Class members' attorneys' fees.

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### **FOURTH CLAIM FOR RELIEF**

### **BREACH OF EXPRESS WARRANTY**

# **Breach of Express Warranty**

<del>224.</del>240. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.

225.241. As set forth hereinabove, Defendant made representations to Plaintiffs and members of the Classes Class Members that, among other things, Honest Sunscreen provides "broad spectrum SPF 30" sun protection and that it is "super safe and super effective" and that it provides the "best broad spectrum protection for your family," and Honest Natural Products are "natural."

226.242. The representations set forth herein as to the Natural Products and the Sunscreen constitute express warranties.

These promises became part of the basis of the bargain between the parties and thus constituted express warranties.

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220 244 Plaintiffs and the Class Mambars reasonably relied on these
228.244. Plaintiffs and the Class Members reasonably relied on these
promises.
229.245. On the basis of these express warranties, Defendant sold and
Plaintiffs and the Honest Sunscreen Class Members purchased Honest Sunscreen,
and Defendant sold and Plaintiffs and the Honest Natural Products Class Member
purchased the Honest Natural Products.
230.246. Honest Sunscreen did not offer the promised sun protection
and therefore Defendant breached its express warranties. As a result of
Defendant's breach, Plaintiffs and the Honest Sunscreen Class Members did not
receive goods as warranted by Defendant.
231.247. The Honest Natural Products contained unnatural ingredients
and therefore Defendant breached its express warranties. As a result, Plaintiffs
and the Honest Natural Products Class Members did not receive goods as
warranted by Defendant.
232.248. Privity exists because Defendant expressly warranted to
Plaintiffs and the Honest Sunscreen Class Members that Honest Sunscreen would
provide SPF 30 sun protection on its labeling, which labeling was reviewed and
relied upon by Plaintiffs and the Honest Sunscreen Class Members.
233.249. Privity exists because Defendant expressly warranted to
Plaintiffs and the Honest Natural Products Class Members that the Honest Natura
Products did not contain natural products, including on the labeling of Honest
Hand Soap, which labeling was reviewed and relied upon by Plaintiffs and the
Honest Natural Products Class Members.
234.250. As a proximate result of Defendant's breaches of warranty,
Plaintiffs and members of the Classes have been damaged in an amount to be
determined at trial.
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### FIFTH CLAIM FOR RELIEF 1 2 **Breach Of Implied Warranty Of Merchantability** 3 (California Commercial Code § 2314) 4 235.251. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint. 5 236.252. Plaintiffs bringsbring this claim on behalf of themselves and 6 7 the proposed Honest Sunscreen Class. 8 237.253. As set forth hereinabove, Defendant made representations to 9 Plaintiffs and the Honest Sunscreen Class Members that, among other things, Honest Sunscreen provides "broad spectrum SPF 30" sun protection and that it is 10 "super safe and super effective" and that it provides the "best broad spectrum 11 protection for your family." 12 13 238.254. Defendant was a merchant with respect to goods of this kind 14 which were sold to Plaintiff and the Honest Sunscreen Class Members, and there was in the sale to Plaintiffs and the Honest Sunscreen Class an implied warranty 15 16 that those goods were merchantable. 17 Defendant breached the implied warranty of merchantability 18 when it sold Plaintiffs and the Honest Sunscreen Class Members Honest 19 Sunscreen that, among other things, did not conform to the promises or 20 affirmations of fact made on its labels. 21 240.256. Privity exists as Defendant directly marketed Honest Sunscreen 22 to Plaintiffs and the Honest Sunscreen Class Members through its product labeling. 23 24 241.257. As a result of Defendant's conduct, Plaintiffs and the Honest Sunscreen Class Members did not receive goods as impliedly warranted by 25 26 Defendant to be merchantable. 27

242.258. As a proximate result of this breach of warranty by Defendant, Plaintiffs and the Honest Sunscreen Class Members have been damaged in an amount to be determined at trial.

### SIXTH CLAIM FOR RELIEF

### **Negligent Misrepresentation**

- 93. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.
- 94. Defendant had a duty to disclose to Plaintiffs and the Honest Sunscreen Class Members Honest Sunscreen's actual quality and characteristics.
- 95. Defendant negligently and/or carelessly misrepresented, omitted and concealed from consumers material facts relating to Honest Sunscreen's quality and characteristics including but not limited to its SPF factor and other sun protection characteristics.
- 96. Defendant's misrepresentations and omissions were material and concerned the specific characteristics and quality of Honest Sunscreen a reasonable consumer would consider in purchasing sunscreen.
- 97. Defendant made such false and misleading statements and omissions on its website and product labeling, and in its advertisements and warranties, with the intention of inducing Plaintiffs and the Honest Sunscreen Class Members to purchase Honest Sunscreen.
- 98. As a result of Defendant's misstatements, it was under a duty to disclose facts necessary to correct those misstatements. Further, Defendant was in a better position to discover the misrepresentations than Plaintiffs because Defendant controlled its own design, manufacturing, testing, and marketing processes.

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99. At the time it made the representations, Defendant knew, or by the exercise of reasonable care should have known, that the statements were false and that Honest Sunscreen suffered from the defects detailed above.

100. Defendant made such claims about Honest Sunscreen with the intent to induce Plaintiffs and Honest Sunscreen Class Members to purchase Honest Sunscreen.

101. Plaintiffs and Honest Sunscreen Class Members justifiably relied upon Defendant's misrepresentations about Honest Sunscreen's quality and characteristics. Plaintiffs and the Honest Sunscreen Class Members were unaware of the falsity of Defendant's misrepresentations and omissions and, as a result, justifiably relied on them in deciding to purchase Honest Sunscreen. Had Plaintiffs and the Honest Sunscreen Class Members been aware of the true nature and quality of Honest Sunscreen, they would not have purchased the product.

102. As a direct and proximate result of Defendant's misrepresentations and omissions of material fact, Plaintiffs and the Honest Sunscreen Class Members have suffered and will continue to suffer damages and losses as alleged herein in an amount to be determined at trial.

## **SEVENTH CLAIM FOR RELIEF**

# **Quasi-Contract (Money Had And Received)**

103. Plaintiffs hereby incorporate by reference the allegations contained in this First Amended Complaint.

104. Defendant unjustly retained a benefit at the expense of Plaintiffs and the members of the Classes in the form of substantial revenues and payments from Plaintiffs and the members of the Classes for the Honest Products and from Defendant's conduct in misrepresenting the Honest Products in labels and advertisements.

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106. It would be unjust and inequitable for Defendant to retain the benefits it received and continues to receive from Plaintiff Rubin and the Honest Natural Products Class Members for the premiums they paid in exchange for products Defendant falsely represented as "natural," absent full repayment to Plaintiff

105. Based on the mistake, Plaintiffs and the members of the Classes paid

Rubin and the Honest Natural Products Class Members who purchased the Honest

Natural Products.

for the Honest Products.

107. It would be unjust and inequitable for Defendant to retain the benefits Defendant received and continues to receive from Plaintiffs Rubin, Michael, Hembree, and Lung, and the Honest Sunscreen Class Members, absent full repayment to the Plaintiffs and the Sunscreen Class Members who purchased Honest Sunscreen.

108. Plaintiffs seek restitution on all of the inequitable payments and profits Defendant retained from Plaintiffs and the members of the Classes in an amount to be determined by this Court but at least \$5,000,000.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and the Classes, pray for:

- An order certifying the Classes and appointing Plaintiffs as the representatives of the Classes, and appointing counsel of record for Plaintiffs as counsel for the Classes:
- B. Declaratory and injunctive relief as permitted by law or equity, including enjoining Defendant from continuing the unlawful practices described herein, and directing Defendant to identify, with Court supervision, victims of the misconduct and pay them restitution and disgorgement of all profits and unjust

enrichment Defendant acquired by means of any business practice declared by this Court to be unlawful, unfair, and fraudulent;

- C. An Order for Defendant to engage in a corrective advertising campaign;
- D. Actual damages, including under CLRA § 1780(a)(1), in an amount to be determined by this Court but at least \$5,000,000;
- E. Restitution, disgorgement, and/or constructive trust on all of the inequitable payments and profits Defendant retained from Plaintiffs and the members of the Classes, including under CLRA § 1780(a)(2), in an amount to be determined by this Court but at least \$5,000,000;
- F. Punitive damages under CLRA § 1780(a)(4) and because Defendant has engaged in fraud, malice or oppression;
- G. Attorneys' fees, per Cal. Civil Code 1780(d) and California Code of Civil Procedure § 1201.5;
  - H. Expenses and costs of this action;
  - I. Pre-judgment and post-judgment interest; and
- J. Such other and further relief as the Court may deem just and proper, including under CLRA § 1780(a)(5).

Dated: January 8, 2015 12, 2017

# By /s/ Nicholas A. Carlin

Nicholas A. Carlin

Conor H. Kennedy

#### Brian S. Conlon

Phillips, Erlewine, Given & Carlin LLP 39 Mesa Street, Suite 201-The Presidio San Francisco, CA 94129 Telephone: 415-398-0900 Email: nac@phillaw.com

ehk<mark>bsc</mark>@phillaw.com

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1	JURY DEMAND
2	Plaintiffs hereby demand a jury trial on all issues so triable.
3	
4	Dated: January 8, 2015-12, 2017
5	By: <u>/s/ Nicholas A. Carlin</u> Nicholas A. Carlin
6	ATTESTATION
7	I, Nicholas A. Carlin Brian S. Conlon, am the ECF user whose identification
8	and password is being used to file the instant document. I hereby attest that all
9	counsel whose electronic signatures appear above provided their authority and
10	concurrence to file this document.
11	/s/ Nicholas A. CarlinBrian S. Conlon Nicholas A. CarlinBrian S. Conlon
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