

1 **SHOOP A PROFESSIONAL LAW CORPORATION**
2 David R. Shoop, Esq., SBN 220576
3 Thomas S. Alch, Esq., SBN 136860
4 350 S. Beverly Drive
5 Suite 330
6 Beverly Hills, CA 90212
7 Tel: (310) 277-1700

8 *Attorneys for Plaintiffs*
9 *and the class*

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 _____ x
13 Balmore Prudencio, and Michelle :
14 Quintero, individually on behalf of themselves and all :
15 others similarly situated, and John Does (1-100) on :
16 behalf of themselves and all others similarly situated, :
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Plaintiffs,

-against-

Midway Importing, Inc. and Grisi USA, LLC

Defendants.

Case No.: 2:18-cv-01469-AB-RAO

**SECOND AMENDED
CLASS ACTION
COMPLAINT**

JURY TRIAL DEMANDED

Plaintiffs Balmore Prudencio, and Michelle Quintero (hereinafter
“Plaintiffs”), individually and on behalf of all others similarly situated, by their attorneys,
allege the following upon information and belief, except for those allegations pertaining to
Plaintiffs, which are based on personal knowledge:

NATURE OF THE ACTION

1. This action seeks to remedy the deceptive and misleading business practices
of Midway Importing, Inc. (hereinafter “Defendant Midway”) and Grisi USA, LLC

1 (hereinafter “Defendant Grisi USA”) with respect to the marketing and sales of the
2 following Grisi product line (hereinafter the “Products”) throughout the State California,
3 and throughout the country:

- 4 ● Grisi Regenerative Aloe Vera Natural Soap
- 5 ● Grisi Balance Oat Natural Soap
- 6 ● Grisi Lightening Mother of Pearl Natural Soap
- 7 ● Grisi Moisturizer Donkey’s Milk Natural Soap

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9 2. Defendants distribute the Products using a marketing and advertising
10 campaign centered around claims that appeal to health- conscious consumers, i.e., that its
11 Products are “Natural”. However, Defendants’ advertising and marketing campaign is
12 false, deceptive, and misleading because the Products contain synthetic ingredients.

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14 3. Plaintiffs and those similarly situated (“Class Members”) relied on
15 Defendants’ misrepresentations that the Products are “Natural” when purchasing the
16 Products. Plaintiffs and Class Members paid a premium for the Products over and above
17 comparable products that did not purport to be “Natural”. Given that Plaintiffs and Class
18 Members paid a premium for the Products based on Defendants’ misrepresentations that
19 they are “Natural”, Plaintiffs and Class Members suffered an injury in the amount of the
20 premium paid.
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23 4. Defendants’ conduct violated and continues to violate, *inter alia*, California
24 Business Codes §§ 17200 and 1750. Defendants breached and continues to breach their
25 express and implied warranties regarding the Products. Defendants have been and
26 continue to be unjustly enriched. Accordingly, Plaintiffs bring this action against
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1 Defendants on behalf of themselves and Class Members who purchased the Products
2 during the applicable statute of limitations period (the “Class Period”).

3 **JURISDICTION AND VENUE**

4 5. Jurisdiction is proper pursuant to 28 U.S.C. § 1332(d)(2). Plaintiffs
5 Balmore Prudencio and Michelle Quintero are citizens of the State of California.
6 Defendant Midway is a corporation with its principal place of business in Houston, Texas,
7 and is organized and exists under the laws of the State of Texas. Defendant Grisi USA is
8 is a corporation with its principal place of business in Dallas, Texas, and is organized and
9 exists under the laws of the State of Texas. Upon information and belief, the amount in
10 controversy is in excess of \$5,000,000, exclusive of interests and costs.
11

12 6. This Court has personal jurisdiction over Defendants because Defendants
13 conduct and transact business in the State of California, contract to supply goods within
14 the State of California, and supply goods within the State of California. The transactions
15 giving rise to this case occurred in California.
16

17 7. Venue is proper because Balmore Prudencio, Michelle Quintero, and many
18 Class Members reside in the Central District of California, and throughout the State of
19 California, and Defendant Midway maintains offices in Santa Fe Springs, California.
20

21 **PARTIES**

22 **Plaintiffs**

23 8. **Plaintiff Balmore Prudencio** is an individual consumer, who, at all times
24 material hereto, was a resident of Orange County, California. On approximately ten
25 occasions in 2016 and 2017, he purchased the Products, including the Grisi Regenerative
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1 Aloe Vera Natural Soap and the Grisi Lightening Mother of Pearl Soap at a Walmart in
2 Santa Ana, California.

3 9. Mr. Prudencio purchased the Products because he read the packaging, which
4 represented that the Products are “Natural”. Mr. Prudencio relied on the Defendants’ false,
5 misleading, and deceptive representations that the Products are “Natural”. Had he known
6 the truth – that the representations he relied upon in making his purchase were false,
7 misleading, and deceptive – he would not have purchased the Products or paid as much as
8 he did for them. If the Products were actually "Natural," as represented on the Products’
9 labels, Plaintiff would purchase the Products in the immediate future. However, Plaintiff
10 cannot be sure whether future representations on the label are truthful.
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12
13 10. **Plaintiff Michelle Quintero** is an individual consumer, who, at all times
14 material hereto, was a resident of Los Angeles County, California. During the class
15 period, she purchased the Products in California. On several occasions between November
16 2016 and April 2017, she purchased the Grisi Regenerative Aloe Vera Natural Soap and
17 the Grisi Lightening Mother of Pearl Soap at a Walmart in Rosemead, California.
18

19 11. Ms. Quintero purchased the Products because she read the packaging, which
20 represented that the Products are “Natural”. Ms. Quintero relied on the Defendants’ false,
21 misleading, and deceptive representations that the Products are “Natural”. Had she known
22 the truth – that the representations she relied upon in making her purchase were false,
23 misleading, and deceptive – She would not have purchased the Products or paid as much as
24 she did for them. If the Products were actually "Natural," as represented on the Products’
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1 labels, Plaintiff would purchase the Products in the immediate future. However, Plaintiff
2 cannot be sure whether future representations on the label are truthful.

3 **Defendants**

4 12. Defendant Midway is a corporation organized and existing under the laws of
5 the State of Texas with its principal place of business in Houston, Texas. Defendant
6 markets, advertises, and distributes products throughout the United States.

7
8 13. Midway describes its sales strategy in the following manner: “Midway
9 provides its suppliers and merchandisers with a comprehensive Hispanic HBC distribution
10 support strategy that includes marketing & promotions, direct sales merchandising,
11 distribution & logistics, and a full suite of leading Hispanic Health & Beauty Care
12 products.”¹

13
14 14. Defendant Grisi USA is a corporation organized and existing under the laws
15 of the State of Texas with its principal place of business in Dallas, Texas. Upon
16 information and belief, Grisi USA is a subsidiary of Grisi Hnos SA De CV, a
17 pharmaceutical and chemical company based in Mexico, which manufactures the Products.
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19 15. Defendants Grisi USA and Midway are together responsible for labeling,
20 marketing, advertising, and distributing Grisi Products in the United States, including the
21 soap Products at issue.
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23 16. Defendants Grisi USA and Midway authorized the false, misleading, and
24 deceptive advertisements, labels, and packaging for the Products.
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¹ See <http://www.midwayimporting.com/about>

1 17. Grisi USA and Midway have conducted the business practices described
2 herein through an interrelated network of companies that have common employees,
3 ownership, and business functions.

4 18. In 2013, Grisi Hnos SA De CV acquired 51% of Midway in order to
5 strengthen its presence in the United States in order to have greater control of the
6 marketing and distribution of its products (including soap products) in the United States.²

7 19. At least since that time, Grisi USA and Midway have operated as a common
8 enterprise while engaging in the acts and practices and other violations of law alleged
9 herein, including labeling, marketing and advertising the Products as “Natural.”
10

11 20. For example, Mr. Oliver Pegueros, Business Manager for “Grisi USA at
12 Midway Importing, Inc,” based in Houston, Texas, is responsible for “*all* business and
13 marketing aspects of Grisi brands in the U.S.”³
14

15 21. Additionally, Grisi Hnos SA De CV’s Strategic Planning Director, Alejandro
16 Grisi, is also employed as a director with Midway.⁴
17

18 _____
19 ² See [http://www.elfinanciero.com.mx/empresas/grisi-inicio-como-botanica-y-ya-exporta-](http://www.elfinanciero.com.mx/empresas/grisi-inicio-como-botanica-y-ya-exporta-a-25-paises)
20 [a-25-paises](http://www.elfinanciero.com.mx/empresas/grisi-inicio-como-botanica-y-ya-exporta-a-25-paises) (translated using Google Translate).

21 See <https://www.entrepreneur.com/article/257581>(Describing an interview with Mauricio
22 Alvarez, director of planning in Grisi, in which Alvarez states: “The company decided to be a
23 shareholder of Midway, with headquarters in Houston, in order to have greater control of the
24 distribution, presentation and placement of soaps and beauty products in the commercial chains
25 serving 20 million Latinos.”) (translated using Google Translate).

26 ³ See Exhibit 1, LinkedIn page for Oliver Pegueros, Business Manager for “Grisi USA at
27 Midway Importing, Inc.” Mr. Pegueros describes his job as a “market strategist” who has
28 integrated “powerful marketing strategies,” is responsible for overseeing “all business and
marketing aspects of Grisi brands in the U.S.” and is currently expanding the Grisi family of
brands throughout the U.S.A.

⁴ See <https://industrytoday.com/article/naturally-balanced/>;
http://www.hoovers.com/company-information/cs/company-profile.midway_importing_inc.1d2280a6e654f581.html

FACTUAL BACKGROUND

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22. Consumers have become increasingly concerned about the effects of synthetic and chemical ingredients in food, cleaning products, bath and beauty products and everyday household products. Companies such as the Defendants have capitalized on consumers’ desire for purportedly “natural products.” Indeed, consumers are willing to pay, and have paid, a premium for products branded “natural” over products that contain synthetic ingredients. In 2015, sales of natural products grew 9.5% to \$180 billion.⁵ Reasonable consumers, including Plaintiffs and Class Members, value natural products for important reasons, including the belief that they are safer and healthier than alternative products that are not represented as natural.

23. Despite the Products containing a number of synthetic ingredients, Defendants market the Products as being “Natural”. The Products’ labeling is depicted below:

⁵ *Natural Products Industry Sales up 9.5% to \$180bn Says NBJ*, FOOD NAVIGATOR, [http://www.foodnavigator-usa.com/Markets/EXPO-WEST-trendspotting-organics-natural-claims/\(page\)/6](http://www.foodnavigator-usa.com/Markets/EXPO-WEST-trendspotting-organics-natural-claims/(page)/6); *see also* Shoshanna Delventhal, *Study Shows Surge in Demand for “Natural” Products*, INVESTOPEDIA (February 22, 2017), <http://www.investopedia.com/articles/investing/022217/study-shows-surge-demand-natural-products.asp> (Study by Kline Research indicated that in 2016, the personal care market reached 9% growth in the U.S. and 8% in the U.K. The trend-driven natural and organic personal care industry is on track to be worth \$25.1 million by 2025); *Natural living: The next frontier for growth? [NEXT Forecast 2017]*, NEW HOPE NETWORK (December 20, 2016), <http://www.newhope.com/beauty-and-lifestyle/natural-living-next-frontier-growth-next-forecast-2017>.

Grisi Regenerative Aloe Vera Natural Soap

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Synthetic Ingredients:

Sodium Lauryl Sulfate
Citric Acid
Titanium Dioxide

Grisi Balance Oat Natural Soap

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Synthetic Ingredients:

Sodium Lauryl Sulfate

Grisi Lightening Mother of Pearl Natural Soap

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Synthetic Ingredients:

Sodium Lauryl Sulfate
Calcium Carbonate

Grisi Moisturizer Donkey's Milk Natural Soap

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Synthetic Ingredients:

Sodium Lauryl Sulfate

1 24. Defendants' representations that the Products are "Natural" is false,
2 misleading, and deceptive because the Products contain multiple ingredients that are, as
3 explained below, synthetic.

4 **a. Sodium Lauryl Sulfate** is a synthetic additive as stated in C.F.R. 172.822. It
5 is an active ingredient prepared by sulfation of lauryl alcohol, followed by
6 neutralization with sodium carbonate.⁶

7
8 **b. Calcium Carbonate** is produced from calcium hydroxide, calcium chloride,
9 or as a byproduct in the lime soda process. Federal regulations recognize
10 calcium hydroxide as a synthetic compound (and the FDA has declared that
11 calcium chloride renders a food no longer "natural.")⁷ The lime soda process
12 employs hazardous and synthetic substances and requires processing
13 techniques so excessive so as to render the finished product unnatural. In
14 fact, the EPA has promulgated regulations specifically addressing the
15 environmental impact of calcium carbonate produced through the lime
16 process and by recovery from the Solvay waste products. Additionally,
17 when used in drugs, calcium carbonate is listed as a synthetic compound by
18 federal regulation.

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21 **c. Titanium Dioxide** is a color additive that is synthetically prepared TiO₂, free
22 from admixture with other substances.⁸

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26 ⁶ http://www3.epa.gov/pesticides/chem_search/reg_actions/reregistration/red_G-52_1-Sep-93.pdf

27 ⁷ See FDA Warning Letter to Karl A. Hirzel, Hirzel Canning Co., (Aug. 29, 2001).

28 ⁸ <http://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfcfr/cfrsearch.cfm?fr=73.575>

1 d. **Citric Acid** is (2-hydroxy-propane-1, 2,3-tricarboxylic acid) is a synthetic
2 substance. While the chemical’s name has the word “citric” in it, citric acid
3 is no longer extracted from the citrus fruit but industrially manufactured by
4 fermenting certain genetically mutant strains of the black mold fungus,
5 *Aspergillus niger*.

7 25. Given the presence of these synthetic and artificial ingredients in the
8 Products, Defendants’ representations that they are “Natural” are deceptive, false, and
9 misleading.

10 26. Congress has defined "synthetic" to mean “a substance that is formulated or
11 manufactured by a chemical process or by a process that chemically changes a substance
12 extracted from naturally occurring plants, animals, or mineral sources” 7 U.S.C. §
13 6502 (21).

14 27. Surveys and other market research, including expert testimony Plaintiffs
15 intend to introduce, will demonstrate that the term “natural” is misleading to a reasonable
16 consumer because the reasonable consumer believes that the term “natural,” when used to
17 describe goods such as the Products, means that the goods are free of synthetic ingredients.
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19 28. Consumers lack the meaningful ability to test or independently ascertain or
20 verify whether a product is natural, especially at the point of sale. Consumers would not
21 know the true nature of the ingredients merely by reading the ingredients label.

22 29. Discovering that the ingredients are not natural and are actually synthetic
23 requires a scientific investigation and knowledge of chemistry beyond that of the average
24 consumer. That is why, even though the ingredients listed above are identified on the back
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1 of the Products’ packaging in the ingredients listed, the reasonable consumer would not
2 understand – nor are they expected to understand - that these ingredients are synthetic.

3 30. Moreover, the reasonable consumer is not expected or required to scour the
4 ingredients list on the back of the Products in order to confirm or debunk Defendants’
5 prominent front-of-the-Products claims, representations, and warranties that the Products
6 are “Natural”.

8 31. Defendants did not disclose that the above listed ingredients are synthetic
9 ingredients. A reasonable consumer understands Defendants’ “Natural” claims to mean
10 that the Products are “Natural” and do not contain synthetic ingredients.

12 32. Defendants’ representations that the Products are “Natural”, induced
13 consumers, including Plaintiffs and Class Members, to pay a premium to purchase the
14 Products. Plaintiffs and Class Members relied on Defendants’ false and misleading
15 misrepresentations in purchasing the Products at a premium price above comparable
16 alternatives that are not represented to be “Natural”. If not for Defendants’
17 misrepresentations, Plaintiffs and Class Members would not have been willing to purchase
18 the Products at a premium price. Accordingly, they have suffered an injury as a result of
19 Defendants’ misrepresentations.
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22 33. Consumers rely on label representations and information in making
23 purchasing decisions.

24 34. The marketing of the Products as “Natural” in a prominent location on the
25 labels of all of the Products, throughout the Class Period, evidences Defendants’ awareness
26 that “Natural” claims are material to consumers.
27

1 35. Defendants' deceptive representations and omissions are material in that a
2 reasonable person would attach importance to such information and would be induced to
3 act upon such information in making purchase decisions.

4 36. Plaintiffs and the Class members reasonably relied to their detriment on
5 Defendants' misleading representations and omissions.
6

7 37. Defendants' false, misleading, and deceptive misrepresentations and
8 omissions are likely to continue to deceive and mislead reasonable consumers and the
9 general public, as they have already deceived and misled Plaintiffs and the Class members.
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11 38. In making the false, misleading, and deceptive representations and omissions
12 described herein, Defendants knew and intended that consumers would pay a premium for
13 Products labeled "Natural" over comparable products not so labeled.

14 39. As an immediate, direct, and proximate result of Defendants' false,
15 misleading, and deceptive representations and omissions, Defendants injured Plaintiffs and
16 the Class members in that they:
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- 18 a. Paid a sum of money for Products that were not what Defendants
19 represented;
- 20 b. Paid a premium price for Products that were not what Defendants
21 represented;
- 22 c. Were deprived of the benefit of the bargain because the Products they
23 purchased were different from what Defendants warranted;
- 24 d. Were deprived of the benefit of the bargain because the Products they
25 purchased had less value than what Defendants represented; and
- 26 e. Used a product that was of a different quality than what Defendants
27 promised.

1 46. Plaintiffs also seeks certification, to the extent necessary or appropriate, of a
2 subclass of individuals who purchased the Products in the State of California at any time
3 during the Class Period (the “California Subclass”).

4 47. The Class and the California Subclass shall be referred to collectively
5 throughout the Complaint as the “Class.”
6

7 48. The Class is properly brought and should be maintained as a class action
8 under Rule 23(a), satisfying the class action prerequisites of numerosity, commonality,
9 typicality, adequacy and superiority because:
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11 49. Numerosity: Class Members are so numerous that joinder of all members is
12 impracticable. Plaintiffs believe that there are thousands of consumers who are Class
13 Members described above who have been damaged by Defendants’ deceptive and
14 misleading practices.
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16 50. Commonality: The questions of law and fact common to the Class Members,
17 which predominate over any questions which may affect individual Class Members,
18 include, but are not limited to:

- 19 a. Whether Defendants are responsible for the conduct alleged herein which
20 was uniformly directed at all consumers who purchased the Products;
21 b. Whether Defendants’ misconduct set forth in this Complaint
22 demonstrates that Defendants have engaged in unfair, fraudulent, or
23 unlawful business practices with respect to the advertising, marketing,
24 and sale of their Products;
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- c. Whether Defendants made false and/or misleading statements to the Class and the public concerning the contents of their Products;
- d. Whether Defendants' false and misleading statements concerning their Products were likely to deceive the public;
- e. Whether Plaintiffs and the Class are entitled to injunctive relief;
- f. Whether Plaintiffs and the Class are entitled to money damages under the same causes of action as the other Class Members.

These issues predominate over individual issues. This controversy will largely turn on Defendants' uniform behavior in misrepresenting the Products to the Class which will be evaluated under an objective "reasonable person" standard. Individual inquiries into the conduct of members of the Class will not be necessary.

51. Typicality: Each Plaintiff is a member of the national Class. Plaintiffs Prudencio and Quintero are members of the California Subclass. Plaintiffs' claims are typical of the claims of each Class Member in that every member of the Class was susceptible to the same deceptive, misleading conduct and purchased the Defendants' Products. Plaintiffs are entitled to relief under the same causes of action as the other Class Members.

52. Adequacy: Plaintiffs are adequate Class representatives because their interests do not conflict with the interests of the Class Members they seek to represent; their consumer fraud claims are common to all members of the Class and they have a strong interest in vindicating their rights; they have retained counsel competent and experienced in complex class action litigation and they intend to vigorously prosecute this

1 action. Plaintiffs have no interests which conflict with those of the Class. The Class
2 Members' interests will be fairly and adequately protected by Plaintiffs and their counsel.
3 The Class is properly brought and should be maintained as a class action under Rule 23(b).
4 Pursuant to Rule 23(b)(3), common issues of law and fact predominate over any other
5 questions affecting only individual members of the Class. The Class issues fully
6 predominate over any individual issue because no inquiry into individual conduct is
7 necessary; all that is required is a narrow focus on Defendants' deceptive and misleading
8 marketing and labeling practices.
9

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11 53. Superiority: A class action is superior to the other available methods for the
12 fair and efficient adjudication of this controversy because:

- 13 a. The joinder of thousands of individual Class Members is impracticable,
14 cumbersome, unduly burdensome, and a waste of judicial and/or litigation
15 resources;
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17 b. The individual claims of the Class Members are modest compared with the
18 expense of litigating the claim, thereby making it impracticable, unduly
19 burdensome, and expensive—if not totally impossible—to justify individual
20 actions;
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22 c. When Defendants' liability has been adjudicated, all Class Members' claims
23 can be determined by the Court and administered efficiently in a manner far
24 less burdensome and expensive than if it were attempted through filing,
25 discovery, and trial of all individual cases;
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- 1 d. This class action will promote orderly, efficient, expeditious, and appropriate
2 adjudication and administration of Class claims;
- 3 e. Plaintiffs know of no difficulty to be encountered in the management of this
4 action that would preclude its maintenance as a class action;
- 5 f. This class action will assure uniformity of decisions among Class Members;
- 6 g. The Class is readily definable and prosecution of this action as a class action
7 will eliminate the possibility of repetitious litigation;
- 8 h. Class Members' interests in individually controlling the prosecution of
9 separate actions is outweighed by their interest in efficient resolution by
10 single class action; and
- 11 i. It would be desirable to concentrate in this single venue the litigation of all
12 plaintiffs who were induced by Defendants' uniform false advertising to
13 purchase its Products as being "Natural."

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17 54. Accordingly, this Class is properly brought and should be maintained as a
18 class action under Rule 23(b)(3) because questions of law or fact common to Class
19 Members predominate over any questions affecting only individual members, and because
20 a class action is superior to other available methods for fairly and efficiently adjudicating
21 this controversy.

22
23 **INJUNCTIVE CLASS RELIEF**

24 55. Rules 23(b)(1) and (2) contemplate a class action for purposes of seeking
25 class-wide injunctive relief. Here, the Defendants have engaged in conduct resulting in
26 misleading consumers about ingredients in its Products. Since Defendants' conduct has
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1 been uniformly directed at all consumers in the United States, and the conduct continues
2 presently, injunctive relief on a class-wide basis is a viable and suitable solution to remedy
3 Defendants' continuing misconduct. Plaintiffs do not know if they can rely on Defendants'
4 label claims in the future, but would purchase the Products again if the ingredients were
5 changed so that they indeed were "Natural".
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7 56. The injunctive Class is properly brought and should be maintained as a class
8 action under Rule 23(a), and the injunctive Class satisfies the class action prerequisites of
9 numerosity, commonality, typicality, and adequacy because:
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- 11 a. Numerosity: Individual joinder of the injunctive Class Members would be
12 wholly impracticable. Defendants' Products have been purchased by
13 thousands of people throughout the United States;
- 14 b. Commonality: Questions of law and fact are common to members of the
15 Class. Defendants' misconduct was uniformly directed at all consumers.
16 Thus, all members of the Class have a common cause against Defendants to
17 stop its misleading conduct through an injunction. Since the issues presented
18 by this injunctive Class deal exclusively with Defendants' misconduct,
19 resolution of these questions would necessarily be common to the entire
20 Class. Moreover, there are common questions of law and fact inherent in the
21 resolution of the proposed injunctive class, including, *inter alia*:
 - 22 i. Resolution of the issues presented in the 23(b)(3) class;
 - 23 ii. Whether members of the Class will continue to suffer harm by
24 virtue of Defendants' deceptive product marketing and labeling; and
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1 Defendants would be prevented from continuing its misleading and deceptive marketing
2 practices and would be required to honestly disclose to consumers the nature of the
3 contents of its Products. Plaintiffs would purchase the Products again if the ingredients
4 were changed so that they indeed were “Natural”.

5
6 **FIRST CAUSE OF ACTION**
7 **VIOLATION OF CAL. BUS. & PROF. CODE § 17200, ET SEQ.**
8 **(Brought by Plaintiffs Prudencio and Quintero on behalf of the California Subclass)**

9 58. Plaintiffs repeat and reallege each and every allegation contained in all the
10 foregoing paragraphs as if fully set forth herein.

11 59. Plaintiffs Prudencio and Quintero have standing to pursue this claim under
12 California’s Unfair Competition Law (“UCL”) because they suffered an injury-in-fact and
13 lost money as a result of Defendants’ unfair practices. Specifically, they expended more
14 money in the transaction than they otherwise would have due to Defendants’ conduct.

15 60. Advertising and labeling the Products as “Natural” when they contain
16 synthetic ingredients constitutes a course of unfair conduct within the meaning of Cal. Civ.
17 Code § 17200, et seq.

18 61. The conduct of the Defendants harms the interests of consumers and market
19 competition. There is no valid justification for Defendants’ conduct.

20 62. Defendants engaged in unlawful business acts and practices by breaching
21 implied and express warranties, and violating the Consumers Legal Remedies Act, Cal.
22 Civ. Code § 1750, et seq.

23 63. Defendants engaged in fraudulent business practices by knowingly
24 misrepresenting the Products as “Natural” when they contain synthetic ingredients. Such
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1 68. Plaintiffs Prudencio and Quintero and members of the California Subclass
2 members are “consumers” within the meaning of section 1761(d) of the California Civil
3 Code, and they engaged in “transactions” within the meaning of sections 1761(e) and 1770
4 of the California Civil Code, including the purchases of the Products.

5 69. The Products are “goods” under Cal. Civ. Code §1761(a).

6 70. Defendants’ unfair and deceptive business practices were intended to and did
7 result in the sale of the Products.
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9 71. Defendants violated the CLRA by engaging in the following unfair and
10 deceptive practices:
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12 (1) Representing that Products have characteristics, uses or benefits that they do not
13 have, in violation of section 1770(a)(5);

14 (2) Representing that Products are of a particular standard, quality, or grade when
15 they are not, in violation of section 1770(a)(7); and
16

17 (3) Advertising Products with the intent not to sell them as advertised, in violation
18 of section 1770(a)(9).

19 72. If Plaintiffs Prudencio and Quintero and the California Class members had
20 known this fact, they would not have purchased the Products at all or purchased the
21 Products at the prices they did.
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23 73. As a direct and proximate result of Defendants’ conduct, Plaintiffs Prudencio
24 and Quintero and the California Class suffered injury.

25 74. Pursuant to California Civil Code § 1782(a), Plaintiffs Prudencio and
26 Quintero sent Defendant Midway a CLRA notice letter via certified mail, return receipt
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1 requested, which was delivered on or around July 19, 2017, advising Defendant that it is in
2 violation of the CLRA and must correct, repair, replace or otherwise rectify the goods
3 alleged to be in violation of § 1770.

4 75. As of the date of this filing, Plaintiffs have not received a response.

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6 76. Accordingly, Plaintiffs seek damages under the CLRA in an amount to be
7 determined at trial.

8 77. With respect to Defendant Grisi USA, at this time, Plaintiffs seek only
9 injunctive relief, pursuant to the CLRA. On or around September 11, 2018, Plaintiffs sent
10 Defendant Midway a CLRA notice letter via certified mail, return receipt requested,
11 advising Defendant that it is in violation of the CLRA and must correct, repair, replace or
12 otherwise rectify the goods alleged to be in violation of § 1770. If Defendant fails to
13 properly compensate Plaintiffs and the class, Plaintiffs will seek leave to amend this cause
14 of action to assert monetary Damages claims against Grisi USA.
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17 **THIRD CAUSE OF ACTION**
18 **BREACH OF EXPRESS WARRANTY**
19 **(Brought by Plaintiffs On Behalf of all Class Members)**

20 78. Plaintiffs repeat and reallege each and every allegation contained in the
21 foregoing paragraphs as if fully set forth herein.

22 79. Defendants provided the Plaintiffs and Class Members with an express
23 warranty in the form of written affirmations of fact promising and representing that the
24 Products are “Natural”.

25 80. The above affirmations of fact were not couched as “belief” or “opinion,”
26 and were not “generalized statements of quality not capable of proof or disproof.”
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28

1 89. The Magnuson-Moss Warranty Act provides a federal remedy for consumers
2 who have been damaged by the failure of a supplier or warrantor to comply with any
3 obligation under a written warranty or implied warranty, or other various obligations
4 established under the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301 *et seq.*
5

6 90. The Products are “consumer products” within the meaning of the Magnuson-
7 Moss Warranty Act, 15 U.S.C. § 2301(1).

8 91. Plaintiffs and other members of the Class are “consumers” within the
9 meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(3).

10 92. Defendants are “suppliers” and “warrantors” within the meaning of the
11 Magnuson-Moss Warranty Act, 15 U.S.C. §§ 2301(4) & 2301(5).

12 93. Defendants represented in writing that the Products are “Natural”.

13 94. These statements were made in connection with the sale of the Products and
14 relate to the nature of the Products and affirm and promise that the Products are as
15 represented and defect free and, as such, are “written warranties” within the meaning of the
16 Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(6)(A).

17 95. As alleged herein, Defendants breached the written warranty by selling
18 consumers Products that are not “Natural”. The Products do not conform to the
19 Defendants’ written warranty and therefore violates the Magnuson-Moss Warranty Act, 15
20 U.S.C. § 2301 *et seq.* Consequently, Plaintiffs and the other members of the Class have
21 suffered injury and are entitled to damages in an amount to be proven at trial.
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- 1 (a) Declaring this action to be a proper class action and certifying Plaintiffs as the
2 representatives of the Class under Rule 23 of the FRCP; and Plaintiffs Prudencio
3 and Quintero as representatives of the California Subclass;
4 (b) Entering preliminary and permanent injunctive relief against Defendant, directing
5 Defendants to correct their practices and to comply consumer protection laws
6 nationwide, including California consumer protection laws;
7 (c) Awarding monetary, compensatory, statutory and punitive damages;
8 (d) Awarding Plaintiffs and Class Members their costs and expenses incurred in this
9 action, including reasonable allowance of fees for Plaintiffs' attorneys and experts,
10 and reimbursement of Plaintiffs' expenses; and
11 (e) Granting such other and further relief as the Court may deem just and proper.
12
13
14

15 Dated: September 11, 2018

16 **SHOOP A PROFESSIONAL LAW CORPORATION**

17 David R. Shoop /s/

18 By: _____
19 David R. Shoop, Esq., SBN 220576
20 Thomas S. Alch, Esq., SBN 136860
21 350 S. Beverly Drive
22 Suite 330
23 Beverly Hills, CA 90212
24 Tel: (310) 277-1700
25
26
27
28

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THE SULTZER LAW GROUP P.C.

Jason P. Sultzer /s/

By: _____

Jason P. Sultzer, Esq.
Joseph Lipari, Esq.
Adam Gonnelli, Esq.
85 Civic Center Plaza, Suite 104
Poughkeepsie, NY 12601
Tel: (845) 483-7100
Fax: (888) 749-7747
sultzerj@thesultzerlawgroup.com

LEEDS BROWN LAW, P.C.

Jeffrey Brown /s/

By: _____

Jeffrey Brown, Esq.
One Old Country Road, Suite 347
Carle Place, NY 11514
Tel: (516) 873-9550
jbrown@leedsbrownlaw.com

EXHIBIT 1



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Oliver Pegueros • 3rd

Business Manager Grisi USA at Midway Importing, Inc.
Houston, Texas

Message



Midway Importing, Inc.



University of California, San Diego - The Rady School of...



See contact info



500+ connections

As an experienced go-to-market strategist, I have a proven track record in both the commercial and marketing side of a variety of startups and mature businesses. Additionally, my management skills and leadership have allowed me to develop strong relationships to create and lead solid cross-functional teams with different vendors, media outlets and suppliers. I have been successful integrating powerful marketing strategies to introduce a new brand of German multivitamins to the U.S.A from Mexico at the project management level (Vivioptal Vitamins) and currently expanding the Grisi family of brands throughout the U.S.A. (Manzanilla Grisi, Ricitos de Oro, Maja, Grisi Kids, Sulfur, etc).

I bring immediate and strategic value as a builder of strong and effective teams. I am self-motivated, diligent, detail oriented and value hard work and integrity. These attributes coupled with my ambition and entrepreneurial mindset are valuable assets for any business.

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Experience



Business Manager Grisi USA

Midway Importing, Inc.

Jan 2016 – Present · 2 yrs 9 mos

Houston, Texas Area

Oversee all business and marketing aspects of Grisi brands in the U.S. (Manzanilla, Ricitos de Oro, Aloe Vera, Sulfur, Maja, etc) to increase revenue and market share.



Director of Operations and Business Development

Bomuca International Corporation

Mar 2013 – Dec 2015 · 2 yrs 10 mos

San Diego, CA

Nutraceutical company that commercializes groundbreaking health care products.

Accomplishments and duties:

... See more



Product Registration/Buying Departments Summer Intern

PriceSmart

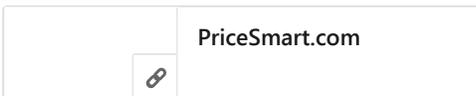
Jun 2012 – Sep 2012 · 4 mos

Greater San Diego Area

Membership warehouse club operator in Central America and the Caribbean.

Accomplishments:

... See more



National Sales Manager

NY A

New client
a New York
their

L

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Mexico City Area, Mexico
Commercializes flooring and finishing solutions in Mexico.

Accomplishments:
... See more

Senior Sales Executive and Coordinator

Equipamientos Urbanos de Mexico (now JC Decaux)

Feb 2001 – Jul 2009 · 8 yrs 6 mos

Mexico City Area, Mexico

Rents outdoor advertising spaces.

Accomplishments:
... See more

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Education



University of California, San Diego - The Rady School of Management

MBA, Business Administration

2011 – 2013

Activities and Societies: Rady Sports Business Club Officer



Universidad Iberoamericana, Ciudad de México

Bachelor of Science (BS), Business Administration and Management, General

1999 – 2004

Activities and Societies: Student Council Representative

American School Foundation

1985 – 1998

Activities and Societies: Senior Class President

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Counselor/Event Volunteer

G3-16 Church San Diego
Jul 2014 – Jul 2014 • 1 mo
Children

Skills & Endorsements

Strategic Planning · 40



Endorsed by Luis Redondo and 1 other who is highly skilled at this



Endorsed by 2 of Oliver's colleagues at Midway Importing, Inc.

Marketing Strategy · 37

Endorsed by Alejandro Kunhardt S. and 4 others who are highly skilled at this



Endorsed by 2 of Oliver's colleagues at Midway Importing, Inc.

Business Development · 34



Endorsed by Luis Redondo and 1 other who is highly skilled at this



Endorsed by 2 of Oliver's colleagues at Midway Importing, Inc.

Show more

Recommendations

Received (8)

Given (0)

Francisco Boccaccio
Accountant, Certified QuickBooks Online Pro Advisor

September 25, 2015, Oliver worked with Francisco in the same group

He is a team player, has a strong capability to work under pressure. At Bomuca he shows his strong analysis skills and very organized and thanks to his fast learning capability he rapidly fit into his current role.

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September 14, 2015, Oliver worked with Kymberly in the same group

planning, marketing, organization, research skills along with the ability to be a strong team player has been a strong asset to the launching of our products into the U.S. market. He brought creative ideas to the marketing team, forecasting and organization to the sales team and headed up Operations all at the same time. He is very complete in his research and successfully developed several marketing plans that helped increase revenue with new retailers. Oliver assumed leadership roles in all operation, marketing and sales meetings by motivating other employees with his own examples. He is honest, extremely dedicated and a great person to have as a friend and co-worker. Oliver is an important asset to our organization.

Show more

Accomplishments

2 Languages
English • Spanish

1 Organization
Asociacion de Empresarios Mexicanos



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