7755 Center Ave Ste 1100 Huntington Beach CA 92647 (714) 372-2245 kng@lawofficekg.com INITED STATES DISTRICT COURT			
4 kng@lawofficekg.com			
UNITED STATES DISTRICT COURT			
NORTHERN DISTRICT OF CALIFORNIA			
SAN JOSE DIVISION			
Andre Miller, individually and on behalf of all others similarly situated, Case No. 4:23-cv-3540			
9 Plaintiff,			
10 - against - Class Action Complaint			
11 Arizona Beverages USA LLC,			
Jury Trial Demanded Defendant			
Plaintiff alleges upon information and belief, except for allegations about Plaintiff,	which		
are based on personal knowledge:			
15 1. Arizona Beverages USA LLC ("Defendant") manufactures and sells a comb	nation		
of iced tea and lemonade, known as an "Arnold Palmer," in 20 oz bottles, represented as "Lite"			
under the Arizona brand (the "Product").			
I. CONSUMERS SEEK PRODUCTS WITH LESS SUGAR AND CALORIES			
Due to awareness of harms from excess calorie and sugar intake, consume	ers are		
20 increasingly purchasing foods which contain fewer calories and sugar.			
21 3. Consumers "clearly link sugar to calories," and expect a food or beverage with	lower		
sugar will have lower calories, and vice versa. N.J. Patterson et al., "Consumer understand	sugar will have lower calories, and vice versa. N.J. Patterson et al., "Consumer understanding of		
sugars claims on food and drink products." Nutrition Bulletin, 37.2 (2012): 121-130.			
4. The reduction in sugar and calories can help avert numerous health pro	blems,		
25 including weight gain, Type 2 diabetes, dental caries, metabolic syndrome and heart disease	e, and		
even cancer because of their relationship to obesity.			
5. As "sugar avoidance [is] a macro trend 'that is here to stay and will only incr	ease,"		
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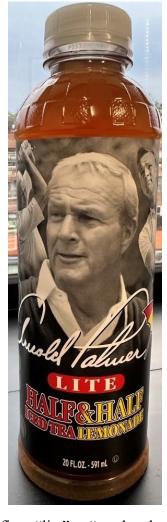
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companies have sought to promote products with less sugar and fewer calories.

6. Surveys confirm a growing number of consumers are buying products with less sugar to decrease their caloric intake, with 85% doing so for health reasons and 58% for weight concerns.

MISLEADING USE OF THE TERM "LITE" II.

7. The Product's front label statements include "Half & Half," "Iced Tea Lemonade" "Arnold Palmer" and "Lite."



- 8. Collins Dictionary defines "lite" as "used to describe foods or drinks that contain few calories or low amounts of sugar."
- 9. Dictionary.com defines "lite" as "noting a commercial product that is low in calories or low in any substance considered undesirable, as compared with a product of the same type."
- 10. Oxford Dictionary defines "lite" as relating to low-fat or low-sugar versions of manufactured food or drink products."

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Far from being "Lite" and low in sugar, sugar is the second most predominant 21. ingredient in the Product by weight, listed as "HIGH FRUCTOSE CORN SYRUP (GLUCOSE-FRUCTOSE SYRUP)," a form of sugar associated with obesity and overweight.

INGREDIENTS: PREMIUM BREWED BLEND OF BLACK TEAS USING FILTERED WATER, HIGH FRUCTOSE CORN SYRUP (GLUCOSE-FRUCTOSE SYRUP), LEMON JUICE FROM CONCENTRATE, PEAR JUICE FROM CONCENTRATE, CITRIC ACID ASCORBIC ACID (VITAMIN C), NATURAL FLAVORS, SUCRALOSE, ACÉSULFAME POTASSIUM, GUM ACACIA, ESTER GUM MFD. FOR ARIZONA BEVERAGES USA LLC WOODBURY, NY 11797 USA. © 2022 BEVERAGE MARKETING USA, INC.

INGREDIENTS: PREMIUM BREWED BLEND OF BLACK TEAS USING FILTERED WATER, HIGH FRUCTOSE CORN SYRUP (GLUCOSE-FRUCTOSE SYRUP), LEMON JUICE FROM CONCENTRATE, PEAR JUICE FROM CONCENTRATE, CITRIC ACID, ASCORBIC ACID (VITAMIN C), NATURAL FLAVORS, SUCRALOSE, ACESULFAME POTASSIUM, GUM ACACIA, ESTER GUM

22. The Product's Nutrition Facts reveals thirty (30) grams of added sugar, which is 60 percent of the Daily Value ("DV").



- 23. The Product is not only not 'low' in added sugars but would be considered 'high' in added sugars.
 - 24. While the FDA has not defined "low" claims about sugar, it has set criteria for low

and high claims for other nutrients.

1	36. The reference food, defined as "representative of the type of food that includes the
2	product that bears the claimThe nutrient value for the reference food shall be representative of
3	broad base of foods of that type; e.g., a value in a representative, valid data base." 21 C.F.R.
4	101.13(j)(1)(ii)(A).
5	37. Relevant regulations require that the "reference food" be indicated conspicuously or
6	the packaging so the consumer will have context for a product's claim.
7	38. The Product's representation as "Lite" is misleading because it does no
8	conspicuously identify any other food.
9	39. The Product's representation as "Lite" is misleading because it is not low in calories
0	40. The absence of a reference food may be because a single-serving bottle has almost
.1	as many calories as a can of soda, and more sugar.
2	41. In other words, a reference food likely does not exist for the Product because i
3	contains an absolute, high number of calories per RACC.
4	III. MISLEADING DECLARATION OF SERVING SIZE
5	42. The Product is sold in bottles of 20 oz. Other sizes of the Product contain misleading
6	dual columns when that is prohibited.
7	43. The reference amount customarily consumed ("RACC") for non-carbonated
8	beverages is 12 oz (360 mL).
9	44. The Product's 20 oz is 167 percent of the RACC, which meets the regulator
20	definition for a single-serving container.
21	45. Therefore, the serving size is "1 bottle" and not the 12-oz indicated on the Nutrition
22	Facts. 21 C.F.R. § 101.9(b)(6).
23	46. However, the Nutrition Facts provides "dual column" labeling which present
24	consumers with the number of calories "per serving" (80) and "per container" (130).
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Serving size	12 fl oz (355ml			ML
	Per s	serving	Per co	ntain
Colorias		20		21
Calories		V		7
		% DV*		% D
Total Fat	0g	0%	0g	0
Sodium	5mg	0%	10mg	0
Total Carb.	20g	7%	33g	129
Total Sugars	19g		31g	
Incl. Added Sugars	18g	36%	30g	60°
Protein	0g		0g	

- 47. Research demonstrates that package and portion sizes have a considerable impact on the amount of food consumed.
- 48. While a consumer may hope to consume part of the bottle -80 calories evidence suggests otherwise, and they will consume the entire bottle.
- 49. Consumers will generally consume an entire beverage when it is packaged and presented in a 20 oz bottle.
- 50. By presenting the Nutrition Facts in the dual column format, it is inconsistent with the information required to maintain healthy dietary practices by implying that it is reasonable to consume less than the entire container, or only 80 calories.

PARTIES

- 51. Plaintiff Andre Miller is a citizen of San Leandro, Alameda County, California.
- 52. Defendant Arizona Beverages USA LLC is a New York limited liability company with a principal place of business in Woodbury, New York, Nassau County.
- 53. Arizona is a leading seller of non-carbonated beverages, known for its commitment to transparency and putting consumers first.

- 54. Arizona's high reputation among consumers means they are likely to trust its labeling.
- 55. The Product is sold to consumers from grocery stores, dollar stores, warehouse club stores, drug stores, convenience stores, big box stores, and online.
 - 56. The Product is sold in various sizes, in cans and bottles of various sizes.
- 57. The representations are identical or substantially similar across the various sizes, because they all say "Lite" without qualifying terms or identification of reference foods and use the misleading dual columns on the Nutrition Facts, among other identical labeling elements.
- 58. Plaintiff purchased the Product on one or more occasions within the statutes of limitations for each cause of action alleged, at stores of the type people buy such beverages at between August 2020 and the present.
- 59. Plaintiff read and relied on the word "Lite" on the front label and believed the Product was low in sugar and calories, and lower in sugar and calories than comparable beverages.
- 60. Plaintiff relied on the words, terms coloring, descriptions, layout, placement, packaging, tags, and/or images on the Product, on the labeling, statements, omissions, claims, statements, and instructions, made by Defendant or at its directions, in digital, print and/or social media, which accompanied the Product and separately, through in-store, digital, audio, and print marketing.
 - 61. Plaintiff bought the Product at or exceeding the above-referenced price.
- 62. Plaintiff paid more for the Product than he would have had he known the representations and omissions were false and misleading or would not have purchased it.
- 63. The value of the Product that Plaintiff purchased was materially less than its value as represented by Defendant.
- 64. Plaintiff chose between Defendant's Product and products represented similarly, but which did not misrepresent their attributes, features, and/or components.
- 65. Plaintiff intends to, seeks to, and will purchase the Product again when he can do so with the assurance the Product's representations are consistent with its attributes, features, and/or composition.

Plaintiff is unable to rely on the representations not only of this Product, but other

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1 awareness and/or experiences described here, that it was not low in sugar and calories and lower in

2	sugar and calo	ories than comparable beverages.
3	77.	This Court has personal jurisdiction over Defendant because it transacts business
4	within this Sta	ate and sells the Product to consumers throughout this State.
5		<u>Divisional Assignment</u>
6	78.	Pursuant to Civil L.R. 3-2(c) and (e), this Action should be assigned to the San
7	Francisco or 0	Dakland Division.
8	79.	This is because a substantial part of the events or omissions giving rise to these claims
9	occurred in A	Alameda County, including Plaintiff's purchase and/or consumption or use of the
10	Product and a	wareness and/or experiences of and with the issues described here.
11		CLASS DEFINITION AND ALLEGATIONS
12	80.	Plaintiff seeks certification under Fed. R. Civ. P. 23 of the following class:
13		California Class: All persons in California who purchased the
14		Product during the statutes of limitations for each cause of action alleged.
15	81.	Excluded from the Class are (a) Defendant, Defendant's board members, executive-
16	level officers,	and attorneys, and immediate family members of any of the foregoing persons; (b)
17	governmental	entities; (c) the Court, the Court's immediate family, and Court staff and (d) any
18	person that tir	mely and properly excludes himself or herself from the Class.
19	82.	Common questions of issues, law, and fact predominate and include whether
20	Defendant's r	epresentations were and are misleading and if Plaintiff and class members are entitled
21	to damages.	
22	83.	Plaintiff's claims and basis for relief are typical to other members because all were
23	subjected to the	ne same unfair, misleading, and deceptive representations, omissions, and actions.
24	84.	Plaintiff is an adequate representative because his interests do not conflict with other
25	members.	
26	85.	No individual inquiry is necessary since the focus is only on Defendant's practices
27	and the class	is definable and ascertainable.
28	86.	Individual actions would risk inconsistent results, be repetitive and are impractical 10

1	to justify, as the claims are modest relative to the scope of the harm.		
2	87. Plaintiff's counsel is competent and experienced in complex class action litigation		
3	and intends to protect class members' interests adequately and fairly.		
4	88. Plaintiff seeks class-wide injunctive relief because the practices continue.		
5	<u>CLAIMS FOR RELIEF</u>		
6	FIRST CLAIM		
7	Violation of California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq.		
8	89. Plaintiff incorporates all preceding paragraphs.		
9	90. California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq.		
.0	("UCL"), prohibits any "unlawful, unfair or fraudulent business act or practice."		
.1	91. Defendant's representations and omissions are "unlawful" because they violate the		
2	Federal Food, Drug, and Cosmetic Act ("FFDCA") and its implementing regulations, including:		
.3	a. 21 U.S.C. § 343(a), which deems food misbranded when the label is		
.4	"false or misleading in any particular"; and		
.5	b. 21 C.F.R. § 101.13 and 21 C.F.R. §§ 101.54-101.69, which address		
.6	nutrient content claims, including 21 C.F.R. § 101.56 and 21 C.F.R.		
.7	§ 101.60, which relate to relative food labeling claims and claims		
.8	related to reduction in calories and/or sugar.		
.9	92. Defendant's conduct is "unlawful" because it violates California's False Advertising		
20	Law, Cal. Bus. & Prof. Code § 17500, et seq. ("FAL"), and Consumer Legal Remedies Act, Cal.		
21	Civ. Code § 1750, et seq. ("CLRA").		
22	93. Defendant's conduct violates the California Sherman Food, Drug, and Cosmetic		
23	Law, Cal. Health & Saf. Code section 109875, et seq. ("Sherman Law"), including:		
24	a. Section 110111 (adopting all FDA nonprescription drug regulations		
25	as state regulations);		
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27 28	b. Section 110290 ("In determining whether the labeling or		
.0	advertisement of a food is misleading, all representations made or 11		
	CLASS ACTION COMPLAINT		

suggested by statement, word, design, device, sound, or any combination of these, shall be taken into account. The extent that the labeling or advertising fails to reveal facts concerning the food ... or consequences of customary use of the food ... shall also be considered.");

- c. Section 110390 ("It is unlawful for any person to disseminate any false advertisement of any food.... An advertisement is false if it is false or misleading in any particular.");
- d. Section 110395 ("It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any food ... that is falsely advertised.");
- e. Section 110398 ("It is unlawful for any person to advertise any food, drug, device, or cosmetic that is adulterated or misbranded."); and
- f. Section 110400 ("It is unlawful for any person to receive in commerce any food ... that is falsely advertised or to deliver or proffer for delivery any such food...."); and Section 110660 ("Any food is misbranded if its labeling is false or misleading in any particular.").
- 94. Each of the challenged statements and omissions made and actions taken by Defendant as described herein violates the FFDCA, FAL, and Sherman Law, and therefore violates the "unlawful" prong of the UCL.
- 95. Defendant's conduct was and continues to be unfair and fraudulent because it made materially false representations and omissions that caused consumers to believe the Product was low in sugar and calories and lower in sugar and calories than comparable beverages.
- 96. Defendant made express and implied representations that the Product was low in sugar and calories and lower in sugar and calories than comparable beverages.
- 97. Defendant is aware of the representations and omissions it has made about the Product and that it is not low in sugar and calories nor lower in sugar and calories than comparable beverages.

1	98.	Had Plaintiff been aware of Defendant's practices, he would not have purchased the
2	Product or pa	id as much, suffering damages.
3	99.	In accordance with Cal. Bus. & Prof. Code § 17203, Plaintiff seeks an order enjoining
4	Defendant fro	om continuing to conduct business through unlawful, unfair, and/or fraudulent acts and
5	practices and	to commence corrective advertising.
6 7		SECOND CLAIM Violation of California's False Advertising Law, Cal. Bus. & Prof. Code § 17500, et seq.
8	100.	The FAL prohibits "mak[ing] any false or misleading advertising claim."
9	101.	Defendant makes "false [and] misleading advertising claim[s]" by deceiving
10	consumers ab	out how the Product was low in sugar and calories and lower in sugar and calories
11	than compara	ble beverages.
12	102.	In reliance on this false and misleading advertising, Plaintiff purchased and used the
13	Product withou	out knowledge it was not low in sugar and calories and lower in sugar and calories than
14	comparable b	everages.
15	103.	Defendant knew or should have known that its representations and omissions were
16	likely to dece	ive consumers.
17	104.	Plaintiff and Class Members seek injunctive and equitable relief, restitution, and an
18	order for the	disgorgement of the funds by which Defendant was unjustly enriched.
19 20		THIRD CLAIM Violation of California's Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq.
21	105.	The CLRA adopts a statutory scheme prohibiting deceptive practices in connection
22	with the cond	uct of a business providing goods, property, or services primarily for personal, family,
23	or household	purposes.
24	106.	Defendant's policies, acts, and practices were designed to, and did, result in the
25	purchase and	use of the Product primarily for personal, family, or household purposes, and violated
26	and continue	to violate sections of the CLRA, including:
27 28		a. Civil Code § 1770(a)(5), because Defendant represented that the
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		CLASS ACTION COMPLAINT Miller v. Arizona Revergees USA LLC. No. 4:23 cv. 3540

Product had characteristics, attributes, features, capabilities, uses, benefits, and qualities it did not have;

- b. Civil Code § 1770(a)(9), because Defendant advertised the Product with an intent not to sell it as advertised; and
- c. Civil Code § 1770(a)(16), because Defendant represented that the Product had been supplied in accordance with its previous representations, when it was not.
- 107. Pursuant to the provisions of Cal. Civ. Code § 1782(a), Plaintiff will send a CLRA Notice to Defendant concurrently with the filing of this action or shortly thereafter, which details and includes these violations of the CLRA, demand correction of these violations, and provide the opportunity to correct these business practices.
- 108. If Defendant does not correct these business practices, Plaintiff will amend or seek leave to amend the Complaint to add claims for monetary relief, including restitution and actual damages under the CLRA.
- 109. If Defendant does not correct these business practices, Plaintiff will request injunctive relief and ask that this Court enjoin Defendant from continuing to employ the unlawful methods, acts and practices alleged herein pursuant to Cal. Civ. Code § 1780.

FOURTH CLAIM

Breaches of Express Warranty and Implied Warranty of Merchantability/Fitness for a Particular Purpose

- 110. The Product was manufactured, identified, marketed, distributed, and sold by Defendant and expressly and impliedly warranted to Plaintiff that it was low in sugar and calories and lower in sugar and calories than comparable beverages.
- 111. Defendant directly marketed the Product to Plaintiff through its advertisements and marketing, through various forms of media, product descriptions distributed to resellers, and targeted digital advertising.
- 112. Defendant knew the product attributes that potential customers like Plaintiff were seeking and developed its marketing to directly meet those needs and desires.

- 113. Defendant's representations about the Product were conveyed in writing and promised it would be defect-free, and Plaintiff understood "Lite" to mean it was low in sugar and calories and lower in sugar and calories than comparable beverages.
- 114. Defendant's representations affirmed and promised that the Product was low in sugar and calories and lower in sugar and calories than comparable beverages.
- 115. Defendant described the Product so Plaintiff believed it was low in sugar and calories and lower in sugar and calories than comparable beverages, which became part of the basis of the bargain that it would conform to its affirmations and promises.
- 116. Defendant had a duty to disclose and/or provide non-deceptive descriptions and marketing of the Product.
- 117. This duty is based on Defendant's outsized role in the market for this type of Product, a trusted brand of non-carbonated beverages and the official, licensed seller of half iced tea and half lemonade under the "Arnold Palmer" name.
 - 118. Plaintiff recently became aware of Defendant's breach of the Product's warranties.
- 119. Plaintiff provided or provides notice to Defendant, its agents, representatives, retailers, and their employees that it breached the Product's express and implied warranties.
- 120. Defendant received notice and should have been aware of these issues due to complaints by third parties, including regulators, competitors, and consumers, to its main offices, and by consumers through online forums.
- 121. The Product did not conform to its promises or affirmations of fact due to Defendant's actions.
- 122. The Product was not merchantable because it was not fit to pass in the trade as advertised, not fit for the ordinary purpose for which it was intended and did not conform to the promises or affirmations of fact made in marketing or advertising, because it was marketed as if was low in sugar and calories and lower in sugar and calories than comparable beverages.
- 123. The Product was not merchantable because Defendant had reason to know the particular purpose for which the Product was bought by Plaintiff, because he expected it was low in sugar and calories and lower in sugar and calories than comparable beverages, and he relied on

1	Defendant's sl	kill and judgment to select or furnish such a suitable product.	
2		FIFTH CLAIM	
3		Unjust Enrichment	
4	124.	Defendant obtained benefits and monies because the Product was not as represented	
5	and expected,	to the detriment and impoverishment of Plaintiff and class members, who seek	
6	restitution and	disgorgement of inequitably obtained profits.	
7		PRAYER FOR RELIEF	
8	WHER	REFORE, Plaintiff, on behalf of himself and members of the proposed Class, pray for	
9	iudgment and relief as follows:		
10	A.	Certification of the Class, designating Plaintiff as representative of the Class and	
11		Plaintiff's Counsel as counsel for the Class;	
12	В.	A declaration that Defendant has committed the violations alleged;	
13	C.	For injunctive relief the Court deems appropriate;	
14	D.	For restitution and disgorgement pursuant to, without limitation, the California	
15		Business & Professions Code §§ 17200, et seq. and Cal Civ. Code § 1780, except for	
16		monetary damages under the CLRA;	
17	E.	Compensatory damages, the amount of which is to be determined at trial, except for	
18		monetary damages under the CLRA;	
19	F.	For punitive damages;	
20	G.	For attorneys' fees;	
21	H.	For costs of suit incurred;	
22	I.	For pre- and post-judgment interest; and	
23	J.	For such further relief as this Court may deem just and proper.	
24		DEMAND FOR JURY TRIAL	
25		ff demands a jury trial on all causes of action so triable.	
26	Dated: July	7 17, 2023 Respectfully submitted,	
27		/s/ Kyle Gurwell	
28		Kyle Gurwell (SBN 289298)	
		16	
		CLASS ACTION COMPLAINT	

Case 3:23-cv-03540-LJC Document 1 Filed 07/17/23 Page 17 of 17 Law Office of Kyle Gurwell 7755 Center Ave Ste 1100 Huntington Beach CA 92647 (714) 372-2245 kng@lawofficekg.com Spencer Sheehan (Pro Hac Vice Forthcoming) Sheehan & Associates, P.C. 60 Cuttermill Rd Ste 412 Great Neck NY 11021 (516) 268-7080 spencer@spencersheehan.com Counsel for Plaintiff and Proposed Class CLASS ACTION COMPLAINT