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1 2 3 4 5 6 7 8 9	BURSOR & FISHER, P.A. L. Timothy Fisher (State Bar No. 191626) Blair E. Reed (State Bar No. 316791) 1990 North California Boulevard, Suite 940 Walnut Creek, CA 94596 Telephone: (925) 300-4455 Facsimile: (925) 407-2700 E-Mail: ltfisher@bursor.com breed@bursor.com Attorneys for Plaintiff UNITED STATES D NORTHERN DISTRIC		
10 11	RICK MUSGRAVE and MARGARET GRAY, individually and on behalf of all others similarly situated,	Case No	
12	Plaintiffs,	CLASS ACT	ION COMPLAINT
13 14	v.	ΠΙΟΧ/ΤΟΙΑΙ	
15	TAYLOR FARMS PACIFIC, INC., TAYLOR FARMS RETAIL, INC., TAYLOR FARMS	JUKY IKIAI	<u>L DEMANDED</u>
16	CALIFORNIA, INC., SAM'S WEST, INC., and WALMART, INC.		
17	Defendants.		
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20	CLASS ACTION COMPLAINT		

Plaintiffs Rick Musgrave and Margaret Gray, by their undersigned attorneys, bring this class
 action complaint against Taylor Farms Pacific, Inc., Taylor Farms Retail, Inc., Taylor Farms
 California, Inc. (collectively "Taylor Farms"), Sam's West, Inc. d/b/a Sam's Club ("Sam's Club"),
 and Walmart, Inc. ("Walmart") (together, "Defendants"). Plaintiffs' allegations are based upon
 personal knowledge as to their own acts and upon information and belief as to all other matters.

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NATURE OF THE ACTION

7 1. This is a class action lawsuit on behalf of purchasers of Taylor Farms' Romaine
8 Lettuce Products, which are marketed as "triple washed and ready to enjoy," but were actually
9 contaminated with *E. coli* bacteria.

Taylor Farms' vision is "to be North America's favorite maker of salads and
 healthy fresh foods," and is in fact the largest processor of fresh salads in the country. Generally,
 Taylor Farms promotes a healthy lifestyle due to Taylor Farms' claims of providing convenient,
 ready-to-eat products that are marketed as "fresh, handcrafted salads." Taylor Farms even promotes
 health and wellness to its consumers by offering "Taylor Recipes" on its website,
 www.TaylorFarms.com, that utilize Taylor Farms' fresh and healthy products.

Taylor Farms processes and manufactures dozens of fresh produce products,
 including several romaine lettuce products such as whole romaine lettuce heads, chopped romaine
 lettuce, hearts of romaine, blends of lettuce including romaine, and ready-made salad packs
 featuring romaine lettuce as an ingredient. All of Taylor Farms' products promote convenient,
 healthy, "ready to eat" meals with additional product-specific recipes on the packaging.

4. The marketing of Taylor Farms' products with romaine lettuce is false and
misleading because, for a significant period of time in 2018, those products contained a harmful and
even deadly strain of *E. coli* bacteria. *E. coli* bacteria causes stomach pain, vomiting, diarrhea, and
in some cases can lead to kidney failure and death.

5. Plaintiffs relied on Defendants' false and misleading sales pitch for Taylor Farms'
products with romaine lettuce, and they would not have purchased those products had they known
the products were unsafe. They bring this class action on behalf of themselves and other purchasers

of Taylor Farms' products with romaine lettuce and assert claims against Defendants for violations
 of the California's Consumers Legal Remedies Act, California's False Advertising Law,
 California's Unfair Competition Law, the breach of the implied warranty of merchantability of
 food, and for negligent manufacture of the products.

FACTUAL BACKGROUND

6 6. On April 10, 2018, after a multistate outbreak of Shiga toxin-producing *E. coli*7 infections, specifically strain O157:H7, the Centers for Disease Control and Prevention (the
8 "CDC") issued a statement that an investigation was underway as to what caused the outbreak.¹
9 The CDC stated that numerous people had been infected by the *E. coli* strain, with illnesses
10 beginning as soon as March 22, 2018.

E. coli is a group of bacteria that normally live in the intestinal tract of people and
animals. Certain strains cause not just typical food poisoning symptoms, such as diarrhea and
vomiting, but can cause organ failure. Specifically, the O157:H7 strain involved in the outbreak
can cause severe illness, including bloody diarrhea and kidney failure. The CDC said that the
number of people who have been hospitalized is significantly higher in this outbreak than in others.

8. On April 13, 2018, the CDC stated that epidemiologic evidence indicated that
chopped romaine lettuce was the likely source of the outbreak, and that preliminary information
indicated that the source of the *E. coli* could be from farms in the Yuma, Arizona growing region.

9. On April 18, 2018, the CDC noted that the number of infections was growing and
that at least 31 people have been hospitalized, including five who developed hemolytic uremic
syndrome, a type of kidney failure.

22 10. On April 20, 2018, the CDC confirmed that whole heads of romaine lettuce from the
23 Yuma, Arizona growing region were or could be contaminated with the subject strain of *E. coli*.

11. As of April 25, 2018, the CDC reported people across 25 states had reported *E. coli*infections linked to the lettuce grown in Yuma. There was also one recorded death due to the *E. coli* infection in California.

²⁷ || ¹ See E. coli, CDC.gov, http://www.cdc.gov/ecoli/2018/o157h7-04-18/index.html (last visited May, 8, 2018).

1 12. Only a small portion of illnesses are reported to the CDC. Furthermore, it takes
 2 around 2 to 3 weeks for illnesses to be reported to the CDC.

3 13. Taylor Farms produces crops in both California and Arizona. Taylor Farms
4 transitions crops from its headquarters in Salinas, California to Yuma, Arizona in the winter so that
5 production can continue year-round.²

6 14. Walmart sells Taylor Farms' products, specifically Taylor Farms' products with
7 romaine lettuce, in its stores.

8 15. Sam's Club, which is owned by Walmart, sells Taylor Farms' products, specifically
9 Taylor Farms' products with romaine lettuce, in its stores.

10 16. On April 15, 2018, Frank Yiannas, Vice President of Food Safety for Sam's Club,
11 issued a recall message to Sam's Club members (hereinafter the "recall"). The letter stated that
12 "[w]e were notified that Taylor Farms, as a result of a Center for Disease Control and Prevention
13 (CDC) public advisory, has initiated a withdrawal on the items listed below due to the potential to
14 be contaminated with E. coli."

15 17. The recall listed the following Taylor Farms' products with romaine lettuce16 (collectively the "Taylor Farms Romaine Lettuce Products"):

a. Taylor Farms Fiesta Chopped Salad Kit with Grilled Chicken, 9/17.5 oz. (UPC 8-24862-02018-7);

- b. Taylor Farms Southwest Chopped Salad 10/12.55 oz. (UPC 8-24862-00632-7);
- 20 c. Taylor Farms Asian Chopped Salad, 10/13 oz. (UPC 8-24862-00630-3);
- 21 d. Taylor Farms Asian Chopped Salad, 10/15.75 oz. (UPC 0-30223-04149-8);
 - e. Taylor Farms Caesar Kit Family Size 14/16.9 oz. (UPC 0-30223-02557-0);
- 23 f. Taylor Farms Chopped Romaine 6/2 lb. (UPC 0-30223-04022-4);
- 24 g. Taylor Farms Romaine Blend 12/2.5 oz. (UPC 0-30223—1124-8); and
 - h. Taylor Farms Farmhouse Bacon Chopped Salad (UPC 0-30223-04114-6).
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 2018).</sup>

1 18. All of the Taylor Farms Romaine Lettuce Products listed in the recall promote
 2 convenient, healthy, "ready to eat" meals.

3 19. The recall instructed customers that if any of the products were still in their possession,
4 to return the products to their local Sam's Club for a full refund. Sam's Club stated that it adheres to
5 "strict quality assurance controls" and works with suppliers to ensure that quality products are
6 provided to its customers.

7 20. Walmart also posted a notice about the *E. coli* contamination of romaine lettuce to its
8 website, but apparently did not offer refunds to its customers or post any notices in its stores
9 regarding the contamination.

10 21. Romaine lettuce is a hearty green and could stay fresh for up to four weeks after
11 harvest, meaning that Taylor Farms' products with romaine lettuce that contain contaminated
12 romaine lettuce from the Yuma, Arizona growing region could be on the shelves through mid-May
13 2018.

Potentially tens of thousands of Taylor Farms consumers are or could be subject to
the *E. coli* found in Taylor Farms' products with romaine lettuce.

As a result of Defendants processing, manufacturing, distributing, and selling Taylor
Farms' products with romaine lettuce without taking the proper precautions, Defendants placed in
the stream of commerce products that are unusable, unsafe, and have caused purchasers and
consumers of those products to suffer or potentially suffer illness, as well as the loss of monies.

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THE PARTIES

Defendant Taylor Farms Pacific, Inc. is registered as a California corporation.

21 Defendants

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25. Defendant **Taylor Farms Retail, Inc.** is registered as a California corporation.

26. Defendant **Taylor Farms California**, Inc. is registered as a Delaware corporation.

25 27. Defendants Taylor Farms Pacific, Inc., Taylor Farms Retail, Inc., and Taylor
26 Farms California, Inc. all do business in California as "Taylor Farms" and are located at 150 Main
27 Street, Suite 400, Salinas, California 93901, which serves as Taylor Farms' headquarters. Taylor

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Farms is the world's largest fresh salad processor, with 11 plants and nearly \$2 billion in annual
 revenue.

3 28. Defendant Walmart, Inc. is registered to do business in Bentonville, Arkansas.
4 Walmart operates a chain of over 11,000 hypermarkets, discount department stores, and grocery
5 stores across America and the world. Walmart is one of the largest retail corporations in the world
6 with over \$482 billion in annual revenue.

7 29. Defendant Sam's West, Inc. d/b/a Sam's Club is registered to do business in
8 Bentonville, Arkansas. Walmart owns and operates Sam's Club, a chain of membership-only retail
9 warehouse clubs. There are about 600 Sam's Clubs nationwide.

10 Plaintiffs

30. Plaintiff Rick Musgrave is a California citizen residing in Martinez, California.
Sometime around April 2, 2018, Mr. Musgrave purchased Taylor Farms Romaine Lettuce products
from Walmart in Martinez, California. Soon after purchasing the Taylor Farms Romaine Lettuce
Products, Mr. Musgrave and his wife consumed the products and became violently sick for the next
few days.

16 31. Plaintiff Margaret Gray is a resident of Camarillo, California. On or about April
13, 2018 Plaintiff Margaret Gray purchased Taylor Farms Romaine Blend Salad from Sam's Club
in Oxnard, California. That night, Ms. Gray consumed some of the Taylor Farms Romaine Blend
19 Salad. The next day, Ms. Gray was very sick with stomach issues and was homebound for all of
that day and the next because of it. By April 16, 2018, Ms. Gray had recovered from her illness and
ate more Taylor Farms Romaine Blend Salad that night with her daughter. Both Ms. Gray and her
daughter fell ill that night.

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JURISDICTION AND VENUE

32. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(d)(2)(A).
There are more than 100 Class members, and the aggregate claims of all members of the proposed
Class exceed \$5,000,000.00, exclusive of interest and costs. At least one Class Member is a citizen
of a state different than at least one defendant.

33. This Court has supplemental jurisdiction over this action pursuant to 28 U.S.C. §
 1367.

3 34. This Court has personal jurisdiction over Taylor Farms Pacific, Inc. and Taylor
4 Farms Retail, Inc. because both are California corporations registered with the California Secretary
5 of State to conduct business within California. In addition, both conduct substantial business within
6 California.

7 35. This Court has personal jurisdiction over Taylor Farms California, Inc. because it
8 conducts substantial business within California, including the processing, sale, marketing, and
9 advertising of Taylor Farms Romaine Lettuce Products. Taylor Farms California, Inc. also
10 maintains its headquarters in California.

36. This Court has personal jurisdiction over Walmart, Inc. because it conducts
 substantial business within California, including the sale, marketing, and advertising of Taylor
 Farms Romaine Lettuce Products. Walmart also maintains retail stores in California.

This Court has personal jurisdiction over Sam's West, Inc. because it conducts
substantial business within California, including the sale, marketing, and advertising of Taylor
Farms Romaine Lettuce Products. Sam's Club also maintains retail stores in California.

38. Venue is proper in this Court under 28 U.S.C. § 1391(b) because Defendants transact
significant business within this District and because Plaintiff Musgrave purchased Taylor Farms
Romaine Lettuce Products in this District.

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CLASS ACTION ALLEGATIONS

39. Plaintiffs Musgrave and Gray seek to represent a class defined as all persons in the
United States who purchased Taylor Farms Romaine Lettuce Products at any time from February 1,
2018 to the present (the "National Class"). Plaintiffs seek to certify the National Class only as to
Taylor Farms. Excluded from the Class are governmental entities, Defendants, Defendants'
affiliates, parents, subsidiaries, employees, officers, directors, and co-conspirators, and anyone who
purchased Taylor Farms Romaine Lettuce Products for resale. Also excluded is any judicial officer
presiding over this matter and the members of their immediate families and judicial staff.

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40. Plaintiffs also seek to represent a subclass defined as all members of the Class who
 purchased Taylor Farms Romaine Lettuce Products within the state of California (the "California
 Subclass") at any time from February 1, 2018 to the present. Plaintiffs seek to certify the California
 Subclass as to Defendants Taylor Farms, Sam's Club, and Walmart.

41. Members of the Class and the California Subclass are so numerous that their
individual joinder herein is impracticable. The precise number of Class members and their
identities are unknown to Plaintiffs at this time but will be determined through discovery of
Defendants' records. Class members may be notified of the pendency of this action by mail, email,
and/or publication.

42. This suit seeks only damages and equitable relief for recovery of economic injury on
behalf of the Class and Sub-Class and it expressly is not intended to request any recovery for
personal injury and claims related thereto. Plaintiffs reserve the right to modify or expand the
definition of the Class and Sub-Class to seek recovery on behalf of additional persons as warranted
as facts are learned in further investigation and discovery.

43. Common questions of law and fact exist as to all Class members and predominate
over questions affecting only individual Class members. These common legal and factual questions
include, but are not limited to:

18		a.	Whether the marketing and advertisements for Taylor Farms Romaine	
19			Products included false and/or misleading statements;	
20		b.	Whether Defendants' conduct violated the CLRA;	
21		c.	Whether Defendants' conduct violated the FAL;	
22		d.	Whether Defendants' conduct violated the UCL;	
23		e.	Whether Defendants' conduct breached implied warranties; and	
24		f.	Whether Defendants were negligent.	
25	44.	Plain	tiffs Musgrave and Gray's claims are typical of the claims of the proposed (Class
26	and of the Ca	lifornia	a Subclass they seek to represent. Each Class member was subjected to the	
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	CLASS ACTIO	N COM	PLAINT	7

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same illegal conduct, was harmed in the same way and has claims for relief under the same legal
 theories.

45. Plaintiffs Musgrave and Gray are adequate representatives of the Class and of the
California Subclass they seek to represent because their interests do not conflict with the interests of
the Class members they seek to represent, they have retained counsel competent and experienced in
prosecuting class actions, and they intend to prosecute this action vigorously. The interests of Class
and Subclass members will be fairly and adequately protected by Plaintiffs and their counsel.

8 46. The class mechanism is superior to other available means for the fair and efficient 9 adjudication of the claims of Class members. Each individual Class member may lack the resources 10 to undergo the burden and expense of individual prosecution of the complex and extensive litigation 11 necessary to establish Defendants' liability. Individualized litigation increases the delay and 12 expense to all parties and multiplies the burden on the judicial system presented by the complex 13 legal and factual issues of this case. Individualized litigation also presents a potential for inconsistent or contradictory judgments. In contrast, the class action device presents far fewer 14 management difficulties and provides the benefits of single adjudication, economy of scale, and 15 16 comprehensive supervision by a single court on the issue of a defendant's liability. Class treatment 17 of the liability issues will ensure that all claims and claimants are before this Court for consistent 18 adjudication of the liability issues.

47. Unless a class is certified, Defendants will retain monies received as a result of their
conduct that were taken from Plaintiffs and proposed Class members. Unless a class-wide
injunction is issued, Defendants will continue to commit the violations of law alleged, and the
members of the Class and the general public will continue to be harmed thereby.

COUNT I Breach of the Implied Warranty of Merchantability for Food 48. Plaintiffs Musgrave and Gray incorporate by reference and re-allege each and every allegation set forth above as though fully set forth herein.

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49. Plaintiffs Musgrave and Gray bring this claim individually and on behalf of the
 members of the proposed Class against Taylor Farms and on behalf of the California Subclass
 against Taylor Farms, Sam's Club and Walmart. Plaintiffs and the Class members have suffered
 injury in fact and lost money or property as a result of the actions (and inactions) of Defendants.

5 50. California Civil Code § 1791.1(a) states in pertinent part, "Implied warranty of
6 merchantability" or "implied warranty that goods are merchantable" means that the consumer goods
7 must meet each of the following:

8

a. Pass without objection in the trade under the contract description;

Are fit for the ordinary purposes for which such goods are used;

9

b.

10

c. Are adequately contained, packaged, and labeled; and

11

d. Conform to the promises or affirmations of fact made on the container or label.

12 51. California Civil Code § 1791.1(b) states in pertinent part "Implied warranty of 13 fitness means that when the retailer, distributor, or manufacturer has reason to know any particular 14 purpose for which the consumer goods are required, and further, that the buyer is relying on the skill 15 and judgment of the seller to select and furnish suitable goods, then there is an implied warranty 16 that the goods shall be fit for such purpose and that when there is a sale of an assistive device sold at 17 retail in this state, then there is an implied warranty by the retailer that the device is specifically fit 18 for the particular needs of the buyer."

19 52. California Civil Code § 1791.1(d) states "[a]ny buyer of consumer goods injured by
20 a breach of the implied warranty of merchantability and where applicable by a breach of the implied
21 warranty of fitness has the remedies provided in Chapter 6 (commencing with Section 2601) and
22 Chapter 7 (commencing with Section 2701) of Division 2 of the Commercial Code, and, in any
23 action brought under such provisions, Section 1794 of this chapter shall apply."

Solution 24 53. California Civil Code § 1792 states "[u]nless disclaimed in the manner prescribed by
this chapter, every sale of consumer goods that are sold at retail in this state shall be accompanied
by the manufacturer's and the retail seller's implied warranty that the goods are merchantable. The

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retail seller shall have the right of indemnity against the manufacturer in the amount of any liability
 under this section."

3 54. Defendant Taylor Farms is, and at all relevant times was, a merchant engaged in the
4 business of processing, manufacturing and distributing, among other things, Taylor Farms Romaine
5 Lettuce Products.

6 55. Defendant Sam's Club is, and at all relevant times was, a seller of Taylor Farms
7 Romaine Lettuce Products.

8 56. Defendant Walmart is, and at all relevant times was, a seller of Taylor Farms
9 Romaine Lettuce Products.

10 57. Plaintiffs and the class members purchased the recalled Taylor Farms Romaine
11 Lettuce Products.

12 58. Defendants, as the processors, manufacturers, distributors, and sellers of the recalled
13 Taylor Farms Romaine Lettuce Products, both expressly and impliedly, as set forth more fully
14 above, warranted that the products would, among other things, meet federal and state standards for
15 human consumption, be consumable by humans under ordinary and expected usage, were free from
16 defects, and were fit for ordinary purpose.

17 59. Defendants breached the duty of implied warranty by selling the Taylor Farms
18 Romaine Lettuce Products in a manner that did not conform to the promises of affirmations of fact
19 made by Defendants, including those made on the labeling and packaging because they were
20 defective.

Each of the Plaintiffs consumed the Taylor Farms Romaine Lettuce Products almost
immediately after purchasing and before the "Best By" dates.

61. At the time Plaintiffs purchased the Taylor Farms Romaine Lettuce Products,
Defendants, as previously mentioned, were and are in the business of selling the products and also
held themselves out as having special knowledge and skill regarding products containing romaine
lettuce.

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62. The Romaine Lettuce Products, with a "Best By" date from February 1, 2018 to the
 present, are defective and unsafe because they were distributed to the public containing harmful or
 potentially harmful *E. coli*. As a result, the Taylor Farms Romaine Lettuce Products were not
 consumable as would be expected under ordinary and expected consumption, thus rendering the
 products inconsumable and dangerous to the health of its consumers and were the cause of
 Plaintiffs' sickness.

7 63. The Taylor Farms Romaine Lettuce Products were not of the same quality as those
8 generally accepted in the romaine lettuce trade.

9 64. The Taylor Farms Romaine Lettuce Products did not measure up to the promises and
10 facts contained on the container/label because the product itself was not consumable.

11 65. The harmful condition (*i.e.*, the *E. coli*) was not, and could not, have been reasonably
12 expected by the average consumer to be found in Defendants' Romaine Lettuce Products. As a
13 direct and proximate result of the aforementioned acts of Defendants, Defendants have been
14 unjustly enriched, because Defendants sold harmful or potentially harmful product to Plaintiffs and
15 the Class.

16 66. As a direct and proximate result of Defendants' acts, Plaintiffs and the Class
17 members have all been harmed.

18 67. As a direct and proximate result of these misrepresentations, Plaintiffs and the class
19 members have been damaged in an amount to be proven at trial. The damages suffered by Plaintiffs
20 and the Class members include, but are not limited to, the monies paid to Defendants for the
21 recalled Romaine Lettuce Products.

 22
 COUNT II

 23
 Violation of California's Consumers Legal Remedies Act ("CLRA"), California Civil Code § 1750, et seq. (Injunctive Relief Only)

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 68. Plaintiffs Musgrave and Gray incorporate by reference and re-allege each and every

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 allegation set forth above as though fully set forth herein.

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69. Plaintiffs Musgrave and Gray bring this claim individually and on behalf of the
 members of the proposed Class against Taylor Farms and on behalf of the California Subclass
 against Taylor Farms, Sam's Club, and Walmart.

- 70. Civil Code § 1770(a)(5) prohibits "[r]epresenting that 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." Civil Code § 1770(a)(7) prohibits "[r]epresenting that 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."
- 10 71. Defendants violated Civil Code § 1770(a)(5) and (a)(7) by making false, and
 11 misleading statements by holding out the Taylor Farms Romaine Lettuce Products to be healthy and
 12 ready to eat, when in fact the products were contaminated by harmful or potentially harmful *E coli*.
- 13 72. Plaintiffs and the members of the California Subclass have suffered harm as a result
 14 of these violations of the CLRA because they have incurred charges and/or paid monies for the
 15 Taylor Farms Romaine Lettuce Products that they otherwise would not have incurred or paid.
- 16 73. On May 11, 2018 and May 14, 2018, prior to the filing of this Complaint, a CLRA
 17 notice letter was sent to Defendants Taylor Farms, Walmart, and Sam's Club which complies in all
 18 respects with California Civil Code §1782(a). Plaintiffs' counsel sent Defendants the letters via
 19 certified mail, return receipt requested, advising Defendants that they are in violation of the CLRA
 20 and demanding that they cease and desist from such violations and make full restitution by
 21 refunding the monies received therefrom. A true and correct copy of Plaintiffs' CLRA letters are
 22 attached hereto as Exhibits A and B.
- 23 74. Wherefore, Plaintiffs presently only seeks injunctive relief for this violation of the
 24 CLRA.
- 25 26 27

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CLASS ACTION COMPLAINT

1 2 **COUNT III** Violation of California's False Advertising Law ("FAL"), 3 Business & Professions Code § 17500 et seq. 4 75. Plaintiffs Musgrave and Gray incorporate by reference and re-allege each and every 5 allegation set forth above as though fully set forth herein. 6 76. Plaintiffs Musgrave and Gray bring this claim individually and on behalf of the 7 members of the proposed Class against Taylor Farms and on behalf of the California Subclass 8 against Taylor Farms, Sam's Club, and Walmart. 9 77. Defendants violated Business & Professions Code § 17500 by publicly disseminating 10 false and misleading advertisements regarding Taylor Farms Romaine Lettuce Products when it 11 stated the products were triple washed and ready to consume as a healthy meal when in reality the 12 products contained illness-inducing bacteria. 13 78. Defendants' false and misleading advertisements were disseminated to increase the 14 sales of Taylor Farms Romaine Lettuce Products. 15 79. Defendants knew or should have known that their advertisements for Taylor Farms 16 Romaine Lettuce Products were false and misleading, and those advertisements would induce 17 consumers to purchase Taylor Farms Romaine Lettuce Products. 18 80. Plaintiffs and the members of the Class and California Subclass have suffered harm 19 as a result of these violations of the FAL because they have incurred charges and/or paid monies for 20 Taylor Farms Romaine Lettuce Products that they otherwise would not have incurred or paid. 21 **COUNT IV** 22 Unlawful Business Practices In Violation of California's Unfair Competition Law ("UCL"), Business & Professions Code §§ 17200 et seq. 23 (Unlawful Practices) 24 81. Plaintiffs Musgrave and Gray incorporate by reference and re-allege each and every 25 allegation set forth above as though fully set forth herein. 26 27 28 13 CLASS ACTION COMPLAINT

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82. Plaintiffs Musgrave and Gray bring this claim individually and on behalf of the
 members of the proposed Class against Taylor Farms and on behalf of the California Subclass
 against Taylor Farms, Sam's Club, and Walmart.

4 83. Defendants violated the unlawful prong of the UCL by violating Civil Code §
5 1770(a)(5) and Business & Professions Code § 17500 as described above.

84. Defendants' misrepresentations and other conduct, described herein, violated the
"unfair" prong of the UCL in that Defendants' conduct is substantially injurious to consumers and
offends public policy.

9 85. Plaintiffs and the members of the Class and California Subclass have suffered harm
10 as a result of the violations of the UCL because they have incurred charges and/or paid monies for
11 Taylor Farms Romaine Lettuce Products they otherwise would not have incurred or paid.

12 13

<u>COUNT V</u> Negligence

14 86. Plaintiffs Musgrave and Gray incorporate by reference and re-allege each and every
15 allegation set forth above as though fully set forth herein.

87. Plaintiffs Musgrave and Gray bring this claim individually and on behalf of the
 members of the proposed Class against Taylor Farms and on behalf of the California Subclass
 against Taylor Farms, Sam's Club, and Walmart.

19 88. Defendants owed a duty of care to Plaintiffs, individually, and to the Class members
20 they seek to represent. Defendants owed a duty to use reasonable care in manufacturing and
21 distributing the Taylor Farms Romaine Lettuce Products that were free of a harmful or potentially
22 harmful strain of *E. coli*, including a duty owed by California Civil Code § 1714(a).

89. Defendants breached their duties to Plaintiffs and the Class and Subclass by failing
to take reasonable steps to identify and prevent harmful or potentially harmful *E. coli* from being
introduced to, or growing within, the Taylor Farms Romaine Lettuce Products before selling such
products to consumers.

90. Had Defendants exercised reasonable care and skill in the processing,
 manufacturing, and selling of the Taylor Farms Romaine Lettuce Products, Plaintiffs and the Class

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and Subclass would not have purchased and/or ingested harmful or potentially harmful lettuce
 containing *E. coli*.

3 91. The harmful or potentially harmful *E. coli* contaminated Taylor Farms Romaine
4 Lettuce Products processed, manufactured, distributed, and sold by Defendants was a substantial
5 factor in causing Plaintiffs' and the Class and Subclass members' harm.

6 92. Plaintiffs and the Class and Subclass have suffered damages, including, but not
7 limited to, economic damages, according to proof at trial.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment and relief as follows:

A. An order certifying that this lawsuit is properly maintainable as a class action and
 certifying Plaintiffs Musgrave and Gray as the representatives of the Class; and Plaintiffs Musgrave
 and Gray as the representatives of the California Subclass.

13	B.	For all	forms	of relief	set forth	above;
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- C. Damages against Defendants in an amount to be determined at trial, together with pre and post-judgment interest at the maximum rate allowable by law on any amounts
 awarded;
- D. Restitution and/or disgorgement in an amount to be determined at trial;
- 18 E. Punitive damages;
- 19 F. Reasonable attorneys' fees and costs;
- 20 G. Granting such other and further relief as may be just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiffs demand a trial by jury of all issues so triable.

24 Dated: May 14, 2018

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BURSOR & FISHER, P.A.

Respectfully submitted,

By: <u>/s/ L. Timothy Fisher</u> L. Timothy Fisher

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	CLASS ACTION COMPLAINT

CLRA Venue Declaration Pursuant to California Civil Code Section 1780(d)

I, L. Timothy Fisher, declare as follows:

1. I am an attorney at law licensed to practice in the State of California and a member of the bar of this Court. I am a partner at Bursor & Fisher, P.A., counsel of record for Plaintiffs Rick Musgrave and Margaret Gray in this action. I have personal knowledge of the facts set forth in this declaration and, if called as a witness, I could and would competently testify thereto under oath.

2. The Complaint filed in this action is filed in the proper place for trial under Civil Code Section 1780(d) in that a substantial portion of the events alleged in the Complaint occurred in the Northern District of California.

I declare under the penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct and that this declaration was executed at Walnut Creek, California this 14th day of May, 2018.

/s/ L. Timothy Fisher

L. Timothy Fisher

EXHIBIT A

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1990 N. California Blvd. SUITE 940 WALNUT CREEK, CA 94596 <u>www.bursor.com</u> BLAIR E. REED Tel: 925.300.4455 Fax: 925.407.2700 breed@bursor.com

May 11, 2018

Via Certified Mail - Return Receipt Requested

Taylor Farms Pacific, Inc. 150 Main Street, Suite 400 Salinas, CA 93901

Taylor Farms Retail, Inc. 150 Main Street, Suite 400 Salinas, CA 93901

Taylor Farms California, Inc. 150 Main Street, Suite 400 Salinas, CA 93901

Walmart, Inc. 702 SW 8th Street Bentonville, AR 71716

Re: Demand Letter Pursuant to California Civil Code § 1782

To Whom It May Concern:

This letter serves as a preliminary notice and demand for corrective action by Taylor Farms Pacific, Inc., Taylor Farms Retail, Inc., Taylor Farms California, Inc., and Walmart, Inc., pursuant to the provisions of California Civil Code § 1782, on behalf of our clients Rick Musgrave and Margaret Gray, and all other persons similarly situated.

Taylor Farms purports to be "North America's favorite maker of salads and healthy fresh foods." In the marketing and advertisements for Taylor Farms products, you claim that Taylor Farms products are "triple washed and ready to enjoy." Using Taylor Farms products, you claim consumers can make numerous healthy recipes using those products and provide those recipes both on the packaging and on your website, www.TaylorFarms.com. However, you recalled numerous products from Sam's Club because the following products (collectively the "Taylor Farms Romaine Lettuce Products") were contaminated with harmful, even potentially deadly, *E. coli*:

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- Taylor Farms Southwest Chopped Salad 10/12.55 oz. (UPC 8-24862-00632-7);
- Taylor Farms Asian Chopped Salad, 10/13 oz. (UPC 8-24862-00630-3);
- Taylor Farms Asian Chopped Salad, 10/15.75 oz. (UPC 0-30223-04149-8);
- Taylor Farms Caesar Kit Family Size 14/16.9 oz. (UPC 0-30223-02557-0);
- Taylor Farms Chopped Romaine 6/2 lb. (UPC 0-30223-04022-4);
- Taylor Farms Romaine Blend 12/2.5 oz. (UPC 0-30223-1124-8); and
- Taylor Farms Farmhouse Bacon Chopped Salad (UPC 0-30223-04114-6)

All of the Taylor Farms Romaine Lettuce Products listed in the recall promote convenient, healthy, "ready to eat" meals. These and other similar statements regarding Taylor Farms Romaine Lettuce Products are false and misleading and induce consumers like Mr. Musgrave and Ms. Gray, and others to purchase the product. By making such false and misleading statements, you have violated numerous provisions of California law including the Consumers Legal Remedies Act, California Civil Code § 1770, including but not limited to subsections (a)(5) and (a)(7).

We hereby demand that you immediately (1) cease and desist from fraudulently marketing Taylor Farms Romaine Lettuce Products, and (2) make full restitution of all monies obtained from purchasers of those products.

It is further demanded that you preserve all documents and other evidence which refer or relate to any of the above-described practices including, but not limited to, the following:

1. All documents regarding the advertisement and marketing of Taylor Farms Romaine Lettuce Products;

2. All documents concerning the sale of Taylor Farms Romaine Lettuce Products, including the total amount of money generated from the sale of those products;

3. All documents concerning any testing or other research done regarding the safety of Taylor Farms Romaine Lettuce Products;

4. All communications with customers and former customers concerning complaints related to Taylor Farms Romaine Lettuce Products;

5. All documents concerning the identity of those individuals who purchased Taylor Farms Romaine Lettuce Products;

6. All documents and/or communications between you and the Centers for Disease Control and Prevention relating to the contamination of romaine lettuce; and

BURSOR & FISHER, P.A.

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7. All documents and/or communications between you and any retailer relating to the contamination of romaine lettuce.

Please comply with this demand within 30 days from receipt of this letter.

We are willing to negotiate with you to attempt to resolve the demands asserted in this letter. If you wish to enter into such discussions, please contact me immediately. If I do not hear from you promptly, I will conclude that you are not interested in resolving this dispute short of litigation.

If you contend that any statement in this letter is inaccurate in any respect, please provide us with your contentions and supporting documents immediately upon receipt of this letter, but in no event later than 30 days from the date of receipt.

Very truly yours,

Blair E. Reed breed@bursor.com

EXHIBIT B



1990 N. California Blvd. SUITE 940 WALNUT CREEK, CA 94596 <u>www.bursor.com</u> BLAIR E. REED Tel: 925.300.4455 Fax: 925.407.2700 breed@bursor.com

May 14, 2018

Via Certified Mail - Return Receipt Requested

Sam's West, Inc 708 SW 8th Street Bentonville, AR 72716

Re: Demand Letter Pursuant to California Civil Code § 1782

To Whom It May Concern:

This letter serves as a preliminary notice and demand for corrective action by Sam's West, Inc. pursuant to the provisions of California Civil Code § 1782, on behalf of our clients Rick Musgrave and Margaret Gray, and all other persons similarly situated.

Taylor Farms purports to be "North America's favorite maker of salads and healthy fresh foods." In the marketing and advertisements for Taylor Farms products, you claim that Taylor Farms' products are "triple washed and ready to enjoy." Using Taylor Farms' products, you claim consumers can make numerous healthy recipes using those products and provide those recipes both on the packaging and on your website, www.TaylorFarms.com. However, you recalled numerous products from Sam's Club because the following products (collectively the "Taylor Farms Romaine Lettuce Products") were contaminated with harmful, even potentially deadly, *E. coli*:

- Taylor Farms Southwest Chopped Salad 10/12.55 oz. (UPC 8-24862-00632-7);
- Taylor Farms Asian Chopped Salad, 10/13 oz. (UPC 8-24862-00630-3);
- Taylor Farms Asian Chopped Salad, 10/15.75 oz. (UPC 0-30223-04149-8);
- Taylor Farms Caesar Kit Family Size 14/16.9 oz. (UPC 0-30223-02557-0);
- Taylor Farms Chopped Romaine 6/2 lb. (UPC 0-30223-04022-4);
- Taylor Farms Romaine Blend 12/2.5 oz. (UPC 0-30223-1124-8); and
- Taylor Farms Farmhouse Bacon Chopped Salad (UPC 0-30223-04114-6)

All of the Taylor Farms Romaine Lettuce Products listed in the recall promote convenient, healthy, "ready to eat" meals. These and other similar statements regarding Taylor Farms Romaine Lettuce Products are false and misleading and induce consumers like Mr. Musgrave and Ms. Gray, and others to purchase the product. By making such false and misleading statements, you have violated numerous provisions of California law

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including the Consumers Legal Remedies Act, California Civil Code § 1770, including but not limited to subsections (a)(5) and (a)(7).

We hereby demand that you immediately (1) cease and desist from fraudulently marketing Taylor Farms Romaine Lettuce Products, and (2) make full restitution of all monies obtained from purchasers of those products.

It is further demanded that you preserve all documents and other evidence which refer or relate to any of the above-described practices including, but not limited to, the following:

1. All documents regarding the advertisement and marketing of Taylor Farms Romaine Lettuce Products;

2. All documents concerning the sale of Taylor Farms Romaine Lettuce Products, including the total amount of money generated from the sale of those products;

3. All documents concerning any testing or other research done regarding the safety of Taylor Farms Romaine Lettuce Products;

4. All communications with customers and former customers concerning complaints related to Taylor Farms Romaine Lettuce Products;

5. All documents concerning the identity of those individuals who purchased Taylor Farms Romaine Lettuce Products;

6. All documents and/or communications between you and the Centers for Disease Control and Prevention relating to the contamination of romaine lettuce; and

7. All documents and/or communications between you and any retailer relating to the contamination of romaine lettuce.

Please comply with this demand within 30 days from receipt of this letter.

We are willing to negotiate with you to attempt to resolve the demands asserted in this letter. If you wish to enter into such discussions, please contact me immediately. If I do not hear from you promptly, I will conclude that you are not interested in resolving this dispute short of litigation.

If you contend that any statement in this letter is inaccurate in any respect, please provide us with your contentions and supporting documents immediately upon receipt of this letter, but in no event later than 30 days from the date of receipt. BURSOR & FISHER, P.A.

page 3

Very truly yours,

Blair E. Reed breed@bursor.com

VHCOVER SHEET 05/14/18 Page 1 of 1 Case 4:18-cv-02841-SB JS-CAND 44 (Rev. 06/17)

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS RICK MUSGRAVE and MARGARET GRAY, individually and on behalf of al others similarly situated,	DEFENDANTS TAYLOR FARMS PACIFIC INC., TAYLOR FARMS RETAIL, INC., TAYLOR FARMS CALIFORNIA, INC., SAM'S WEST, INC., WALMART INC.			
(b) County of Residence of First Listed Plaintiff Contra Costa (EXCEPT IN U.S. PLAINTIFF CASES)	County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF			
	THE TRACT OF LAND INVOLVED.			
(c) Attorneys (Firm Name, Address, and Telephone Number) L. Timothy Fisher, Bursor & Fisher, P.A., 1990 N. California Blvd, Suite 940 Walnut Creek, CA 94596 Tel.: (925) 300-4455	Attorneys (If Known)			
	TTIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff For Diversity Cases Only) and One Box for Defendant)			
	PTF DEF PTF DEF			
1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party) Cit	izen of This State X 1 1 Incorporated <i>or</i> Principal Place 4 4 of Business In This State			
2 U.S. Government Defendant X 4 Diversity (Indicate Citizenship of Parties in Item III)	izen of Another State 2 2 Incorporated and Principal Place 5 x 5 of Business In Another State			
Cit	izen or Subject of a 3 3 Foreign Nation 6 6			

/s/ L. Timothy Fisher

NATURE OF SUIT (Place an "X" in One Box Only) IV. CONTRACT TOPTS

CONTRACT	TO	RTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES		
 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment Of Veteran's Benefits 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury -Medical Malpractice	 PERSONAL INJURY 365 Personal Injury – Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability 968 Asbestos Personal Injury Product Liability 369 Asbestos Personal Injury Product Liability 369 Asbestos Personal Injury Product Liability 360 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability PRISONER PETITIONS 	FORFEITURE/PENALTY 625 Drug Related Seizure of Property 21 USC § 881 690 Other LABOR 710 Fair Labor Standards Act 720 Labor/Management Relations 740 Railway Labor Act 751 Family and Medical Leave Act 790 Other Labor Litigation 791 Employee Retirement Income Security Act IMMIGRATION 462 Naturalization Application	BANKRUPTCY 422 Appeal 28 USC § 158 423 Withdrawal 28 USC § 157 PROPERTY RIGHTS 820 Copyrights 830 Patent 835 Patent—Abbreviated New Drug Application 840 Trademark SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g))	 375 False Claims Act 376 Qui Tam (31 USC § 3729(a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced & Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 850 Securities/Commoditie Exchange 890 Other Statutory Action 891 Agricultural Acts 		
 195 Contract Product Liability 196 Franchise REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property 	 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities- Employment 446 Amer. w/Disabilities-Other 448 Education 	HABEAS CORPUS 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty OTHER er 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee– Conditions of Confinement	465 Other Immigration Actions	FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS-Third Party 26 USC § 7609	 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes 		
7. ORIGIN (Place an 1 Original 2 Proceeding	2 Removed from 3 State Court	Remanded from 4 Reinsta Appellate Court Reoper	ned Another District	(specify) Litigation–Trans	8 Multidistrict fer Litigation–Direct File		
VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite iurisdictional statutes unless diversity): 28 U.S.C. Section 1332(d) Brief description of cause: Plaintiffs allege that Defendants falsely and misleadingly labeled and marketed their romaine lettuce products.							
P	laintiffs allege that Defen	dants falsely and misleadi	ngly labeled and markete	ed their romaine lettuce pr	oducts.		
	laintiffs allege that Defen N ✓ CHECK IF THIS IS A UNDER RULE 23, Fee	CLASS ACTION DEMA		CHECK YES only if dema JURY DEMAND:			
VII. REQUESTED I	N ✓ CHECK IF THIS IS A UNDER RULE 23, Fee E(S), UDGE	CLASS ACTION DEMA		CHECK YES only if dema	anded in complaint:		

SIGNATURE OF ATTORNEY OF RECORD

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Class Action Filed Against Taylor Farms</u>, <u>Sam's Club</u>, <u>Walmart Over E. Coli-Tainted Romaine Lettuce</u>