CLASS ACTION COMPLAINT

Plaintiff Karen Nelson ("Plaintiff") brings this class action complaint against Defendant The Coca-Cola Company ("Defendant"), individually and on behalf of all others similarly situated, and alleges upon personal knowledge as to Plaintiff's acts and experiences, and, as to all other matters, upon information and belief, including investigation conducted by Plaintiff's attorneys.

#### NATURE OF THE ACTION

- 1. Defendant manufactures, markets, advertises, and sells a line of products in the "alternative" soda beverage category, which Defendant prominently labels and sells as "Hansen's Natural" sodas (collectively, the "Hansen's Natural Sodas", individually, a "Hansen's Natural Soda"). Defendant uses the "natural" branding strategy and labeling claim as the primary feature differentiating Hansen's Natural Sodas from other soda products in the marketplace. However, Defendant's advertising and marketing is false, deceptive and misleading because each Hansen's Natural Soda product contains one or more artificial and/or synthetic, non-natural ingredients, including Ascorbic Acid, Citric Acid, and Caramel Color.
- 2. The labeling for the Hansen's Natural Sodas is materially the same for all flavors of the Hansen's Natural Sodas, and appears as follows:





3. Plaintiff relied on Defendant's representation that its Hansen's Natural Sodas were in fact "natural" and that representation was material to her and other Class members' decision to purchase the Hansen's Natural Sodas. In

fact, the "natural" branding strategy and labeling representation is central to the marketing and sale of the Hansen's Natural Sodas.

- 4. A reasonable consumer would expect that a product branded and labeled "natural" does not contain any artificial or synthetic ingredients. Defendant's representation that the Hansen's Natural Sodas are "natural" is false, misleading, and reasonably likely to deceive the public. Defendant's advertising and marketing campaign is designed to cause consumers to purchase Hansen's Natural Sodas as a result of this deceptive message, and Defendant has succeeded.
- 5. Plaintiff brings this action on behalf of herself and other similarly situated consumers in the United States to halt the dissemination of Defendant's false and misleading advertising message, correct the false and misleading perception it has created in the minds of consumers, and obtain redress for those who have purchased the Hansen's Natural Sodas. Plaintiff alleges violations of the California Consumers Legal Remedies Act, California's Unfair Competition Law, and breach of the express warranty created by Defendant's advertising, including its labeling.

# **JURISDICTION AND VENUE**

- 6. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because this is a class action in which: (1) there are over 100 members in the proposed class; (2) members of the proposed class have a different citizenship from Defendant; and (3) the claims of the proposed class members exceed \$5,000,000 in the aggregate.
- 7. This Court has personal jurisdiction because Defendant's contacts with the forum are continuous and substantial, and Defendant intentionally availed itself of the markets within California through its sales of the Hansen's Natural Sodas to consumers, including Plaintiff.

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8. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because Defendant engages in continuous and systematic business activities within the State of California. Moreover, a substantial part of the events and omissions giving rise to the claims alleged herein occurred in this District.

#### **PARTIES**

- 9. Plaintiff Karen Nelson is a resident of San Diego County, and over the age of eighteen (18) years. Plaintiff most recently purchased Hansen's Natural Sodas in the summer of 2016 from a Walmart store located at 732 Center Drive, San Marcos, California 92069. Plaintiff was exposed to, read and relied on the "natural" representation that was prominently displayed on the front label of the Hansen's Natural Sodas she purchased at Walmart. Plaintiff also purchased Hansen's Natural Sodas at Sprouts Farmers Market and Smart & Final. Prior to her purchases of Hansen's Natural Soda, Plaintiff was exposed to and read the "natural" representation that was prominently displayed on the front label of every Hansen's Natural Soda. At the time she made her purchases, Plaintiff believed that Defendant's Hansen's "Natural" Soda was in fact natural, i.e., free of any artificial and synthetic ingredients. Plaintiff relied on Defendant's representation that Hansen's Natural Sodas are "natural" and she would not have purchased Defendant's Hansen's Natural Sodas if she had known they were not natural but instead contained artificial and synthetic ingredients. Plaintiff was injured in fact and lost money as a result of Defendant's improper conduct.
- 10. Defendant, The Coca-Cola Company, is a Delaware corporation, with its principal place of business located in Atlanta, Georgia. Defendant manufactures, markets and sells the Hansen's Natural Sodas throughout the United States, including in California. In 2015, Defendant purchased Corona, California-based Monster Beverage Corporation's non-energy products, including Hansen's Natural Sodas, for \$2.15 billion. Following Defendant's

acquisition of Hansen's Natural Sodas, Hansen's offices remained in Corona, California.

- 11. At all times relevant herein, Defendant and its subsidiaries, affiliates, and other related entities, as well as their respective employees, were the agents, servants and employees of Defendant, and at all times relevant herein, each were acting within the course and scope of that agency and employment.
- 12. Whenever reference in this Class Action Complaint is made to any act by Defendant or its subsidiaries, affiliates, distributors, retailers, and other related entities, such allegation shall be deemed to mean that the principals, officers, directors, employees, agents, and/or representatives of Defendant committed, knew of, performed, authorized, ratified, and/or directed that act or transaction on behalf of Defendant while actively engaged in the scope of their duties.

## FACTUAL ALLEGATIONS

- 13. There is a strong consumer demand for products that are "natural" and free of artificial and synthetic ingredients. Natural products reportedly generated sales of \$81 billion in 2010 alone. Reasonable consumers, including Plaintiff and Class Members, value natural products for important reasons including the belief that they are safer and/or healthier than products that are not represented as natural.
- 14. There is also a well-recognized association amongst consumers between the concept of nature (or "natural" food and drink products) and positive feelings associated with nature. According to a 2017, peer-reviewed systematic review of 72 published journal articles on the importance of naturalness, "naturalness per se is perceived as a desirable product attribute."

S. Roman et al., *The importance of food naturalness for consumers: Results of a systematic review*, Trends in Food Science & Technology 67:44-57 (2017).

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1	15. Academics hypothesize that the positive associations of so-called
2	natural products are rooted in part to "Argumentum ad Naturam" or "appeal to
3	nature," which is the logical fallacy that "natural" is always better than
4	"unnatural." Whether or not it is true that what is natural is good or better than
5	what is unnatural, there is a reasonable tendency to believe that things which are
6	natural are superior by virtue of their natural qualities.
7	16. "Natural" is a marketing buzzword because it positively influences
8	consumer perception and purchase decisions. For example, the 2015 Nielsen
9	Global Health and Wellness Survey, conducted in 60 countries and involving

- S n 30,000 consumers, revealed that the most desirable food attributes are freshness, naturalness, and minimal processing.<sup>2</sup> Similarly, a 2012 study of over 4,000 consumers in eight European countries found that food naturalness was a "decisive buying incentive."
- 17. In 2004, Rozin and co-authors published the results from two studies of Americans examining the preference for "natural" with foods and medicines. The authors observed that "In recent decades, in the developed world. especially in the United States, a strong desire for things that are natural has appeared." Based on the results of their two studies, Rozin et al. concluded "that there is a substantial natural preference."<sup>4</sup>
- In 2017, Roman et al. published the results from the first-ever 18. systematic review of the literature on consumers' perceived importance of food

https://www.nielsen.com/content/dam/nielsenglobal/eu/nielseninsights/ pdfs/Nielsen%20Global%20Health%20and%20Wellness%20Report%20-% 20January%202015.pdf

http://goodmillsinnovation.com/sites/kfi.kampffmeyer.faktor3server.de/ files/attachments/1\_pi\_kfi\_cleanlabelstudy\_english\_final.pdf

P. Rozin et al., Preference for natural: instrumental and ideational/moral motivations, and the contrast between foods and medicines, Appetite 43:147-154 (2004).

naturalness. Based on their scientific review of 72 studies conducted in 32 countries involving 85,348 consumers, the authors found that "independent of the country and the year of the study, naturalness was considerably important for consumers," and "for the majority of consumers in developed countries, naturalness in food products is important." According to the authors, "[i]t is important to realize that consumers' perceptions of a food product not only influence the willingness to buy it, but also the sensory experience of that product as well [as] other properties related to it" and therefore, "the food industry needs to develop foods that are perceived as natural and as a result evoke positive thoughts consumers associate with natural foods."<sup>5</sup>

#### Hansen's Natural Sodas

- 19. In the 1930s, Hubert Hansen started a juice company that came to be known as Hansen Natural Corporation. In 2002, the company began selling Monster Energy drinks in addition to the natural soda drinks. Between 2003 and 2011, the company's annual revenue went from \$50 million to \$1.7 billion and the company renamed itself Monster Beverage Corporation. In 2015, Defendant Coca-Cola acquired Hansen's Natural Sodas from Monster Beverage Corporation.
- 20. Throughout a long-term advertising campaign, Hansen's natural soda products have been consistently marketed as the natural alternative within the soda product marketplace.
- 21. For instance, according to a beverage industry analyst quoted in a 1993 article published in the Los Angeles Times, "The idea has been that Hansen wasn't so much formulated as blended from natural products...A lot of

S. Roman et al., *The importance of food naturalness for consumers: Results of a systematic review*, Trends in Food Science & Technology 67:44-57 (2017).

people perceive it as a healthier beverage" than its cola competitors.""6								
According to the same article, Hansen's natural, healthy image was at the heart								
of its advertising as far back as the 1970s: "Hansen executives also hope to build								
on the 'good for you' image that was at the heart of the advertising and								
marketing concocted by founder Hansen in the late 1970s."								

- 22. In its 2009 annual report, the makers of Hansen's natural soda emphasized their product differentiation as a key marketing and sales factor: "We believe that one of the keys to success in the beverage industry is differentiation, which entails making our products visually distinctive from other beverages on the shelves of retailers."
- 23. In its 2004 annual report, Hansen Natural Corporation explained that its soda products compete in the "alternative" beverage category, and that the marketing and packaging for its "natural" soda products emphasize the natural aspect of the products and are specifically focused on consumers who seek products that do not contain artificial ingredients:

We focus on consumers who seek products that are perceived to be natural and healthy and emphasize the natural ingredients and the absence of preservatives, sodium, artificial coloring and caffeine in our beverages (other than our energy drinks) and the addition to most of our products, of one or more supplements. We reinforce this message in our product packaging. Our marketing strategy with respect to our nutrition food bars is similarly to focus on consumers who seek bars that are perceived to be natural and healthy. We emphasize the natural ingredients and the absence of preservatives.

24. According to Hansen Natural Corporation in 2006, "The premium healthier brand image enjoyed by Hansen's Natural Sodas offers unlimited

Greg Johnson, "Hansen Soda Company Bubbling Over With Possibilities: Retailing: The beverage maker says it is well positioned to take advantage of the trend toward 'New Age' drinks," L.A. Times, June 1, 1993, http://www.http://articles.latimes.com/1993-06-01/business/fi-42144\_1\_tim-hansen.

opportunity to capture substantial additional share of the CSD [carbonated soft drink] market, through national distribution."

- 25. "Consumers asked and we listened" Gregg Arends, then the vice president, marketing for Hansen's Beverage Company<sup>7</sup> explained in an April 4, 2008 press release to www.marketwired.com.<sup>8</sup> In that Press Release, Hansen's described the then-newly released Hansen's Natural Sodas as "exotic-flavored, all natural sodas." Moreover, in a section titled *About Hansen Natural Corporation*, Hansen's warranted that "Hansen's brand products are free of preservatives and contain no artificial colors ...." Thus, since their inception, Hansen's has always considered and sought to convince the public that the "natural" branding and labeling on the Hansen's Natural Sodas promises that the products are free from non-natural ingredients.
- 26. In its 2010 annual report, Hansen Natural Corporation described that its natural soda products are within the "new age," "alternative" beverage category industry:

We develop, market, sell and distribute "alternative" beverage category beverages, primarily under the following brand names...Hansen's Natural Sodas®...

# **Industry Overview**

The "alternative" beverage category combines non-carbonated ready-to-drink iced teas, lemonades, juice cocktails, single-serve juices and fruit beverages, ready-to-drink dairy and coffee drinks, energy drinks, sports drinks, and single-serve still water (flavored, unflavored and enhanced) with "new age"

The Hansen Beverage Company formally changed its name to the Monster Energy Company in 2012. *See* http://articles.latimes.com/2012/jan/06/business/la-fi-hansen-20120106 (last visited August 8, 2018).

See http://www.marketwired.com/press-release/hansens-natural-soda-now-made-with-real-cane-sugar-840536.htm (last visited August 7, 2018).

<sup>&</sup>lt;sup>9</sup> *Id.* 

<sup>&</sup>lt;sup>10</sup> *Id*.

beverages, including sodas that are considered natural, sparkling juices and flavored sparkling beverages. According to Beverage Marketing Corporation, domestic wholesale sales in 2010 for the "alternative" beverage category of the market are estimated at \$27.3 billion representing an increase of approximately 3.9% over the estimated domestic wholesale sales in 2009 of approximately \$26.3 billion (revised from a previously reported estimate of \$29.9 billion).

- 27. Coca-Cola's "Venturing and Emerging Brands" unit took ownership of Hansen's Natural Sodas when Defendant acquired the products from Monster Energy in 2015. In a story published on Defendant's website after the acquisition, Defendant promoted Hansen's "strong history and credibility" in the alternative, craft beverage space, and the marketing and sales opportunity presented by Hansen's Natural Sodas: "Consumers today, especially Millennials, want products that are new and different and reflect their lifestyles. They want to know how their beverages are made and where the ingredients come from, and they want to embrace both the founder's story and the brand's personality. The Hansen's brands fit with this mission."
- 28. Defendant makes the same "natural" branding and labeling misrepresentations about all flavors of its Hansen's Natural Sodas at issue: Hansen's Natural Cherry Vanilla, Hansen's Natural Root Beer, Hansen's Natural Ginger Ale, Hansen's Natural Grapefruit, Hansen's Natural Key Lime Twist, Hansen's Natural Kiwi Strawberry, Hansen's Natural Mandarin Lime, Hansen's Natural Orange, Hansen's Natural Orange Mango, Hansen's Natural Original Cola, Hansen's Natural Pomegranate, and Hansen's Natural Vanilla Cola (the "Hansen's Natural Sodas").
- 29. A reasonable consumer understands the representation that a product is "natural" to mean that none of its ingredients are synthetic or artificial.
- 30. However, despite Defendant's claims, the Hansen's Natural Sodas are not "natural." Each of the Hansen's Natural Sodas contains one or more of

the following artificial or synthetic ingredients: caramel Color, citric acid, and ascorbic acid.

- 31. Caramel color, by definition, is an artificial color and therefore non-natural ingredient. According to the FDA, "all color additives regardless of source" are artificial or synthetic.<sup>11</sup>
- 32. Indeed, in a December 2014 letter to Consumers Union, the lobbying arm of Consumer Reports, the FDA unequivocally declared that caramel color specifically is an artificial ingredient. In its letter, the FDA's Acting Director stated that "FDA agrees that the use of the word 'natural' on products that contain *any* artificial ingredients is *inappropriate*." *See* Exhibit A attached (emphasis added).
- 33. Citric acid and ascorbic acid are additional synthetic, non-natural ingredients present in one or more of the Hansen's Natural Sodas.
- 34. Citric acid is a synthetic substance. Citric acid is not extracted from citrus fruits, but industrially manufactured by microbial fermentation with (typically genetically modified) black mold (*Aspergillus niger*) by feeding it highly processed and/or genetically modified corn syrup.
- 35. Ascorbic acid is a chemically modified form of vitamin C used in foods as a chemical preservative (21 C.F.R. § 182.3013) that is a recognized synthetic by federal regulation. 7 C.F.R. § 205.605(b). Unlike natural vitamin C, synthetic ascorbic acid is generally produced from corn or wheat starch being converted to glucose, then to sorbitol and then to ascorbic acid through a series of chemical processes and purification steps.
- 36. The FDA has recognized citric acid and ascorbic acid as chemical preservatives. In a 2010 warning letter issued to Chiquita Brands International, the FDA identified citric acid and ascorbic acid as "chemical preservatives." <sup>12</sup>

See 21 C.F.R. § 101.22(a)(4) (declaring that all color additives are artificial).

- 37. The FDA has issued numerous warning letters to food manufacturers on the basis that products advertised as "natural" "means that nothing artificial or synthetic has been included, or has been added." In two separate warnings letters from 2001, the FDA advised companies that products containing citric acid should not be described as "natural."
- 38. As a result of the presence of these artificial and synthetic ingredients in the Hansen's Natural Sodas, reasonable consumers have been misled by Defendant's false and misleading representation that the Hansen's Natural Sodas are "natural."
- 39. Defendant's representation that the Hansen's Natural Sodas are "natural" is a material representation because consumers attach importance to "natural" claims when making purchase decisions, especially when buying drink products. Thus, Defendant markets and advertises its Hansen's Natural Sodas as "natural" in order to differentiate the products, increase sales and induce consumers to purchase its Hansen's Natural Sodas. Plaintiff and members of the Class were among the intended recipients of Defendant's deceptive "natural" representations. Plaintiff and members of the Class reasonably relied to their detriment on Defendant's misleading representations.
- 40. Defendant's false, misleading, and deceptive misrepresentations are likely to continue to deceive and mislead reasonable consumers and the general public, as they have already deceived and misled Plaintiff and members of the Class.

<sup>&</sup>lt;sup>12</sup> See http://wayback.archive-it.org/7993/20161023101747/http://www.fda.gov/ICECI/EnforcementActions/WarningLetters/2010/ucm228663.htm (last visited September 12, 2018).

See FDA Warning Letter to Hirzel Canning Co. (August 29, 2001) (the term "natural" should not be used to describe chopped tomato products because they contain citric acid and calcium chloride); FDA Warning Letter to Oak Tree Dairy Farm (August 16, 2011) (lemonade drink should not be described as "natural" because it contains citric acid).

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- 41. As a result of Defendant's false, misleading, and deceptive representation that its Hansen's Natural Sodas are "natural", Defendant injured Plaintiff and members of the Class, in that Plaintiff and members of the putative Class:
  - (a) paid a sum of money for the Hansen's Natural Sodas that were not as represented;
  - (b) were deprived the benefit of the bargain because the Hansen's Natural Sodas they purchased were different from what Defendant warranted:
  - (c) were deprived the benefit of the bargain because the Hansen's Natural Sodas they purchased had less value than what Defendant represented;
  - (d) received Hansen's Natural Sodas that were of a different quality than what Defendant promised; and
  - (e) were denied the benefit of truthful drink labels.
- 42. Plaintiff and members of the putative Class would not have purchased the Hansen's Natural Sodas if they had known that the Hansen's Natural Sodas were not "natural."
- 43. Alternatively, Plaintiff and members of the putative Class would not have purchased the Hansen's Natural Sodas at the price paid had they known that the Hansen's Natural Sodas contained artificial and synthetic ingredients and are thus, not "natural."
- 44. Had Defendant not made the false, misleading, and deceptive "natural" representations, Plaintiff and members of the putative Class would not have been economically injured.
- 45. Accordingly, Plaintiff and members of the putative Class have suffered injury in fact, lost money or property, and suffered economic damages as a result of Defendant's wrongful conduct.

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- 46. Therefore, Plaintiff and members of the Class are entitled to damages and equitable relief, including, but not limited to, injunctive relief, restitution, and disgorgement.
- 47. Plaintiff and members of the Class also seek injunctive relief in the form of an order prohibiting Defendant from selling the deceptively advertised Hansen's Natural Sodas and for corrective advertising.

#### **CLASS ALLEGATIONS**

48. Plaintiff brings this action as a class action pursuant to Federal Rules of Civil Procedure 23(b)(2) and 23(b)(3) on behalf of the following Nationwide Class, or, in the alternative Multi-State Class:

### **Nationwide Class**

All citizens of the United States who purchased Defendant's Hansen's Natural Sodas for personal use until the date notice is disseminated.

# **Multi-State Class**

All persons in California and other states with similar laws,<sup>14</sup> who purchased Defendant's Hansen's Natural Sodas for personal use until the date notice is disseminated.

49. In the alternative, Plaintiff brings this action on behalf of herself and all other similarly situated California consumers pursuant to Rules 2 (b)(2) and (b)(3) of the Federal Rules of Civil Procedure and seeks certification of the following California Class:

While discovery may alter the following, Plaintiff preliminarily avers other states with similar consumer fraud laws under the facts of this case include, but are not limited to: Florida (Fla. Stat. §§ 501.201, et seq.); Illinois (815 Ill. Comp. Stat. Ann. §§ 505/1, et seq.); Massachusetts (Mass. Gen. Laws Ch. 93A, et seq.); Michigan (Mich. Comp. Laws §§ 445.901, et seq.); Minnesota (Minn. Stat. §§ 325F.67, et seq.); Missouri (Mo. Rev. Stat. §§ 407.010, et seq.); New Jersey (N.J. Stat. §§ 56:8-1, et seq.); New York (N.Y. Gen. Bus. Law §§ 349, et seq.; and Washington (Wash. Rev. Code §§ 19.86.010, et seq.) (collectively, the "Multi-State Class States").

### **California-Only Class**

All persons in California who purchased Defendant's Hansen's Natural Sodas for personal use until the date notice is disseminated.

- 50. Excluded from the Class are: (i) Defendant and its officers, directors, and employees; (ii) any person who files a valid and timely request for exclusion; and (iii) judicial officers and their immediate family members and associated court staff assigned to the case.
- 51. Plaintiff reserves the right to amend or otherwise alter the class definition presented to the Court at the appropriate time, or to propose or eliminate sub-classes, in response to facts learned through discovery, legal arguments advanced by Defendant, or otherwise.
- 52. This action is properly maintainable as a class action pursuant to Federal Rule of Civil Procedure 23 for the reasons set forth below.
- 53. Numerosity—Federal Rule of Civil Procedure 23(a)(1). Plaintiff is informed and believes, and on that basis alleges, that Members of the Class are so numerous that joinder of all members is impracticable. Upon information and belief, the Class consists of hundreds of thousands of purchasers dispersed throughout the United States, and the California Class likewise consists of thousands or tens of thousands of purchasers throughout the State of California. Accordingly, it would be impracticable to join all members of the Class before the Court.
- 54. Commonality and Predominance—Federal Rule of Civil Procedure 23(a)(2) and 23(b)(3). There are numerous and substantial questions of law or fact common to all members of the Class that predominate over any individual issues. Included within the common questions of law or fact are:
  - (a) Whether Defendant made material representations and omissions in the marketing and sale of the Hansen's Natural Sodas;

- (b) Whether Defendant engaged in unlawful, unfair or deceptive business practices by advertising and selling its Hansen's Natural Sodas;
- (c) Whether Defendant violated California Bus. & Prof. Code §§ 17200, et seq., and the Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, et seq.;
- (d) Whether Defendants committed a breach of express warranty;
- (e) Whether Plaintiff and the Class are entitled to equitable and/or injunctive relief;
- (f) Whether Plaintiff and the Class members have sustained damage as a result of Defendant's unlawful conduct; and
- (g) The proper measure of damages sustained by Plaintiff and Class Members.
- 55. **Typicality—Federal Rule of Civil Procedure 23(a)(3).** Plaintiff's claims are typical of the claims of the members of the Class she seeks to represent because Plaintiff, like the Class members, purchased Defendant's falsely advertised Hansen's Natural Sodas. Defendant's unlawful, unfair and/or fraudulent actions concern the same business practices described herein irrespective of where they occurred or were experienced. Plaintiff and the Class sustained similar injuries arising out of Defendant's conduct. Plaintiff's and Class members' claims arise from the same practices and course of conduct and are based on the same legal theories.
- 23(a)(4). Plaintiff is an adequate representative of the Class she seeks to represent because her interests do not conflict with the interests of the Members of the Class Plaintiff seeks to represent. Plaintiff will fairly and adequately protect the interests of members of the Class and has retained counsel

experienced and competent in the prosecution of complex class actions including complex questions that arise in consumer protection litigation.

- 57. Superiority—Federal Rule of Civil Procedure 23(b)(3). A class action is superior to other available methods for the fair and efficient adjudication of the present controversy because it will permit a large number of claims to be resolved in a single forum simultaneously, efficiently, and without the unnecessary hardship that would result from the prosecution of numerous individual actions and the duplication of discovery, effort, expense and burden on the courts that individual actions would engender. The benefits of proceeding as a class action, including providing a method for obtaining redress for claims that would not be practical to pursue individually, are far superior than any difficulties that might be argued with regard to the management of this class action. This superiority makes class litigation superior to any other method available for the fair and efficient adjudication of these claims. Absent a class action, it would be highly unlikely that the representative Plaintiff or any other members of the Class would be able to protect their own interests because the cost of litigation through individual lawsuits might exceed expected recovery.
- 58. Because Plaintiff seeks relief for all members of the Class, the prosecution of separate actions by individual members would create a risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendant.
- 59. The prerequisites to maintaining a class action for injunctive or equitable relief pursuant to Fed. R. Civ. P. 23(b)(2) are met as Defendant has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive or equitable relief with respect to the Class as a whole.
- 60. The prerequisites to maintaining a class action pursuant to Fed. R. Civ. P. 23(b)(3) are also met as questions of law or fact common to Class

members predominate over any questions affecting only individual members, and a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.

# **CAUSES OF ACTION**

#### **COUNT I**

# Violation of the California Consumers Legal Remedies Act ("CLRA") Cal. Civ. Code §§ 1750, et seq.

- 61. Plaintiff re-alleges and incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth verbatim herein.
- 62. Plaintiff brings this claim under the Consumer Legal Rights Act, Civil Code section 1750, *et seq.*, (the "CLRA"), on behalf of herself and the Class against Defendant.
- 63. At all times relevant hereto, Plaintiff and members of the Subclass were "consumer[s]," as defined in Civil Code section 1761(d).
- 64. At all times relevant hereto, Defendant constituted a "person," as defined in Civil Code section 1761(c).
- 65. At all times relevant hereto, the Hansen's Natural Sodas manufactured, marketed, advertised, and sold by Defendant constituted "goods," as defined in Civil Code section 1761(a).
- 66. The purchases of the Hansen's Natural Sodas by Plaintiff and members of the Class were and are "transactions" within the meaning of Civil Code section 1761(e).
- 67. Defendant disseminated, or caused to be disseminated, through its advertising— including the Hansen's Natural Sodas' labeling that the Hansen's Natural Sodas were and are "natural," which they are not because the Hansen's Natural Sodas contain artificial and/or synthetic ingredients. Defendant's representations violate the CLRA in at least the following respects:

- (a) In violation of Civil Code § 1770(a)(5), Defendant represented that the Hansen's Natural Sodas have characteristics, ingredients, uses, and benefits which they do not have;
- (b). In violation of Civil Code § 1770(a)(7), Defendant represented that the Hansen's Natural Sodas are of a particular standard, quality, or grade, which they are not;
- (c) In violation of Civil Code § 1770(a)(9), Defendant advertised the Hansen's Natural Sodas with an intent not to sell the Products as advertised; and
- (d) In violation of Civil Code § 1770(a)(16), Defendant represented that the subject of the sale of the Hansen's Natural Sodas has been supplied in accordance with a previous representation when it has not.
- 68. Defendant violated the CLRA because the Hansen's Natural Sodas are not "natural" because they contain artificial and synthetic ingredients, as described above. Defendant knew or should have known that its Hansen's Natural Sodas were not "natural" because Defendant created Hansen's Natural Sodas using the artificial and synthetic ingredients described above.
- 69. Defendant's actions as described herein were done with conscious disregard of Plaintiff's rights, and was wanton and malicious.
- 70. Defendant's wrongful business practices constituted, and constitute, a continuing course of conduct in violation of the CLRA since Defendant is still representing that its Hansen's Natural Sodas have characteristics which they do not have.
- 71. Pursuant to Civil Code section 1782(d), Plaintiff and members of the Class seek an order enjoining Defendant from engaging in the methods, acts, and practices alleged herein, and for restitution and disgorgement.

- 72. Pursuant to Civil Code section 1782, Plaintiff notified Defendant in writing by certified mail of the alleged violations of the CLRA and demanded that Defendant rectify the problems associated with the actions detailed above and give notice to all affected consumers of its intent to so act. A copy of the letter is attached hereto as Exhibit B.
- 73. Pursuant to § 1782(d) of the Act, Plaintiff and the Class seek a Court order enjoining the above-described wrongful acts and practices of Defendant and for restitution and disgorgement.
- 74. If Defendant fails to rectify or agree to rectify the problems associated with the actions detailed above and give notice to all affected consumers within 30 days of the date of written notice pursuant to § 1782 of the CLRA, Plaintiff will amend this Complaint to add claims for actual, punitive and statutory damages, as appropriate.
- 75. Pursuant to § 1780(d) of the CLRA, attached as Exhibit C is an affidavit showing that this action was commenced in a proper forum.

#### **COUNT II**

# Violation of the California Unfair Competition Law ("UCL") Cal. Bus. & Prof. Code §§ 17200, et seq.

- 76. Plaintiff re-alleges and incorporates by reference all allegations set forth in the proceeding paragraphs, as if fully set forth verbatim herein.
- 77. Plaintiff brings this claim under California's Unfair Competition Law, Business and Professions Code section 17200, *et seq.* ("UCL"), on behalf of herself and the Class against Defendant. The UCL prohibits any "unlawful," "fraudulent" or "unfair" business act or practice and any false or misleading advertising.
- 78. Defendant committed unlawful business acts or practices by, among other things, making the representations (which also constitutes advertising within the meaning of § 17200), as set forth more fully herein, and violating

- Civil Code sections 1572, 1573, 1709, 1711, 1770(a)(5), (7), (9) and (16) and Business & Professions Code section 17500, *et seq.*, and the common law. Plaintiff, individually and on behalf of the other Class members, reserves the right to allege other violations of law, which constitute other unlawful business acts or practices. Such conduct is ongoing and continues to this date.
- 79. Defendant committed "unfair" business acts or practices by, among other things: (1) engaging in conduct where the utility of such conduct, if any, is outweighed by the gravity of the consequences to Plaintiff and members of the Class; (2) engaging in conduct that is immoral, unethical, oppressive, unscrupulous, or substantially injurious to Plaintiff and members of the Class; and (3) engaging in conduct that undermines or violates the spirit or intent of the consumer protection laws alleged in this Class Action Complaint. There is no societal benefit from false advertising—only harm. Plaintiff and the other Class members paid for a product that is not as advertised by Defendant. While Plaintiff and the other Class members were harmed, Defendant was unjustly enriched by its false misrepresentations. As a result, Defendant's conduct is "unfair," as it offended an established public policy. There were reasonably available alternatives to further Defendant's legitimate business interests, other than the conduct described herein.
- 80. Defendant committed "fraudulent" business acts or practices by making the representations of material fact regarding its Hansen's Natural Sodas as set forth fully herein. Defendant's business practices as alleged herein are "fraudulent" under the UCL because they are likely to deceive customers into believing the Hansen's Natural Sodas are "natural" when the Hansen's Natural Sodas are not natural but contain artificial and synthetic ingredients.
- 81. Plaintiff and the other members of the Class have in fact been deceived as a result of their reliance on Defendant's material representations, which are described above. This reliance has caused harm to Plaintiff and the

- other members of the Class, each of whom purchased Defendant's Hansen's Natural Sodas. Plaintiff and the other Class members have suffered injury in fact and lost money as a result of purchasing the Hansen's Natural Sodas and Defendant's unlawful, unfair, and fraudulent practices.
- 82. Defendant's wrongful business practices and violations of the UCL are ongoing.
- 83. Pursuant to Business & Professions Code section 17203, Plaintiff, individually and on behalf of the Class, seeks an order of this Court enjoining Defendant from engaging in the unfair competition alleged herein in connection with the sale of its Hansen's Natural Sodas. Additionally, Plaintiff requests an order awarding Plaintiff and the Class restitution of the money wrongfully acquired by Defendant by means of the unfair competition alleged herein.
- 84. Plaintiff and the Class are further entitled to pre-judgment interest as a direct and proximate result of Defendant's unfair and fraudulent business conduct. The amount on which interest is to be calculated is a sum certain and capable of calculation, and Plaintiff and the Class are entitled to interest in an amount according to proof.
- 85. Plaintiff requests all applicable remedies, awards, damages, and relief allowable under the UCL.

#### **COUNT III**

# **Breach of Express Warranty**

- 86. Plaintiff re-alleges and fully incorporates by reference all allegations set forth in the preceding paragraphs as if fully set forth herein verbatim.
- 87. Defendant promised and expressly warranted that its Hansen's Natural Sodas were "natural."
- 88. Every Hansen's Natural Soda product sold to Plaintiff and members of the Class came in a container with the written representation on front that it was "natural."

- 89. These promises and affirmations of fact constitute express warranties that became part of the basis of the bargain between Plaintiff and the members of the Class on the one hand and Defendant on the other.
- 90. All conditions precedent to Defendant's liability under the contract, including notice, has been performed by Plaintiff and the Class.
- 91. Defendant has breached the terms of its express warranties by failing to provide Hansen's Natural Sodas that are "natural" as warranted.
- 92. As a result of Defendant's breach of its warranties, Plaintiff and the Class have been damaged in the amount of the purchase price of the Hansen's Natural Sodas at issue.

### **JURY DEMAND**

Plaintiff demands a trial by jury of all claims in this Complaint so triable.

# PRAYER FOR RELIEF

**WHEREFORE**, Plaintiff, individually, and on behalf of all others similarly situated, prays for relief pursuant to each cause of action set forth in this Class Action Complaint, as follows:

- A. Declaring that this action is a proper class action, certifying the Class as requested herein, designating Plaintiff as Class Representative and appointing the undersigned counsel as Class Counsel;
- B. Ordering restitution and disgorgement of all profits and unjust enrichment that Defendant obtained from Plaintiff and the Class members as a result of Defendant's unlawful, unfair and fraudulent business practices;
- C. Ordering injunctive relief as permitted by law or equity, including enjoining Defendant from continuing the unlawful practices as set forth herein, and ordering Defendant to engage in a corrective advertising campaign;
  - D. Ordering damages for Plaintiff and the Class;
- E. Ordering Defendant to pay attorneys' fees and litigation costs to Plaintiff and the other members of the Class;

	1	F. Ordering Defendant to pay both pre- and post-judgment interest on						
	2	any amounts awarded; and						
	3	G. Ordering such other and further relief as may be just and proper.						
	4		Respectfully submitted,					
	5	Dated: September 25, 2018	BLOOD HURST & O'REARDON, LLP TIMOTHY G. BLOOD (149343) THOMAS J. O'REARDON II (247952) CRAIG W. STRAUB (249032)					
	6		CRAIG W. STRAUB (249032)					
	7		Ry: s/ Timothy G. Rlood					
	8 9		By: s/ Timothy G. Blood TIMOTHY G. BLOOD					
	10		501 West Broadway, Suite 1490 San Diego, CA 92101 Tel: 619/338-1100					
LP	11		Tel: 619/338-1100					
on, I	12		619/338-1101 (fax) tblood@bholaw.com toreardon@bholaw.com					
EARD	13		cstraub@bholaw.com					
ε Ο'R	14		THE FRASER LAW FIRM, P.C. MICHAEL T. FRASER (275185) 4120 Douglas Blvd., Suite 306-262 Granite Bay, CA 95746 Tel: 888/557-5115 866/212-8434 (fax) mfraser@thefraserlawfirm.net  Attorneys for Plaintiff					
BLOOD HURST & O'REARDON, LLP	15							
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JS 44 (Rev. 12/12)

#### **CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the

purpose of initiating the civil of	ocket stieet. (SEE INSTRUC	TIONS ON NEXT PAGE OF	Inisro	RM.)				
I. (a) PLAINTIFFS KAREN NELSON, individual situated	dually, and on behalf o	of all others similarly		DEFENDANTS THE COCA-COLA		NY		
(b) County of Residence of (E.	Α	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, Timothy G. Blood / Thom Blood Hurst & O'Reardor 501 West Broadway, Ste	as J. O'Reardon II n, LLP	[SEE ATTACHN		Attorneys (If Known)				
II. BASIS OF JURISDI	ICTION (Place an "X" in C	One Box Only)	III. CI	TIZENSHIP OF P	RINCIP	AL PARTIES	(Place an "X" in One Box for Plaintiff	
☐ 1 U.S. Government Plaintiff	3 Federal Question (U.S. Government	Not a Party)			rf def	Incorporated or Pr		
2 U.S. Government Defendant	■ 4 Diversity (Indicate Citizensh	up of Parties in Item III)	Citize	en of Another State	2 🗗 2	Incorporated and I of Business In A		
				en or Subject of a reign Country	3 🗇 3	Foreign Nation	□ 6 □ 6	
IV. NATURE OF SUIT								
CONTRACT  ☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument	PERSONAL INJURY  310 Airplane 315 Airplane Product Liability	PERSONAL INJURY  365 Personal Injury - Product Liability  367 Health Care/	□ 62	5 Drug Related Seizure of Property 21 USC 881 0 Other	☐ 422 App ☐ 423 Wit	ocal 28 USC 158 hdrawal USC 157	OTHER STATUTES  375 False Claims Act 400 State Reapportionment 410 Antitrust 430 Banks and Banking	
150 Recovery of Overpayment     & Enforcement of Judgment     151 Medicare Act     152 Recovery of Defaulted     Student Loans	☐ 320 Assault, Libel &	Pharmaceutical Personal Injury Product Liability  368 Asbestos Personal Injury Product			PROPI  820 Cop 830 Pate 840 Tra	ent	450 Consumer Credit     480 Consumer Credit     480 Consumer Credit	
(Excludes Veterans)  153 Recovery of Overpayment of Veteran's Benefits  160 Stockholders' Suits  190 Other Contract  195 Contract Product Liability  196 Franchise	□ 345 Marine Product Liability □ 350 Motor Vehicle □ 355 Motor Vehicle Product Liability □ 360 Other Personal Injury □ 362 Personal Injury - Medical Malpractice	Liability PERSONAL PROPERT  370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability	Columbia		☐ 861 HIA ☐ 862 Bla ☐ 863 DIV ☐ 864 SSI	Solution   Continue   Continue		
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS		1 Employee Retirement		RAL TAX SUITS	☐ 899 Administrative Procedure	
210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability	☐ 440 Other Civil Rights ☐ 441 Voting ☐ 442 Employment ☐ 443 Housing/ Accommodations	Habeas Corpus:  463 Alien Detainee  510 Motions to Vacate Sentence  530 General	Income Security Act		☐ 870 Taxes (U.S. Plaintiff or Defendant) ☐ 871 IRS—Third Party 26 USC 7609		Act/Review or Appeal of Agency Decision  950 Constitutionality of State Statutes	
290 All Other Real Property	□ 445 Amer. w/Disabilities - Employment □ 446 Amer. w/Disabilities - Other □ 448 Education	☐ 535 Death Penalty Other: ☐ 540 Mandamus & Other ☐ 550 Civil Rights ☐ 555 Prison Condition ☐ 560 Civil Detainee - Conditions of Confinement		IMMIGRATION  2 Naturalization Application  5 Other Immigration  Actions				
	moved from 3	Remanded from Appellate Court	4 Reins Reop		r District	☐ 6 Multidistr Litigation		
VI. CAUSE OF ACTIO	N 28 USC 1332(d) Brief description of ca	tute under which you are tuse: Code §1750 (CLRA)	-		700000		s Warranty	
VII. REQUESTED IN COMPLAINT:		IS A CLASS ACTION	DI	EMAND \$ 5,000,000.00	-		if demanded in complaint:	
VIII. RELATED CASE IF ANY	(See instructions):	JUDGE			DOCK	ET NUMBER		
DATE SIGNATURE OF ATTORNEY OF RECORD								
09/25/2018 s/ Timothy G. Blood					1			
FOR OFFICE USE ONLY  RECEIPT # AM	IOUNT	APPLYING IFP		HIDGE		MAG IUI	OGE	

# Karen Nelson v. The Coca-Cola Company United States District Court, Southern District of California

# **ATTACHMENT TO CIVIL COVER SHEET (JS 44)**

Attorneys for Plaintiff Karen Nelson

BLOOD HURST & O'REARDON LLP Timothy G. Blood (149343) Thomas J. O'Reardon, II (247952) Craig W. Straub (249032) 501 West Broadway, Suite 1490 San Diego, CA 92101 Tel: 619/338-1100 619/338-1101 (fax)

tblood@bholaw.com toreardon@bholaw.com cstraub@bholaw.com THE FRASER LAW FIRM, P.C. Michael T. Fraser (275185) 4120 Douglas Blvd., Suite 306-262 Granite Bay, CA 95746 Tel: 888/557-5115 866/212-8434 (fax) mfraser@thefraserlawfirm.net

JS 44 Reverse (Rev. 12/12)

#### INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

  United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

  Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

  Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; NOTE: federal question actions take precedence over diversity
- III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin. Place an "X" in one of the six boxes.
  - Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

  Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.

  Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

# Exhibit A



Food and Drug Administration College Park, MD 20740-38

#### DEC 1 1 2014

Dr. Urvashi Rangan Mr. Michael Crupain Food Safety& Sustainability Center Consumers Union / Consumer Reports 101 Truman Avenue Yonkers, NY 10703

Dear Dr. Rangan and Mr. Crupain:

This is in response to your letter dated January 21, 2014 to the Food and Drug Administration (FDA) regarding use of the term "natural" in the labeling of foods and beverages containing caramel color. You requested clarification on FDA's statement about "natural" labeling and requested specific changes to the way artificial colors are labeled on foods and beverages in general. You also asked that FDA ban the use of the term "natural" on food products that contain caramel color or any artificial color and requested that FDA amend 21 CFR 101.22(k)(2) to clarify the labeling of color additives not subject to certification.

You are correct in noting that FDA does not have any regulation or guidance specifically about the term "natural" for labeling purposes. However, FDA does have a longstanding policy stated in the preamble of the Nutrition Labeling and Education Act final rule, 58 FR 2407, published January 6, 1993. Our policy on the use of the term "natural" is that "natural" means that nothing artificial (including artificial flavors) or synthetic (including all color additives regardless of source) has been included in or has been added to a food that would not normally be expected to be in the food. FDA agrees that the use of the word "natural" on products that contain any artificial ingredients is inappropriate.

Regarding your request that 21 CFR 101.22 (k) be modified to require use of the term "artificial" in the ingredient statement when caramel color is used, we state in 21 CFR 101.22 (a)(4) that we consider all color additives as artificial. Also, Section 403(k) of the Food, Drug and Cosmetic Act states that a food is misbranded if it does not bear labeling stating a food contains an artificial color. The statute also states that a color not considered to be a certified color, such as caramel color, is not required to be labeled by its common or usual name, and that terms such as "color added" is allowed.

We appreciate you bringing to our attention the product labels attached to the end of your letter. We share your concern for the truthful labeling of food products. Letters such as yours help us to become aware of labeling issues that arise in the marketplace.

Page -2-Dr. Rangan & Mr. Crupain

Moving forward, we are interested in pursuing a public process to consider our policy on "natural" and intend to seek public comment regarding this issue. As part of this process, we anticipate addressing how color additives fit into our regulatory position. We will certainly take the concerns raised in your letter into account.

Sincerely yours,

Philip C. Spiller

Acting Director

Office of Nutrition, Labeling and Dietary Supplements

Center for Food Safety and Applied Nutrition

# Exhibit B

501 W. Broadway, Suite 1490 | San Diego, CA 92101 T | 619.338.1100 F | 619.338.1101 www.bholaw.com

Timothy G. Blood tblood@bholaw.com

September 25, 2018

VIA CERTIFIED MAIL (RETURN RECEIPT) (RECEIPT NO. 7018 0040 0000 8346 5075)

James Quincey, CEO The Coca-Cola Company One Coca-Cola Plaza, N.W. Atlanta, GA 30313

Re: Hansen's Natural Soda products

Dear Mr. Quincey:

We represent Karen Nelson ("Plaintiff") and all other consumers similarly situated in an action against The Coca-Cola Company ("Coca-Cola" or "defendant"), arising out of, *inter alia*, misrepresentations by Coca-Cola to consumers that its Hansen's Natural Soda products are natural when in fact they contain artificial and synthetic ingredients, including caramel color, ascorbic acid and citric acid.

Plaintiff and others similarly situated purchased defendant's Hansen's Natural Soda products unaware of the fact that defendant's representations were deceptive and not truthful, including because they contain artificial and synthetic ingredients. The full claims, including the facts and circumstances surrounding these claims, are detailed in the Class Action Complaint, a copy of which is attached and incorporated by this reference.

These representations and omissions are false and misleading and constitute unfair methods of competition and unlawful, unfair, and fraudulent acts or practices, undertaken by defendant with the intent to result in the sale of Hansen's Natural Soda products to the consuming public.

Defendant's practices constitute violations of the Consumers Legal Remedies Act, California Civil Code §§ 1750, et seq. Specifically, defendant's practices violate California Civil Code § 1770(a) under, inter alia, the following subdivisions:

- (5) Representing that goods or services have . . . approval, characteristics, . . . uses [or] benefits . . . which they do not have . . . .
- (7) Representing that goods or services are of a particular standard, quality or grade . . . if they are of another.
- (9) Advertising goods or services with intent not to sell them as advertised.
- (16) Representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not.



James Quincey, CEO The Coca-Cola Company September 25, 2018 Page 2

As detailed in the attached Complaint, defendant's practices also violate California Business and Professions Code §§ 17200, et seq., and constitute a breach of warranty.

While the Complaint constitutes sufficient notice of the claims asserted, pursuant to California Civil Code § 1782 and California Commercial Code § 2607, we hereby demand on behalf of our client and all others similarly situated that defendant immediately correct and rectify these violations by ceasing the misleading marketing campaign, ceasing dissemination of false and misleading information as described in the enclosed Complaint, and initiating a corrective advertising campaign to re-educate consumers regarding the truth of the products at issue. In addition, Coca-Cola must offer to refund the purchase price to all consumer purchasers of Hansen's Natural Soda products, plus provide reimbursement for interest, costs, and fees.

We await your response.

Sincerely,

TIMOTHY G. BLOOD

TGB:jk

Enclosure

cc: Michael T. Fraser

# Exhibit C

### I, TIMOTHY G. BLOOD, declare as follows:

- 1. I am an attorney duly licensed to practice before all of the courts of the State of California. I am the managing partner of the law firm of Blood Hurst & O'Reardon, LLP, one of the counsel of record for Plaintiff in the above-entitled action.
- 2. Defendant The Coca-Cola Company ("Coca Cola") manufactures, markets and sells the Hansen's Natural Sodas throughout the United States, including in San Diego County. Plaintiff resides in San Diego County and purchased one or more of the Hansen's Natural Sodas at issue in San Diego County.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on September 25, 2018, at San Diego, California.

s/ Timothy G. Blood
TIMOTHY G. BLOOD

# **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 Claims Coca-Cola-Made Hansen's 'Natural' Sodas Contain Synthetic Ingredients</u>