TO THE CLERK OF THE ABOVE-ENTITLED COURT:

PLEASE TAKE NOTICE that pursuant to 28 U.S.C. §§ 1332(d), 1441, 1446, and 1453, Defendant Panera LLC ("Panera") hereby removes the above-captioned putative class action from the Superior Court of California, County of Los Angeles, to the United States District Court for the Central District of California. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332(d). In support of removal, Panera states the following:

- 1. On March 6, 2024, Plaintiff filed a putative class action complaint against Defendants Panera and Kym Kanow in the Superior Court of California, County of Los Angeles, captioned *Lakema Tate v. Panera LLC et al.*, Case No. 24STCV05676 (the "State Court Action").
- 2. A copy of the complaint in the State Court Action is attached hereto as **Exhibit A** (the "Complaint").
- 3. The Complaint alleges that Panera engaged in misleading and/or deceitful advertising practices because Panera labeled its Sprouted Grain Bagel Flat (the "Product") with the words "sprouted grain," although sprouted grains were allegedly not "the primary or exclusive source of grain" in the bagel. (Compl. ¶ 2.)
- 4. Plaintiff asserts causes of action for: (1) violation of the Consumer Legal Remedies Act (Cal. Civ. Code §§ 1750, et seq.); (2) violation of the False Advertising Law (Cal. Bus. & Prof. Code §§ 17500, et seq.) and (3) violation of the Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, et seq.) (*Id.* ¶¶ 42-63.)
- 5. Plaintiff purports to bring the claims on behalf of a California class of persons, with the following proposed membership:

All California residents who, within the applicable statute of limitations from the date of filing this Class Complaint ("Class Period"), purchased a Sprouted Grain Bagel Flat from Panera (the "Class").

(*Id.* ¶ 31.)

- 6. On March 14, 2024, Plaintiff served the Complaint and Summons on Panera.
 - 7. Upon information and belief, Plaintiff has not served Kym Kanow.
- 8. The time for Panera to answer or otherwise plead in the State Court Action has not expired.
- 9. This Notice of Removal is filed within the time prescribed under 28 U.S.C. § 1446(b).

GROUNDS FOR REMOVAL

- 10. This Court has subject matter jurisdiction over Plaintiff's claims under the Class Action Fairness Act ("CAFA").
- 11. Under CAFA, codified in relevant part at 28 U.S.C. §§ 1332(d)(2) and 1453(b), this Court has original jurisdiction over this action because: (1) this is a class action where the putative class includes more than 100 members; (2) there is minimal diversity of citizenship; and (3) the amount in controversy exceeds \$5,000,000.
- 12. "No antiremoval presumption attends cases invoking CAFA, which Congress enacted to facilitate adjudication of certain class actions in federal court." *Dart Cherokee Basin Operating Co., LLC v. Owens*, 574 U.S. 81, 89 (2014). "CAFA's 'provisions should be read broadly, with a strong preference that interstate class actions should be heard in a federal court if properly removed by any defendant." *Id.* (quoting S. Rep. No. 109-14, p. 43 (2005)).

This Is a "Class Action" With More Than 100 Putative Class Members

- 13. This action meets CAFA's definition of a class action, which is "any civil action filed under Rule 23 of the Federal Rules of Civil Procedure or similar State statute or rule or judicial procedure authorizing an action to be brought by 1 or more representative persons as a class action." 28 U.S.C. § 1332(d)(1)(B).
- 14. The Complaint contains no allegations of the size of the purported class. According to the Complaint, the Plaintiff brings the action on behalf of herself and a

class of all other individuals of California who purchased the Product at issue. (Compl. \P 31.)

- 15. The longest statute of limitations period applicable to Plaintiff's claims is four years. Cal Civ. Code, § 1783; Cal. Civ. Code, § 338; Cal. Bus. & Prof. Code, § 17208.
- 16. Panera sold the Product to more than 100 customers in the state of California in the year 2023 alone. *See* Declaration of Mark Wooldridge, attached hereto as **Exhibit B** at ¶ 4.

There Is Minimal Diversity of Citizenship

- 17. There is minimal diversity of citizenship among the parties. Minimal diversity exists when "any member of a class of plaintiffs is a citizen of a State different from any defendant." 28 U.S.C. § 1332(d)(2)(A); *Arias v. Residence Inn by Marriott*, 936 F.3d 920, 922 (9th Cir. 2019).
- 18. For diversity purposes, a person is a "citizen" of the state in which he or she is domiciled. *Kanter v. Warner-Lambert Co.*, 265 F.3d 853, 857 (9th Cir. 2001). Plaintiff alleges that she is a resident of California residing in Los Angeles, California. (Compl. ¶ 6.) Further, all Class Members would be citizens of California. (*Id.* ¶ 31.)
- 19. For CAFA removal purposes, a corporation is domiciled (1) in the state in which it is incorporated, and (2) the state in which it maintains its principal place of business. 28 U.S.C. § 1332(c)(1). The principal place of business is defined as the corporation's headquarters, "provided that the headquarters is the actual center of direction, control, and coordination." *Hertz Corp. v. Friend*, 559 U.S. 77, 93 (2010).
- 20. Here, Panera is incorporated in Delaware, (Compl. ¶ 6), and its principal place of business is in St. Louis, Missouri. Panera is, therefore, a citizen of Delaware and a citizen of Missouri for CAFA removal purposes and is therefore diverse from Plaintiff and all Class Members.
 - 21. Defendant Kym Kanow is alleged to be a resident of California. (Compl.

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¶ 7, 10). This does not change the fact that minimal diversity under CAFA is satisfied. 28 U.S.C. § 1332(d)(2)(A) (requiring "any member of a class of plaintiffs is a citizen of a State different from any defendant").

- 22. In any event, there is nothing in the Complaint to suggest that Kym Kanow was involved in the alleged conduct that forms the basis of this action. Still further, Kym Kanow was last employed by Panera in 2015, nearly ten years before this action was commenced, and has had no affiliation with Panera since. See Declaration of Kamille Howard, attached hereto as **Exhibit C** at ¶¶ 4-5.
- 23. The Action does not fall within any of exclusion to removal jurisdiction recognized by 28 U.S.C. § 1332(d), and the Plaintiff has the burden of proving otherwise. See Serrano v. 180 Connect, Inc., 478 F.3d 1018, 1021 (9th Cir. 2007) ("[T]he party seeking remand bears the burden to prove an exception to CAFA's jurisdiction").

The Alleged Amount in Controversy Exceeds \$5,000,000

- 24. The amount in controversy requirement under CAFA is satisfied if "the matter in controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs." 28 U.S.C. § 1332(d)(2). For purposes of determining the amount in controversy, CAFA expressly requires that "the claims of the individual class" members shall be aggregated." *Id.* § 1332(d)(6).
- 25. The bar for establishing the amount in controversy is low — the notice of removal "need include only a plausible allegation that the amount in controversy exceeds the jurisdictional threshold." Dart Cherokee, 574 U.S. at 89.
- Panera denies the validity and merit of Plaintiff's claim, the legal 26. theories upon which it is based, and that Plaintiff and the putative classes are entitled to any alleged claim for monetary or other relief. Solely for the purposes of removal, however, and without conceding that Plaintiff or the putative class is entitled to damages, the aggregated claims alleged on behalf of the putative classes establish that

the amount in controversy exceeds the jurisdictional minimum of \$5,000,000.

- 27. Plaintiff alleges that she and other consumers "would have paid significantly less for the Product" (i.e., that a price premium should be returned), "or would not have purchased it at all" (i.e. that the full purchase price should be returned), absent Panera's alleged misrepresentations. (Compl. ¶ 28.) In addition, Plaintiff seeks "nominal, punitive, and statutory damages," as well as attorney fees and expenses and "pre and post-judgment interest." (Compl., Prayer for Relief).
- 28. The longest statute of limitations period applicable to Plaintiff's claims is four years. Cal Civ. Code, § 1783; Cal. Civ. Code, § 338; Cal. Bus. & Prof. Code, § 17208.
- 29. In the four years preceding the filing of the Complaint, Panera sold more than \$5,000,000 worth of the Product to consumers in California.
- 30. Thus, the \$5,000,000 threshold for removal under CAFA is satisfied by Plaintiff's allegations of monetary damages alone, and is further established by Plaintiffs' request for "nominal, punitive, and statutory damages," attorney fees and expenses, and "pre and post-judgment interest." When a plaintiff "is seeking recovery from a pot that Defendant has shown could exceed \$5 million," the amount in controversy is satisfied for purposes of CAFA jurisdiction. *Lewis v. Verizon Comm'ns, Inc.*, 627 F.3d 395, 401 (9th Cir. 2010).

REMOVAL IS PROCEDURALLY PROPER

- 31. Removal is timely because Panera filed this notice within thirty days of Plaintiff's March 14, 2024 service of the Complaint on Panera. *See* 28 U.S.C. § 1446(b)(1).
- 32. Removal to this Court is proper because the United States District Court for the Central District of California embraces the location where the State Court Action was commenced and is pending—Los Angeles, California. *See* 28 U.S.C. §§ 89(b), 1441(a).

NOTICE OF REMOVAL

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marketing and sale of its Sprouted Grain Bagel Flat (the "Product").

- In particular, Defendants have promoted the Product as a "sprouted grain" bagel, a representation that deceives consumers by leading them to believe that sprouted grains are the primary or exclusive source of grain in the Product.
- 3. Unbeknownst to consumers, however, the Product is made primarily with common and less healthy, non-sprouted grains, and only contains trace amounts of sprouted grains.
- 4. Plaintiff, along with other consumers, acquired the Product and paid a premium price, guided by their trust in Defendants' representation of the Product as "sprouted grain". If Plaintiff and other consumers had been informed that the Product predominantly consisted of conventional, non-sprouted grains, and only trace amounts of sprouted grains, they would have refrained from purchasing the Product or would have paid substantially less for it. As a result, Plaintiff and members of the Class have suffered harm due to Defendants' deceptive business practices.

JURISDICTION AND VENUE

- 5. Plaintiff brings this action on behalf of herself and all others similarly situated pursuant to California Code of Civil Procedure section 382. This Court has jurisdiction over this matter pursuant to California Constitution, Article VI, Section 10, because a case of this type is not given by statute to other trial courts.
- 6. Venue is proper in this District pursuant to the California Code of Civil Procedure section 395(b) because Plaintiff is a citizen and resident of Los Angeles, California, which is located in this District. Venue is also proper in this Court because the transactions at issue occurred in the County of Los Angeles. See Declaration of David A. Baldwin re: Venue Pursuant to Cal. Civ. Code § 1780(d), filed concurrently herewith.
- 6. On information and belief, Panera is a limited liability company formed in Delaware with its headquarters located in St. Louis, Missouri. Defendant operates over 150 locations in the State of California, including locations in Los Angeles County. Defendant regularly and systematically sells goods and provides services throughout the State of California, including in

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this District. As such, it is subject to the personal jurisdiction of this Court.

7. On information and belief, Kym Kanow is an individual residing in Los Angeles County and is the owner and/or general manager of the West Covina Panera Bread location at which Plaintiff purchased the Product.

PLAINTIFFS

8. Plaintiff Tate is a citizen of California and currently resides in Los Angeles, California. In or around March 2023, Plaintiff Tate purchased the Product from Panera in Los Angeles County, California. Relying on the in-store advertising of the Product as a "sprouted grain" bagel, Plaintiff Tate had a reasonable expectation that sprouted grain constituted the primary, if not exclusive, source of grain in the Product. If Plaintiff Tate had been aware that the Product was primarily composed of traditional, non-sprouted grains, and only contained trace amounts of sprouted grain, she would have refrained from making the purchase or would have paid considerably less for it. Consequently, Plaintiff Tate has suffered direct harm due to Defendants' actions.

DEFENDANTS

- 9. Defendant, Panera, LLC is a Delaware limited liability company with its principal place of business in St. Louis, Missouri. Defendant owns and operates a national bakery chain with over 150 locations in California, including in Los Angeles County. Defendant sells breads, sandwiches, pastries, soups, salads, and other food and beverage items, such as the Product at issue herein.
- 10. Defendant, Kym Kanow is an individual residing in Los Angeles County who is the Joint Venture General Manager and/or owner of the Panera Bread location in West Covina at which Plaintiff purchased the Product.

FACTUAL ALLEGATIONS

11. Panera is a national food and beverage restaurant chain, with over 2,000 brick and mortar stores in the country. Panera stores offer a variety of products, including pastries, bagels, soups, salads, sandwiches, and beverages.

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- 12. The Product challenged here is the Sprouted Grain Bagel Flat offered by Panera.
- 13. Regrettably, Panera has engaged in misleading and deceitful advertising practices to drive up sales and enhance profits from the Product, all to the detriment of unknowing consumers.
- 14. Specifically, Panera markets the Product with online and in-store advertising claiming that the Product is a Sprouted Grain Bagel Flat. *See* website image below:



15. Based on this representation, reasonable consumers purchased the Product believing that sprouted grains, such as sprouted wheat, are used as the sole, or at least primary source of grain in the Product.

ated bagel topped with oats, pinched and slightly flattened to the perfect size

- 16. Unbeknownst to consumers, the Product is made primarily with traditional, non-sprouted grains and contains only trace amounts of sprouted grain.
 - 17. The ingredients of the Product are:

Sprouted Grain Bagel Flat (Water, Enriched Flour (Wheat Flour, Malted Barley Flour, Niacin, Reduced Iron, Thiamine Mononitrate, Riboflavin, Enzyme [Corn]. Folic Acid), White Whole Wheat Flour, Rolled Oats (May Contain Wheat), Honey, Brown Sugar, Vital Wheat Gluten, Canola Oil, Salt, Bread Base (Enriched Pregelatinized Wheat Flour [Niacin, Reduced Iron, Thiamine Mononitrate,

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Riboflavin, Folic Acid]. Wheat Fiber, Wheat Gluten, Malted Wheat Flour, Ascorbic Acid, Microbial Enzymes), Yeast (Yeast, Sorbitan Monostearate, Ascorbic Acid), Sprouted Grain Blend (Sprouted Wheat, Sprouted Spelt, Sprouted Rye, Sprouted Oats). See website image below:

Detailed Ingredients

Sprouted Grain Bagel Flat (Water, Enriched Flour (Wheat Flour, Malted Barley Flour, Niacin, Reduced Iron, Thiamine Mononitrate, Riboflavin, Enzyme [Corn], Folic Acid), White Whole Wheat Flour, Rolled Oats (May Contain Wheat), Honey, Brown Sugar, Vital Wheat Gluten, Canola Oil, Salt, Bread Base (Enriched Pregelatinized Wheat Flour [Niacin, Reduced Iron, Thiamine Mononitrate, Riboflavin, Folic Acid], Wheat Fiber, Wheat Gluten, Malted Wheat Flour, Ascorbic Acid, Microbial Enzymes), Yeast (Yeast, Sorbitan Monostearate, Ascorbic Acid), Sprouted Grain Blend (Sprouted Wheat, Sprouted Spelt, Sprouted Rye, Sprouted Oats)

See Less Ingredients

- 18. It is widely known and accepted in the culinary arts that all breads, including bagels, consist of controlled ratios between the primary ingredients of flour, water, salt, and yeast in descending order of proportion.¹
- 19. In general, yeast constitutes 0.4% of a standard white bread dough, with ratios similar in all breads, including a bagel dough.
- 20. As noted in Defendants' ingredient list for the Product, the "Sprouted Grain Blend" is listed last in the ingredient list, thus confirming that the Product consists of more salt and yeast than actual sprouted grain flour. See 21CFR101.
- 21. Based on information and belief, the Product is likely to consist of less than 0.4% of actual sprouted grains.
 - 22. As such, the advertising of the Product as "sprouted grain" is false and deceptive.

A standard baker's percentage of yeast in a white bread is 0.4%. Forkish, K., & Weiner, A. (. (2012). Flour Water Salt Yeast: The Fundamentals of Artisan Bread and Pizza. Berkeley [Calif]., Ten Speed Press. Pg. 89.

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- 23. The deceptive impression that the Product primarily relies on sprouted grains as its source of grain is crucial to consumers when making purchasing decisions. This is because sprouted grains offer a premium and more desirable quality compared to conventional non-sprouted grains. As the term suggests, sprouted grains undergo a germination process before being incorporated into bread and other food products. Consequently, sprouted grains contain fewer starches, possess a lower carbohydrate content, are easier to digest, and have a lower glycemic index when compared to regular grains. The sprouting process also results in higher levels of essential nutrients, including protein, fiber, and vitamins in the grains before their use. Moreover, sprouting effectively breaks down phytic acid, which ordinarily hinders the absorption of vitamins and minerals in the body. In contrast, the processed wheat and white flour, primarily used in the Product by Panera, is stripped of its nutritional components, including fiber, vitamins, and minerals, thus offering minimal nutritional value. Therefore, consumers place a higher value on sprouted grains compared to traditional non-sprouted grains.
- 24. The belief that the Product predominantly utilizes sprouted grains as its primary source of grain is even more justified when considering that other sprouted bread products available in the market, including sprouted bagels, primarily consist of sprouted grains. For example, Alvarado St. Bakery's Sprouted Wheat Everything Bagel, which contains sprouted whole wheat lists sprouted organic whole wheat berries as the first and primary grain ingredient.²



Sprouted Wheat Everything Bagels

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 $^{^2\} https://www.alvaradostreetbakery.com/breads/Sprouted\%20Wheat\%20Everything\%20Bagel$

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25. Another example is Bread of Heaven Sprouted Sourdough Bagel, which contains sprouted whole wheat flour as the first ingredient in the bagel.³









26. Further, Franz Organic Sprouted Grain Plan Bagel also contains sprouted whole wheat as the first ingredient in bagel in their sprouted grain bagel product.⁴

breadofheaven.com

4 https://www.safeway.com/shop/product-details.960459686.html

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https://ovenfreshdelivery.com/collections/all-products/products/sprouted-sourdough-bagels-6-pk/sproducts/sprouted-sourdough-bagels-6-pk/sproducts/sproduct

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Organic Sprouted Whole Wheat Flour, Organic Enriched Unbleached Wheat Flour (Organic Wheat Flour, Niacin, Reduced Iron, Thiamin Mononitrate, Riboflavin and Folic Acid), Water, Organic Cane Sugar, Organic Vital Wheat Gluten, Organic Soybean Oil, Contains 2% or Less of Each of the Following: Organic Distilled Vinegar, Yeast, Sea Salt, Ascorbic Acid, Cultured Wheat Flour, Enzymes.

27. As the party accountable for the creation, ingredients, production, marketing, and distribution of the Product, Defendants possessed knowledge or ought to have been aware of the false and deceptive nature of the Product's advertising. Furthermore, Defendants were aware or should have reasonably anticipated that Plaintiff and other consumers, when purchasing the Product, would place their trust in Defendants' marketing and the Product's nomenclature, ultimately leading to their deception.

28. As outlined above, consumers are willing to pay more for the Product based on the belief that sprouted grains are used as the sole, or at least primary, source of grain in the Product. Plaintiffs and other consumers would have paid significantly less for the Product, or would not have purchased it at all, had they known the truth about it. Thus, through the use of misleading representations, Defendants command a price that Plaintiffs and the Class would not have paid had they been fully informed. Similarly, Plaintiff and the Class purchased the Product because they are health conscious and if Defendants augmented the ingredients of the Product to contain a

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substantial amount of sprouted grain, they would purchase it in the future.

29. Therefore, Plaintiffs and other consumers purchasing the Product have suffered injury in fact and lost money as a result of Defendants' false and deceptive practices, as described herein.

CLASS ACTION ALLEGATIONS

- 30. Plaintiff repeats and realleges the preceding paragraphs as if fully set forth herein.
- 31. Plaintiff brings this action on behalf of herself and all other similarly situated Class members pursuant to Code of Civil Procedure section 382, in which the class is defined as follows:

All California residents who, within the applicable statute of limitations from the date of filing this Class Complaint ("Class Period"), purchased a Sprouted Grain Bagel Flat from Panera (the "Class").

- 32. Excluded from the Class are Defendants, as well as their officers, employees, agents or affiliates, and any judge who presides over this action, as well as all past and present employees, officers and directors of Panera. Plaintiff reserves the right to expand, limit, modify, or amend this class definition, including the addition of one or more subclasses, in connection with their motion for class certification, or at any other time, based upon, *inter alia*, changing circumstances and/or new facts obtained during discovery.
- 33. *Numerosity*: The members of the Class are so numerous that joinder of all members is impractical. While the exact number of Class members is unknown to Plaintiff at this time, such information can be ascertained through appropriate discovery from records obtained from Defendants and their agents.
- 34. *Commonality*: Defendants' practices were applied uniformly to all members of the Class, so that the questions of law and fact are common to all members of the Class. All members of the putative Class were and are similarly affected by having purchased deceptively labeled dietary supplements from Defendants, and the relief sought herein is for the benefit of Plaintiff and members of the Class.
 - 35. **Predominance**: The common questions of law and fact, which arise from

CLASS COMPLAINT

Defendants' uniform pattern and practice of prohibited conduct, predominate over any individual issues affecting the members of the Class. Thus, among the questions of law and fact common to the Class are as follows:

- a. Whether, during the Class Period, Defendants' label representations regarding supplement quantity are likely to deceive reasonable consumers;
- b. Whether Defendants' representations concerning product quantity were material misrepresentations;
- c. Whether Defendants engaged in unfair, unlawful and/or fraudulent business practices under the laws asserted;
- d. Whether Defendants engaged in false or misleading advertising;
- e. Whether Plaintiff and Class members are entitled to damages and/or restitution and the proper measure of that loss; and,
- f. Whether an injunction is necessary to prevent Defendants from continuing their false and deceptive practices;
- 36. All Class members, including Plaintiff, were exposed to one or more of Defendants' misrepresentations of material fact regarding the quantity of sprouted grains contained in the Product marketed and sold by Defendants. Due to the scope and extent of Defendants' consistent misleading product, it reasonably can be inferred that such misrepresentations of material fact were uniformly made to all members of the Class. In addition, it reasonably can be presumed that all Class members, including Plaintiff, affirmatively acted in response to the representations contained in Defendants' deceptive marketing scheme.
- 37. *Superiority*: A class action is superior to other available methods for the fair and efficient adjudication of this controversy because the likelihood of individual Class members prosecuting separate claims is remote and individual Class members do not have a significant interest in individually controlling the prosecution of separate actions.
- 38. This action will promote an orderly and expeditious adjudication of the Class claims, and will promote and foster the uniformity of decision.

- 39. *Typicality*: Plaintiff's claims are typical of the claims of the members of the Class because, *inter alia*, all Class members purchased dietary supplements containing misrepresentations about quantity on the front of the packaging.
- 40. *Adequacy*: Plaintiff will fairly and adequately protect the interests of the members of the Class. Plaintiff has retained counsel experienced in consumer class action litigation, and Plaintiff intends to prosecute this action vigorously. Plaintiff has no antagonistic or adverse interests to those of the Class.
- 41. *Threat of Continuing Misconduct*: Plaintiff and the members of the Class, suffered, and will continue to suffer harm as a result of Defendants' unlawful and wrongful conduct, which is likely to recur.

FIRST CAUSE OF ACTION

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

- 42. Plaintiff repeats the allegations contained in paragraphs 1-41 above as if fully set forth herein.
- 43. This cause of action is brought pursuant to the Consumers Legal Remedies Act (CLRA), California Civil Code section 1750, *et seq*.
- 44. At all times relevant hereto, Plaintiff and each member of the proposed Class are "consumers" as defined by California Civil Code section 1761(d).
- 45. The Product is a "good" within the meaning of Cal. Civ. Code § 1761(a), and the purchases of the Product by Plaintiff Tate and members of the Class constitute "transactions" within the meaning of Cal. Civ. Code § 1761(e).
- 46. Cal. Civ. 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..." By representing the Product as a "sprouted grain" bagel, Defendant has represented that the Product has certain characteristics (i.e., is made solely or predominantly with sprouted grain) that it does not have. Therefore, Defendants have violated section 1770(a)(5) of the CLRA.

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- 47. Cal. Civ. Code § 1770(a)(7) prohibits "[r]espresenting 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." By representing the Product as a "sprouted grain" bagel, Defendants have represented that the Product is of a particular standard (i.e., is made solely or predominantly with sprouted grain) that it does not meet. Therefore, Defendants have violated section 1770(a)(7) of the CLRA.
- 48. Cal. Civ. Code § 1770(a)(9) prohibits "[a]dvertising goods or services with intent not to sell them as advertised." By representing the Product as a "sprouted grain" bagel, Defendants have represented the Product with characteristics it intended not to provide to consumers. As such, Defendants have violated section 1770(a)(9) of the CLRA.
- 49. At all relevant times, Defendants have known or reasonably should have known that the "sprouted grain" representation is misleading or likely to mislead reasonable consumers, and that Plaintiff Tate and other members of the Class would reasonably and justifiably rely on it when purchasing the Product. Nonetheless, Defendants deceptively advertised the Product as such in order to deceive consumers into believing it is a healthier, more premium bagel.
- 50. Plaintiff Tate and members of the Class have justifiably relied on Defendants' misleading representation when purchasing the Product. Moreover, based on the materiality of Defendants' misleading and deceptive conduct, reliance may be presumed or inferred for Plaintiff Tate and members of Class.
- 51. Plaintiff Tate and members of the Class have suffered injuries caused by Defendants because they would have paid significantly less for the Product, or would not have purchased it at all, had they known the truth about it.
- 51. Concurrent with filing this complaint, Plaintiff sent Defendants notice advising Defendants they violated and continues to violate, Section 1770 of the CLRA (the "Notice"). The Notice complies in all respects with Section 1782 of the CLRA. Plaintiff sent the Notice by Certified U.S. Mail, return-receipt requested to Defendants at Defendants' principal place of business or residence. Plaintiff's Notice advised Defendants that they must correct, repair, replace or otherwise rectify its conduct alleged to be in violation of Section 1770. However, Plaintiffs

advised Defendants that if they fail to respond to Plaintiff's demand within thirty (30) days of receipt of this notice, pursuant to Sections 1782(a) and (d) of the CLRA, Plaintiff will amend this complaint to also seek actual damages and punitive damages.

SECOND CAUSE OF ACTION

Violation of California's False Advertising Law California Business & Professions ("FAL"), Code § 17500, et seq.

- 52. Plaintiff repeats the allegations contained in paragraphs 1-51 above as if fully set forth herein.
- 53. Plaintiff Tate brings this claim individually and on behalf of the members of the proposed Class against Defendants.
- 54. The FAL makes it "unlawful for any person to make or disseminate or cause to be made or disseminated before the public . . . in any advertising device . . . or in any other manner or means whatever, including over the Internet, any statement, concerning . . . personal property or services professional or otherwise, or performance or disposition thereof, which is untrue or misleading and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading." Cal. Bus. & Prof. Code § 17500.
- 55. Defendants have represented to the public, including Plaintiff Tate and members of the proposed Class, through its deceptive naming and advertising, that the Product is a "sprouted grain" bagel. However, this representation is misleading because the Product contains primarily traditional, non-sprouted grain and contains only trace amounts of sprouted grain. Because Defendants have disseminated misleading information regarding the Product, and Defendants knows, knew, or should have known through the exercise of reasonable care that the representation is false and misleading, Defendants have violated the FAL.
- 56. As a result of Defendants' misleading advertising, Defendants have unlawfully obtained money from Plaintiff Tate and members of the Class. Plaintiff therefore requests that the Court cause Defendants to restore this fraudulently obtained money to her and members of the proposed Class, to disgorge the profits Defendants made on these transactions, and to enjoin

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Defendants from violating the FAL or violating it in the same fashion in the future as discussed herein. Otherwise, Plaintiff Tate and members of the proposed Class may be irreparably harmed and/or denied an effective and complete remedy.

THIRD CAUSE OF ACTION

Violation of California's Unfair Competition Law ("UCL"), California Business & Professions ("FAL"), Code § 17200, et seq.

- 57. Plaintiff repeats the allegations contained in paragraphs 1-56 above as if fully set forth herein.
- 58. Plaintiff Tate brings this claim individually and on behalf of the members of the proposed Class against Defendants.
- 59. The UCL, Cal. Bus. & Prof Code § 17200, provides, in pertinent part, that "unfair competition shall mean and include unlawful, unfair or fraudulent business practices and unfair, deceptive, untrue or misleading advertising..."
- 60. Under the UCL, a business act or practice is "unlawful" if it violates any established state or federal law. Defendants' false and misleading advertising of the Product was "unlawful" because it violates the CLRA, the FAL, and other applicable laws as described herein. As a result of Defendants' unlawful business acts and practices, Defendants have unlawfully obtained money from Plaintiff Tate and members of the proposed Class.
- 61. Under the UCL, a business act or practice is "unfair" if its conduct is substantially injurious to consumers, offends public policy, and is immoral, unethical, oppressive, and unscrupulous, as the benefits for committing such acts or practices are outweighed by the gravity of the harm to the alleged victims. Defendants' conduct was of no benefit to purchasers of the Product, as it is misleading, unfair, unlawful, and injurious to consumers who rely on the naming and advertising of the Product. Deceiving unsuspecting consumers into believing the Product is made solely or primarily with sprouted grain is of no benefit to consumers. Therefore, the Defendants' conduct was "unfair." As a result of Defendants' unfair business acts and practices, Defendants have unfairly obtained money from Plaintiff Tate and members of the proposed Class.

62. Under the UCL, a business act or practice is "fraudulent" if it actually deceives or is likely to deceive members of the consuming public. Defendants' conduct here was fraudulent because it has the effect of deceiving consumers into believing the Product is made solely or primarily with sprouted grain. Because Defendants have misled Plaintiff Tate and members of the Class, Defendants' conduct was "fraudulent." As a result of Defendants' fraudulent business acts and practices, Defendants have fraudulently obtained money from Plaintiff Tate and members of the Class.

63. Plaintiff requests that the Court cause Defendants to restore this unlawfully, unfairly, and fraudulently obtained money to her, and members of the proposed Class, to disgorge the profits Defendants made on these transactions, and to enjoin Defendants from violating the UCL or violating it in the same fashion in the future as discussed herein. Otherwise, Plaintiff Tate and members of the proposed Class may be irreparably harmed and/or denied an effective and complete remedy.

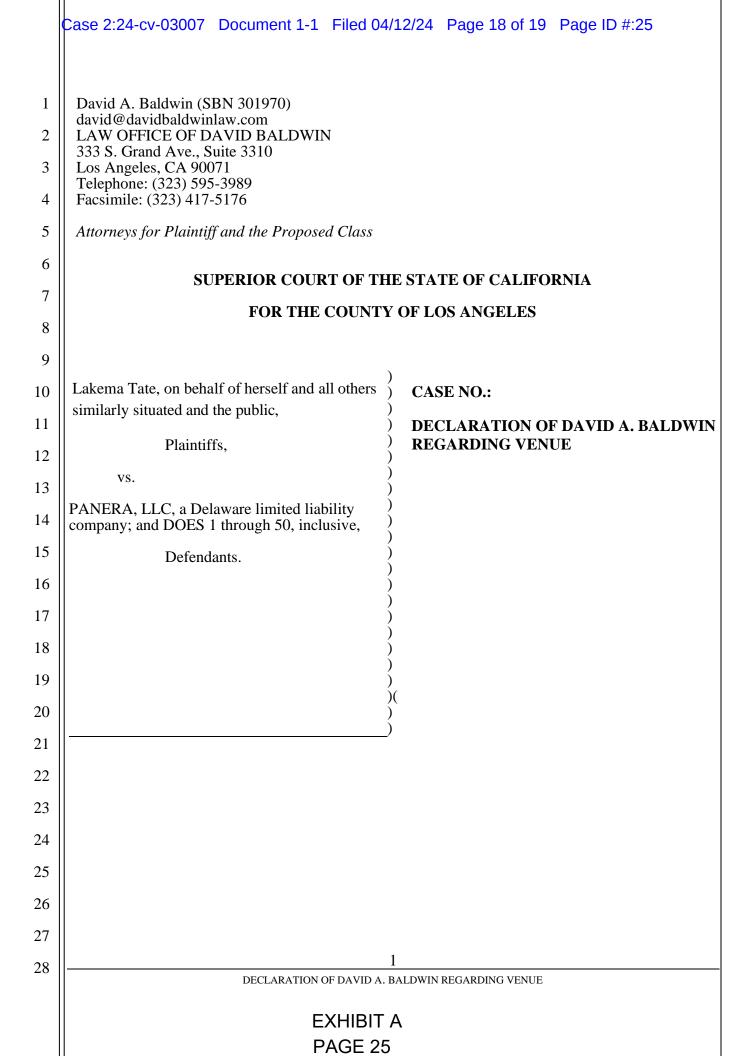
PRAYER FOR RELIEF

WHEREFORE, Plaintiff Tate, individually and on behalf of the proposed Class, respectfully prays for the following relief:

- A. Certification of this case as a class action on behalf of the proposed Class defined above, appointment of Plaintiff as Class representative, and appointment of their counsel as Class Counsel;
- B. A declaration that Defendants' actions, as described herein, violate the claims described herein:
- C. An award to Plaintiff and the proposed Class of restitution and/or other equitable relief, including, without limitation, restitutionary disgorgement of all profits and unjust enrichment that Defendants obtained from Plaintiff and the proposed Class as a result of its unlawful, unfair, and fraudulent business practices described herein;
- D. An award of all economic, monetary, actual, consequential, and compensatory damages caused by Defendants' conduct;

1 E. An award of nominal, punitive, and statutory damages; 2 F. An award to Plaintiff and their counsel of reasonable expenses and attorneys' fees; 3 G. An award to Plaintiff and the proposed Class of pre and post-judgment interest, to 4 the extent allowable; and 5 H. For such further relief that the Court may deem just and proper. JURY TRIAL DEMAND 6 7 Plaintiff, on behalf of themselves and the proposed Class, hereby demand a jury trial for all 8 issues triable of right by jury. 9 10 11 12 Dated: March 6, 2024 LAW OFFICE OF DAVID BALDWIN 13 14 By: David A. Baldwin 15 Attorneys for Plaintiff 16 and the Proposed Class 17 18 19 20 21 22 23 24 25 26 27 16 28 CLASS COMPLAINT

> EXHIBIT A PAGE 24



DECLARATION OF DAVID A. BALDWIN

- I, David A. Baldwin, do hereby declare and state as follows:
- 1. I am a Partner at Law Office of David Baldwin, counsel of record for Plaintiff Lakema Tate, and am licensed to practice before all courts in the State of California. I have personal knowledge of all of the facts stated herein, and if called to testify as a witness, I could and would competently testify to them.
- 2. This Court is proper for trial of this action because the transaction at issue occurred and Defendants are doing business in Los Angeles County.

I declare and state under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on March 6, 2024 at Los Angeles, California.

By: __

David A. Baldwin, Declarant

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Panera Class Action Lawsuit Claims</u>
<u>Sprouted Grain Bagel Flats Contain Only 'Trace Amounts' of Sprouted Grains</u>