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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 LARRY TRAN, Individually and
12 On Behalf of All Others Similarly
13 Situated,

14 Plaintiff,

15 v.

16 BEYOND MEAT, INC., ETHAN
17 BROWN, and MARK J. NELSON,

18 Defendants.
19

Case No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF
THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

1 Plaintiff Larry Tran (“Plaintiff”), individually and on behalf of all other
2 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s
3 complaint against Defendants, alleges the following based upon personal knowledge
4 as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other
5 matters, based upon, *inter alia*, the investigation conducted by and through
6 Plaintiff’s attorneys, which included, among other things, a review of the
7 Defendants’ public documents, conference calls and announcements made by
8 Defendants, United States Securities and Exchange Commission (“SEC”) filings,
9 wire and press releases published by and regarding Beyond Meat, Inc. (“Beyond
10 Meat” or the “Company”), analysts’ reports and advisories about the Company, and
11 information readily obtainable on the Internet. Plaintiff believes that substantial
12 evidentiary support will exist for the allegations set forth herein after a reasonable
13 opportunity for discovery.

14 **NATURE OF THE ACTION**

15 1. This is a federal securities class action on behalf of a class consisting
16 of all persons other than Defendants who purchased or otherwise acquired Beyond
17 Meat securities between May 2, 2019 and January 27, 2020, both dates inclusive (the
18 “Class Period”), seeking to recover damages caused by Defendants’ violations of the
19 federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the
20 Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated
21 thereunder, against the Company and certain of its top officials.

1 2. Beyond Meat is a food company that provides plant-based meats. It
2 offers its products in the meat platforms of beef, pork, and poultry. The Company
3 sells its products to various customers in the retail and foodservice channels through
4 brokers and distributors in the U.S. and internationally.
5

6 3. Don Lee Farms (“Don Lee”) is a maker of plant-based and meat
7 proteins. In 2014, Beyond Meat entered into an exclusive supply agreement with
8 Don Lee to produce all of Beyond Meat’s products, including the development and
9 launch of the Company’s popular Beyond Burger.
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11 4. In early 2017, following the launch of the Beyond Burger, Beyond Meat
12 terminated the Supply Agreement and transferred its production from Don Lee to
13 other food manufacturers.
14

15 5. On May 25, 2017, Don Lee filed a complaint against Beyond Meat in
16 the Superior Court of the State of California for the County of Los Angeles asserting
17 claims for, *inter alia*, breach of contract, misappropriation of trade secrets, and unfair
18 competition, seeking monetary damages and declaratory and injunctive relief.
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20 6. Don Lee’s initial lawsuit spawned other related legal proceedings,
21 including related claims by Don Lee against one of Beyond Meat’s new
22 manufacturing partners, ProPortion Foods, LLC (“Proportion”), and cross-
23 complaints by both Beyond Meat and ProPortion against Don Lee (collectively with
24 Don Lee’s initial lawsuit, the “Don Lee Litigation”).
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1 7. As the litigation progressed, Don Lee further alleged that Beyond Meat
2 had employed lax food safety practices during the two companies' partnership,
3 specifically alleging, *inter alia*, that Don Lee found plastics, cardboard and a metal
4 nozzle in ingredients that Beyond Meat supplied and that a Beyond Meat truck had
5 arrived at a Don Lee processing facility with a load contaminated with an
6 unidentified white powder. Don Lee alleged that Beyond Meat had provided an
7 altered copy of a food-safety audit of its manufacturing facilities, and on that basis
8 added fraud claims to its suit against Beyond Meat in March 2019.
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12 8. Beyond Meat has consistently denied the merits of Don Lee's claims.

13 9. Throughout the Class Period, Defendants made materially false and
14 misleading statements regarding the Company's business, operational and
15 compliance policies. Specifically, Defendants made false and/or misleading
16 statements and/or failed to disclose that: (i) Beyond Meat's termination of its supply
17 agreement with Don Lee constituted a breach of that agreement, thus exposing the
18 Company to foreseeable legal liability and reputational harm; (ii) Beyond Meat and
19 certain of its employees had doctored and omitted material information from a food
20 safety consultant's report, which the Company represented as accurate to Don Lee;
21 and (iii) as a result, the Company's public statements were materially false and
22 misleading at all relevant times.
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26 10. On January 27, 2020, post-market, Don Lee issued a press release
27 entitled "Judge Rules Don Lee Farms Likely to Obtain a Judgment. Beyond Meat's
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1 CFO and Others Named Individually for Fraud.” The press release stated, in part,
2 that “[a] judge has ruled Don Lee Farms proved the probable validity of its claim
3 that Beyond Meat breached its manufacturing agreement with Don Lee Farms” and
4 that “[i]n a separate motion before a different Judge, the Court granted Don Lee
5 Farms’ request to name Beyond Meat Chief Financial Officer Mark Nelson, Senior
6 Quality Assurance Manager Jessica Quetsch and Director of Operations Anthony
7 Miller in its fraud claims which allege they intentionally doctored and omitted
8 material information from a food safety consultant’s report, and then delivered that
9 doctored report to Don Lee Farms and affirmatively represented that it was the
10 complete opinion of the consultant.”
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14 11. On this news, Beyond Meat’s stock price fell \$4.63 per share, or 3.71%,
15 to close at \$120.12 per share on January 28, 2020.
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17 12. As a result of Defendants’ wrongful acts and omissions, and the
18 precipitous decline in the market value of the Company’s securities, Plaintiff and
19 other Class members have suffered significant losses and damages.
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21 JURISDICTION AND VENUE

22 13. The claims asserted herein arise under and pursuant to Sections 10(b)
23 and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5
24 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).
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26 14. This Court has jurisdiction over the subject matter of this action
27 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.
28

1 15. Venue is proper in this Judicial District pursuant to Section 27 of the
2 Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Beyond Meat is
3 headquartered in this Judicial District, Defendants conduct business in this Judicial
4 District, and a significant portion of Defendants' activities took place within this
5 Judicial District.
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8 16. In connection with the acts alleged in this complaint, Defendants,
9 directly or indirectly, used the means and instrumentalities of interstate commerce,
10 including, but not limited to, the mails, interstate telephone communications, and the
11 facilities of the national securities markets.
12

13 **PARTIES**

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15 17. Plaintiff, as set forth in the attached Certification, acquired Beyond
16 Meat securities at artificially inflated prices during the Class Period and was
17 damaged upon the revelation of the alleged corrective disclosures.
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19 18. Defendant Beyond Meat is a Delaware corporation, with principal
20 executive offices located at 119 Standard Street, El Segundo, CA 90245. Beyond
21 Meat's common stock trades in an efficient market on the Nasdaq Stock Market
22 ("NASDAQ") under the ticker symbol "BYND."
23

24 19. Defendant Ethan Brown ("Brown") has served as Beyond Meat's
25 President, Chief Executive Officer, and a Director at all relevant times.
26

27 20. Defendant Mark J. Nelson ("Nelson") has served as Beyond Meat's
28 Chief Financial Officer, Treasurer, and Secretary at all relevant times.

1 21. Defendants Brown and Nelson are sometimes referred to herein as the
2 “Individual Defendants.”

3
4 22. The Individual Defendants possessed the power and authority to control
5 the contents of Beyond Meat’s SEC filings, press releases, and other market
6 communications. The Individual Defendants were provided with copies of Beyond
7 Meat’s SEC filings and press releases alleged herein to be misleading prior to or
8 shortly after their issuance and had the ability and opportunity to prevent their
9 issuance or to cause them to be corrected. Because of their positions with Beyond
10 Meat, and their access to material information available to them but not to the public,
11 the Individual Defendants knew that the adverse facts specified herein had not been
12 disclosed to and were being concealed from the public, and that the positive
13 representations being made were then materially false and misleading. The
14 Individual Defendants are liable for the false statements and omissions pleaded
15 herein.
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20 SUBSTANTIVE ALLEGATIONS

21 Background

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23 23. Beyond Meat is a food company that provides plant-based meats. It
24 offers its products in the meat platforms of beef, pork, and poultry. The Company
25 sells its products to various customers in the retail and foodservice channels through
26 brokers and distributors in the U.S. and internationally. Formerly known as Savage
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1 River Inc., the Company was founded in 2009 and changed its name to Beyond Meat,
2 Inc. in September 2018.

3
4 24. Don Lee is a maker of plant-based and meat proteins. In 2014, Beyond
5 Meat entered into an exclusive supply agreement with Don Lee to produce all of
6 Beyond Meat's products, including the development and launch of the Company's
7 popular Beyond Burger.
8

9 25. In early 2017, following the launch of the Beyond Burger, Beyond Meat
10 terminated its exclusive supply agreement with Don Lee and moved its production
11 to other companies, including ProPortion.
12

13 26. In May 2017, Don Lee filed a complaint against the Company in the
14 Superior Court of the State of California for the County of Los Angeles asserting
15 claims for, *inter alia*, breach of contract, misappropriation of trade secrets, and unfair
16 competition, seeking monetary damages and declaratory and injunctive relief.
17

18 27. Don Lee's initial lawsuit spawned other related legal proceedings. In
19 July 2017, Beyond Meat filed a cross-complaint against Don Lee, alleging that Don
20 Lee had breached the Supply Agreement by failing to provide saleable product,
21 engaged in unfair competition, and unlawfully converted Beyond Meat property.
22

23 28. In October 2018, Don Lee filed an amended complaint adding
24 ProPortion, one of Beyond Meat's new contract manufacturers, as a defendant,
25 asserting, *inter alia*, claims arising from ProPortion's alleged use of Don Lee's trade
26 secrets and for replacing Don Lee as Beyond Meat's co-manufacturer. ProPortion
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1 then filed a cross-complaint against Beyond Meat, asserting claims of total and
2 partial equitable indemnity, contribution and repayment.

3
4 29. On March 2019, Don Lee filed a second amended complaint, adding
5 claims of fraud and negligent misrepresentation against Beyond Meat. Don Lee
6 specifically alleged, *inter alia*, that Don Lee found plastics, cardboard and a metal
7 nozzle in ingredients that Beyond Meat supplied and that a Beyond Meat truck had
8 arrived at a Don Lee processing facility with a load contaminated with an
9 unidentified white powder. Don Lee further alleged that Beyond Meat had provided
10 an altered copy of a food-safety audit of its manufacturing facilities.
11

12
13 30. In May 2019, with the Don Lee Litigation still ongoing, Beyond Meat
14 conducted its initial public offering (“IPO”), issuing 11,068,750 shares of common
15 stock priced at \$25.00 per share.
16

17 **Materially False and Misleading Statements Issued During the Class Period**

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19 31. The Class Period begins on May 2, 2019, when Beyond Meat’s
20 securities began trading on the NASDAQ following the Company’s IPO. In the
21 registration statement and prospectus issued in connection with the IPO (the
22 “Offering Documents”), with respect to the Don Lee Litigation, Beyond Meat stated,
23
24 in relevant part:

25 [O]n May 25, 2017, following our termination of our supply agreement
26 with Don Lee Farms, a co-manufacturer, Don Lee Farms filed a lawsuit
27 against us in California state court claiming that we wrongfully
28 terminated the parties’ contract and that we misappropriated their trade
secrets principally by sharing with subsequent co-manufacturers the

1 processes for manufacturing our products—processes which they claim
2 to have developed. On July 27, 2017 we filed a cross-complaint,
3 alleging that Don Lee Farms (1) breached the supply agreement,
4 including by failing to provide saleable product, as certain of our
5 products manufactured by Don Lee Farms were contaminated with
6 salmonella and other foreign objects, and that Don Lee Farms did not
7 take appropriate actions to address these issues; (2) engaged in unfair
8 competition in violation of California’s Unfair Competition Law; and
9 (3) unlawfully converted certain Beyond Meat property, including
10 certain pieces of equipment. In October 2018, Don Lee Farms filed an
11 amended complaint that added ProPortion Foods, LLC (one of Beyond
12 Meat’s current contract manufacturers) as a defendant, principally for
13 claims arising from ProPortion’s alleged use of Don Lee Farms’ alleged
14 trade secrets, and for replacing Don Lee Farms as Beyond Meat’s co-
15 manufacturer. ProPortion filed an answer denying all of Don Lee
16 Farms’ claims and a cross-complaint against Beyond Meat asserting
17 claims of total and partial equitable indemnity, contribution, and
18 repayment. On March 11, 2019, Don Lee Farms filed a second
19 amended complaint to add claims of fraud and negligent
20 misrepresentation against us. Trial is currently set for May 18, 2020.

21 Don Lee Farms is seeking from us and ProPortion unspecified
22 compensatory and punitive damages, declaratory and injunctive relief,
23 including the prohibition of our use or disclosure of the alleged trade
24 secrets, and attorneys’ fees and costs. We are seeking from Don Lee
25 Farms monetary damages, restitution of monies paid to Don Lee Farms,
26 and attorneys’ fees and costs. ProPortion is seeking indemnity,
27 contribution, or repayment from us of any or all damages that
28 ProPortion may be found liable to Don Lee Farms, and attorney’s fees
and costs. ***We believe we were justified in terminating the supply
agreement with Don Lee Farms, that we did not misappropriate their
alleged trade secrets, that we are not liable for the fraud or negligent
misrepresentation alleged in the proposed second amended
complaint, that Don Lee Farms is liable for the conduct alleged in
our cross-complaint, and that we are not liable to ProPortion for any
indemnity, contribution, or repayment, including for any damages or
attorney’s fees and costs.***

***We intend to vigorously defend ourselves against the claims and
prosecute our own.*** However, we cannot assure you that Don Lee
Farms or ProPortion will not prevail in all or some of their claims

1 against us, or that we will prevail in some or all of our claims against
2 Don Lee Farms. For example, if Don Lee Farms succeeds in the lawsuit,
3 we could be required to pay damages, including but not limited to
4 contract damages reasonably calculated at what we would have paid
5 Don Lee Farms to produce our products through 2019, the end of the
6 contract term, and Don Lee Farms could also claim some ownership in
7 the intellectual property associated with the production of certain of our
8 products or in the products themselves, and thus claim a stake in the
9 value we have derived and will derive from the use of that intellectual
10 property after we terminated our supply agreement with Don Lee
11 Farms. As another example, we also could be required to pay attorney’s
12 fees and costs incurred by Don Lee Farms or ProPortion.

13 (Emphases added.) The statements in the Offering Documents cautioning investors
14 that the Company “cannot assure” its investors as to the outcome of the Don Lee
15 Litigation, that the Company “*could* be required to pay damages,” and that Don Lee
16 “*could* also claim some ownership in the intellectual property associated with the
17 production of certain of our products or in the products themselves” (emphases
18 added) were clearly generic disclaimers that were not tailored to Beyond Meat’s
19 actual known risks with respect to the Don Lee Litigation, given the Company’s
20 knowledge of its own conduct with respect to the Supply Agreement and its
21 collaboration with Don Lee.

22 32. On June 12, 2019, Beyond Meats filed its quarterly report on Form
23 10-Q with the SEC for the quarter ended March 30, 2019 (the “Q1 2019 10-Q”).
24 With respect to the Don Lee Litigation, the Q1 2019 10-Q echoed the statements in
25 the Company’s Offering Documents (*see* ¶ 31):

26
27 On May 25, 2017, Don Lee Farms, a division of Goodman Food
28 Products, Inc., filed a complaint against us in the Superior Court of the

1 State of California for the County of Los Angeles asserting claims for
2 breach of contract, misappropriation of trade secrets, unfair competition
3 under the California Business and Professions Code, money owed and
4 due, declaratory relief and injunctive relief, each arising out of our
5 decision to terminate an exclusive supply agreement between us and
6 Don Lee Farms. ***We deny all of these claims*** and filed counterclaims
7 on July 27, 2017, alleging breach of contract, unfair competition under
8 the California Business and Professions Code and conversion. In
9 October 2018, Don Lee Farms filed an amended complaint that added
10 ProPortion Foods, LLC (one of Beyond Meat's current contract
11 manufacturers) as a defendant, principally for claims arising from
12 ProPortion's alleged use of Don Lee Farms' alleged trade secrets, and
13 for replacing Don Lee Farms as Beyond Meat's co-manufacturer.
14 ProPortion filed an answer denying all of Don Lee Farms' claims and
15 a cross-complaint against Beyond Meat asserting claims of total and
16 partial equitable indemnity, contribution, and repayment. On March 11,
17 2019, Don Lee Farms filed a second amended complaint to add claims
18 of fraud and negligent misrepresentation against us. On May 30, 2019,
19 the judge denied our motion to dismiss the fraud and negligent
20 misrepresentation claims, allowing the claims to proceed. Trial is
21 currently set for May 18, 2020.

22 Don Lee Farms is seeking from Beyond Meat and ProPortion
23 unspecified compensatory and punitive damages, declaratory and
24 injunctive relief, including the prohibition of Beyond Meat's use or
25 disclosure of the alleged trade secrets, and attorneys' fees and costs. We
26 are seeking from Don Lee Farms monetary damages, restitution of
27 monies paid to Don Lee Farms, and attorney's fees and costs.
28 ProPortion is seeking indemnity, contribution, or repayment from us of
any or all damages that ProPortion may be found liable to Don Lee
Farms, and attorney's fees and costs.

***We believe we were justified in terminating the supply agreement with
Don Lee Farms, that we did not misappropriate their alleged trade
secrets, that we are not liable for the fraud or negligent
misrepresentation alleged in the proposed second amended
complaint, that Don Lee Farms is liable for the conduct alleged in
our cross-complaint, and that we are not liable to ProPortion for any
indemnity, contribution, or repayment, including for any damages or
attorney's fees and costs. We are currently in the process of litigating
this matter and intend to vigorously defend ourselves against the***

1 *claims.* We cannot assure you that Don Lee Farms or ProPortion will
2 not prevail in all or some of their claims against us, or that we will
3 prevail in some or all of our claims against Don Lee Farms. For
4 example, if Don Lee Farms succeeds in the lawsuit, we could be
5 required to pay damages, including but not limited to contract damages
6 reasonably calculated at what we would have paid Don Lee Farms to
7 produce our products through 2019, the end of the contract term, and
8 Don Lee Farms could also claim some ownership in the intellectual
9 property associated with the production of certain of our products or in
10 the products themselves, and thus claim a stake in the value we have
11 derived and will derive from the use of that intellectual property after
12 we terminated our supply agreement with Don Lee Farms. Based on
13 our current knowledge, we have determined that the amount of any
14 material loss or range of any losses that is reasonably possible to result
15 from this lawsuit is not estimable.

16 (Emphases added.) The Q1 2019 10-Q likewise reiterated the generic disclaimers
17 that were not tailored to Beyond Meat’s actual known risks with respect to the Don
18 Lee Litigation, given the Company’s knowledge of its own conduct with respect to
19 the Supply Agreement and its collaboration with Don Lee.

20 33. Appended as exhibits to the Q1 2019 10-Q were certifications pursuant
21 to the Sarbanes-Oxley Act of 2002 (“SOX”) by the Individual Defendants, attesting
22 that the Q1 2019 10-Q “fully complies with the requirements of Section 13(a) or
23 Section 15(d), as applicable, of the Securities Exchange Act of 1934” and that “the
24 information contained in the [Q1 2019 10-Q] fairly presents, in all material respects,
25 the financial condition and results of operations of the Company for the periods
26 presented therein.”

27 34. On July 29, 2019, Beyond Meats filed its quarterly report on Form 10-Q
28 with the SEC for the quarter ended June 29, 2019 (the “Q2 2019 10-Q”). With

1 respect to the Don Lee Litigation, the Q2 2019 10-Q echoed the statements in the
2 Company's Offering Documents and in the Q1 2019 10-Q (see ¶¶ 31-32):

3
4 On May 25, 2017, Don Lee Farms, a division of Goodman Food
5 Products, Inc., filed a complaint against us in the Superior Court of the
6 State of California for the County of Los Angeles asserting claims for
7 breach of contract, misappropriation of trade secrets, unfair competition
8 under the California Business and Professions Code, money owed and
9 due, declaratory relief and injunctive relief, each arising out of our
10 decision to terminate an exclusive supply agreement between us and
11 Don Lee Farms. ***We deny all of these claims*** and filed counterclaims
12 on July 27, 2017, alleging breach of contract, unfair competition under
13 the California Business and Professions Code and conversion. In
14 October 2018, Don Lee Farms filed an amended complaint that added
15 ProPortion Foods, LLC (one of Beyond Meat's current contract
16 manufacturers) as a defendant, principally for claims arising from
17 ProPortion's alleged use of Don Lee Farms' alleged trade secrets, and
18 for replacing Don Lee Farms as Beyond Meat's co-manufacturer.
19 ProPortion filed an answer denying all of Don Lee Farms' claims and
20 a cross-complaint against Beyond Meat asserting claims of total and
21 partial equitable indemnity, contribution, and repayment. On March 11,
22 2019, Don Lee Farms filed a second amended complaint to add claims
23 of fraud and negligent misrepresentation against us. On May 30, 2019,
24 the judge denied our motion to dismiss the fraud and negligent
25 misrepresentation claims, allowing the claims to proceed. ***On June 19,***
26 ***2019, we filed an answer denying Don Lee Farms' claims.*** Trial is
27 currently set for May 18, 2020.

28 Don Lee Farms is seeking from Beyond Meat and ProPortion
unspecified compensatory and punitive damages, declaratory and
injunctive relief, including the prohibition of Beyond Meat's use or
disclosure of the alleged trade secrets, and attorneys' fees and costs. We
are seeking from Don Lee Farms monetary damages, restitution of
monies paid to Don Lee Farms, and attorney's fees and costs.
ProPortion is seeking indemnity, contribution, or repayment from us of
any or all damages that ProPortion may be found liable to Don Lee
Farms, and attorney's fees and costs.

***We believe we were justified in terminating the supply agreement with
Don Lee Farms, that we did not misappropriate their alleged trade***

1 *secrets, that we are not liable for the fraud or negligent*
2 *misrepresentation alleged in the proposed second amended*
3 *complaint, that Don Lee Farms is liable for the conduct alleged in*
4 *our cross-complaint, and that we are not liable to ProPortion for any*
5 *indemnity, contribution, or repayment, including for any damages or*
6 *attorney’s fees and costs. We are currently in the process of litigating*
7 *this matter and intend to vigorously defend ourselves against the*
8 *claims.* We cannot assure you that Don Lee Farms or ProPortion will
9 not prevail in all or some of their claims against us, or that we will
10 prevail in some or all of our claims against Don Lee Farms. For
11 example, if Don Lee Farms succeeds in the lawsuit, we could be
12 required to pay damages, including but not limited to contract damages
13 reasonably calculated at what we would have paid Don Lee Farms to
14 produce our products through 2019, the end of the contract term, and
15 Don Lee Farms could also claim some ownership in the intellectual
16 property associated with the production of certain of our products or in
17 the products themselves, and thus claim a stake in the value we have
18 derived and will derive from the use of that intellectual property after
19 we terminated our supply agreement with Don Lee Farms. Based on
20 our current knowledge, we have determined that the amount of any
21 material loss or range of any losses that is reasonably possible to result
22 from this lawsuit is not estimable.

16 (Emphases added.) Like the Q1 2019 10-Q, the Q2 2019 10-Q likewise reiterated
17 the generic disclaimers that were not tailored to Beyond Meat’s actual known risks
18 with respect to the Don Lee Litigation, given the Company’s knowledge of its own
19 conduct with respect to the Supply Agreement and its collaboration with Don Lee.
20

22 35. Appended as exhibits to the Q2 2019 10-Q were SOX certifications by
23 the Individual Defendants, attesting that the Q2 2019 10-Q “fully complies with the
24 requirements of Section 13(a) or Section 15(d), as applicable, of the Securities
25 Exchange Act of 1934” and that “the information contained in the [Q2 2019 10-Q]
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1 fairly presents, in all material respects, the financial condition and results of
2 operations of the Company for the periods presented therein.”

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4 36. On November 12, 2019, Beyond Meats filed its quarterly report on
5 Form 10-Q with the SEC for the quarter ended September 28, 2019 (the “Q3 2019
6 10-Q”). With respect to the Don Lee Litigation, the Q3 2019 10-Q echoed the
7 statements in the Company’s Offering Documents and prior quarterly filings (*see* ¶¶
8 31-32, 34):
9

10 On May 25, 2017, Don Lee Farms, a division of Goodman Food
11 Products, Inc., filed a complaint against us in the Superior Court of the
12 State of California for the County of Los Angeles asserting claims for
13 breach of contract, misappropriation of trade secrets, unfair competition
14 under the California Business and Professions Code, money owed and
15 due, declaratory relief and injunctive relief, each arising out of our
16 decision to terminate an exclusive supply agreement between us and
17 Don Lee Farms. ***We deny all of these claims*** and filed counterclaims
18 on July 27, 2017, alleging breach of contract, unfair competition under
19 the California Business and Professions Code and conversion. In
20 October 2018, Don Lee Farms filed an amended complaint that added
21 ProPortion Foods, LLC (one of Beyond Meat’s current contract
22 manufacturers) as a defendant, principally for claims arising from
23 ProPortion’s alleged use of Don Lee Farms’ alleged trade secrets, and
24 for replacing Don Lee Farms as Beyond Meat’s co-manufacturer.
25 ProPortion filed an answer denying all of Don Lee Farms’ claims and
26 a cross-complaint against Beyond Meat asserting claims of total and
27 partial equitable indemnity, contribution, and repayment. On March 11,
28 2019, Don Lee Farms filed a second amended complaint to add claims
of fraud and negligent misrepresentation against us. On May 30, 2019,
the judge denied our motion to dismiss the fraud and negligent
misrepresentation claims, allowing the claims to proceed. ***On June 19,
2019, we filed an answer denying Don Lee Farms’ claims.*** Trial is
currently set for May 18, 2020.

Don Lee Farms is seeking from Beyond Meat and ProPortion
unspecified compensatory and punitive damages, declaratory and

1 injunctive relief, including the prohibition of Beyond Meat's use or
2 disclosure of the alleged trade secrets, and attorneys' fees and costs. We
3 are seeking from Don Lee Farms monetary damages, restitution of
4 monies paid to Don Lee Farms, and attorney's fees and costs.
5 ProPortion is seeking indemnity, contribution, or repayment from us of
6 any or all damages that ProPortion may be found liable to Don Lee
7 Farms, and attorney's fees and costs.

8 *We believe we were justified in terminating the supply agreement with*
9 *Don Lee Farms, that we did not misappropriate their alleged trade*
10 *secrets, that we are not liable for the fraud or negligent*
11 *misrepresentation alleged in the proposed second amended*
12 *complaint, that Don Lee Farms is liable for the conduct alleged in*
13 *our cross-complaint, and that we are not liable to ProPortion for any*
14 *indemnity, contribution, or repayment, including for any damages or*
15 *attorney's fees and costs. We are currently in the process of litigating*
16 *this matter and intend to vigorously defend ourselves against the*
17 *claims.* We cannot assure you that Don Lee Farms or ProPortion will
18 not prevail in all or some of their claims against us, or that we will
19 prevail in some or all of our claims against Don Lee Farms. For
20 example, if Don Lee Farms succeeds in the lawsuit, we could be
21 required to pay damages, including but not limited to contract damages
22 reasonably calculated at what we would have paid Don Lee Farms to
23 produce our products through 2019, the end of the contract term, and
24 Don Lee Farms could also claim some ownership in the intellectual
25 property associated with the production of certain of our products or in
26 the products themselves, and thus claim a stake in the value we have
27 derived and will derive from the use of that intellectual property after
28 we terminated our supply agreement with Don Lee Farms. Based on
our current knowledge, we have determined that the amount of any
material loss or range of any losses that is reasonably possible to result
from this lawsuit is not estimable.

23 (Emphases added.) Like the Company's previous two quarterly filings, the Q3 2019
24 10-Q likewise reiterated merely generic disclaimers that were not tailored to Beyond
25 Meat's actual known risks with respect to the Don Lee Litigation, given the
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27
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1 Company's knowledge of its own conduct with respect to the Supply Agreement and
2 its collaboration with Don Lee.

3
4 37. Appended as exhibits to the Q3 2019 10-Q were SOX certifications by
5 the Individual Defendants, attesting that the Q3 2019 10-Q "fully complies with the
6 requirements of Section 13(a) or Section 15(d), as applicable, of the Securities
7 Exchange Act of 1934" and that "the information contained in the [Q3 2019 10-Q]
8 fairly presents, in all material respects, the financial condition and results of
9 operations of the Company for the periods presented therein."
10

11
12 38. The statements referenced in ¶ 31-37 were materially false and
13 misleading because Defendants made false and/or misleading statements, as well as
14 failed to disclose material adverse facts about the Company's business, operational
15 and compliance policies. Specifically, Defendants made false and/or misleading
16 statements and/or failed to disclose that: (i) Beyond Meat's termination of its supply
17 agreement with Don Lee constituted a breach of that agreement, thus exposing the
18 Company to foreseeable legal liability and reputational harm; (ii) Beyond Meat and
19 certain of its employees had doctored and omitted material information from a food
20 safety consultant's report, which the Company represented as accurate to Don Lee;
21 and (iii) as a result, the Company's public statements were materially false and
22 misleading at all relevant times.
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The Truth Begins to Emerge

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39. On January 27, 2020, post-market, Don Lee issued a press release entitled “Judge Rules Don Lee Farms Likely to Obtain a Judgment. Beyond Meat’s CFO and Others Named Individually for Fraud.” The press release stated, in part, that “[a] judge has ruled Don Lee Farms proved the probable validity of its claim that Beyond Meat breached its manufacturing agreement with Don Lee Farms” and that “[i]n a separate motion before a different Judge, the Court granted Don Lee Farms’ request to name Beyond Meat Chief Financial Officer Mark Nelson, Senior Quality Assurance Manager Jessica Quetsch and Director of Operations Anthony Miller in its fraud claims which allege they intentionally doctored and omitted material information from a food safety consultant’s report, and then delivered that doctored report to Don Lee Farms and affirmatively represented that it was the complete opinion of the consultant.”

40. On this news, Beyond Meat’s stock price fell \$4.63 per share, or 3.71%, to close at \$120.12 per share on January 28, 2020.

41. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF’S CLASS ACTION ALLEGATIONS

42. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who

1 purchased or otherwise acquired Beyond Meat securities during the Class Period
2 (the “Class”); and were damaged upon the revelation of the alleged corrective
3 disclosures. Excluded from the Class are Defendants herein, the officers and
4 directors of the Company, at all relevant times, members of their immediate families
5 and their legal representatives, heirs, successors or assigns and any entity in which
6 Defendants have or had a controlling interest.
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9 43. The members of the Class are so numerous that joinder of all members
10 is impracticable. Throughout the Class Period, Beyond Meat securities were
11 actively traded on the NASDAQ. While the exact number of Class members is
12 unknown to Plaintiff at this time and can be ascertained only through appropriate
13 discovery, Plaintiff believes that there are hundreds or thousands of members in the
14 proposed Class. Record owners and other members of the Class may be identified
15 from records maintained by Beyond Meat or its transfer agent and may be notified
16 of the pendency of this action by mail, using the form of notice similar to that
17 customarily used in securities class actions.
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21 44. Plaintiff’s claims are typical of the claims of the members of the Class
22 as all members of the Class are similarly affected by Defendants’ wrongful conduct
23 in violation of federal law that is complained of herein.
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25 45. Plaintiff will fairly and adequately protect the interests of the members
26 of the Class and has retained counsel competent and experienced in class and
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1 securities litigation. Plaintiff has no interests antagonistic to or in conflict with those
2 of the Class.

3
4 46. Common questions of law and fact exist as to all members of the Class
5 and predominate over any questions solely affecting individual members of the
6 Class. Among the questions of law and fact common to the Class are:

- 7
- 8 • whether the federal securities laws were violated by Defendants' acts
9 as alleged herein;
 - 10 • whether statements made by Defendants to the investing public
11 during the Class Period misrepresented material facts about the
12 business, operations and management of Beyond Meat;
 - 13 • whether the Individual Defendants caused Beyond Meat to issue false
14 and misleading financial statements during the Class Period;
 - 15 • whether Defendants acted knowingly or recklessly in issuing false
16 and misleading financial statements;
 - 17 • whether the prices of Beyond Meat securities during the Class Period
18 were artificially inflated because of the Defendants' conduct
19 complained of herein; and
 - 20 • whether the members of the Class have sustained damages and, if so,
21 what is the proper measure of damages.

22 47. A class action is superior to all other available methods for the fair and
23 efficient adjudication of this controversy since joinder of all members is
24 impracticable. Furthermore, as the damages suffered by individual Class members
25 may be relatively small, the expense and burden of individual litigation make it
26 impossible for members of the Class to individually redress the wrongs done to them.
27 There will be no difficulty in the management of this action as a class action.
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1 48. Plaintiff will rely, in part, upon the presumption of reliance established
2 by the fraud-on-the-market doctrine in that:

- 3
- 4 • Defendants made public misrepresentations or failed to disclose
5 material facts during the Class Period;
- 6 • the omissions and misrepresentations were material;
- 7 • Beyond Meat securities are traded in an efficient market;
- 8 • the Company's shares were liquid and traded with moderate to heavy
9 volume during the Class Period;
- 10 • the Company traded on the NASDAQ and was covered by multiple
11 analysts;
- 12 • the misrepresentations and omissions alleged would tend to induce a
13 reasonable investor to misjudge the value of the Company's
14 securities; and
- 15 • Plaintiff and members of the Class purchased, acquired and/or sold
16 Beyond Meat securities between the time the Defendants failed to
17 disclose or misrepresented material facts and the time the true facts
18 were disclosed, without knowledge of the omitted or misrepresented
19 facts.

20 49. Based upon the foregoing, Plaintiff and the members of the Class are
21 entitled to a presumption of reliance upon the integrity of the market.

22 50. Alternatively, Plaintiff and the members of the Class are entitled to the
23 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens*
24 *of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as
25 Defendants omitted material information in their Class Period statements in violation
26 of a duty to disclose such information, as detailed above.
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COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

51. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

52. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

53. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Beyond Meat securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Beyond Meat securities and options at artificially inflated prices. In furtherance of this unlawful scheme,

1 plan and course of conduct, Defendants, and each of them, took the actions set forth
2 herein.

3
4 54. Pursuant to the above plan, scheme, conspiracy and course of conduct,
5 each of the Defendants participated directly or indirectly in the preparation and/or
6 issuance of the quarterly and annual reports, SEC filings, press releases and other
7 statements and documents described above, including statements made to securities
8 analysts and the media that were designed to influence the market for Beyond Meat
9 securities. Such reports, filings, releases and statements were materially false and
10 misleading in that they failed to disclose material adverse information and
11 misrepresented the truth about Beyond Meat's finances and business prospects.
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14 55. By virtue of their positions at Beyond Meat, Defendants had actual
15 knowledge of the materially false and misleading statements and material omissions
16 alleged herein and intended thereby to deceive Plaintiff and the other members of
17 the Class, or, in the alternative, Defendants acted with reckless disregard for the truth
18 in that they failed or refused to ascertain and disclose such facts as would reveal the
19 materially false and misleading nature of the statements made, although such facts
20 were readily available to Defendants. Said acts and omissions of Defendants were
21 committed willfully or with reckless disregard for the truth. In addition, each
22 Defendant knew or recklessly disregarded that material facts were being
23 misrepresented or omitted as described above.
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1 56. Information showing that Defendants acted knowingly or with reckless
2 disregard for the truth is peculiarly within Defendants' knowledge and control. As
3 the senior managers and/or directors of Beyond Meat, the Individual Defendants had
4 knowledge of the details of Beyond Meat's internal affairs.
5

6 57. The Individual Defendants are liable both directly and indirectly for the
7 wrongs complained of herein. Because of their positions of control and authority,
8 the Individual Defendants were able to and did, directly or indirectly, control the
9 content of the statements of Beyond Meat. As officers and/or directors of a publicly-
10 held company, the Individual Defendants had a duty to disseminate timely, accurate,
11 and truthful information with respect to Beyond Meat's businesses, operations,
12 future financial condition and future prospects. As a result of the dissemination of
13 the aforementioned false and misleading reports, releases and public statements, the
14 market price of Beyond Meat securities was artificially inflated throughout the Class
15 Period. In ignorance of the adverse facts concerning Beyond Meat's business and
16 financial condition which were concealed by Defendants, Plaintiff and the other
17 members of the Class purchased or otherwise acquired Beyond Meat securities at
18 artificially inflated prices and relied upon the price of the securities, the integrity of
19 the market for the securities and/or upon statements disseminated by Defendants,
20 and were damaged thereby.
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26 58. During the Class Period, Beyond Meat securities were traded on an
27 active and efficient market. Plaintiff and the other members of the Class, relying on
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1 the materially false and misleading statements described herein, which the
2 Defendants made, issued or caused to be disseminated, or relying upon the integrity
3 of the market, purchased or otherwise acquired shares of Beyond Meat securities at
4 prices artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the
5 other members of the Class known the truth, they would not have purchased or
6 otherwise acquired said securities, or would not have purchased or otherwise
7 acquired them at the inflated prices that were paid. At the time of the purchases
8 and/or acquisitions by Plaintiff and the Class, the true value of Beyond Meat
9 securities was substantially lower than the prices paid by Plaintiff and the other
10 members of the Class. The market price of Beyond Meat securities declined sharply
11 upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class
12 members.

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17 59. By reason of the conduct alleged herein, Defendants knowingly or
18 recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act
19 and Rule 10b-5 promulgated thereunder.

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21 60. As a direct and proximate result of Defendants' wrongful conduct,
22 Plaintiff and the other members of the Class suffered damages in connection with
23 their respective purchases, acquisitions and sales of the Company's securities during
24 the Class Period, upon the disclosure that the Company had been disseminating
25 misrepresented financial statements to the investing public.
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COUNT II

(Violations of Section 20(a) of the Exchange Act Against The Individual Defendants)

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61. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

62. During the Class Period, the Individual Defendants participated in the operation and management of Beyond Meat, and conducted and participated, directly and indirectly, in the conduct of Beyond Meat's business affairs. Because of their senior positions, they knew the adverse non-public information about Beyond Meat's misstatement of income and expenses and false financial statements.

63. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Beyond Meat's financial condition and results of operations, and to correct promptly any public statements issued by Beyond Meat which had become materially false or misleading.

64. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Beyond Meat disseminated in the marketplace during the Class Period concerning Beyond Meat's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Beyond Meat to engage in the wrongful acts

1 complained of herein. The Individual Defendants therefore, were “controlling
2 persons” of Beyond Meat within the meaning of Section 20(a) of the Exchange Act.
3
4 In this capacity, they participated in the unlawful conduct alleged which artificially
5 inflated the market price of Beyond Meat securities.

6
7 65. Each of the Individual Defendants, therefore, acted as a controlling
8 person of Beyond Meat. By reason of their senior management positions and/or
9 being directors of Beyond Meat, each of the Individual Defendants had the power to
10 direct the actions of, and exercised the same to cause, Beyond Meat to engage in the
11 unlawful acts and conduct complained of herein. Each of the Individual Defendants
12 exercised control over the general operations of Beyond Meat and possessed the
13 power to control the specific activities which comprise the primary violations about
14 which Plaintiff and the other members of the Class complain.
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17 66. By reason of the above conduct, the Individual Defendants are liable
18 pursuant to Section 20(a) of the Exchange Act for the violations committed by
19 Beyond Meat.
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22 **PRAYER FOR RELIEF**

23 **WHEREFORE**, Plaintiff demands judgment against Defendants as follows:

24 A. Determining that the instant action may be maintained as a class action
25 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the
26 Class representative;
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1 B. Requiring Defendants to pay damages sustained by Plaintiff and the
2 Class by reason of the acts and transactions alleged herein;

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4 C. Awarding Plaintiff and the other members of the Class prejudgment and
5 post-judgment interest, as well as their reasonable attorneys' fees, expert fees and
6 other costs; and

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8 D. Awarding such other and further relief as this Court may deem just and
9 proper.

10 **DEMAND FOR TRIAL BY JURY**

11
12 Plaintiff hereby demands a trial by jury.

13 Dated: January 30, 2020

14 Respectfully submitted,

15
16 **POMERANTZ LLP**

17 Jennifer Pafiti

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Attorneys for Plaintiff

**CERTIFICATION PURSUANT
TO FEDERAL SECURITIES LAWS**

1. I, Larry Tran, make this declaration pursuant to Section 27(a)(2) of the Securities Act of 1933 ("Securities Act") and/or Section 21D(a)(2) of the Securities Exchange Act of 1934 ("Exchange Act") as amended by the Private Securities Litigation Reform Act of 1995.

2. I have reviewed a Complaint against Beyond Meat, Inc. ("Beyond Meat" or the "Company") and authorize the filing of a comparable complaint on my behalf.

3. I did not purchase or acquire Beyond Meat securities at the direction of plaintiffs counsel, or in order to participate in any private action arising under the Securities Act or Exchange Act.

4. I am willing to serve as a representative party on behalf of a class of investors who purchased or acquired Beyond Meat securities during the class period, including providing testimony at deposition and trial, if necessary. I understand that the Court has the authority to select the most adequate lead plaintiff in this action.

5. To the best of my current knowledge, the attached sheet lists all of my transactions in Beyond Meat securities during the Class Period as specified in the Complaint.

6. During the three-year period preceding the date on which this Certification is signed, I have not sought to serve as a representative party on behalf of a class under the federal securities laws.

7. I agree not to accept any payment for serving as a representative party on behalf of the class as set forth in the Complaint, beyond my pro-rata share of any recovery, except such reasonable costs and expenses directly relating to the representation of the class as ordered or approved by the Court.

8. I declare under penalty of perjury that the foregoing is true and correct.

Executed 1/29/20
(Date)



(Signature)

Larry Tran
(Type or Print Name)

Beyond, Meat, Inc. (BYND)

Tran, Larry

List of Purchases and Sales

Date	Purchase or Sale	Number of Shares/Unit	Price Per Share/Unit
1/22/2020	Purchase	1,300	\$133.2181

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Beyond Meat Named in Investor's Lawsuit Over Stock Drop Reportedly Caused by Legal Battle](#)
