c	ase 2:16-cv-07054 Document 1 Filed	09/20/16	Page 1 of 63	Page ID #:1			
$   \begin{array}{c}     1 \\     2 \\     3 \\     4 \\     5 \\     6 \\     7 \\     8 \\     9 \\     10 \\     11 \\     12 \\     13 \\     14 \\     15 \\     16 \\     17 \\   \end{array} $	NICHOLAS A. CARLIN (SB 112532 nac@phillaw.com BRIAN S. CONLON (SB 303456) bsc@phillaw.com PHILLIPS, ERLEWINE, GIVEN & C 39 Mesa Street, Suite 201 The Presidio San Francisco, CA 94129 Telephone: 415-398-0900 Facsimile: 415-398-0900 Facsimile: 415-398-0911 Leonard B. Simon (CSB #58310) The Law Offices of Leonard B. Simon 655 West Broadway, Suite 1900 San Diego, CA 92101 Tel: 619-338-4549 Fax: 619-231-7423 Email: lsimon@rgrdlaw.com REBECCA A. PETERSON (SB 2418 rapeterson@locklaw.com ROBERT K. SHELQUIST rkshelquist@locklaw.com LOCKRIDGE GRINDAL NAUEN P 100 Washington Avenue South, Suite Minneapolis, MN 55401 Tel: 612-339-6900 Fax: 612 339-0981 Additional Counsel Listed on Signatu Attorneys for Plaintiffs	CARLIN n 358) .L.L.P 2200	LLP				
17							
18	UNITED STATE						
19	CENTRAL DISTRICT OF CALIFORNIA						
20	CANDACE HIDDLESTONE and	Case	No:				
21	CANDACE HIDDLESTONE and JULIE HEDGES, each individually and on behalf of all those similarly	<u>COM</u>	<b>PLAINT</b>				
22	situated,	JURY	Y TRIAL DE	MANDED			
23	Plaintiffs,						
24	V.						
25	THE HONEST COMPANY, INC,						
26	Defendant.						
27							
		1 MPLAIN	JT				
		MIT LAII	N 1				

## **INTRODUCTION**

2 From at least September 20, 2012 through the present (the "Class 1. Period"), The Honest Company, Inc. ("Defendant" or "Honest") deceptively and 3 4 misleadingly labeled, advertised and marketed its products, including the following nine Honest products: Honest Diapers, Honest Hand Soap, Honest Dish 5 Soap, Honest Auto Dishwasher Gel, Honest Multi-Surface Cleaner, Honest 6 7 Shampoo and Body Wash, Honest Dishwasher Packs, Honest Conditioning Detangler, and Honest Bubble Bath (collectively the "Honest Products") as 8 9 natural, when in fact, the Honest Products contain non-natural ingredients.

Plaintiffs Candace Hiddlestone and Julie Hedges bring this class
 action lawsuit against Defendant, each individually and on behalf of a nationwide
 class (the "Honest Natural Products Class") that includes other similarly situated
 purchasers of the Honest Products who experienced the same or substantially
 similar harm as a result of Defendant's false advertising.

3. Defendant's conduct harms consumers by inducing them to purchase
and consume the Honest Products on the false premise that the products are
natural and by implicitly promising that the products are manufactured, marketed
and sold "honestly."

19 4. Plaintiffs Hiddlestone and Hedges and the Honest Natural Products Class paid a premium for certain Natural Products over comparable products, 2021 based on Defendant's representations that the Natural Products were natural. Instead of receiving products that were natural, Plaintiffs Hiddlestone and Hedges 22 23 and the Honest Natural Products Class received products that, contrary to 24 Defendant's representations, contained synthetic, non-natural ingredients, such as Methylisothiazolinone, Cocamidopropyl Betaine, and Phenoxyethanol. Not only 25 26 has Defendant admitted that these three ingredients are synthetic, but the

Environmental Working Group has rated these chemicals as either "High Hazard"
 or "Moderate Hazard" chemicals.

3

## JURISDICTION AND VENUE

5. 4 The Court has subject matter jurisdiction over the individual and class claims asserted herein pursuant to 28 U.S.C. § 1332, as amended in 2005 by 5 the Class Action Fairness Act, because: (A) the amount in controversy in this 6 7 class action exceeds \$5,000,000, exclusive of interests, costs, and attorneys' fees; 8 and (B) a substantial number of the members of the proposed class are citizens of 9 a state different from that of Defendant. In addition, Plaintiffs Hiddlestone and Hedges are citizens of states different from that of Defendant, a Delaware 10 Corporation. 11

12 6. The Court has personal jurisdiction over Defendant. Honest
13 maintains headquarters in Santa Monica, California and conducts substantial and
14 continuous business throughout the State of California.

7. Venue is proper pursuant to 28 U.S.C. § 1391(a) & (b)(2) because a
substantial part of the events or omissions giving rise to the claim occurred in this
District, and because Defendant conducts a substantial part of its business in this
District.

19

# **PARTIES**

8. Plaintiff Candace Hiddlestone is a resident of La Jolla, California
 and an individual consumer. During the Class Period, Ms. Hiddlestone purchased
 Honest Diapers, Honest Dishwasher Packs, Honest Conditioning Detangler, and
 Honest Shampoo and Body Wash. As with all members of the Honest Natural
 Products Class, Ms. Hiddlestone paid a premium for these Natural Products based
 upon the representation that the Natural Products are natural, in excess of the
 price for comparable products not purporting to be natural.

9. Plaintiff Julie Hedges is a resident of Columbus, Georgia and an 1 2 individual consumer. During the Class Period, Ms. Hedges purchased Honest 3 Hand Soap, Honest Dish Soap, Honest Bubble Bath, Honest Auto Dishwasher 4 Gel, and Honest Multi-Surface Cleaner. Hedges purchased products online and direct through Honest, as well as at a local retail Target shopping outlet. As with 5 all members of the Honest Natural Products Class, Ms. Hedges paid a premium 6 7 for these Natural Products based upon the representation that the Natural Products are natural, in excess of the price for comparable products not purporting to be 8 9 natural.

10 10. Defendant The Honest Company, Inc. is a Delaware corporation
11 headquartered in Santa Monica, California. The company markets its products
12 online through the website <https://www.honest.com> ("Honest.com") and
13 operates an active storefront on Amazon.com selling the Honest Products.
14 Defendant maintains supply chain control over the manufacture of the Honest
15 Products, operates as an online retailer, and distributes the Honest Products,
16 business-to-business, to major retail outlets throughout the U.S. and Canada.

17

18

# FACTUAL ALLEGATIONS

# **Defendant's Nationwide Distribution**

19 11. California has significant contacts to the class claims asserted in the20 Complaint.

21 12. On information and belief, Defendant has designed, controlled, and
22 overseen a national production and distribution network from the company's
23 headquarters in California.

According to the company's public statements, Defendant contracts
with third-party manufacturing and supplier facilities to produce and distribute
the Honest Products. On information and belief, Defendant controls its entire
supply chain from its company headquarters in California.

- 1 14. Defendant sells the Honest Products online via Honest.com, a direct 2 to-consumer e-commerce website. On information and belief, Defendant controls
   3 its entire e-commerce operation from its company headquarters in California.
- 4 15. Defendant actively generates traffic to its website through
  5 promotions on Facebook.com and Twitter.com, on information and belief,
  6 operated from the company's headquarters in California.

7 16. Defendant uploads Honest Product videos to its YouTube account,
8 on information and belief, operated from the company's headquarters in
9 California.

10 17. Defendant also sells the Honest Products through a popular online
11 storefront in the Amazon.com marketplace. On information and belief, Honest
12 controls its Amazon storefront from its company headquarters in California.

13 18. Defendant distributes the Honest Products, business-to-business, for
14 purchase in big box chain retail locations nationwide, including Target, Costco
15 Wholesale Corporation, Whole Foods Market, Inc., Gelson's Markets, and Buy
16 Buy Baby, Inc., across the United States. On information and belief, Defendant
17 controls national distribution of the Honest Products from its company
18 headquarters in California.

19

# Defendant's Long-Term Advertising Campaign

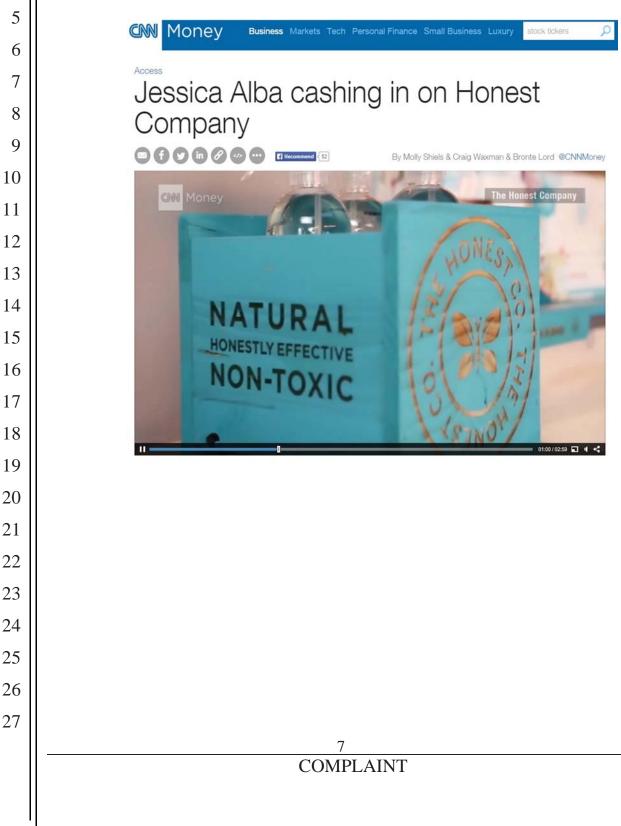
20 19. Defendant created, designed, and since at least 2012, carried out a
21 long-term, national advertising campaign from the company's California
22 headquarters.

23 20. Defendant's advertising campaign has been sufficiently lengthy in
24 duration, and widespread in dissemination, such that it would be unrealistic to
25 require the plaintiffs to plead relying upon each advertised misrepresentation.

26 21. Defendant's advertising campaign has been widespread, continuous,
27 and contained in various media, labels, and point-of-sale displays.

22. Defendant's advertising campaign has included and includes 1 2 traditional media and new media, such as print circulars, television 3 advertisements, television appearances, social media promotions, sales copy on its own website, and sales copy on third party marketplace websites. 4 5 Defendant has engaged in this long-term advertising campaign to 23. convince potential customers, first, that the company's advertising representations 6 should be taken literally, because those claims are "honest," and second, that the 7 company's products are literally "natural" and "effective." 8 9 24. Representative samples of the campaign are contained herein. Defendant's Overarching Brand Advertising 10 11 As part of the long term advertising campaign, Defendant at all times 25. has advertised, and continues to advertise, itself as a consumer products company 12 that is centrally defined by selling natural, effective products and publishing 13 honest advertising claims. 14 15 26. As a representative example, Defendant advertises its company as "Natural, Safe, Beautiful, Effective," on its own website, including in the 16 following screenshot from Honest.com captured on August 14, 2015: 17 18 Join the Honest Company 19 Natural • Safe • Beautiful • Effective Products for Baby, Family & Home 2021 22 23 24 25 26 27 COMPLAINT

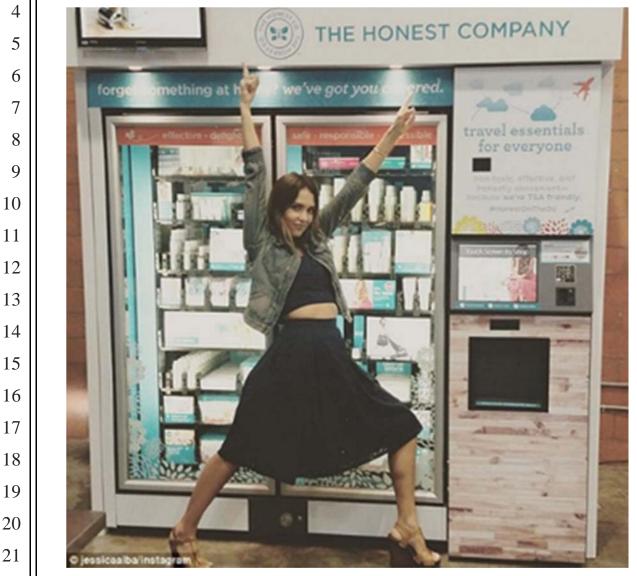
27. As another representative example, on August 18, 2015, Defendant's
 celebrity co-founder Jessica Alba and CEO Brian Lee appeared jointly, in their
 capacities as executive officers for Defendant, for a company feature on CNN
 Money that broadcast the same advertising representations, as follows:



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28. Defendant advertises the company's product lines, in general, as "effective" and "safe" in offline point-of-sale locations as well, including airport kiosks, as demonstrated by the following picture from July 2015:



22 29. As part of the long term advertising campaign, Defendant includes
23 its company's name, in lower case, on its product labels, specifically as part of
24 each of the product names: "honest hand soap," "honest dish soap," "honest
25 diapers," "honest multi-surface cleaner," "honest dishwasher packs," "honest
26 dishwasher gel," "honest shampoo & body wash," "honest conditioning
27 detangler," and "honest bubble bath."

COMPLAINT

30. As part of its advertising campaign, Defendant further amplifies its
 representations with the "honestly FREE guarantee," which is displayed on
 product labels and displayed at Honest.com, Defendant's Amazon storefront, and
 partner websites including Target.com.

5 31. The "honestly FREE guarantee" states: "Providing clear, credible,
6 transparent information. No smoke and mirrors. No confusion."

7 32. Defendant further describes itself, its advertising, and its numerous
8 product lines as follows on Honest.com:

- 9 "Free from fraud or deception, truthful We believe in transparency and
  10 that applies to everything from what we put into our products and how
  11 they are made to our internal operations and how we do things.
- "Genuine, real The Honest Company was started by parents for
  parents. We are real tangible people, parents that understand what
  families need and we want to deliver on that not some big
  corporation with no social consciousness that only cares about making
  a profit.
- 17 "Respectable, praiseworthy We are people with integrity and we
  18 intend on not only doing things right, but also going above and beyond
  19 to earn your respect and loyalty making you so delighted you want
  20 to shout it from a rooftop (or tweet it from your iPhone).
- 21 "Humble We know no one can be absolutely perfect and a part of
  22 our commitment to honesty means we'll admit our flaws. It's pretty
  23 scary, but we think it's a good way to keep us focused on constant
  24 improvement."

25 33. Defendant's Chief Creative Officer and celebrity co-founder Jessica
26 Alba serves as the public face of the company.

34. To further advertise the company image as selling natural products,
 Ms. Alba has crafted public statements about Defendant to convince the public
 that Defendant is leading a movement to protect consumers from products that
 contain chemicals.

5 35. Ms. Alba's celebrity status ensures the company's claims are
6 reported by numerous media outlets.

7 36. In this way, Ms. Alba has coordinated her media appearances with8 Defendant's long-term advertising campaign.

9 37. On June 18, 2015, Ms. Alba and The Honest Company, Inc.'s COO
10 Christopher Gavigan appeared jointly in their capacities as Defendant's co11 founders to petition federal officials to strengthen regulations against consumer
12 products containing toxic chemicals, and Ms. Alba and Mr. Gavigan coordinated
13 this appearance with Defendant's extensive marketing campaign, including as
14 follows:

15a.Ms. Alba appeared in the hallway of a Congressional office16building, before a professional media crew, and stated: "[A]s17a business owner, I'm proof of concept that you can do18business right—right by humans, right by the planet —and19you can be very successful and grow very quickly."

 b. Mr. Gavigan tweeted the following statement with a picture of the Washington Monument: "Here in D.C. to convince lawmakers to join @honest to protect citizens. #chemical #reform."

38. Defendant's representations that advertise the company as "honest"
and "natural," extending to all of its product lines, are available to consumers via
numerous online, offline, and point-of-sale platforms, extending to all or

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substantially all potential and actual customers that fall within the class
 definitions set forth in this Complaint.

3 39. By advertising the company as "honest" and as "natural" Defendant
has extended its overarching advertising claims to each individual product line,
such that Defendant has cultivated an image in the minds of consumers that
would lead a reasonable consumer to conclude that Defendant's product lines are
all "natural."

8 40. Defendant has reinforced this brand impression by implying that
9 Defendant's customers should not even read its labels to determine whether its
10 products are indeed natural.

11 41. On May 29, 2014, Ms. Alba and Mr. Gavigan appeared jointly in an 12 official company video to announce Honest would distribute their products through Target retail stores. Ms. Alba explained the reason she started the 13 14 company as follows: "I wanted to create the safest and healthiest environment, 15 but I didn't want to have to read every label on every single product all the time, it had to be easier." Mr. Gavigan added: "Mom and Dad cannot be the weekend 16 toxicologists. We cannot put that work on them. So as a brand, we need to do 17 that work. We need to create the standard." The video received more than 18

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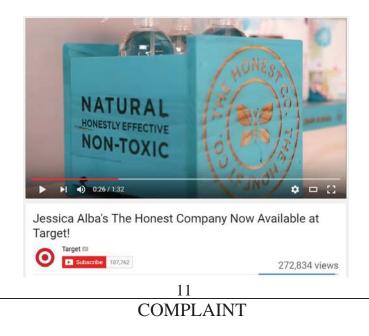
22

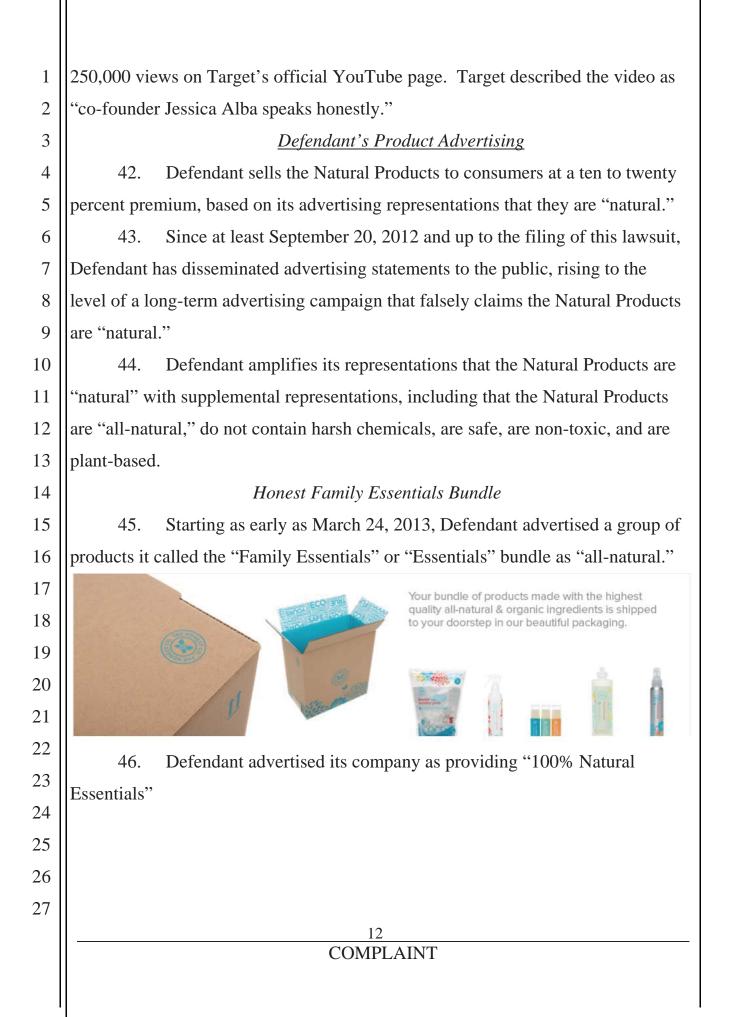
23

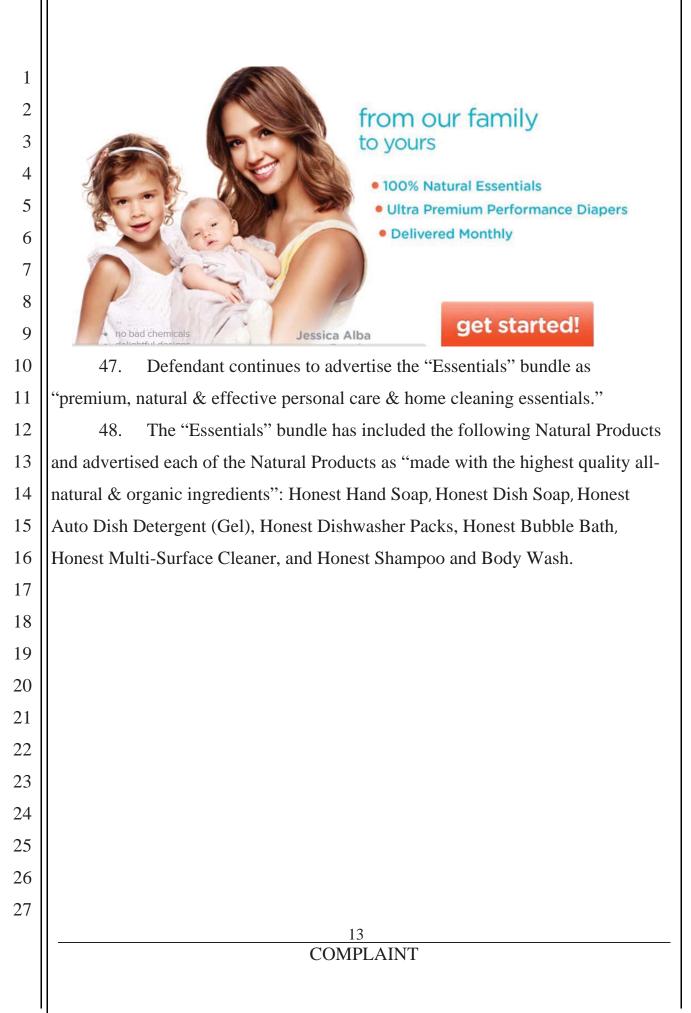
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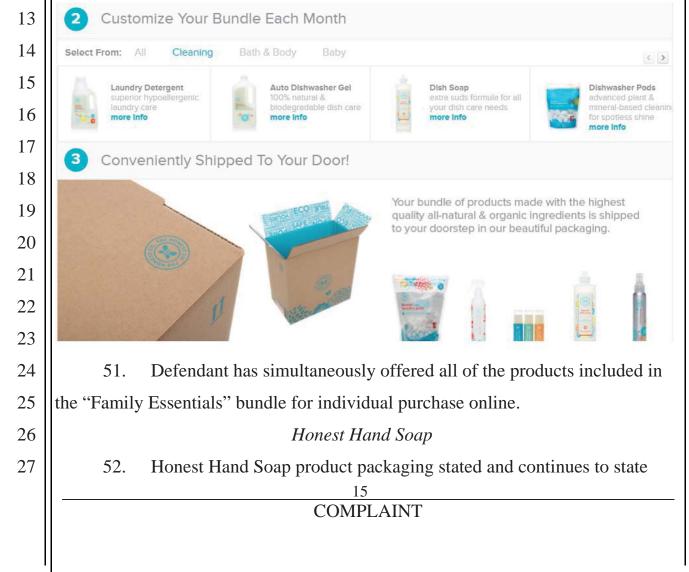


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49. At various times throughout the Class Period, Defendant has
 grouped the "Essentials" products together in a single category as "premium
 natural, non-toxic personal care & home cleaning essentials" and described the
 same grouping as "bath/skin and household cleaning products for your entire
 family."

50. Defendant has offered the "Essentials" bundle as a monthly
subscription package for home delivery that customers customize with up to five
products within Defendant's categorized offerings: the "Cleaning" category that
includes Honest Laundry Detergent, Honest Auto Dishwasher Gel, Honest
Dishwasher Packs, Honest Dishwasher Pods, and Honest Dish Soap; the "Bath &
Body" category including Honest Hand Soap, Honest Bubble Bath, and Honest
Shampoo & Body Wash, or the "Baby" category.



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that the Honest Hand Soap is "natural." 1

53. The following excerpted screenshot appeared on Honest.com on August 14, 2015, displaying Honest Hand Soap product packaging:



Honest.com described and continues to describe Honest Hand Soap 54. 14 as "non-toxic," and containing "NO harsh chemicals (ever!)," and in so doing, has 15 amplified its representation that Honest Hand Soap is natural.

55. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Hand Soap as "Natural":

· Rich and creamy lather infused with botanicals and essential oils to clean and soften hands

Natural • Hypoallergenic • Non-Toxic • Biodegradable • pH Balanced

· Great for the whole family - from sticky, little fingers to Dad's soiled gardening hands and everything in between

about

• pH balanced to leave skin soft and hydrated · Hypoallergenic and ultra pure for sensitive skin

· Available in 3 delightful scents!

NO harsh chemicals (ever!)

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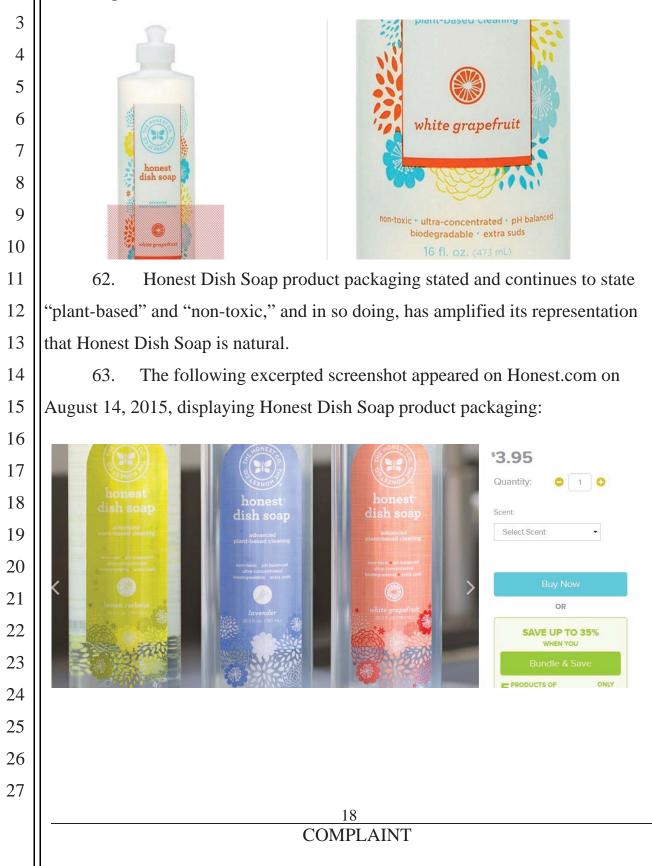
· Soft lather gently removes dirt and grime and easily rinses away without drying skin - leaving behind nothing but pure, clean delight!

made without: phthalates, SLS, DEA, triclosan, synthetic fragrances, glycols, dyes, phosphates, 1,4-dioxane, formaldehyde, or most common allergens 56. On information and belief, these website statements, and all other statements accessible on Defendant's Honest website in August of 2015 through

> 16 COMPLAINT

1	May of 2016 that are excerpted in this Complaint, were available online during			
2	the duration of the Class Period.			
3	57. By consistently and systematically labeling and advertising Honest			
4	Hand Soap as (A) "natural" and (B) "honest" throughout the Class Period,			
5	Defendant intended that all consumers purchasing Honest Hand Soap would be			
6	exposed to these advertising claims and take them literally.			
7	Honest Dish Soap			
8	58. Honest Dish Soap's product webpage on Target.com states that the			
9	Honest Dish Soap is "Natural."			
10	59. The product description on Target.com also described and continues			
11	to describe Honest Dish Soap as "non-toxic" and containing "no harsh chemicals			
12	(ever!)," and in so doing, has amplified Defendant's representation that Honest			
13	Dish Soap is natural.			
14	60. The following excerpted screenshots appeared on Target.com on			
15	August 14, 2015, displaying Honest Dish Soap product packaging:			
16	No harsh chemicals (ever!). Natural, non-toxic,			
17	biodegradable, pH balanced, ultra-concentrated, and			
18	Honestly Free of SLS, SLES, phthalates, synthetic			
19	fragrances, glycols, enzymes, dyes, phosphates, 1,4- dioxane, chlorine, DEA, formaldehyde, and caustics.			
20				
21	<b>Product Results:</b> Removes Residue, Removes Grease, Used for Cleaning, Cleaner			
22	e e e a l'el e l'e anni g, e l'e anoi			
23				
24				
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26				
27	17			
	COMPLAINT			
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1 61. Target.com includes a disclaimer stating this description "comes
 2 from the product manufacturers."



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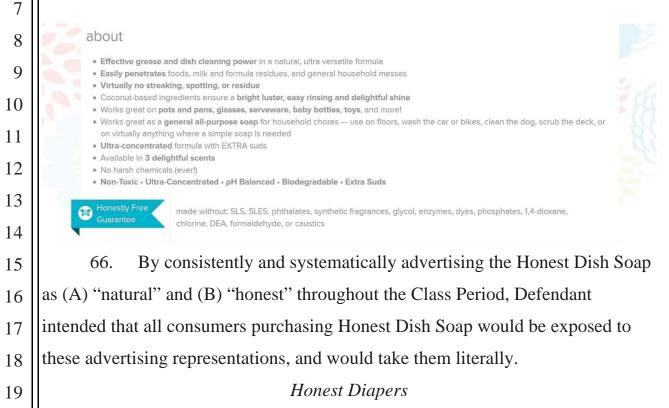
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Honest Dish Soap's product webpage on Honest.com stated and 64. 2 continues to state that Honest Dish Soap has a "natural" formula; is "nontoxic"; and contains "no harsh chemicals (ever!)"; and in so doing, has further 3 amplified its representation that Honest Dish Soap is natural. 4

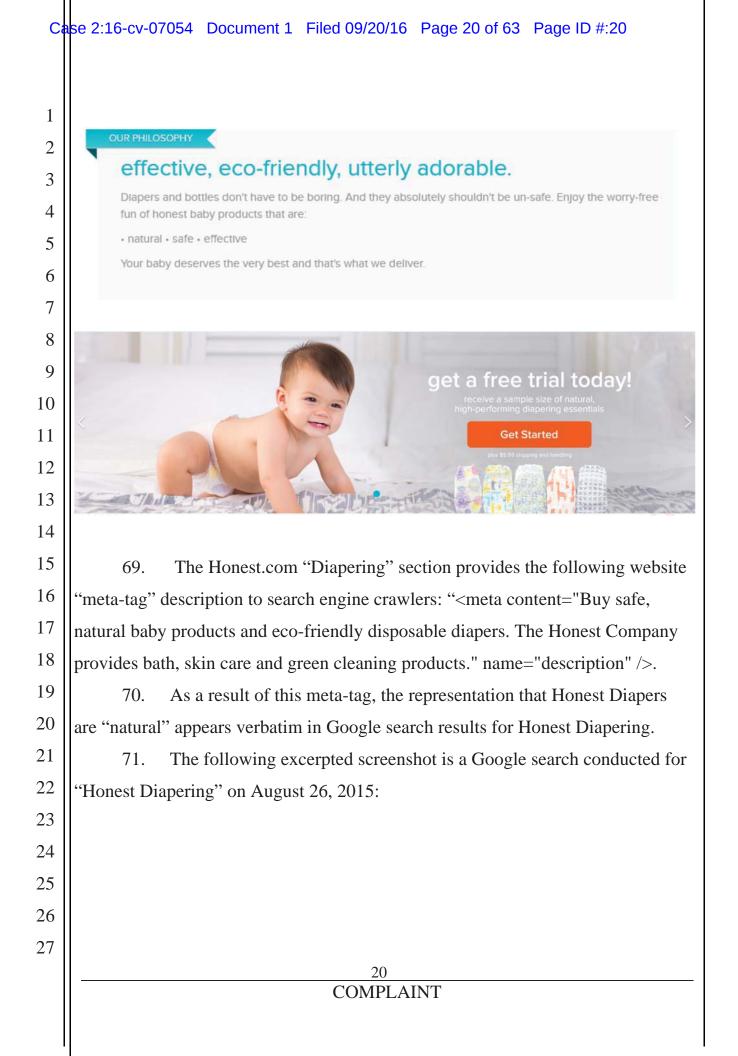
65. The following excerpted screenshot appeared on Honest.com on August 14, 2015, describing Honest Dish Soap:

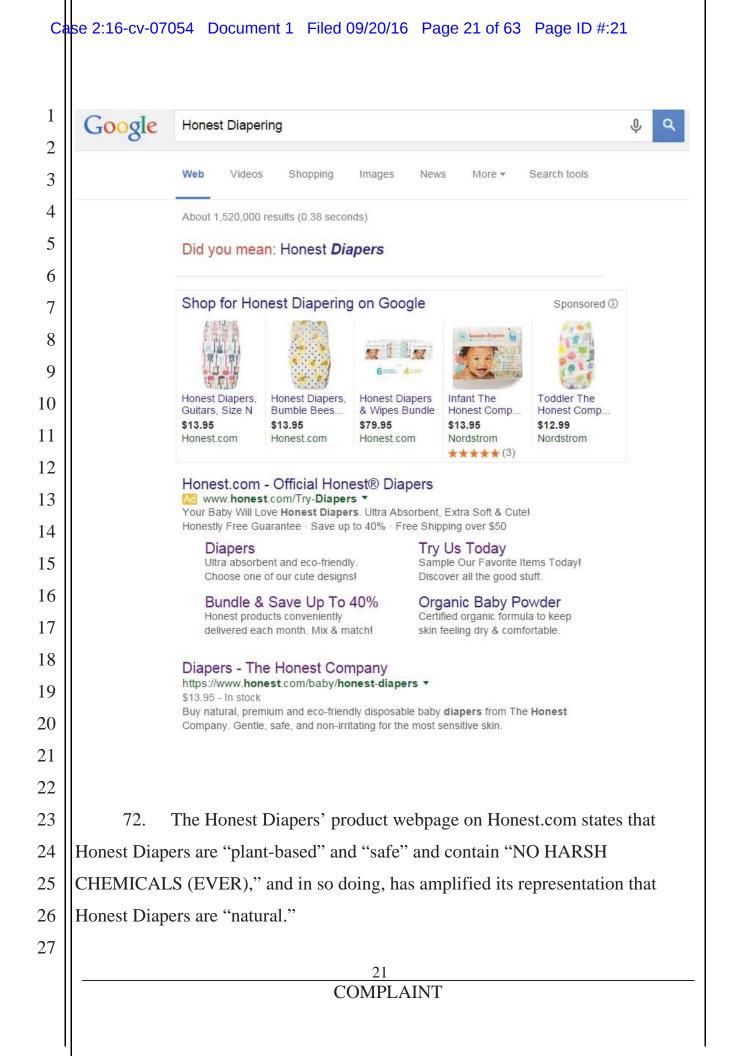


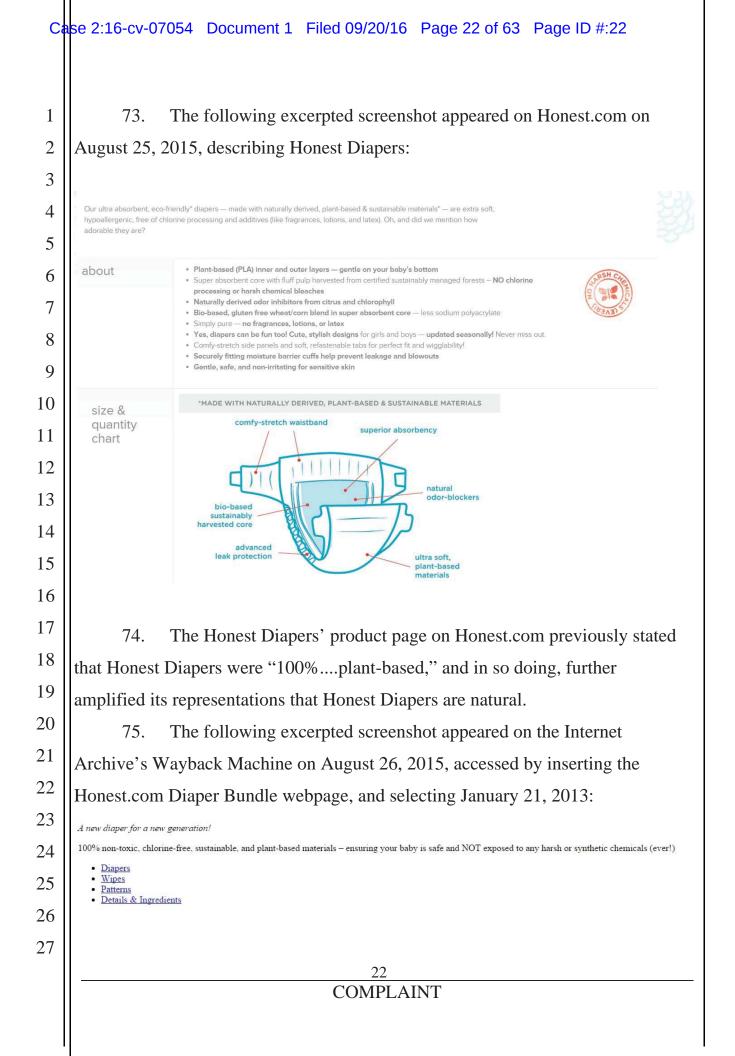
Honest.com states that Honest Diapers are "natural." 67.

68. The following excerpted screenshots appeared on Honest.com on

August 26, 2015, in the "Diapering" section of the website: 22





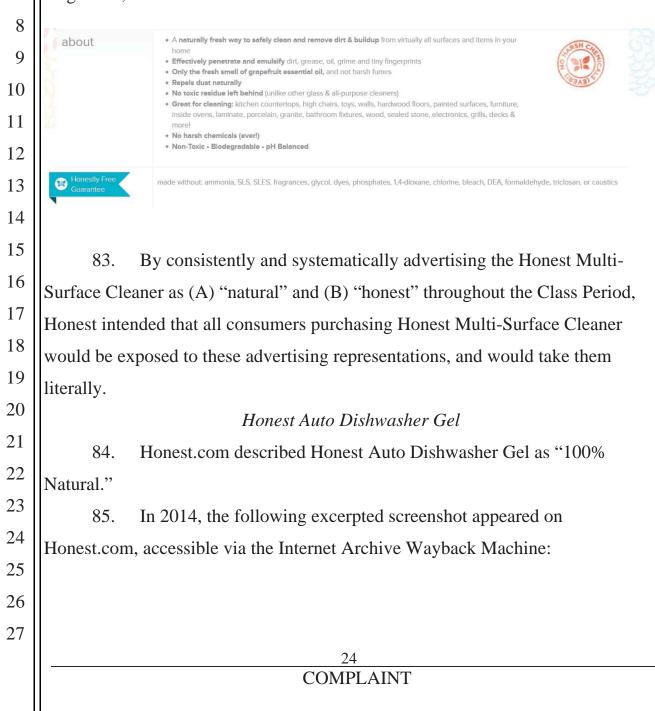


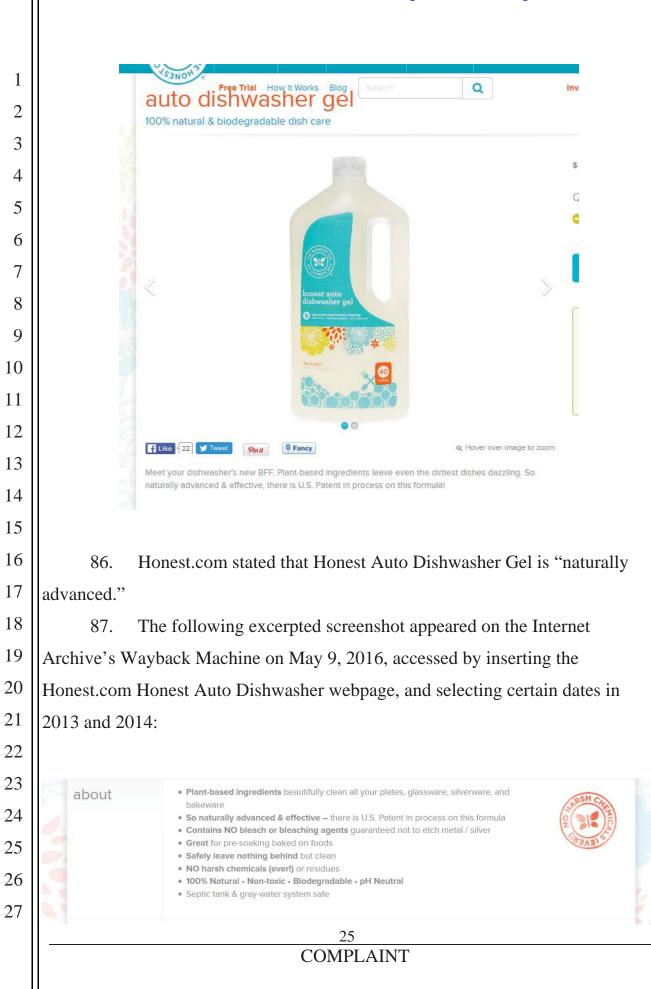
1	1 76. By consistently and systematically advertising the Honest Di	apers as
2	2 (A) "natural" and (B) "honest" throughout the Class Period, Defendant in	tended
3	3 that all consumers purchasing Honest Diapers would be exposed to these	
4	4 advertising representations and would take them literally.	
5	5 Honest Multi-Surface Cleaner	
6	6 77. Honest.com states that Honest Multi-Surface Cleaner is "nat	ural."
7	7 78. The Honest Multi-Surface Cleaner's product webpage on	
8	8 Honest.com provides the following website "meta-tag" description to sear	rch
9	9 engine crawlers: <meta content="Shop The Honest Company for natural a&lt;/td&gt;&lt;td&gt;all-&lt;/td&gt;&lt;/tr&gt;&lt;tr&gt;&lt;td&gt;10&lt;/td&gt;&lt;td&gt;0 purpose cleaner. With no harsh chemicals, our baby-safe, non-toxic multi&lt;/td&gt;&lt;td&gt;-surface&lt;/td&gt;&lt;/tr&gt;&lt;tr&gt;&lt;td&gt;11&lt;/td&gt;&lt;td&gt;1 cleaner conquers dirt and grime." name="description"/> .	
12	2 79. As a result of this meta-tag, the representation that Honest M	ulti-
13	3 Surface Cleaner is "natural" appears verbatim in Google search results for	t Honest
14	4 Multi-Surface Cleaner.	
15	5 80. The following excerpted screenshot is a Google search condu	acted for
16	6 "Multi-Surface Cleaner – The Honest Company" on August 26, 2015:	
17	7 Google Multi-Surface Cleaner - The Honest Company	
18		
19	9 About 85,600 results (0.34 seconds)	
20	4.6 ★★★★★ rating for honest.com	
21	The Honest Company has 276,496 followers on Google+	
22		
23	Pledge® Antibacterial Disinfects & Cleans Virtually Any Hard Surface.	
24	4 FAQs - Pledge® Multi Surface - Watch The Video - Explore Our Products Multi-Surface Cleaner - The Honest Company	
25	5 https://www.honest.com/cleaning/honest-surface-cleaner * \$5.95 - In stock Shop The Honest Company for natural all-purpose cleaner. With no harsh chemicals, our baby-safe, non-toxic multi-surface cleaner conquers dirt and grime.	
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27		
	COMPLAINT	,

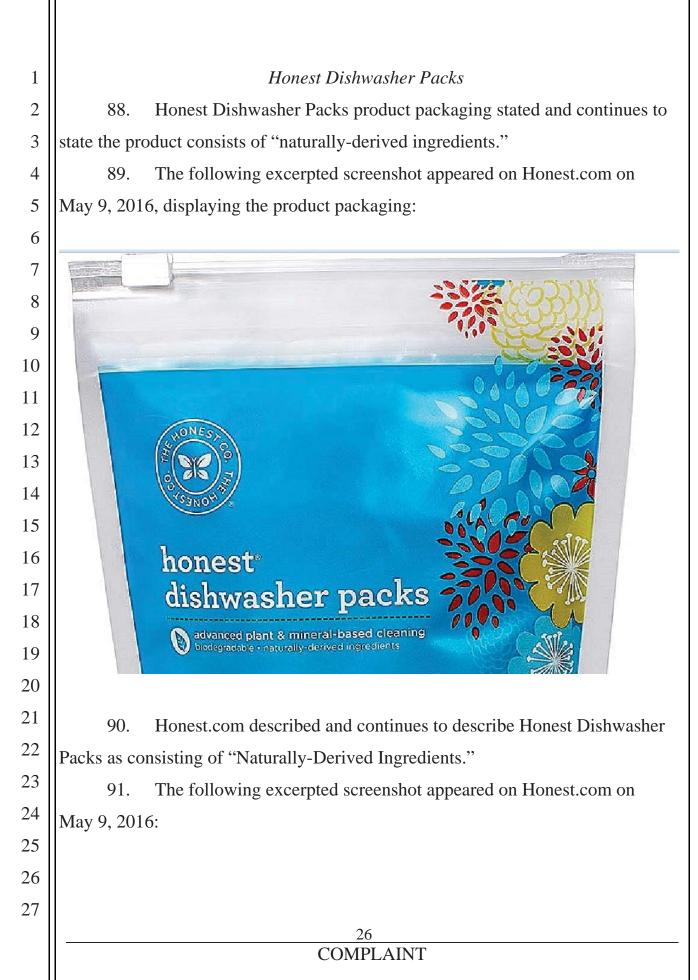
81. The Honest Multi-Surface Cleaner product webpage on Honest.com
 states that Honest Multi-Surface Cleaner is "naturally fresh," and "Non-Toxic,"
 and that it contains "NO HARSH CHEMICALS (EVER)," and "Repels dust
 naturally." Each of these statements has amplified Defendant's representation
 that Honest Multi-Surface Cleaner is natural.

82. The following excerpted screenshots appeared on Honest.com on August 25, 2015:

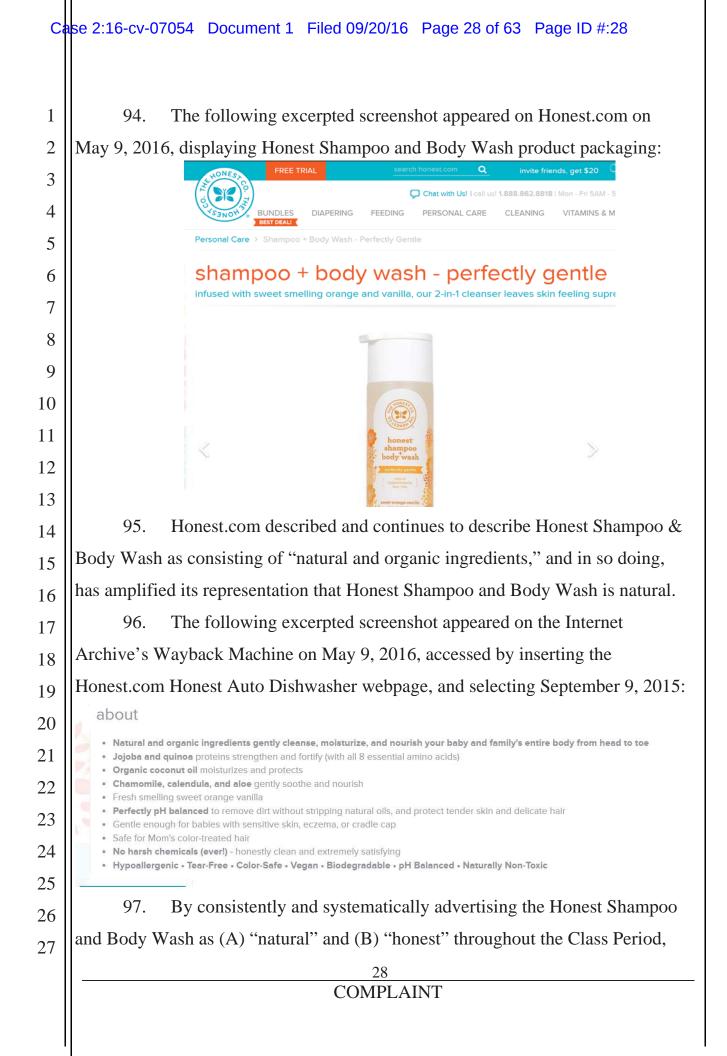
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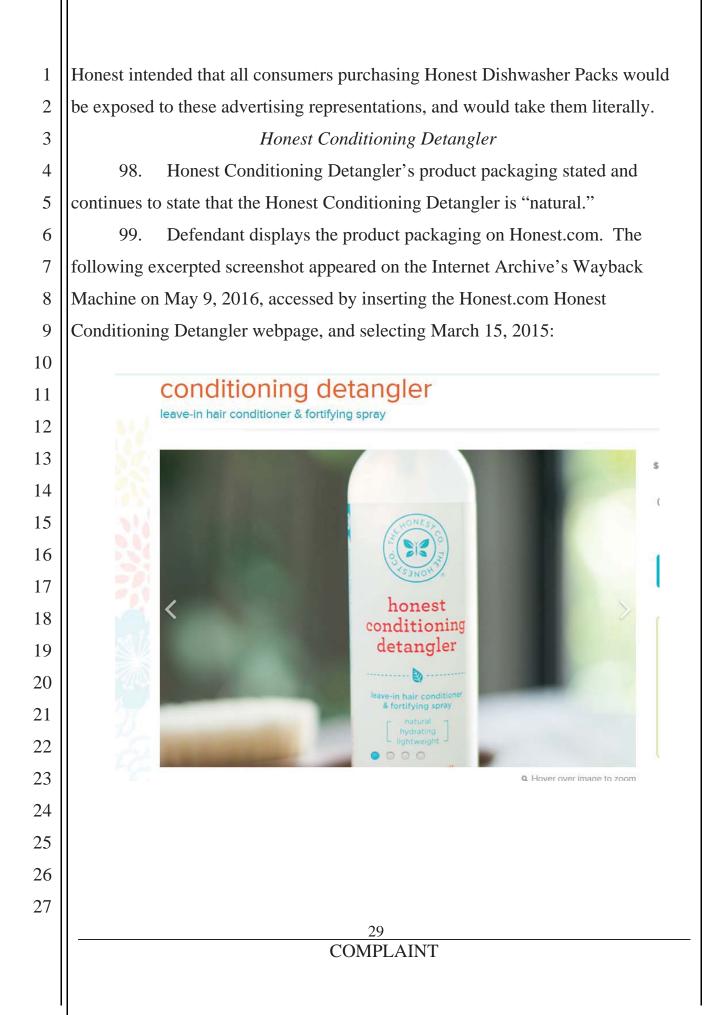


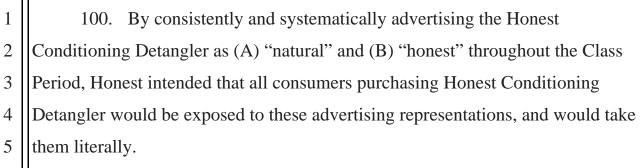




#### Case 2:16-cv-07054 Document 1 Filed 09/20/16 Page 27 of 63 Page ID #:27 1 about 2 Dual-action cleaning and degreasing power in a concentrated, premeasured pack • Unique plant and mineral-based ingredients brilliantly clean your plates, glassware, cutlery, and bakeware 3 · Water-soluble, biodegradable pouch makes these premeasured packs super convenient, without any mess or waste Formulated for standard and European automatic dishwasher models 4 Pure rinse formula- NO harsh chemical residues or worries! Non-toxic for you and your family 5 Naturally-Derived Ingredients • No Mess and No Waste • Septic Safe • Effective in All Temperatures 6 7 By consistently and systematically advertising the Honest 92. 8 Dishwasher Packs as (A) consisting of "naturally-derived ingredients" and (B) 9 "honest" throughout the Class Period, Honest intended that all consumers 10 purchasing Honest Dishwasher Packs would be exposed to these advertising 11 representations, and would take them literally. 12 Honest Shampoo And Body Wash 13 Honest Shampoo and Body Wash product packaging stated and 93. 14 continues to state that the Honest Shampoo and Body Wash is "natural." 15 16 17 18 19 20 21 22 23 24 orange vanilla 25 26 27 27 COMPLAINT







#### Honest Bubble Bath

101. Honest Bubble Bath's product packaging stated and continues to state that the Honest Bubble Bath is "natural."

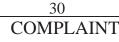
102. The following excerpted screenshot appeared on Honest.com on May 9, 2016, displaying Honest Bubble Bath product packaging. 

#### bubble bath - perfectly gentle

infused with sweet smelling orange and vanilla, our super foaming bubbles leave skin feeling supremely soft &



103. By consistently and systematically advertising the Honest Bubble Bath (A) "natural" and (B) "honest" throughout the Class Period, Honest



1	intended that all consumers purchasing Honest Bubble Bath would be exposed to			
2	these advertising representations, and would take them literally.			
3		U	ntrue	e, Misleading, and/or Deceptive Claims
4				Natural Goods Advertising
5	104.	Defen	dant's	s representations in advertisements and labels are
6	misleading, deceptive, and/or untrue.			
7	105. Defendant falsely represented and continues to represent, expressly			
8	and by impli	cation	, that	the Natural Products are natural.
9	106.	"Natu	ral" ii	n the context of Defendant's products means each product
10	contains no artificial ingredients.			
11	107.	The re	eprese	entation that a product is natural is material to a
12	reasonable c	onsum	er.	
13			Sy	nthetic Ingredients Are Not Natural
14	108.	Hones	st Nat	ural Products that Defendant advertised and/or labeled as
15	"natural" con	ntain n	ion-na	tural ingredients.
16	109.	Contra	ary to	Defendant's representations in advertisements and
17	labels, including in product descriptions on Honest.com and Target.com, the			
18	Honest Natural Products contain non-natural ingredients as follows:			
19		a.	Hone	est Dish Soap
20			i.	Methylisothiazolinone- a synthetic preservative.
21			ii.	Cocamidopropyl Betaine- a synthetic surfactant.
22			iii.	Phenoxyethanol- a synthetic preservative.
23		b.	Hone	est Hand Soap
24			i.	Phenoxyethanol- see above.
25		c.	Hone	est Multi-Surface Cleaner
26			i.	Methylisothiazolinone- see above.
27		d.	Hone	est Diapers
				31 COMPLAINT

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1			<i>i. Sodium Polycrylate-</i> a petrochemical-based additive.
1 2		e.	Honest Auto Dishwasher Gel
2		0.	<i>i. Potassium Sorbate</i> – a synthetic preservative.
4		f.	Honest Dishwasher Packs
5			<u>i</u> . <i>Polyvinyl Alcohol</i> – a synthetic polymer.
6		g.	Honest Conditioning Detangler
7		0	<i>i. Caprylyl Glycol</i> – a synthetic agent.
8		h.	Honest Shampoo & Body Wash
9			<i>i. Caprylyl Glycol</i> – see above.
10			<i>ii.</i> Cocamidopropyl Hydroxysultaine – a synthetic
11			surfactant.
12		i.	Honest Bubble Bath
13			<i>i. Caprylyl Glycol</i> – see above.
14	110.	Synt	hetic ingredients are artificial, not natural.
15	111.	The	Environmental Working Group rates many of these ingredients
16	as exceedin	g the	organization's "low hazard" threshold, according to the
17	following ra	atings	on the organization's informational website:
18		(a)	Methylisothiazolinone - EWG Rating: 7 out of 9 – "High
19			Hazard."
20		(b)	Cocamidopropyl Betaine - EWG Rating: 4 out of 9 –
21			"Moderate Hazard."
22		(c)	Phenoxyethanol - EWG Rating: 4 out of 9 – "Moderate
23			Hazard."
24		(d)	Sodium Polycrylate - EWG Rating: 3 out of 9 – "Moderate
25			Hazard."
26	112.	Defe	endant's own statements on the "honestly blog" concede that
27	these ingred	lients	are not natural.
			32 COMPLAINT
I			

1	113. Defendant has expressly criticized its competitors for using				
2	"preservatives (and ingredients) with synthetic fragrances," including				
3	"Methylisothiazolinone."				
4	114. Defendant stated on the "honestly blog" that Cocamidopropyl				
5	Betaine "isn't found in nature," adding the statement "but that's the beauty and				
6	power of chemistry!"				
7	115. Defendant stated on the "honestly blog" that the ingredient				
8	Phenoxyethanol is "synthetically produced in a laboratory."				
9	116. Defendant indicated on the "honestly blog" that the ingredient				
10	Sodium Polycrylate is "petroleum-based." This statement also contradicts				
11	Defendant's prior advertising representation that Honest Diapers are 100% plant-				
12	based.				
13	117. Defendant stated on the "honestly blog" that Potassium Sorbate is				
14	"synthetically produced."				
15	118. Defendant stated on the "honestly blog" that Polyvinyl Alcohol is a				
16	"synthetic polymer."				
17	119. Defendant explicitly and impliedly conceded on the "honestly blog"				
18	that Caprylyl Glycol is "synthetically made."				
19	120. Defendant stated on the "honestly blog" that Cocamidopropyl				
20	Hydroxysultaine is a "surfactant."				
21	121. As indicated by the statements above, Defendant knowingly				
22	advertises and/or labels the Natural Products as natural despite knowing the				
23	Natural Products contain synthetic, non-natural ingredients.				
24	122. Plaintiffs would all consider purchasing Honest Natural Products in				
25	the future if Defendant ceases selling misrepresented products as alleged in this				
26	Complaint.				
27					
	COMPLAINT				

1	123. By claiming Natural Products that contain synthetic ingredients are					
2	natural, Defendant knowingly deceived and misled reasonable consumers and					
3	knowingly made representations in advertising and/or labels Defendant knew to					
4	be untrue and would mislead consumers, or which by the exercise of reasonable					
5	care Defendant should have known were untrue and would mislead consumers.					
6	Plaintiffs' Experience with Defendants' Advertising and Products					
7	Plaintiffs' Purchase of the Products					
8	Family Essentials Bundle					
9	124. Plaintiff Julie Hedges purchased a subscription to the "Family					
10	Essentials" bundle through Honest.com on or around July 13, 2013. Hedges					
11	selected five products from the website's product viewer and purchased a home					
12	delivery subscription. Under the terms of the subscription package, known in e-					
13	commerce as a "negative option," Hedges was required to opt-out of the					
14	subscription to terminate her monthly purchase of the same products. Hedges did					
15	not opt-out of the subscription for several months.					
16	Hand Soap					
17	125. Plaintiff Hedges purchased Honest Hand Soap from Honest.com on					
18	July 13, 2013.					
19	Dish Soap					
20	126. Plaintiff Hedges purchased Honest Dish Soap from Honest.com on					
21	July 13, 2013.					
22	Diapers					
23	127. Plaintiff Hiddlestone purchased Honest Diapers from Honest.com on					
24	numerous occasions including on December 1, 2014.					
25	Multi-Surface Cleaner					
26	128. Plaintiff Hedges purchased Honest Multi-Surface Cleaner from					
27	Honest.com on July 13, 2013.					
	COMPLAINT					
	1					

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1	Auto Dishwasher Gel					
2	129. Plaintiff Hedges purchased Honest Auto Dishwasher Gel from					
3	Honest.com on July 13, 2013.					
4	Dishwasher Packs					
5	130. Plaintiff Hiddlestone purchased Honest Dishwasher Packs from					
6	Honest.com on December 1, 2014.					
7	Conditioning Detangler					
8	131. Plaintiff Hiddlestone purchased Honest Conditioning Detangler from					
9	Honest.com on May 1, 2015.					
10	Shampoo & Body Wash					
11	132. Plaintiff Hiddlestone purchased Honest Shampoo & Body Wash					
12	from Honest.com on May 1, 2015.					
13	Bubble Bath					
14	133. Plaintiff Hedges purchased Honest Bubble Bath from Honest.com on					
15	July 13, 2013.					
16	Plaintiffs' Exposure to the False Advertising and the Resulting Harm					
17	134. Plaintiffs Julie Hedges and Candace Hiddlestone actually witnessed					
18	Defendant's advertising campaign.					
19	135. Hedges read and generally believed that Honest products were					
20	natural, non-toxic, and plant-based. Hedges saw Defendant's advertising and					
21	labeling representations on product packaging, Facebook publications, internet					
22	advertising, television advertising and individual product pages.					
23	136. When Hedges purchased the Family Essentials Bundle online, she					
24	saw and relied upon Defendant's representation that the products were "natural."					
25	137. Hedges specifically understood that the Honest products were more					
26	expensive than non-natural products on the basis that they were natural, and she					
27	reasonably relied on Defendant's "natural" advertising when she purchased the					
	35 COMPLAINT					

products marked up at a premium as compared to comparable products, based on 1 2 Defendant's representations on its labels, advertising and marketing that the 3 products were natural.

138. Hedges confirmed that the product labels contained representations 4 that the products were "natural" when she received them in the mail, and did not 5 cancel the subscription to receive future packages and be charged for the Honest 6 7 natural products on that basis, for a duration of six months.

139. At some point in time after Hedges purchased the Family Essentials 8 9 bundle, Defendant announced that the same products would be available at Target 10 outlets. At that point, Hedges began to purchase the same products at her local Target outlet store in Georgia. 11

140. Plaintiff Candace Hiddlestone specifically understood that the 12 13 Honest products were more expensive than non-natural products on the basis that they were natural, and she reasonably relied on Defendant's "natural" advertising 14 15 when she purchased the products marked up at a premium as compared to comparable products, based on Defendant's representations on its labels, 16 17 advertising and marketing that the products were natural.

18 141. Hiddlestone accessed the Honest products and witnessed 19 Defendant's false advertising campaign through Defendant's official mobile application device application. Hiddlestone read Defendant's mission statement, 20 21 Frequently Asked Questions, and guarantees.

22

142. Hiddlestone followed the company on Facebook and continued 23 receiving "promoted" social media posts and social media advertising after she 24 stopped following the company.

25 143. Hiddlestone read and relied upon Defendant's product 26 representations, both on product labels and in Defendant's advertising, which 27 representations were material to her purchasing decisions.

> 36 COMPLAINT

1	144. As stated above, Defendant knew or should have known that its
2	representations regarding the Natural Products would mislead consumers into
3	believing those products did not contain synthetic ingredients.
4	145. Plaintiffs Hedges and Hiddlestone did not know and had no reason to
5	suspect that Defendant misrepresented the characteristics of the Honest Natural
6	Products.
7	146. As a result of their payment of a premium to Defendant for these
8	Natural Products, both Hedges and Hiddlestone experienced economic harm.
9	Plaintiffs' Reliance Was Reasonable
10	147. Plaintiffs reasonably relied on Defendant's own statements and
11	advertising concerning the particular qualities and benefits of their products.
12	148. Plaintiffs read and relied upon the labels on products in making their
13	purchasing decisions, along with viewing the statements and advertising on
14	Defendant's website and elsewhere on the internet.
15	149. A reasonable consumer would consider the ingredients and physical
16	properties when looking to purchase a natural product. Here, Plaintiffs relied on
17	the specific statements and representations by Defendant that the Natural
18	Products were natural and supplemental representations, including that the
19	Natural Products do not contain harsh chemicals, are safe, are non-toxic, and are
20	plant-based.
21	Defendant's Knowledge and Notice of its Breaches of its Express and Implied Warranties
22	150. Defendant had sufficient notice of its breaches of its express and
23	implied warranties. Defendant had and has exclusive knowledge of the physical
24	and chemical make-up of the Honest Natural Products.
25	
26	
27	

1	151. For instance, as early as June 28, 2012, a consumer inquired with
2	Defendant about its inadequate disclosure that its cleaning products contained
3	cocamidopropyl betaine, phenoxyethanol, and methylisothiazolinone <sup>1</sup> :
4	
4	

5		
6		
7		katie says Wednesday, June 27th, 2012 1:27 PM at 1:27 pm
8		Where does it say that the dish soap contains the ingredients: cocamidopropyl betaine, phenoxyethanol, and methylisothiazolinone. On the bottle it says water and coconut oil derived
9		surfactants. Are all those things what makes coconut oil derived surcactants?
10		Update before I even send. I just need to say, I am surprised that the label of a company who's goal is to be completely transparent, was not so transparent. I went to the website and now the dish soap
11		has an 'updated scent' of white grapefruit and spells out those ingredients you mentioned instead of what's on my bottle, "Water, and coconut oil derived surfactants.". I am disappointed in the 'honest' company and will not be purchasing from them again.
12		Reply
13		
14		Maia says Thursday, June 28th, 2012 6:25 PM at 6:25 pm
15		Hi Katie-
16		I got my information from the website and a couple of phone calls to the company; I've not yet held a bottle of the soap in my hand, and I'm disappointed to hear that the ingredients listed there are vague and, frankly, sneaky. I agree that there is an inconsistency between the ostensible mission of
17		the company and not only the inclusion of such chemicals, but also the intentional obscuring of their inclusion! That said, I have to reiterate what I said in my post: I think Jessica Alba is sincerely
18		passionate about making safe products, and the vast majority of the Honest line is clean, safe, andwell, honest. It's unfortunate that the dish soap is such a glaring exception.
19		
20	152.	Plaintiffs Hiddlestone and Hedges also timely sent Defendant a letter
21	detailing th	he bases for their claims of breach of implied and express warranties.
22	This letter	was sent 30 days prior to the filing of this complaint.
23		
24		
25		
26	<sup>1</sup> https://gi	mmethegoodstuff.org/the-honest-company-by-jessica-alba-good-bad-
27		#comments
		38
		COMPLAINT

#### **Privity Exists With Plaintiffs and the Proposed Class** 1 2 153. Defendant knew that consumers such as Plaintiffs and the proposed Class would be the ultimate user of the products and target of its advertising and 3 4 statements. 154. Defendant intended that its statements and representations would be 5 considered by the end-users of its products, including Plaintiffs and the proposed 6 7 Class. 155. Defendant directly marketed to Plaintiffs through its statements on 8 its websites and packaging. 9 Plaintiffs are the intended beneficiaries of the express and implied 10 156. 11 warranties. 12 CLASS ACTION ALLEGATIONS 157. Plaintiffs bring this action on behalf of themselves and, pursuant to 13 Rule 23 of the Federal Rules of Civil Procedure, on behalf of a nationwide class 14 15 (the "Honest Natural Products Class") that include other similarly situated purchasers of the Honest Products who experienced the same or substantially 16 similar harm as a result of Defendant's false advertising. 17 18 HONEST NATURAL PRODUCTS CLASS: All U.S. residents who 19 have purchased Honest Dish Soap, Honest Hand Soap, Honest Diapers, Honest Multi-Surface Cleaner, Honest Dishwasher Packs, Honest Dishwasher Gel, 20 21 Honest Shampoo and Body Wash, Honest Detangling Conditioner, and/or Honest Bubble Bath (the "Natural Product(s)") during the applicable statute of 22 23 limitations. 24 The Class excludes any judge or magistrate assigned to this case; all persons who make a timely election to be excluded from the Class; governmental 25 26 entities; Defendant and any entity in which Defendant has a controlling interest, 27 39 COMPLAINT

and its officers, directors, legal representatives, successors and assigns; and any
 person who purchased the Honest Products for resale.

3 158. As used herein, the terms "Natural Products Class Members" shall
4 mean and refer to the members of that Class described above.

5 159. Plaintiffs reserve the right to modify the Class definitions, and to add
6 subclasses, as warranted by facts discovered.

7 160. Class-wide treatment is appropriate because Plaintiffs can prove the
8 elements of their claims on a class-wide basis using the same evidence as would
9 be used to prove those elements in individual actions alleging the same claims.

10 161. Numerosity—Federal Rule of Civil Procedure 23(a)(1). The
11 members of the Class are so numerous that joinder is impracticable. Upon
12 information and belief, there are at least thousands of individual purchasers of
13 Honest Natural Products. The precise number of Honest Natural Products Class
14 Members is unknown to Plaintiffs, but may be ascertained, including by objective
15 criteria. Members of the class may be notified of the pendency of this action by
16 recognized, Court-approved notice dissemination methods.

17 162. Commonality and Predominance—Federal Rules of Civil Procedure
18 23(a)(2) & 23(b)(3). This action involves common questions of law or fact,
19 which predominate over any questions affecting individual members of the Class.
20 Common questions include:

(a) Whether Defendant owed a duty of care to the Honest Natural
Products Class.

(b) Whether Defendant represented and continues to represent that
certain Honest Natural Products are natural;

(c) Whether Defendant's representations in advertising and/or labeling
are false, deceptive, and misleading;

(d) Whether those representations are likely to deceive a reasonable 1 2 consumer; Whether Defendant had knowledge that those representations were 3 (e) false, deceptive, and misleading; 4 Whether Defendant continues to disseminate those representations 5 (f)despite knowledge that the representations are false, deceptive, and misleading; 6 Whether a representation that a product is natural is material to a 7 (g) reasonable consumer of natural products; 8 9 Whether California law applies to the claims of the proposed Class; (h) Whether Defendant breached express and implied warranties; 10 (i) Whether Defendant violated California Business and Professions 11 (j) 12 Code § 17200 et seq.; 13 Whether Defendant violated California Business and Professions (k) Code § 17500 et seq.; 14 15 (1) Whether Defendant violated California Civil Code § 1750 et seq.; Whether Defendant was unjustly enriched; 16 (m) 17 Whether Plaintiffs and the members of the Class are entitled to (n) 18 actual, statutory, and punitive damages; and Whether Plaintiffs and members of the Class are entitled to 19 (1)declaratory and injunctive relief. 20 21 163. Defendant engaged in a common course of conduct giving rise to the legal rights sought to be enforced by Plaintiffs each individually and on behalf of 22 23 the other members of the Class. Identical statutory violations and business 24 practices and harms are involved. Individual questions, if any, are not prevalent 25 in comparison to the numerous common questions that dominate this action. 164. Typicality—Federal Rule of Civil Procedure 23(a)(3). Plaintiffs' 26 27 claims are typical of the claims of the other members of the Class because, among 41 COMPLAINT

other things, all members of the Class were comparably injured through the
 uniform misconduct described above and were subject to Defendant's false,
 deceptive, misleading, and unfair labeling and marketing practices, including the
 false claims that the Honest Natural Products are natural. Plaintiffs do not have
 any interests adverse to the Class.

6 165. Adequacy of Representation—Federal Rule of Civil Procedure
7 23(a)(4). Plaintiffs are adequate representatives of the members of the Class
8 because their interests do not conflict with the interests of the other members of
9 the Class; they have retained competent counsel with experience in complex class
10 action litigation; and Plaintiffs will prosecute this action vigorously. The interests
11 of the members of the Class will be fairly and adequately protected by Plaintiffs
12 and their counsel.

13 166. Declaratory and Injunctive Relief—Federal Rule of Civil Procedure
14 23(b)(2). Defendant has acted or refused to act on grounds generally applicable
15 to Plaintiffs and other members of the Class, thereby making appropriate final
16 injunctive relief and declaratory relief, as described below, with respect to the
17 members of the Class, each as a respective whole.

18 167. Superiority—Federal Rule of Civil Procedure 23(b)(3). A class 19 action is superior to any other available means for the fair and efficient adjudication of this controversy, and no unusual difficulties are likely to be 20 21 encountered in the management of this class action. The damages or other financial detriment suffered by Plaintiffs and the other members of the Class are 22 23 relatively small compared to the burden and expense that would be required to 24 individually litigate their claims against Defendant, so it would be impracticable 25 for members of the Class to seek redress for Defendant's wrongful conduct on an 26 individual basis. Individualized litigation would also pose the threat of 27 significant administrative burden to the court system. Individual cases would

1	create the potential for inconsistent or contradictory judgments, and would	
2	increase delay and expense to all parties and the court system. By contrast the	
3	class action device presents far fewer management difficulties and provides the	
4	streamlined benefits of singular adjudication and comprehensive supervision by	
5	one court. Given the similar nature of the class members' claims, the Class will	
6	be easily managed by the Court and the parties and will be managed more	
7	efficiently in this integrated class action than through multiple separate actions in	
8	the various states.	
9	CLAIMS FOR RELIEF	
10	FIRST CLAIM FOR RELIEF	
11	Violation of California's Consumer Legal Remedies Act	
12	California Civil Code §§ 1750 et seq.	
13	168. Plaintiffs hereby incorporate by reference the allegations contained	
14	in this Complaint.	
15	169. Plaintiffs bring this claim for relief pursuant to the California	
16	Consumers Legal Remedies Act ("CLRA").	
17	170. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(5),	
18	which prohibits "Representing that goods or services have characteristics,	
19	ingredients, uses, benefits, or quantities which they do not have."	
20	171. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(7),	
21	which prohibits "Representing that goods or services are of a particular standard,	
22	quality or grade if they are of another."	
23	172. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(9),	
24	which prohibits "Advertising goods with intent not to sell them as	
25	advertised."	
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27		
	43 COMPLAINT	

1 173. Defendant's conduct violated the CLRA, Civil Code § 1770(a)(16),
 2 which prohibits "Representing that the subject of a transaction has been supplied
 3 in accordance with a previous representation when it has not."

- 4 174. Honest Products are "goods" within the meaning of Civil Code §
  5 1761(a) and § 1770.
- 6

175. Defendant is a "person," as defined by Civil Code § 1761(c).

7 176. Plaintiffs and the members of the Class are "consumers" within the
8 meaning of Civil Code § 1761(d) and § 1770.

9 177. Plaintiffs Hiddlestone and Hedges, and members of the Class
10 purchased Honest Dish Soap, Honest Hand Soap, Honest Diapers, Honest Multi11 Surface Cleaner, Honest Dishwasher Packs, Honest Dishwasher Gel, Honest
12 Shampoo and Body Wash, Honest Detangling Conditioner, and/or Honest Bubble
13 Bath for personal, family, and household purposes as meant by Civil Code §
14 1761(d).

15 178. Each purchase of the Honest Products by Plaintiffs and each member
16 of the Class constitutes a "transaction" within the meaning of Civil Code §§
17 1761(e) and 1770.

18 179. In fact, Plaintiffs Hiddlestone and Hedges and the Honest Natural
19 Products Class Members relied upon the representations in advertising and labels
20 to their detriment and paid a higher price for Honest Natural Products than they
21 would have paid for products that are not natural.

180. Defendant's conduct is ongoing and, unless restrained, likely torecur.

24 181. Plaintiffs, on behalf of themselves and members of the Class, seek
25 injunctive relief prohibiting Defendant from engaging in the misconduct
26 described herein.

27

182. Plaintiffs seek attorneys' fees and costs as allowed by law.

1	183. CLRA Civil Code § 1782(d) codifies Plaintiffs' right to amend
2	without leave of court to include a request for damages.
3	184. On April 27, 2016, Plaintiffs Hiddlestone and Hedges sent a CLRA
4	§ 1782 (a) notice letter to Defendant, a copy of which is attached hereto as
5	Exhibit A. Defendant has failed to provide appropriate relief for its violations of
6	CLRA §§ 1770(a)(5), (7), (9) and (16) within 30 days of this notification. In
7	accordance with Civ. Code 1782(b), Plaintiffs and the Class are entitled, under
8	Civ. Code § 1780, to recover and obtain the following relief for Defendant's
9	violations of CLRA §§ 1770(a)(5),(7), (9) and (16):
10	(a) actual damages under CLRA § 1780(a)(1);
11	(b) restitution of property under CLRA § 1780(a)(3);
12	(c) punitive damages under CLRA § 1780(a)(4) and because
13	Defendant has engaged in fraud, malice or oppression;
14	(d) attorneys' fees and costs under CLRA § 1780(d); and
15	(e) any other relief the Court deems proper under CLRA $1780(a)(5)$ .
16	185. Attached as Exhibit B, Plaintiff Hiddlestone states facts showing that
17	this action was filed in a court described as a proper place for the trial of the
18	action.
19	SECOND CLAIM FOR RELIEF
20	For Violation of California's False Advertising Law,
21	California Business & Professions Code §§ 17500 et seq.
22	186. Plaintiffs hereby incorporate by reference the allegations contained
23	in this Complaint.
24	187. California's False Advertising Law, Business & Professions Code §§
25	17500 et seq. ("FAL"), provides that "[i]t is unlawful for any corporation
26	with intent to dispose of personal property to induce the public to enter
27	into any obligation relating thereto, to make or disseminate or cause to be made or
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disseminated . . . from this state before the public in any state, in any newspaper
 or other publication, or any advertising device, or by public outcry or
 proclamation, or in any other manner or means whatever, including over the
 Internet, any statement . . . 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 . . . ."

7 188. Defendant's acts and practices as described herein have deceived
8 and/or are likely to deceive Plaintiffs and the Honest Natural Products Class
9 Members.

10 189. By its actions, Defendant has been and is disseminating uniform
11 marketing statements concerning the Honest Products, and the performance, facts
12 connected with, and disposition of Honest Products, which by their nature are
13 untrue or misleading, and which Defendant knew or should have known were
14 untrue and/or misleading, within the meaning of California Business &
15 Professions Code §§ 17500 et seq.

16 190. Defendant used numerous advertising devices and other manner and
17 means to disseminate these statements, including those set forth more fully
18 elsewhere in this Complaint.

19 191. The statements are likely to deceive and continue to deceive the20 consuming public for the reasons detailed above.

21 192. Defendant intended, and continues to intend, that Plaintiffs and the
22 members of the Class rely upon the untrue and/or leading statements set forth
23 more fully elsewhere in this Complaint.

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24 193. In fact, Plaintiffs and the members of the Class relied upon25 Defendant's statements to their detriment.

26

1 194. The above described untrue and misleading marketing
 2 representations Honest disseminated continue to have a likelihood to deceive
 3 Plaintiffs and members of the Class.

- 4 195. Plaintiffs and the members of the Class have experienced an
  5 economic injury as a result of Defendant's untrue and/or misleading statements.
- 6 196. Plaintiffs Hiddlestone and Hedges and the members of the Honest
  7 Natural Products Class purchased Honest Natural Products and paid a premium
  8 for them based on Defendant's untrue and/or misleading statements.

9 197. Plaintiffs on behalf of all members of the Class seek equitable relief
10 requiring Defendants to refund and restore to Plaintiffs and all members of the
11 Class the premiums they paid for Honest Natural Products in an amount to be
12 determined by this Court but at least \$5,000,000, and injunctive relief prohibiting
13 Defendants from engaging in the misconduct described herein.

# THIRD CLAIM FOR RELIEF

# For Violation of California's Unfair Competition Law

California Business and Professions Code §§ 17200, et seq.

17 198. Plaintiffs hereby incorporate by reference the allegations contained18 in this Complaint.

19 199. Plaintiffs assert this claim on behalf of themselves and the members20 of the Class against Defendant.

21 200. Defendant's misconduct violated the Unfair Competition Law,

22 Business and Professions Code §§ 17200 et seq. ("UCL").

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201. Defendant's misconduct is unlawful under the UCL, as it violates:

24 (a) California's FAL, California Business & Professions Code §§ 17500
25 *et seq.*, as set forth more fully above, *supra*.

(b) California's CLRA, California Civil Code §§ 1750 *et seq.*, as set
forth more fully above, *supra*.

(c) Section 5(a) of the Federal Trade Commission Act ("FTC Act"), 15
 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or
 affecting commerce; and

4 (d) Section 12 of the FTC Act, 15 U.S.C. § 52, which prohibits the
5 dissemination of any false advertisement in or affecting commerce for the
6 purpose of inducing, or which is likely to induce, the purchase of food, drugs,
7 devices, services, or cosmetics.

8 (e) Plaintiffs reserve the right to identify additional provisions of law
9 violated by Defendant as further investigation and discovery are undertaken and
10 additional facts are discovered.

202. Defendant's misrepresentations and its false and misleading
advertising constitute "unfair" business acts and practices under the UCL.

13 203. Defendant's misconduct offends established public policy and is
14 unethical, and/or substantially injurious to Plaintiffs and the members of the
15 Class.

16 204. Defendant's misconduct undermines and violates the policies17 codified in the FAL and the CLRA.

18 205. There is no legitimate utility of Defendant's misconduct, let alone19 any that would outweigh the harm to Plaintiffs and the members of the Class.

20 206. Plaintiffs and the members of the Class could not have reasonably
avoided the injury each of them suffered, as reasonable consumers had no way of
reasonably ascertaining the Honest Products are misbranded and are not properly
labeled or advertised, and were at all relevant times dissuaded from avoiding any
injury by Defendant's long term advertising campaign.

25 207. Defendant's misrepresentations and its false and misleading
26 advertising regarding Honest Products constitute "fraudulent" business acts and

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practices because members of the consuming public, including Plaintiffs and the 1 2 members of the Class, were and are likely to be deceived thereby. 208. In fact, Plaintiffs Hiddlestone and Hedges and the Honest Natural 3 Products Class Members relied upon Defendant's representations on labels and in 4 advertisements to their detriment and paid a higher price for Honest Natural 5 Products than they would have paid for products that are not natural. 6 7 209. Defendant's conduct is ongoing and unless restrained, likely to recur. 210. Plaintiffs and each Class Member has been injured in fact, and has 8 9 lost money or property, and each is entitled to restitution and injunctive relief. 10 211. Defendant should be required to pay damages and/or make restitution to Plaintiffs and the members of the Class and pay for Plaintiffs' in an 11 amount to be determined by this Court but at least \$5,000,000 in the aggregate, as 12 well as Plaintiffs' and the Class members' attorneys' fees. 13 14 FOURTH CLAIM FOR RELIEF 15 **BREACH OF EXPRESS WARRANTY** 212. Plaintiffs hereby incorporate by reference the allegations contained 16 in this Complaint. 17 18 213. As set forth hereinabove, Defendant made representations to 19 Plaintiffs and members of the Class that, among other things, Honest Natural Products are "natural." 20 214. The representations set forth herein as to the Natural Products 21 22 constitute express warranties. 23 215. These promises became part of the basis of the bargain between the 24 parties and thus constituted express warranties. Plaintiffs and the Class Members reasonably relied on these 25 216. 26 promises. 27 49 COMPLAINT

217. On the basis of these express warranties, Defendant sold and
 Plaintiffs and the Honest Natural Products Class Members purchased the Honest
 Natural Products.

4 218. The Honest Natural Products contained unnatural ingredients and
5 therefore Defendant breached its express warranties. As a result, Plaintiffs and
6 the Honest Natural Products Class Members did not receive goods as warranted
7 by Defendant.

8 219. Privity exists because Defendant expressly warranted to Plaintiffs
9 and the Honest Natural Products Class Members that the Honest Natural Products
10 did not contain natural products, including on the labeling of Honest Hand Soap,
11 which labeling was reviewed and relied upon by Plaintiffs and the Honest Natural
12 Products Class Members.

13 220. As a proximate result of Defendant's breaches of warranty, Plaintiffs
14 and members of the Class have been damaged in an amount to be determined at
15 trial.

## **FIFTH CLAIM FOR RELIEF**

# **Quasi-Contract (Money Had and Received)**

18 221. Plaintiffs hereby incorporate by reference the allegations contained19 in this Complaint.

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20 222. Defendant unjustly retained a benefit at the expense of Plaintiffs and
21 the members of the Class in the form of substantial revenues and payments from
22 Plaintiffs and the members of the Class for the Honest Products and from
23 Defendant's conduct in misrepresenting the Honest Products in labels and
24 advertisements.

25 223. Based on the mistake, Plaintiffs and the members of the Class paid26 for the Honest Products.

1	224. It would be unjust and inequitable for Defendant to retain the
2	benefits it received and continues to receive from Plaintiffs Hiddlestone and
3	Hedges and the Honest Natural Products Class Members for the premiums they
4	paid in exchange for products Defendant falsely represented as "natural," absent
5	full repayment to Plaintiffs Hiddlestone and Hedges and the Honest Natural
6	Products Class Members who purchased the Honest Natural Products.
7	225. Plaintiffs seek restitution on all of the inequitable payments and
8	profits Defendant retained from Plaintiffs and the members of the Class in an
9	amount to be determined by this Court but at least \$5,000,000.
10	PRAYER FOR RELIEF
11	WHEREFORE, Plaintiffs, on behalf of themselves and the Class, pray for:
12	A. An order certifying the Class and appointing Plaintiffs as the
13	representatives of the Class, and appointing counsel of record for Plaintiffs as
14	counsel for the Class;
15	B. Declaratory and injunctive relief as permitted by law or equity,
16	including enjoining Defendant from continuing the unlawful practices described
17	herein, and directing Defendant to identify, with Court supervision, victims of the
18	misconduct and pay them restitution and disgorgement of all profits and unjust
19	enrichment Defendant acquired by means of any business practice declared by
20	this Court to be unlawful, unfair, and fraudulent;
21	C. An Order for Defendant to engage in a corrective advertising
22	campaign;
23	D. Actual damages, including under CLRA § 1780(a)(1), in an amount
24	to be determined by this Court but at least \$5,000,000;
25	E. Restitution, disgorgement, and/or constructive trust on all of the
26	inequitable payments and profits Defendant retained from Plaintiffs and the
27	
	51 COMPLAINT

1	members of	of the Class, including under CLRA § 1780(a)(2), in an amount to be
2	determined	d by this Court but at least \$5,000,000;
3	F.	Punitive damages under CLRA § 1780(a)(4) and because Defendant
4	has engage	ed in fraud, malice or oppression;
5	G.	Attorneys' fees, per Cal. Civil Code 1780(d) and California Code of
6	Civil Proce	edure § 1201.5;
7	H.	Expenses and costs of this action;
8	I.	Pre-judgment and post-judgment interest; and
9	J.	Such other and further relief as the Court may deem just and proper,
10	including u	under CLRA § 1780(a)(5).
11		
12	Dated: Se	ptember 19, 2016
13		By <u>/s/ Nicholas A. Carlin</u> Nicholas A. Carlin
14		Brian S. Conlon
15		Phillips, Erlewine, Given & Carlin LLP 39 Mesa Street, Suite 201-The Presidio San Francisco, CA 94129
16		Telephone: 415-398-0900
17		Email: nac@phillaw.com bsc@phillaw.com
18		/s/ Leonard B. Simon
19		The Law Offics of Leonard B. Simon 655 West Broadway, Suite 1900
20		San Diego, CA 92101 Telephone: 619-338-4549 Email: lsimon@rgrdlaw.com
21		Email: lsimon@rgrdlaw.com
22		<u>/s/ Rebecca A. Peterson</u> Rebecca A. Peterson
23		Robert K. Shelquist Lockridge, Grindal, Nauen P.L.L.P.
24		100 Washington Avenue South, Suite 2200
25		Minneapolis, MN 55401 Telephone: 312-339-6900
26		Email: rapeterson@locklaw.com rkshelquist@locklaw.com
27		52
		COMPLAINT
I		

1	10/ Ion W Dordorud
2	/s/ Jon W. Borderud Jon W. Borderud Law Offices of Jon W. Borderud
3	2028 Cliff Drive Santa Barbara, CA 93109
4	Telephone: 310-621-7004 Email: borderudlaw@cox.net
5	<u>/s/ Charles J. LaDuca</u> Charles J. LaDuca
6	Cuneo Gilbert & LaDuca, LLP
7	8120 Woodmont Avenue, Suite 810 Bethesda, MD 20814 Phone: (202) 789-3960
8	Fax: (202) 789-3900 Fax: (202) 789-1813 charles@cuneolaw.com
9	
10 11	<u>/s/ Michael J. Flannery</u> Michael J. Flannery Cuneo Gilbert & LaDuca, LLP
12	7733 Forsyth Boulevard, Suite 1675 St. Louis, MO 63105
13	Telephone: 314.226.1015 Facsimile: 202.789.1813
14	mflannery@cuneolaw.com
15	<u>/s/ J. Barton Goplerud</u> J. Barton Goplerud
16	Brian O. Marty Hudson Mallaney Shindler & Anderson
17	5015 Grand Ridge Drive, Suite 100 West Des Moines, Iowa 50265 Telephone: 515 223 4567
18	Telephone: 515.223.4567 Facsimile: 515.223.8887 ibgoplerud@hudsonlaw.net
19 20	jbgoplerud@hudsonlaw.net bomarty@hudsonlaw.net
20	Attorneys for Plaintiffs Candace Hiddlestone and Julie Hedges
21 22	
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27	
	53 COMPLAINT

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1	JURY DEMAND
2	Plaintiffs hereby demand a jury trial on all issues so triable.
3	Dated: September 19, 2016 By: <u>/s/ Nicholas A. Carlin</u>
4	Nicholas A. Carlin
5	ATTESTATION
6	L Nicheles A. Couling and the ECE and and identification and account
7	I, Nicholas A. Carlin, am the ECF user whose identification and password
8	is being used to file the instant document. I hereby attest that all counsel whose
9	electronic signatures appear above provided their authority and concurrence to
10	file this document.
11	<u>/s/ Nicholas A. Carlin</u> Nicholas A. Carlin
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27	54
	COMPLAINT

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# EXHIBIT A



39 Mesa Street Suite 201 The Presidio San Francisco California 94129

Tel: 415.398.0900 Fax: 415.398.0911 www.phillaw.com Phillips, Erlewine, Given & Carlin LLP

April 27, 2016

### <u>BY CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Brian Lee, CEO The Honest Company, Inc. 2700 Pennsylvania Ave., Ste. 1200 Santa Monica, CA 90404

Craig Gatarz Registered Agent The Honest Company, Inc. 2700 Pennsylvania Ave., Ste. 1200 Santa Monica, CA 90404

## Re: Violation of Express and Implied Warranties and the California Consumer Legal Remedies Act.

Dear Sirs:

We represent Candace Hiddlestone, Julie Hedges, and Elan Schieffelin: purchasers of The Honest Company's products, including: Honest Sunscreen, Honest Diapers, Honest Hand Soap, Honest Dish Soap, Honest Auto Dishwasher Gel, Honest Dishwasher Packs, Honest Conditioning Detangler, Honest Multi-Surface Cleaner, Honest Shampoo & Body Wash, and Honest Bubble Bath. Ms. Hiddlestone, Ms. Hedges, and Ms. Schieffelin purchased these products from September of 2012 through August of 2015.

This letter constitutes notice that The Honest Company ("Honest") is in violation of California's false advertising laws and has breached numerous warranties made on its product labeling and publicized through its website Honest.com and other advertising. Please be advised that Honest's misconduct violates the California Consumer Legal Remedies Act ("CLRA") and likewise breaches express and implied product warranties.

During that period, Honest falsely represented that the naturally advertised products were "natural," "all-natural," "100% natural," "naturally derived," and/or work "naturally." Honest also advertised the Honest Sunscreen as "effective," "super effective," "highly effective," and "safe," and represented that the product provides "broad-spectrum mineral-based protection" or "natural mineral based sun protection." Each of Honest's representations constituted an express warranty about the nature and ingredients of the products our clients purchased, and each representation gave rise to causes of action under the CLRA and for breach of express and implied warranties.

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Honest's material misrepresentations and failures to disclose violate the CLRA, as follows:

1. Honest has misrepresented Honest Sunscreen, Honest Diapers, Honest Hand Soap, Honest Dish Soap, Honest Auto Dishwasher Gel, Honest Dishwasher Packs, Honest Conditioning Detangler, Honest Multi-Surface Cleaner, Honest Shampoo & Body Wash, and Honest Bubble Bath as having characteristics, ingredients, uses, and benefits that they do not have (Cal. Civ. Code §1770(a)(5));

2. Honest has misrepresented these same products as fulfilling a particular standard, quality, or grade, when they are of another (Cal. Civ. Code § 1770(a)(7));

3. Honest advertised these products with the intent not to sell them as advertised (Cal. Civ. Code § 1770(a)(9)); and

4. Honest represented the products were supplied in commercial transactions in accordance with previous representations, when in fact these products did not accord with Honest's representations. (Cal. Civ. Code §1770(a)(16)).

In many cases, Honest's advertising has changed over time, including as noted on March 8, 2016 in a Wall Street Journal investigative report that suggests Honest's supply chain is not reliably policed and audited to ensure Honest's product offerings comply with its product advertising. Almost without exception, Honest continues to label and advertise its naturally advertised products as "natural," or states that they work "naturally," when Honest knows the products contain synthetic ingredients.

Honest's false representations about the "natural" or "all-natural" ingredients in its products include, without limitation, the following:

#### **Honest Diapers**

Honest advertised the Honest Diapers as "natural" in the Diapering section of its website. Honest.com's product page for the diapers also stated they are "naturally derived." Contrary to Honest's representations in product descriptions on Honest.com, Honest's Diapers contain Sodium Polycrylate: a petrochemical-based additive. The Environmental Working Group rates this ingredient as exceeding the organization's "low hazard" threshold, and has stated that Sodium Polycrylate deserves a 3 out of 9 rating for "Moderate Hazard."

#### **Family Essentials Bundle**

Honest has advertised a family essentials bundle of consumer products on Honest.com ("Family Essentials" or "Essentials"). Honest falsely represented all the Family Essentials products were all-natural. Honest repeated this false statement across its website: "all these products are made with the highest quality all-natural & organic ingredients." Honest offered the following Family Brian Lee Craig Gatarz April 27, 2016 Page **3** of **5** 

Essentials products on Honest.com: Honest Hand Soap, Honest Dish Soap, Honest Auto Dishwasher Gel, Honest Dishwasher Packs, Honest Conditioning Detangler, Honest Multi-Surface Cleaner, Honest Shampoo & Body Wash, and Honest Bubble Bath. Honest represented Family Essentials was a single product line, stating: "Choose from a growing line of natural, non-toxic personal care & home cleaning essentials." Honest continues to describe Essentials in its Frequently Asked questions webpage as "all derived from natural and organic ingredients."

Honest advertised the Essentials as natural on individual product labels and individual product pages on Honest.com. Honest labelled and advertised Honest Hand Soap individually as "Natural" on its Honest.com product page. Honest advertised Honest Dish Soap as "Natural" on the Target.com website and added that it has a "natural" formula. Honest also advertised the Honest Conditioning Detangler on Target.com for certain ingredients' ability to "naturally soften and nourish" Honest advertised Honest Auto Dishwasher Gel as "100% natural & biodegradable" on its Honest.com product page. Honest advertised Honest Dishwasher Packs' "Naturally-Derived Ingredients." Honest advertised the Honest Multi-Surface Cleaner as "naturally fresh," representing the cleaner "[r]epels dust naturally." Honest labeled Honest Shampoo & Body Wash "natural." Honest also labelled Honest Bubble Bath "natural." Each of these statements amplifies Honest's statement that all of the family essentials products are natural.

Contrary to Honest's representations in advertisements and labels, including in product descriptions on Honest.com, Honest's Family Essentials products contain non-natural ingredients as follows:

- a. Honest Diapers
  - a. Sodium Polycrylate- a petrochemical-based additive.
- b. Honest Hand Soap
  - a. Phenoxyethanol a synthetic preservative
- c. Honest Dish Soap
  - a. Cocamidopropyl Betaine a synthetic surfactant
  - b. Methylisothiazolinone a synthetic preservative
  - c. Phenoxyethanol see above
- d. Honest Auto Dishwasher Gel
  - a. Potassium Sorbate a synthetic preservative
- e. Honest Dishwasher Packs
  - a. Polyvinyl Alcohol a synthetic polymer
- f. Honest Conditioning Detangler
  - a. Caprylyl Glycol a synthetic agent
- g. Honest Multi-Surface Cleaner
  - a. Metyhlisothiazolinone see above
- h. Honest Shampoo & Body Wash
  - a. Caprylyl Glycol see above
  - b. Cocamidopropyl Hydroxysultaine a synthetic surfactant
- i. Honest Bubble Bath
  - a. Caprylyl Glycol see above

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b. Cocamidopropyl Hydroxysultaine - see above

The Environmental Working Group rates many of these ingredients as exceeding the organization's "low hazard" threshold, according to the following ratings on the organization's informational website:

- (a) Methylisothiazolinone EWG Rating: 7 out of 9 "High Hazard."
- (b) Cocamidopropyl Betaine EWG Rating: 4 out of 9 "Moderate Hazard."
- (c) Phenoxyethanol EWG Rating: 4 out of 9 "Moderate Hazard.
- (d) Potassium Sorbate EWG Rating: 3 out of 9 "Moderate Hazard."

## Honest Sunscreen

Honest oversold its sunscreen as effective, highly effective, and safe, and as providing "broadspectrum mineral-based protection" or "natural mineral based sun protection." In practice, the Sunscreen was not remotely effective or safe. Ms. Schieffelin purchased the Sunscreen in June of 2015, and she and her family used and applied the Sunscreen diligently during an outdoors trip. To her entire family's dismay, Ms. Schieffelin, her husband, and her two year old child experienced severe sunburn. Honest's representations were material to the consuming public, as evidenced by Honest's nationwide advertising campaign to promote its sunscreen as effective, safe, and providing broad-spectrum sun protection. In the context of sunscreen, effective means the product works and prevents sunburn. Honest's sunscreen failed to produce this effect.

Based on the foregoing, PLEASE TAKE NOTICE that the Honest Company is in violation of the California Legal Remedies Act, and in breach of its express and implied warranties. We demand that within 30 days of receiving this letter, Honest agree to immediately and permanently discontinue its marketing practices described above and refund the purchase price paid by Honest consumers who purchased "natural" products that contained synthetic ingredients.

Please be advised that your failure to comply with this request within thirty (30) days may subject you to the following remedies:

- Declaratory and injunctive relief;
- An order to engage in a corrective advertising campaign;
- Actual damages;
- Restitution;
- Disgorgement of profits;
- Punitive and exemplary damages;
- Attorneys' fees;
- Litigation costs and expenses; and
- Pre-judgment and post-judgment interest.

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Finally, please allow this letter to serve as an initial litigation hold, and be advised that spoliation sanctions may be assess against your company if, *inter alia*, it modifies or deletes any web copy without first creating an exact, comprehensive copy of the visual appearance at the time of the modification or deletion, AND a copy of the corresponding HTML/CSS/Javascript code, placed into reliable data storage, including all relevant metadata, including for any webpages or webcopy Honest decides to change or amend as a result of the claims identified in this letter.

Thank you for your time and consideration in this matter.

Very truly yours

Nicholas A. Carlin

cc: William P. Donovan, Jr., Esq.

# EXHIBIT B

C	ase 2:16-cv-07054 Document 1 Filed 09/20/16 Page 62 of 63 Page ID #:62
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NICHOLAS A. CARLIN (SB 112532) nac@phillaw.com BRIAN S. CONLON (SB 303456) bsc@phillaw.com PHILLIPS, ERLEWINE, GIVEN & CARLIN LLP 39 Mesa Street, Suite 201 The Presidio San Francisco, CA 94129 Tel: 415-398-0900 Fax: 415-398-0900 Fax: 415-398-0911 Leonard B. Simon (CSB #58310) The Law Offices of Leonard B. Simon 655 West Broadway, Suite 1900 San Diego, CA 92101 Tel: 619-338-4549 Fax: 619-231-7423 Email: lsimon@rgrdlaw.com REBECCA A. PETERSON (SB 241858) rapeterson@locklaw.com ROBERT K. SHELQUIST rkshelquist@locklaw.com LOCKRIDGE GRINDAL NAUEN P.L.L.P 100 Washington Avenue South, Suite 2200 Minneapolis, MN 55401 Tel: 612-339-6900 Fax: 612 339-0981 Additional Counsel Listed on Signature Page
18	Attorneys for Plaintiffs
19	<b>UNITED STATES DISTRICT COURT</b>
20	<b>CENTRAL DISTRICT OF CALIFORNIA</b>
<ul> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> <li>28</li> </ul>	CANDACE HIDDLESTONE and JULIE HEDGES, each individually and on behalf of all those similarly situated, Plaintiffs, v. THE HONEST COMPANY, INC. Defendant.
	DECLARATION OF CANDACE HIDDLESTONE

I, Candace Hiddlestone, declare and state as follows:

1. I am over the age of 18, and the named plaintiff in this class-action lawsuit. Unless otherwise stated, the facts contained in this declaration are based on my personal knowledge, and if called upon to do so, I can testify as to the facts contained herein.

2. The complaint in this action, filed concurrently with this declaration, is filed in the proper place for trial under California Civil Code §1780(d), because it is a county in which the Defendant The Honest Company, Inc. does business, and where a substantial portion of the marketing claims have occurred. I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct.

Executed this day of September, 2016 at La Jolla, California.

Candace Hiddlestone

DECLARATION OF CANDACE HIDDLESTONE