

1 Robert C. Moest, Of Counsel, SBN 62166
2 **THE BROWN LAW FIRM, P.C.**
3 2530 Wilshire Boulevard, Second Floor
4 Santa Monica, California 90403
5 Telephone: (310) 915-6628
6 Facsimile: (310) 915-9897
7 Email: RMoest@aol.com

8 *Counsel for Plaintiffs*

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**IN THE UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

IN RE: BEYOND MEAT, INC.
DERIVATIVE LITIGATION

Case No.: CV-20-2524-MWF (AFMx)

This Document Relates to:

ALL ACTIONS

DEMAND FOR JURY TRIAL

CONSOLIDATED AMENDED SHAREHOLDER DERIVATIVE COMPLAINT

INTRODUCTION

Plaintiffs Eric Weiner, Kimberly Brink, and Melvyn Klein (“Plaintiffs”), by their undersigned attorneys, derivatively and on behalf of Nominal Defendant Beyond Meat, Inc. (“Beyond Meat” or the “Company”), file this Consolidated Amended Shareholder Derivative Complaint against Individual Defendants Ethan Brown, Mark J. Nelson, Seth Goldman, Gregory Bohlen, Diane Carhart, Raymond J. Lane, Bernhard van Lengerich, Ned Segal, Christopher Isaac “Biz” Stone, Donald Thompson, Kathy N. Waller, Jessica Quetsch, and Anthony Miller (collectively, the “Individual Defendants,” and together with Beyond Meat, the “BM Defendants”) for breaches of their fiduciary duties as employees, directors and/or officers of Beyond Meat, unjust enrichment, waste of corporate assets, abuse of control, gross mismanagement, and against nearly all of the Individual Defendants for violations of Sections 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), and against ProPortion Foods, LLC and CLW Foods, LLC (and, together with the Individual Defendants and Beyond Meat, the “Defendants”) for aiding and abetting the Individual Defendants’ breaches of their fiduciary duties as employees, directors and/or officers of Beyond Meat. As for Plaintiffs’ complaint against the Defendants, Plaintiffs allege the following based upon personal knowledge as to Plaintiffs and Plaintiffs’ own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiffs’ attorneys, which included, among other things, a review of the Defendants’ public documents, conference calls, and announcements made by Defendants, United States Securities and Exchange Commission (“SEC”) filings, wire and press releases published by and regarding Beyond Meat, legal filings, news reports, securities analysts’ reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiffs believe that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

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3 1. This is a shareholder derivative action that seeks to remedy wrongdoing
4 committed by Beyond Meat's employees, directors, and officers from at least April 2016
5 through the present (the "Relevant Period") based on fraudulent misconduct, wrongful
6 termination of the Company's co-manufacturing agreement, misappropriation of trade
7 secrets, and other misconduct set forth herein including false assurances in SEC filings
8 that Beyond Meat and its employees, directors, and officers were following the
9 Company's Code of Business Conduct and Ethics ("Code of Conduct")—including,
10 among other things, with respect to the Company's compliance with applicable laws,
11 while acting in opposition to those statements.

12 2. Beyond Meat is a provider of plant-based meat products, including beef,
13 pork, and poultry substitutes. Beyond Meat's most popular offering is the Beyond
14 Burger, a plant-based burger sold in thousands of grocery stores and restaurants
15 internationally.

16 3. Prior to changing its corporate name in September 2018, Beyond Meat, was
17 formerly known as a private company called Savage River, Inc. In 2014, Beyond Meat
18 entered into a written exclusive supply agreement, as amended (the "Supply Agreement")
19 with Don Lee Farms, a division of Goodman Food Products, Inc. ("Don Lee"), a
20 manufacturer of plant-based, vegan protein products that was founded in 1982 by its
21 current Chief Executive Officer ("CEO"), Donald Goodman ("Goodman"). Under the
22 terms of the Supply Agreement, Beyond Meat would supply Don Lee with the
23 Company's pea protein-based raw ingredients called "extrudate" which Don Lee would
24 then process and package for distribution and sale. Don Lee would produce and ship to
25 Beyond Meet all of the food products the Company required, including its famous
26 Beyond Burger. To do this, Don Lee established a proprietary process for producing the
27 Company's products called the "Batch Making Protocols" which detailed the method and
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1 process for mass-producing Beyond Meat's products, particularly the Beyond Burger,
2 including key factors such as ingredient amounts, mixing times, and equipment layouts.

3 4. In early 2016, after Don Lee raised concerns regarding tainted ingredients
4 that it had received from Beyond Meat, the Company's CEO Ethan Brown ("Brown")
5 engaged a food safety consultant to conduct an audit of the Company's Missouri facility
6 to appease Don Lee. Thereafter, the food safety inspector issued a report which reflected
7 the consultant's findings of contamination. However, Beyond Meat falsely represented
8 the accuracy of the food safety consultant's report provided to Don Lee, which certain
9 Company employees including Defendants Mark J. Nelson ("Nelson"), Jessica Quetsch
10 ("Quetsch"), and Anthony Miller ("Miller") coordinated to doctor, alter, and exclude
11 pertinent safety information (the "Fraudulent Misconduct").

12 5. Soon after the Company launched the Beyond Burger in May 2016, Beyond
13 Meat began its search to replace Don Lee as its co-manufacturer under more favorable,
14 i.e., less costly, terms. Indeed, Beyond Burger had scheduled a test with CLW Foods,
15 LLC ("CLW") for February 3, 2017, to determine whether it could handle the role of co-
16 manufacturer. When Don Lee inevitably found out, Defendant Brown attempted to
17 mitigate the damage by representing that he had cancelled the test. Instead, however,
18 Beyond Meat continued to negotiate with CLW and by April 12, 2017 had sent design
19 drawings illustrating how CLW should begin to set up the equipment in its facility to
20 produce the Company's products. That same day, Beyond Meat sent Don Lee a Notice
21 of Breach alleging various food safety violations in Don Lee's Texas facility. Thereafter,
22 on May 23, 2017, Beyond Meat terminated the Supply Agreement, and began shifting its
23 production to other manufacturers including CLW and ProPortion Foods, LLC
24 ("ProPortion") in violation of the exclusive Supply Agreement which CLW and
25 ProPortion were aware of (collectively the "Wrongful Termination"). Notably, despite
26 having no prior experience mass-producing plant-based protein products, CLW and
27 ProPortion, the Company's current co-manufacturers, were up and running within weeks
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1 using a nearly identical process as Don Lee's propriety Batch Making Protocol, a trade
2 secret which the Company, CLW, and ProPortion had misappropriated in violation of
3 applicable laws and the non-disclosure agreement contained in the exclusive Supply
4 Agreement (the "Misappropriation").

5 6. Moreover, the Company failed to compensate Don Lee for delivered
6 product, furnish Don Lee with equipment, parts, and labor at its sole cost and expense
7 under the Supply Agreement, service and repair such equipment, furnish Don Lee with
8 effective and adequate equipment, and furnish Don Lee with personnel required in
9 connection with various certifying agency requirements as set forth in the Supply
10 Agreement.

11 7. Don Lee filed suit against Beyond Meat in the Superior Court of the State of
12 California for the County of Los Angeles alleging, among other things, breach of
13 contract, misappropriation of trade secrets, unfair competition, and fraud, captioned *Don*
14 *Lee Farms v. Savage River, Inc.*, Case No. BC662838 (Cal. Super. Ct.) (the "Don Lee
15 Action"). Notably, on January 24, 2020, the court in the Don Lee Action granted Don
16 Lee a right to attach in the amount of \$628,689 on the grounds that Don Lee had
17 established a "probable validity" of its claim that Beyond Meat owes Don Lee money for
18 unpaid invoices.

19 8. In breach of their fiduciary duties, the Individual Defendants either engaged
20 in and/or permitted, and/or allowed the Company to engage in the Fraudulent
21 Misconduct, Wrongful Termination, and/or Misappropriation.

22 9. During the Relevant Period, the Individual Defendants further breached their
23 fiduciary duties by personally making and/or causing Beyond Meat to make materially
24 false and misleading statements in the Schedule 14A filed with the SEC on April 10,
25 2020 (the "2020 Proxy Statement") which failed to disclose, inter alia, that in violation of
26 the Code of Conduct: (1) the Company had engaged in the Fraudulent Misconduct; (2)
27 the Company had engaged in the Wrongful Termination; (3) the Company had engaged
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