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11				
12	UNITED STATES DISTRICT COURT			
13	CENTRAL DISTRICT OF CALIFORNIA			
14	DON LEE FARMS, a division of	Case No. 2:22-cv-3751		
15	Goodman Food Products, Inc.,	PLAINTIFF DON LEE FARMS'		
16	Plaintiff,	COMPLAINT FOR:		
17	00 /	1. VIOLATION OF THE LANHAM		
18	vs.	ACT;		
19	BEYOND MEAT, INC., a Delaware	2. FALSE ADVERTISING IN		
	Corporation,; and ETHAN BROWN, an	VIOLATION OF CAL. BUS. & PROF.		
20	individual,	CODE §§ 17500 ET SEQ; and		
21	Defendants	3. UNFAIR COMPETITION IN		
22	Defendants.	VIOLATION OF CAL. BUS. & PROF. CODE §§ 17200 ET SEQ.		
23		DEMAND FOR JURY TRIAL		
24		DEMIAND FOR JUNI IRIAL		
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Plaintiff Don Lee Farms ("DLF") brings this action against Defendants Beyond Meat, Inc. ("Beyond Meat" or "Beyond") and Ethan Brown ("Brown"). DLF alleges as follows:

NATURE OF THE CASE

- 1. "Something is really wrong at Beyond Meat."¹
- 2. Beyond Meat's problems are many, but they trace to one root cause: the company's tendency to "over-promise and under-deliver," then scramble for excuses.² With the company reeling due to operational failures, CEO Ethan Brown has offered up "excuses" described as "laughable" and that industry insiders pan as "difficult to take . . . seriously" and as flunking "the smell test." Others have noticed Brown's habit of "point[ing] the finger" at everyone but himself, describing Brown as having "an appetite for excuses."
- 3. But there are no excuses for the conduct revealed below. The indisputable science now shows that Beyond Meat was built on and has grown because of deception and lies: (1) that Beyond's plant-based products provide "equal

⁴ David Moadel, MOTLEY FOOL, *Beyond Meat Needs to Deliver, Not Just Explain* (Mar. 9, 2022).



¹ Sergei Klebnikov, FORBES, 'Something Is Really Wrong' At Beyond Meat, According To This Investor (Oct. 22, 2021) (internal quotation marks omitted).

² Deena Shanker, BLOOMBERG, Beyond Meat's Delayed Chicken Launch Raises Growth Questions (Nov. 17, 2021).

³ Joe Berkowitz, Fast Company, Some of Beyond Meat's excuses for its stock troubles are laughable (Nov. 11, 2021).

or superior protein" as compared to real meat;⁵ and (2) that its products are free from "synthetic" ingredients.6

- Both of these claims are central to Beyond's pitch to customers, business partners, retailers, and investors—and both claims are demonstrably false.
- 5. First, Beyond Meat grossly overstates the protein in its products. To entice customers, Beyond Meat claims its proteins are equal to or better than the proteins found in meat⁷ and labels its products with correspondingly high daily protein values. But as revealed by rigorous product testing of Beyond Meat's products, Beyond Meat's claims are false. Using the globally recognized "corrected" protein-testing method—which accounts for the quality (or lack of quality) of the protein in a product—the daily protein value on Beyond Meat's flagship products is overstated by up to 30%:

Table 1				
BYND Product	%DV (as labelled)	%DV (as tested)	Overstated%	
Beefy Crumbles	26%	20.0%	30%	
Beyond Burger	40%	35.49%	12.71%	

6. Unlike Beyond Meat's unsupported marketing claims, the above testing results are backed by hard science and data. Indeed, the testing attached to this complaint was conducted by an internationally accredited laboratory that followed

⁷ E.g., Beyond Meat, Is Meat Production An Efficient Use of Resources? (Mar. 8, 2021), https://www.beyondmeat.com/en-US/whats-new/is-meat-production-anefficient-use-of-resources.



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⁵ Beyond Meat, Is Meat Production An Efficient Use of Resources? (Mar. 8, 2021), https://www.beyondmeat.com/en-US/whats-new/is-meat-production-an-efficientuse-of-resources.

⁶ Anna Starostinetskaya, VEGNEWS, Octavia Spencer Stars in Beyond Meat's First Television Commercial (Aug. 3, 2020), https://vegnews.com/2020/8/octavia-spencerstars-in-beyond-meat-s-first-television-commercial. 26

1 rigorous testing methods. (Element Laboratory Analytical Report, May 12, 2022 (hereinafter "Element Report") (attached as **Exhibit A**).)

- 7. The upshot: Beyond Meat has falsely advertised its products and has caused misbranded goods to be sold throughout the supply chain. The misbranded goods tested for purposes of this complaint were purchased from well-known retailers nationwide, including Walmart, Publix, Albertsons, Safeway, and Ralphs.
- 8. Beyond Meat's overstatement of its protein is material. Beyond Meat's website makes representations that its products "offer protein levels greater than or equal to their animal-based counterparts." Further, Beyond Meat points to "protein" as the defining characteristic of the company and its products. Beyond Meat purports to be "the global protein company of the future." It describes its products as "plant-based protein" and "alternative protein" options. It even trademarked the phrase "The Future of Protein." And Beyond Meat's S-1 registration statement—where it disclosed all essential information about the

¹¹ Beyond Meat, Registration Statement (Form S-1) at 9 and 98 (Amend, 6, Apr. 30, 2019) (emphasis added).



⁸ Beyond Meat, *Frequently Asked Questions* (last visited June 1, 2022), https://www.beyondmeat.com/en-US/faqs (emphasis added).

⁹ Beyond Meat, *Beyond Meat Appoints Protein Industry Veterans to Top Executive Roles as the Company Accelerates its Global Growth Strategy* (Dec. 8, 2021), https://investors.beyondmeat.com/news-releases/news-release-details/beyond-meat-appoints-protein-industry-veterans-top-executive/ (emphasis added).

¹⁰ Beyond Meat, *This Summer, The Economist Promotes Environmental Awareness With Free Beyond Burgers in NYC* (June 14, 2017),

https://www.beyondmeat.com/en-US/whats-new/this-summer-the-economist-promotes-environmental-awareness-with-free-beyond-burgers-in-nyc (emphasis added).

1 company to investors and the SEC—uses the term "protein" 126 times. 12 After all, without protein, Beyond's "plant-based proteins" are just plants.

- Second, while Beyond Meat distinguishes its products as being made without "synthetic" ingredients, 13 in truth, Beyond Meat's Beyond Burgers contain "methylcellulose" – a synthetic ingredient that is commonly used as a laxative, a filler in cosmetic products, or as a binding agent in hotdogs.¹⁴ The scientific 7 literature recognizes that methylcellulose "does *not* occur naturally and is 8 synthetically produced by heating cellulose with caustic solution . . . and treating it with methyl chloride." 15 Yet despite the methylcellulose in their products, Defendants have flooded the market with promises that their products contain no "synthetic" ingredients and are made "directly from plants." 17 11
- As with Beyond's false protein claims, this deception about the lack of 10. "synthetic" or "artificial" ingredients in their products strikes at the heart of 14 Defendants' value proposition to customers, investors, and business partners. In

16 ¹² Id. See e.g., id. at 2 and 82 ("the protein-packed satisfaction of biting into a 17 'meaty' burger or sausage"); id. at 82 ("[W]e requested that the product be sold in 18 the meat case at grocery retailers where meat-loving consumers are accustomed to

¹³ Starostinetskaya, *supra* note 6. 20

19 shopping for center-of-plate proteins.")

22 6391/methylcellulose-laxative-oral/details; SpecialChem, Methylcellulose (last

visited May 20, 2022), https://cosmetics.specialchem.com/inci-23 ingredients/methylcellulose. 24

¹⁶ Starostinetskava, *supra* note 6.

¹⁷ Beyond Meat, Frequently Asked Questions (last visited May 24, 2022), https://www.beyondmeat.com/en-US/fags.



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¹⁴ WebMD, Methylcellulose (Laxative) Oral Powder – Uses Side Effects, and More (last visited May 20, 2022), https://www.webmd.com/drugs/2/drug-

 $^{^{15}}$ Devabaktuni Lavany et al., Sources of Cellulose and Their Applications – A25 Review, 2 International Journal of Drug Formulation and Research 19, 30 (2011) (emphasis added). 26

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