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14 **UNITED STATES DISTRICT COURT**
15 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
16

17 ADRIENNE FRASER, CODEY DeNOYELLES,)
CHEVALIA MORGAN, CAROLYN)
18 FLOWERS, PETRINA FENNELL, JILL)
MAYER, KAT HALL, EUGENE F. ELANDER,)
19 IRIS DELGADO, and CHRISTA RODRIGUEZ)

20 Plaintiff(s),)

21 vs.)

22 CAL-MAINE FOODS, INC., ROSE ACRE)
FARMS, INC., MICHAEL FOODS, INC.,)
23 HILLANDALE FARMS, TRILLIUM FARM)
HOLDINGS, LLC., REMBRANDT)
24 ENTERPRISES, INC., HICKMAN'S EGG)
RANCH, INC., DAYBREAK FOODS, INC.,)
25 WEAVER BROS., INC., PRAIRIE STAR)
FARMS, LLC., SPARBOE FOODS CORP.,)
26 HERBRUCK'S POULTRY RANCH, INC.,)
WABASH VALLEY PRODUCE, INC.,)
27 CENTRUM VALLEY FARMS, L.P., OPAL)
FOODS, LLC., WHOLE FOODS MARKET)
28 GROUP, INC., COSTCO WHOLESALE CORP.,)
DALEYS, STATER BROS. HOLDINGS, INC.)

Case No.:

CLASS ACTION COMPLAINT FOR

- 1. **Violations of Cal. Penal Code § 396;**
- 2. **Violation of the Unfair Business Practices (Cal. Bus. And Prof. Code § 17200 et seq.)**

April 20, 2020

1 WAL-MART STORES, INC., AMAZON.COM,)
 INC., SAVE MART SUPERMARKETS,)
 2 ALBERTSON’S COMPANIES, INC., TRADER)
 JOE’S CO., THE KROGER CO., WINCO)
 3 HOLDINGS, INC.)
)
 4)
 Defendant(s).)
 5)

6
7 **INTRODUCTION**

8 1. This California class action concerns the despicable and illegal practice of price-
 9 gouging of essential groceries, specifically eggs, in the midst of the ongoing and unprecedented
 10 pandemic. Plaintiffs and the class they seek to represent bought grossly marked-up eggs through the
 11 supply chain created by the defendants, which includes producers, wholesalers, and retailers. Because
 12 consumers such as plaintiffs lack access to information about which of the defendants, or all of them,
 13 participated in the price-gouging resulting in a near-tripling of egg prices in the past 30 days, plaintiffs
 14 have sued all the defendants in the alternative. Plaintiffs cannot assert that every defendant engaged
 15 in price-gouging, but plaintiffs can and do assert that some or all of these defendants illegally marked
 16 up egg prices following the Governor’s declaration of an emergency in violation of California law.

17 2. The world is in the midst of a global pandemic involving a novel coronavirus called
 18 COVID-19 that causes an often severe and sometimes fatal respiratory infection. The outbreak
 19 originated in December, 2019, in Wuhan, Hubei Province, China, and in short order the local
 20 epidemic spread globally and was deemed a pandemic by the World Health Organization in March,
 21 2020.

22 2. The first reported case of COVID-19 in the United States was diagnosed in
 23 Washington state in late January, 2020. The case involved a man who had recently travelled to the
 24 epicenter of the outbreak in Wuhan.

25 3. By mid-March 2020, there were reported cases in all 50 American states. The federal
 26 government, most states, and many local governments called for stay-at-home and social distancing
 27 measures designed to slow the spread of the disease. California’s Governor, Gavin Newsom, declared
 28 a state of emergency in this state on March 4, 2020. As of the writing of this complaint, the vast

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1 majority of Americans are subject to these measures. Even in areas not subject to government-
2 mandated stay-at-home orders, most people are voluntarily staying at home except to shop for
3 necessities and to go to work in “essential” occupations such as healthcare and food sales and delivery
4 services. The undersigned counsel writing this complaint is doing so from his home office.

5 4. The economic effect of the government-mandated and voluntary measures to combat
6 the pandemic has been extreme. Many are out of work. Many have had their wages and salaries
7 reduced. Bars and restaurants have been mostly closed for weeks, some remaining open but limiting
8 themselves to curbside delivery and home delivery, and it is predicted many will never re-open.
9 Professional and college sports seasons have been canceled altogether, throwing many out of work.
10 Schools, colleges, and universities are now limited to online classes. Those in the business of putting
11 on concerts, plays, and other forms of entertainment are idle as public gatherings have been banned.
12 All casinos are closed, throwing many more out of work. Hollywood Boulevard, Rodeo Drive, and
13 Haight-Asbury are all deserted. Oil prices are at their lowest point in decades. The stock market is in
14 freefall.

15 5. As in any time of economic turmoil, there are those who seek to profit from the misery
16 of millions. Defendants, who are producers, wholesalers, and retailers of eggs, comprise one such set
17 of actors seeking to unfairly profit from the increased consumer demand for eggs in the midst of the
18 ongoing crisis. Again, because it is impossible for consumers such as plaintiffs to obtain information
19 concerning the secretive process of price-setting, this lawsuit does not assert that each and every
20 defendant engaged in price-gouging. Rather, plaintiffs assert that, at a minimum, some of these
21 defendants did so. This pleading in the alternative is specifically authorized by Rule 20(2)(A) of the
22 Federal Rules of Civil Procedure.

23 6. The price of eggs nearly tripled between the onset of the COVID-19 pandemic and the
24 end of March. Egg prices have remained much more than ten percent higher than they were prior to
25 the declaration of emergency.

26 7. Some or all of the defendants are engaging in price-gouging prohibited by California
27 law. Plaintiffs allege this because of the undeniable fact that egg prices nearly tripled after the
28 emergency declaration.

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PARTIES

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2 8. Plaintiff Codey DeNoyelles purchased eggs at a store owned or operated by defendant
3 Raley’s and defendant Costco Wholesale Corp. at a grossly inflated price after the declaration of
4 emergency by Governor Newsom.

5 9. Plaintiff Adrienne Fraser purchased eggs at a store owned by defendant Whole Foods
6 Market Group, Inc., and ordered eggs from defendant Amazon.com, Inc., at a grossly inflated price
7 after the declaration of emergency by Governor Newsom.

8 10. Plaintiff Chevalia Morgan purchased eggs at a store owned or operated by defendant
9 Walmart Stores, Inc. at a grossly inflated price after the declaration of emergency by Governor
10 Newsom.

11 11. Plaintiff Carolyn Flowers purchased eggs at a store owned or operated by defendant
12 Save Mart Supermarkets at a grossly inflated price after the declaration of emergency by Governor
13 Newsom.

14 12. Plaintiff Petrina Fennell purchased eggs at a store owned or operated by defendant
15 Grocery Outlet, Inc. at a grossly inflated price after the declaration of emergency by Governor
16 Newsom.

17 13. Plaintiff Jill Mayer purchased eggs at a store owned or operated by defendant
18 Albertson’s Companies, Inc. at a grossly inflated price after the declaration of emergency by
19 Governor Newsom.

20 14. Plaintiff Kat Hall purchased eggs at a store owned or operated by defendant
21 Albertson’s Companies, Inc. at a grossly inflated price after the declaration of emergency by
22 Governor Newsom.

23 15. Plaintiff Eugene F. Elander purchased eggs at stores owned or operated by defendant
24 Trader Joe’s Co. and defendant The Kroger Co. at a grossly inflated price after the declaration of
25 emergency by Governor Newsom.

26 16. Plaintiff Iris Delgado purchased eggs at a store owned or operated by defendant
27 WinCo Holdings, Inc. at a grossly inflated price after the declaration of emergency by Governor
28 Newsom.

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1 17. Plaintiff Christa Rodriguez purchased eggs at a store owned or operated by defendant
2 Stater Bros. Holdings, Inc., at a grossly inflated price after the declaration of emergency by Governor
3 Newsom.

4 18. Defendant Cal-Maine Foods, Inc. is a corporation organized under the laws of
5 Delaware with its principal place of business in Jackson, Mississippi. It is a corporate citizen of
6 Delaware and Mississippi.

7 19. Defendant Rose Acre Farms, Inc. is a corporation organized under the laws of Indiana
8 with its principal place of business in Seymour, Indiana. It is a corporate citizen of Indiana.

9 20. Defendant Michael Foods, Inc. is a corporation organized under the laws of Delaware,
10 with its principal place of business in Minnetonka, Minnesota. It is a corporate citizen of Delaware
11 and Minnesota.

12 21. Defendant Hillandale Farms is a corporation organized under the laws of Ohio, with
13 its principal place of business in Newark, Ohio. It is a corporate citizen of Ohio.

14 22. Defendant Trillium Farm Holdings, LLC is an entity organized under the laws of Ohio,
15 with its principal place of business in Johnstown, Ohio. It is a corporate citizen of Ohio.

16 23. Defendant Rembrandt Enterprises, Inc. is a corporation organized under the laws of
17 Iowa, with its principal place of business in Spirit Lake, Iowa. It is a corporate citizen of Iowa.

18 24. Defendant Hickman's Egg Ranch, Inc. is a corporation organized under the laws of
19 Arizona, with its principal place of business in Buckeye, Arizona. It is a corporate citizen of Arizona.

20 25. Defendant Daybreak Foods, Inc. is a corporation organized under the laws of
21 Wisconsin, with its principal place of business in Lake Mills, Wisconsin. It is a corporate citizen of
22 Wisconsin.

23 26. Defendant Weaver Bros., Inc. is a corporation organized under the laws of Ohio, with
24 its principal place of business in Versailles, Ohio. It is a corporate citizen of Ohio.

25 27. Defendant Prairie Star Farms, LLC is an entity organized under the laws of Ohio, with
26 its principal place of business in New Weston, Ohio. It is a corporate citizen of Ohio.

27 28. Defendant Sparboe Foods Corp. is a corporation organized under the laws of Iowa,
28 with its principal place of business in Litchfield, Minnesota. It is a corporate citizen of Iowa and

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