

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

ANNEMARIE TARARA, Individually and
On Behalf of All Others Similarly Situated,

Plaintiff,

v.

TREEHOUSE FOODS, INC., SAM K.
REED, and DENNIS F. RIORDAN,

Defendants.

Case No.: 16-CV-10632

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff Annemarie Tarara (“Plaintiff”), by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, her counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by TreeHouse Foods, Inc., (“TreeHouse” or the “Company”), with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by TreeHouse; and (c) review of other publicly available information concerning TreeHouse.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that acquired TreeHouse securities between February 1, 2016, and November 2, 2016, inclusive (the “Class Period”), against the Defendants, seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. TreeHouse is a food manufacturer that operates approximately 24 manufacturing facilities in the United States and Canada. The Company’s stated goal is to be a leading supplier of private label food and products including coffee-creamer, canned soups, salad dressings, salsa and Mexican sauces, jams and pie fillings.

3. On February 1, 2016, TreeHouse announced that it completed the acquisition of ConAgra Foods, Inc.’s (“ConAgra’s”) private brands operations. The Company stated that it paid \$2.7 billion in cash plus transaction expenses for the business. TreeHouse touted the acquisition as a boon to the Company, stating, “[t]he acquisition of ConAgra’s private brands operations meaningfully expands TreeHouse’s presence in private label dry and refrigerated grocery, and will be called TreeHouse Private Brands.”

4. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) the Company’s private label business was underperforming; (2) the Company’s acquisition strategy

was underperforming; (3) that the Company had overstated its full-year 2016 guidance; and (4) that, as a result of the foregoing, Defendants' statements about TreeHouse's business, operations, and prospects, were false and misleading and/or lacked a reasonable basis.

5. On November 3, 2016, TreeHouse lowered its full year adjusted earnings per share forecast to \$2.80-\$2.85, from \$3.00-\$3.10 due to underperformance of the Private Brands acquisition and over softness in the private label manufacturing business. The Company also announced the closure of a plant in Delta, British Columbia, and reported job cuts at its facility in Battle Creek, Michigan.

6. The Company also surprised investors by announcing the resignation of its newly-appointed President, Chris Sliva, who had been President for less than six months, and the appointment of a new Chief Financial Officer.

7. On the above news, the Company's shares fell \$16.87 per share, or nearly 20%, to close at \$69.72 per share on November 3, 2016.

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

JURISDICTION AND VENUE

9. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

10. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District, as TreeHouse is headquartered in this district.

12. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

13. Plaintiff Annemarie Tarara, as set forth in the accompanying certification, incorporated by reference herein, purchased TreeHouse common stock during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

14. Defendant TreeHouse is incorporated in Delaware, and the Company's principal executive offices are located in Oak Brook, Illinois. TreeHouse's common stock trades on the New York Stock Exchange ("NYSE") under the symbol "THS."

15. Defendant Sam K. Reed ("Reed") has served at all relevant times as the Company's Chief Executive Officer and Chairman.

16. Defendant Dennis F. Riordan ("Riordan") served at all relevant times as the Company's Chief Financial Officer ("CFO") and currently serves as the Company's President effective November 3, 2016.

17. Defendants Reed and Riordan (collectively the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of TreeHouse's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or

misleading. The Individual Defendants are liable for the false statements pleaded herein.

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

18. The Class Period begins on February 1, 2016. On that day the Company issued a press release announcing the completion of its acquisition of ConAgra's private brands operations, stating:

OAK BROOK, Ill., Feb. 1, 2016 /PRNewswire/ -- TreeHouse Foods (NYSE: THS) announced today that it has completed the acquisition of ConAgra Foods' (NYSE: CAG) private brands operations. TreeHouse paid \$2.7 billion in cash plus transaction expenses for the business and financed the transaction through the closing of its previously announced offerings of \$775 million in aggregate principal senior notes due 2024 with a 6.0% annual interest rate and common stock issuance of 13.3 million shares at a price of \$65 per share (which includes the exercise, in full, of the overallotment option), aggregating \$862.5 million in gross proceeds. The remainder of the purchase price was financed under the Company's revolving credit facility.

"We are pleased to have closed the acquisition, and will continue to focus on driving shareholder value and offering our customers value without compromise through economies of scale, quality products and superior customer service," said Sam K. Reed, Chairman, President and Chief Executive Officer of TreeHouse Foods.

"The Private Brands acquisition broadens our portfolio of offerings for our customers. We remain unwaveringly committed to supporting our customers' efforts to build their corporate brands and offer consumers the best combination of choice and value," Mr. Reed continued. "We are looking forward to working as one go-to-market team to achieve success and will work tirelessly to develop the systems and infrastructure to deliver a seamless integration."

The acquisition of ConAgra's private brands operations meaningfully expands TreeHouse's presence in private label dry and refrigerated grocery, and will be called TreeHouse Private Brands. Bay Valley Foods (with Flagstone Foods) and TreeHouse Private Brands will be the operating platforms of TreeHouse Foods, Inc. Following the Private Brands acquisition, TreeHouse Foods, Inc. has pro forma sales of approximately \$7 billion for the twelve months ended December 31, 2015, more than 50 manufacturing facilities and over 16,000 employees.

19. On February 11, 2016, the Company issued a press release announcing fourth

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