

VERDICTS & SETTLEMENTS

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PLAINTIFF'S CONTENTIONS:

Defendants allegedly provided false information regarding the research behind the diet pills defendants marketed. Defendants allegedly initiated a spam marketing campaign by making the emails appear as if they came from someone known to the recipient. Defendants also allegedly created fake news websites to market the weight loss products. Plaintiffs alleged that such conduct violated the FTC Act, which prohibits "unfair or deceptive acts or practices in or affecting commerce." Plaintiff also accused defendants of making misrepresentations (false endorsements), violating the CAN-SPAM Act, providing materially false or misleading header information, writing misleading email subject headings, failing to provide opt-out and notice to opt-out, and failing to include a valid physical postal address.

DEFENDANTS' CONTENTIONS:

Defendants denied any wrongdoing. RESULT: The parties reached a settlement providing both for injunctive and monetary relief. As part of the injunctive relief, defendants agreed, among other things, to be permanently enjoined from making any health-related claims about the affected products and equivalent products or making any representations regarding the research behind the covered products. Defendants also agreed to pay \$43,379,253, jointly and severally, as part of the settlement, with the defendants paying approximately \$10 million, and the balance of the judgment was suspended.

FILING DATE: April 27, 2015.

CONSUMER LAW

FAIR DEBT COLLECTION PRACTICES ACT
Abusive and Deceptive Debt Collection Practices

SETTLEMENT: \$8,395,423.

CASE/NUMBER: Federal Trade

FAIR DEBT COLLECTION PRACTICES ACT
Fraudulent Debt Collection

SETTLEMENT: \$5,200,000.

CASE/NUMBER: Federal Trade Commission v. Broadway Global Master Inc. dba BGM, In-Arabia Solutions Inc., Kirit Patel, individually and as an officer of Broadway Global Master Inc., and In-Arabia Solutions Inc. / 2:12-cv-00855-JAM-DAD.

COURT/DATE: USDC Eastern / Sept. 16, 2015.

JUDGE: Hon. John A. Mendez.

ATTORNEYS: Plaintiff - Jonathan E. Nuechterlein, Sarah Schroeder (Federal Trade Commission, San Francisco).

Defendant - Andrew Steinheimer, Mark E. Ellis, Ronald R. Poirier (Ellis Law Group LLC, Sacramento).

FACTS: The Federal Trade Commission filed an action against Broadway Global Master Inc. dba BGM, In-Arabia Solutions Inc., Kirit Patel, individually and as an officer of Broadway Global, and In-Arabia Solutions Inc., for alleged violations of the Federal Trade Commission Act and the Fair Debt Collection Practices Act.

PLAINTIFF'S CONTENTIONS: Defendants allegedly duped consumers into paying \$5.2 million in debts they did not owe.

RESULT: The parties reached a \$4.3 million settlement. Defendants were also barred from debt collection practices as part of the settlement.

FILING DATE: April 3, 2012.

CONTRACTS

BREACH OF CONTRACT
Intentional Interference with Prospective Economic Advantage

VERDICT: \$2,800,000.

CASE/NUMBER: Pine Valley Inc. v. Ajinomoto North America Inc., Ajinomoto Frozen Foods USA Inc., Trader Joe's Company, and Does 1 through 50, inclusive / BC551112.

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COURT/DATE: Los Angeles Superior Central / Jan. 28, 2016.

JUDGE: Hon. Samantha P. Jessner.

ATTORNEYS: Plaintiff - William W. Bloch (LA Superlawyers Inc., Beverly Hills); Gary K. Salomons (GabrielSalomons LLP, Encino).

Defendant - Michael St. Denis, Craig T. Reese (Michael St. Denis PC, Torrance) for cross-complainant Ajinomoto.

FACTS: Pine Valley Inc., developed recipes for, and provided, frozen fried rice products to grocery chain Trader Joe's. The defendants, two subsidiaries of Japanese company, Ajinomoto, in turn made the rice products for Pine Valley. Pine Valley sued defendants for breach of written contract, intentional interference with prospective economic advantage, fraud, negligent misrepresentation, unfair competition, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, violation of California Uniform Trade Secrets Act, and misappropriation of confidential and/or proprietary information. Ajinomoto North America Inc. filed a cross-complaint against Pine Valley for breach of contract, account stated, and restitution for unjust enrichment.

PLAINTIFF'S CONTENTIONS: Pine Valley Inc. contended that the Ajinomoto defendants stole plaintiff's trade secrets, violated a confidentiality agreement by wrongfully and unlawfully trying to compete directly with plaintiff and wrongfully took the business from plaintiff that it engaged with Trader Joe's, and that Trader Joe's, aware of the confidentiality agreement, encouraged and facilitated Ajinomoto's wrongful actions.

RESULT: The jury found that Ajinomoto Frozen Foods USA Inc. breached the written contract, and that both defendant subsidiaries of Ajinomoto intentionally interfered with prospective economic advantage, committed fraud, and violated the Uniform Trade Secrets Act. It also found that Ajinomoto willfully and maliciously misappropriated Pine Valley's trade secret, and awarded Pine Valley \$2.8 million in damages.

OTHER INFORMATION: The

court is to award punitive damages, an injunction, and attorney fees, to be determined.

FILING DATE: July 9, 2014.

CONTRACTS

BREACH OF CONTRACT
Breach of the Implied Covenant of Good Faith and Fair Dealing

VERDICT: \$8,115,000.

CASE/NUMBER: Amor Ministries v. Century Surety Company and Does 1 through 10 / 3:13-cv-01441-GPC-BGS consolidated with 13-cv-2517.

COURT/DATE: USDC Southern / Jan. 28, 2016.

JUDGE: Hon. Gonzalo P. Curiel.

ATTORNEYS: Plaintiff - Craig A. Miller, Patrick A. Calhoon (Law Office of Craig A. Miller, San Diego); Larry Crown, Elan S. Mizrahi (Titus, Brueckner & Levine PLC, Scottsdale, Ariz.).

Defendant - H. Douglas Galt, Gregory B. Scher (Woolls & Peer APC, Los Angeles).

FACTS: Plaintiff Amor Ministries facilitates and plans mission trips to Mexico to build houses for the poor. Ronald Day was a volunteer missionary who slipped and fell while helping to build the roof of a church in Mexico. Day sustained severe injuries as a result of the fall and subsequently sued Amor Ministries. Day and his wife, Heather, prevailed in their lawsuit and were awarded approximately \$900,000. Amor Ministries tendered the claim to Century Surety, but Century Surety denied the claim and refused to pay the judgment. Amor Ministries, Ron, and Heather Day sued Century Surety Company for insurance bad faith.

PLAINTIFF'S CONTENTIONS: Plaintiff claimed that Century Surety acted in bad faith, and with malice and oppression, in denying plaintiffs' claim and refusing to pay the judgment.

DEFENDANT'S CONTENTIONS: Defendant contended that Amor tendered the Day case to its foreign liability insurer, United National Insurance Co., which accepted the tender. Three years after the suit was filed and five years after the accident happened, Amor notified