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Food & Consumer Packaged Goods Litigation

Court Gives Green Light to Settlement Terms in Flax Milk Action

Madenlian v. Flax USA Inc., No. SACV13-1748 (C.D. Cal.): In a putative class action based on defendant's alleged misuse of the phrase "All Natural" on its Flaxmilk products, where the products contain "artificial, synthetic, or extensively processed ingredients", the court granted the parties' motion for preliminary approval of settlement. Under the terms of the settlement, Flax USA agreed to establish a settlement fund of \$260,000. Claimants may file a claim form identifying the retailer from which they purchased the offending products, and may be reimbursed in the amount of \$3.25 for each carton (up to ten cartons) of product purchased during the class period. Without retailer information, claimants may still file a claim form but will be entitled to only \$2.50 for each carton, up to ten cartons. Any remaining funds will revert to defendant. Flax USA also agreed to cease using the phrase "all natural" on any printed flax milk packaging. Finally, Flax USA agreed not to object to Plaintiff's counsel's motion for attorney's fees in an amount up to \$70,000, and for an incentive award for Plaintiff of up to \$5,000. Order.

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