UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CIVIL MINUTES

Date: 6/10/2026	**Time:** 9:36 a.m.-10:12 a.m. (Total Time: 36 mins.)	**Judge:** EUMI K. LEE
Case No.: 25-cv-08878-EKL	**Case Name:** Sarayli v. Huel, Ltd.	

Attorney for Plaintiffs: Charles Weller
Attorney for Defendant: Matthew Borden, Amelia Hritz, David Kwasniewski

Deputy Clerk: Laura Thomson

Court Reporter: Tiffany Salinas-Harwell

PROCEEDINGS and MINUTE ORDER

Hearing on Defendant's Motion to Dismiss, ECF No. 19, held. Argument of counsel heard. The Court grants the motion, with leave to amend, for the reasons stated below.

Initial Case Management Conference held. The Court intends to refer the case to the Court's ADR program.

ORDER GRANTING DEFENDANT'S MOTION TO DISMISS

Having reviewed and considered the papers and argument held on June 10, 2026, the Court GRANTS Defendant's motion to dismiss the first amended complaint with leave to amend.[1]

Federal Rule of Civil Procedure 12(b)(1)

Defendant argues that Plaintiffs lack Article III standing. To establish Article III standing, Plaintiffs must allege that (1) they "suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be dressed by a favorable judicial decision." *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016).

Plaintiffs' allegations are sufficient to establish Article III standing. Plaintiffs allege that Defendant's Black Edition Vegan Protein Powder ("Product") contained unsafe levels of heavy metals, and that despite its knowledge of the unsafe levels, Defendant continued to market it "as safe." Am. Compl. ¶ 38, ECF No. 12. Plaintiffs assert that if they had been notified about the unsafe levels, they would have paid less or not purchased the Product at all. *Id.* ¶ 36. This

[1] Defendant requests judicial notice of publications by federal and state agencies. ECF No. 19-2 & Exs. A-I. Because these documents are not material to the Court's ruling, the Court does not address this request.

theory of economic injury and causation is an adequate basis for Article III standing.[2] *See Bowen v. Energizer Holdings, Inc.*, 118 F.4th 1134, 1147-49 (9th Cir. 2024). Thus, the Court finds that Plaintiffs have adequately pled Article III standing.

Federal Rule of Civil Procedure 12(b)(6)

1. Consumer Protection Statutes (CLRA, UCL, FAL, FDUPTA)

Plaintiffs bring claims under the following consumer protection statutes: California's Consumer Legal Remedies Act ("CLRA"), California's Unfair Competition Law ("UCL"), California's False Advertising Law ("FAL"), and Florida's Unfair and Deceptive Trade Practices Act ("FDUTPA"). Am. Compl. ¶¶ 66-74, 90-126. Plaintiffs also bring unjust enrichment claims, *id.* ¶¶ 75-84, and breach of implied warranty claims, *id.* ¶¶ 85-89, under California and Florida law.

To allege a violation of these statutes based on fraudulent misrepresentation or omission, a plaintiff must plead three elements: "(1) [a fraudulent] misrepresentation or omission, (2) reliance, and (3) damages." *Hammerling v. Google*, 615 F. Supp. 3d 1069, 1081 (N.D. Cal. 2022) (citation omitted); *Hadley v. Kellogg Sales Co.*, 243 F. Supp. 3d 1074, 1089 (N.D. Cal. 2017); *In re NJOY, Inc. Consumer Class Action Litig.*, No. CV-14-00428-MMM-JEMx, 2015 WL 12732461, at *8, *14 (C.D. Cal. May 27, 2015) (considering elements of FDUTPA claim). Because Plaintiffs allege that Defendant's actions constitute "fraudulent" conduct, Am. Compl. ¶ 100, the complaint is subject to Rule 9(b)'s heightened pleading standard. *Kearns v. Ford Motor Co.*, 567 F.3d 1120, 1125-27 (9th Cir. 2009) (explaining that a plaintiff must plead the "who, what, when, where, and why of the misconduct alleged.").

Fraudulent Misrepresentation or Omission: Plaintiffs' allegations as to the Product's labels are not sufficient under Rule 9(b). Plaintiffs state that Defendant fraudulently omitted information and made affirmative misrepresentations in the Product's labels.[3] Am. Compl. ¶¶ 20 ("Defendant deceptively . . . labeled the Product as safe while concealing and failing to disclose that the Product[] contain[s] dangerous concentrations of these heavy metals."), 37, 52, 62. To satisfy Rule 9(b), Plaintiffs must identify the allegedly misleading statements and *where* those statements appear on the Product. *See In re ConAgra Foods Inc.*, 908 F. Supp. 2d 1090, 1099 (C.D. Cal. 2012) (collecting cases).

In addition, Plaintiffs' fraudulent omission claims under California law fail in part because Plaintiffs have not pled that Defendant had a duty to disclose. *See Hodsdon v. Mars, Inc.*, 891 F.3d 857, 865 (9th Cir. 2018). To establish Defendant's duty, Plaintiffs must allege that the Product has a safety issue *or* a central function defect. *Id.* However, in their opposition, Plaintiffs represent that they are *not* alleging either. Opp. to Mot. to Dismiss at 22 n.7, ECF

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[2] Defendant does not contest that Plaintiffs' alleged economic injury is likely to be redressed by judicial relief.

[3] Although Plaintiffs' allegations as to Defendant's website are sufficiently specific, Am. Compl. ¶¶ 17-19, Plaintiffs' counsel at hearing indicated that there may be further statements that they are relying on. Any such statements must be included in a second amended complaint.

No. 25 ("Opp."). Because Plaintiffs do not allege a safety issue or central function defect, they have not sufficiently pled that Defendant had a duty to correct its fraudulent omissions.

Reliance: Plaintiffs have failed to plead the second element – reliance on Defendant's representations. To establish reliance, Plaintiffs must allege that the misrepresentation or omission was "an immediate cause of the injury-producing conduct." *Kwikset Corp. v. Superior Court*, 51 Cal. 4th 310, 327 (2011) (citation modified); *Pop v. Lulifama.com LLC*, No. 8:22-CV-2698-VMC-JSS, 2023 WL 4661977, at *4 (M.D. Fla. July 20, 2023) (considering FDUPTA requirements for causation), *aff'd*, 145 F.4th 1285 (11th Cir. 2025). The complaint does not allege that prior to purchasing the Product, Plaintiffs viewed the Product's labels, Defendant's website, or any other materials from Defendant. Because Plaintiffs have not alleged reliance, their claims under CLRA, UCL, FAL, and FDUPTA are dismissed. *Kearns*, 567 F.3d at 1126 (affirming dismissal in part because plaintiff did not allege the sales material that he relied upon in making his purchasing decision).[4]

2. Unjust Enrichment

Because Plaintiffs' unjust enrichment claims under California and Florida law arise from the same conduct, the unjust enrichment claims rise and fall with the consumer protection claims. *Krystofiak v. BellRing Brands, Inc.*, 737 F. Supp. 3d 782, 806 (N.D. Cal. 2024); *Piescik v. CVS Pharmacy, Inc.*, 576 F. Supp. 3d 1125, 1135 (S.D. Fla. 2021). Accordingly, Plaintiffs' unjust enrichment claims are dismissed.

3. Implied Warranty Claims

Plaintiffs' implied warranty claims under both California and Florida law are insufficiently pled. While Plaintiffs do not specify in the complaint which type of implied warranty claim they are bringing, the Court assumes that they are asserting claims for a breach of the implied warranty of merchantability.[5] Am. Compl. ¶¶ 85-89; *see* Mot. to Dismiss at 13, 17 (discussing cases related to the implied warranty of merchantability).

Plaintiffs do not provide sufficient detail for their implied warranty of merchantability claim under California law to survive. Section 2314(2) of the California Commercial Code sets out the criteria for goods to be merchantable. *See, e.g.*, Cal. Com. Code § 2314(2)(f) (requiring merchantable goods to "[c]onform to the promises or affirmations of fact made on the container or label[,] if any"). The complaint contains no citation to the California Commercial Code, and does not specify which merchantability criteria are not satisfied.[6]

Nor is Plaintiffs' claim under Florida law sufficiently pled. Florida law requires that for a claim of breach of implied warranty of merchantability, the plaintiff must plead privity, or at the very

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[4] Plaintiffs acknowledge the lack of allegations regarding their reliance on Defendant's alleged misrepresentations and omissions. Opp. at 10-11.

[5] As discussed during the hearing, Plaintiffs are required to specify the claims that they are bringing, including citations to the statutes, in any amendments.

[6] Nor was Plaintiffs' counsel able to specify during the hearing.

least, "substantial direct contact" with the manufacturer. *Douse v. Bos. Sci. Corp.*, 314 F. Supp. 3d 1251, 1261 (M.D. Fla. 2018) (quoting *Intergraph Corp. v. Stearman*, 555 So.2d 1282, 1283 (Fla. Dist. Ct. App. 1990)) (citations omitted). The complaint does not contain any allegations suggesting privity or substantial direct contact with the manufacturer.[7] Thus, Plaintiffs' claims for breach of implied merchantability under California and Florida law are dismissed.

Leave to Amend

Defendant asks the Court to dismiss the complaint without leave to amend, arguing that the claims are preempted and that the lead levels are not dangerous. Given Plaintiffs' lack of specificity in their allegations and because this is the Court's first ruling on the legal sufficiency of Plaintiffs' claims, dismissal is with leave to amend. *See Lopez v. Smith*, 203 F.3d 1122, 1127 (9th Cir. 2000) (en banc) (holding that the "court should grant leave to amend . . . unless it determines that the pleading could not possibly be cured by the allegation of other facts" (quoting *Doe v. United States*, 58 F.3d 494, 497 (9th Cir. 1995))). However, the Court may dismiss Plaintiffs' claims with prejudice if the amended complaint fails to plausibly state a claim. *See Zucco Partners, LLC v. Digimarc Corp.*, 552 F.3d 981, 1007 (9th Cir. 2009) (holding that failure to correct pleading deficiencies after dismissal is a "strong indication" that further amendment would be futile); *see also Salameh v. Tarsadia Hotel*, 726 F.3d 1124, 1133 (9th Cir. 2013) ("A district court's discretion to deny leave to amend is 'particularly broad' where the plaintiff has previously amended." (quoting *Sisseton-Wahpeton Sioux Tribe v. United States*, 90 F.3d 351, 355 (9th Cir. 1996))).

Plaintiffs may file a second amended complaint **by June 26, 2026**, which shall be accompanied by a redline comparing it to the first amended complaint. Assuming that Plaintiffs amend the complaint, Defendant is reminded that it must meet and confer with Plaintiffs at least seven days before filing any motion to dismiss. *See* Civ. Standing Order § 8(A).

Further Orders

Discovery shall be stayed until Plaintiffs plausibly state a claim. When a complaint fails to allege a plausible claim, the district court lacks "discretion to permit discovery" on the dismissed claims. *Mujica v. AirScan Inc.*, 771 F.3d 580, 593 n.7 (9th Cir. 2014) (considering complaint dismissed under Rule 8); *see also In re German Auto. Mfrs. Antitrust Litig.*, 335 F.R.D. 407, 409 (N.D. Cal. 2020) ("Regardless of whether this Court could grant discovery based on a complaint subject to a pending motion to dismiss, it cannot grant discovery based on a complaint that has already been dismissed."). Here, Plaintiffs' allegations have been dismissed for failure to plausibly state a claim. Thus, Plaintiffs are not entitled to discovery.[8]

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[7] At hearing, Plaintiffs' counsel argued that the privity requirement was met because one of the Plaintiffs purchased directly from Defendant. This allegation was not included in the complaint. Plaintiffs are required to include the salient allegations in any amended complaint.

[8] The Court also finds that Defendant has satisfied the requirements for a discretionary stay of discovery pending resolution of the pleadings. *See Reveal Chat Holdco, LLC v. Facebook, Inc.*, No. 20-cv-00363-BLF, 2020 WL 2843369, at *2 (N.D. Cal. Apr. 10, 2020).

The parties shall follow the Northern District of California's Local Rules with respect to deadlines for any motion to dismiss filed in response to Plaintiffs' second amended complaint. The parties shall contact Judge Lee's Courtroom Deputy to schedule a hearing for any motion to dismiss and a further case management conference.

The parties shall meet and confer and, at least fourteen days before the conference, submit a joint proposed case schedule. The proposed schedule may sequence summary judgment prior to class certification, given Defendant's request and consent to proceed in this manner. *See Schwarzschild v. Tse*, 69 F.3d 293, 295-97 (9th Cir. 1995).

IT IS SO ORDERED.

Dated: June 10, 2026

EUMI K. LEE
United States District Judge