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Welch Inks \$1.5M Deal To End Grape Juice False Ad Suit

By Mike Curley

Law360 (October 6, 2021, 6:38 PM EDT) -- A proposed class of grape juice buyers is asking a California federal court to give the go-ahead to a \$1.5 million settlement with Welch Foods Inc. to end claims that it misled consumers by claiming three of its products help promote heart health.

In a motion filed Monday, the consumers, led by named plaintiff Curtis Hanson, said the deal also comes with an agreement from Welch to refrain from putting the allegedly misleading labels on its products for two years.

Hanson filed the suit in March 2020, alleging labels on Welch's 100% Grape Juice Concord Grape, 100% Juice Red Sangria and 100% Black Cherry Concord Grape Juice claim to promote and support heart health, but instead the juices are associated with increased risk of cardiovascular disease and type 2 diabetes.

According to the motion, Hanson proposes a class of all people in the U.S. who bought one of the products for home consumption between March 2016 and Oct. 1, 2021. Class members will be entitled to a payment of \$1 for each product purchased during the period.

Class members without proof of purchase can make up to 12 claims, while those with proof of purchase will not have their claims capped, according to the motion, and the payments will be adjusted based on whether the approved claims are more or less than the amount available.

The \$1.5 million fund will also go toward administration of the settlement, which is estimated at \$249,000, and class counsel anticipates requesting a fee of 25% of the settlement fund, or about \$375,000, according to the motion. Hanson told the court he intends to ask for a service award of \$5,000.

In addition to the settlement fund, Welch has agreed to remove the claims that its juice "helps support a healthy heart" and "helps promote a healthy heart" and similar language from the three products in question for a period of two years, starting, at the latest, one year after judgment is entered in the case, according to the motion.

Representatives for Hanson and Welch could not immediately be reached for comment Wednesday.

Hanson is represented by Jack Fitzgerald, Trevor M. Flynn and Melanie Persinger of Fitzgerald Joseph LLP.

Welch is represented by Bart H. Williams, Jennifer L. Jones, Baldassare Vinti and Qian Jennifer Yang of Proskauer Rose LLP.

The case is Hanson v. Welch Foods Inc., case number 3:20-cv-02011, in the U.S. District Court for the Northern District of California.

--Editing by Janice Carter Brown.

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