

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF DAKOTA

FIRST JUDICIAL DISTRICT

BROADUS FOODS LLC,

**CIVIL OTHER/MISCELLANEOUS
CASE NO: _____**

Plaintiff,

v.

COMPLAINT

**POST CONSUMER BRANDS, LLC;
POST FOODS, LLC; AND
WALMART, INC.,**

Defendants.

COMES NOW, Plaintiff Broadus Foods LLC (“Broadus Foods”), complaining of Defendants Post Consumer Brands, LLC (“Post Consumer”), Post Foods, LLC (“Post Foods” and collectively with Post Consumer, “Post”), and Walmart, Inc. (collectively, “Defendants”), and in support thereof, would show the Court as follows:

I. SUMMARY OF THE COMPLAINT

1. In 2022, Calvin Broadus, popularly known as Snoop Dogg, and Percy Miller, popularly known as Master P, had a vision to create a family-owned company that would add diversity to the food industry while inspiring and creating opportunities for minority-owned food products and brands. This company was to be a legacy for Snoop Dogg and Master P’s family that they could leave to help them create a brighter future.

2. This dream resulted in Snoop Dogg and Percy Miller starting Broadus Foods. Broadus Foods’ two main brands are Snoop Cereal and Momma Snoop which provide high quality affordable breakfast foods. Upon its inception, Broadus Foods became one of the few high-profile minority-owned businesses within the food industry. In addition to inspiring minorities to seek

economic empowerment, Broadus Foods gives back to society by creating food that is affordable for all families and donating a portion of the proceeds to several charities with the goal of ending hunger and homelessness within their communities.

3. To further their dream, Snoop Dogg and Master P approached breakfast juggernaut Post to enter into an agreement to help get Snoop Cereal on retail floors. Post initially tried to buy Snoop Cereal outright, but Snoop Dogg and Master P believed that selling the brand would destroy the whole purpose of leaving the company to their families as a legacy.

4. Post pretended to be on board with Snoop Dogg and Master P's goals and dreams and agreed on a Partnership and Promotion Agreement (the "Agreement") whereby they would split the profits with Broadus Foods. In return, Post agreed to treat Snoop Cereal as one of its own brands and produce and distribute the cereal to the major retailers including Walmart, Target, Kroger, and Amazon. Because the largest seller of Post's products is Walmart, Snoop Cereal should have been placed on Walmart's shelves right next to the dozens of other Post branded cereal.

5. Unbeknownst to Broadus Foods, Post was not on board with their goals and dreams and had no intention of treating Snoop Cereal equally as its own brands. Instead, Post intended to only give appearances that they were following the Agreement, when in reality Post ensured that Snoop Cereal would not be available to consumers or that it would incur exorbitant costs that would eliminate any profit to Broadus Foods. Essentially, because Snoop Dogg and Master P refused to sell Snoop Cereal in totality, Post entered a false arrangement where they could choke Broadus Foods out of the market, thereby preventing Snoop Cereal from being sold or produced by any competitor.

6. The most egregious example of Post's bad faith dealings is the treatment of Snoop Cereal at Walmart. Snoop Cereal was launched in Walmart stores across the country in July 2023.

The cereal was an immediate success. However, within a few months, customers could not locate Snoop Cereal in the aisles of their Walmart store.

7. Many Walmart stores showed online and in the Walmart employee's in-store application that Snoop Cereal was sold out or out of stock. However, upon further investigation by store employees, each of these stores had several boxes of Snoop Cereal in their stockrooms that were coded to not be put out on the store shelves. Unlike the other Post branded boxes of cereal around them, these Snoop Cereal boxes had been in the stockrooms for months without ever being made available to customers.

8. Post essentially worked with Walmart to ensure that none of the boxes of Snoop Cereal would ever appear on the store shelves. This automatically resulted in losses to the product which cut into the profits that Broadus Foods was supposed to receive from the Agreement. These actions have shown that Post intended all along to get rid of their competition by entering into lip-service agreements and causing Snoop Cereal to operate at a loss.

9. Post and Walmart have now turned around and claimed that Broadus Foods is responsible for vague chargebacks and expenses incurred because the products did not sell. Yet, when Snoop Cereal is in the cereal aisle of stores, customers buy it. The only reason Snoop Cereal would not sell was because Post and Walmart intentionally kept it from reaching the market.

10. This underhanded dealing by Defendants cannot be accepted. If Post and Walmart are able to do this to popular businessmen such as Snoop Dogg and Master P, then they definitely will do it to the mom-and-pop and minority-owned companies who do not have the ability to defend themselves.

11. Thus, Broadus Foods brings this suit to take a stand against Defendants for their diabolical actions. Broadus Foods seeks to hold Defendants accountable and to preserve Snoop

Dogg and Master P's dreams of creating a legacy for their families, adding diversity to the food industry, and giving back to their community.

II. PARTIES

12. Plaintiff Broadus Foods LLC is a California entity with its principal place of business at 10578 W. Pico Blvd., Los Angeles, California 90064.

13. Defendant Post Consumer Brands, LLC, is a Delaware entity with its principal place of business at 20802 Kensington Blvd., Lakeville, Dakota County, Minnesota 55044. Post Consumer may be served with process by serving their registered agent Corporation Service Company at 2345 Rice Street, Suite 230, Roseville, Minnesota 55113.

14. Post Foods, LLC is a Delaware entity at home in Minnesota with its principal place of business at 20802 Kensington Blvd., Lakeville, Dakota County, Minnesota 55044. Post Foods may be served with process by serving their registered agent Corporation Service Company at 2345 Rice Street, Suite 230, Roseville, Minnesota 55113.

15. Walmart, Inc. is a Delaware entity at home in Minnesota with its principal place of business at 702 SW 8th Street, Bentonville, Arkansas 72716. Walmart may be served with process by serving their registered agent CT Corporation System, Inc., 1010 Dale St. N, St. Paul, Minnesota 55117-5603.

III. JURISDICTION AND VENUE

16. Venue is proper in Dakota County under Minnesota Statute § 542.09 because Post resides in this county and all or part of the causes of action enumerated below arose within Dakota County.

17. This Court has jurisdiction over each claim and each party to this Complaint as the causes of action are plead within the jurisdictional limits of the Court and the Court has personal jurisdiction over each Party.

IV. FACTS

18. Each of the below facts are in support of each claim against Defendants.

History of Broadus Foods

19. The food industry, with its many subparts, has lacked diversity in its ranks by predominately excluding the presence of minority-owned businesses or brands.

20. The few minority-owned businesses or brands that attempted to break through the industry ranks would typically be pushed out of the market by the bigger players which discouraged the minority community from seeking out opportunities and taking chances in starting their own brands or businesses.

21. Seeing this lack of diversity, Snoop Dogg and Master P founded Broadus Foods to carry on Snoop Dogg's mother's legacy, Momma Snoop, of loving and supporting their communities by feeding families in need while also providing inspiration to the minority community to also start their own companies and brands.

22. Snoop Dogg and Master P hoped that Broadus Foods would empower minorities to seek out economic opportunities through business and brand ownership while also opening the food industry to other minority owned companies and brands.

23. Snoop Dogg and Master P hoped to preserve Broadus Foods as a legacy to their families so that their kids and grandkids can have a business to hold onto and develop to create generational wealth.

24. Broadus Foods also has at its forefront the goal of making a difference in their community by providing affordable food to those who cannot afford to pay the higher prices of similar products.

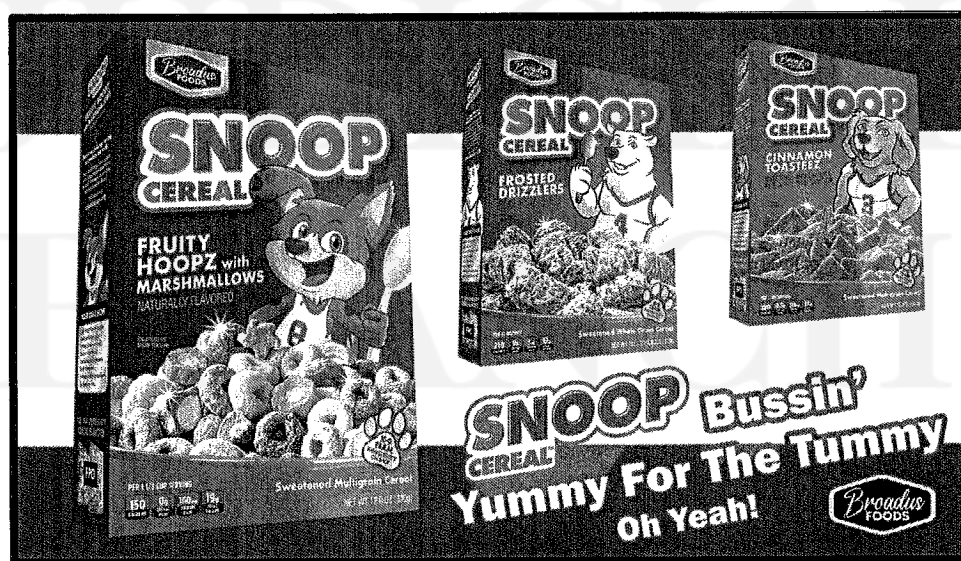
25. For each purchase of a Broadus Foods' product, Broadus Foods gives back to charities to address widespread needs in the community including hunger and homelessness.

Snoop Cereal and Its Popularity

26. To further these goals, Broadus Foods created the Snoop Cereal brand of food products.

27. Snoop Cereal contains three flavors including Fruity Hoopz with Marshmallows, Frosted Drizzlers, and Cinnamon Toasteez.

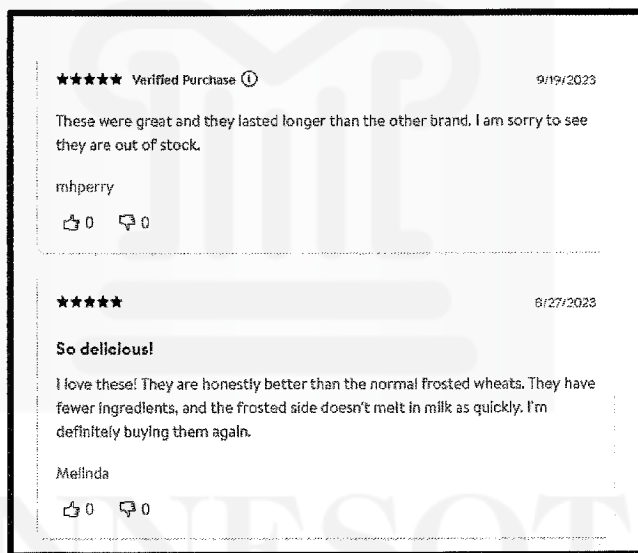
28. Each flavor is branded with iconic cartoon characters who teach kids valuable life lessons while they enjoy their breakfast.



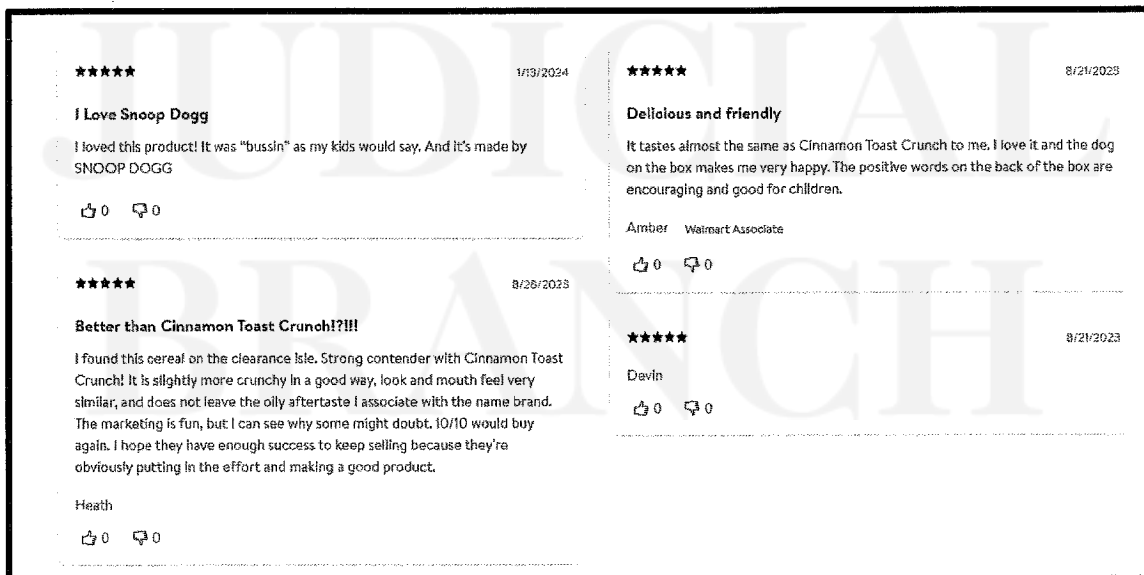
29. When placed before focus groups and the public, it was apparent that Snoop Cereal would be a success.

30. When Snoop Cereal was actually available in stores in a visible location, the cereal would sell out very quickly.

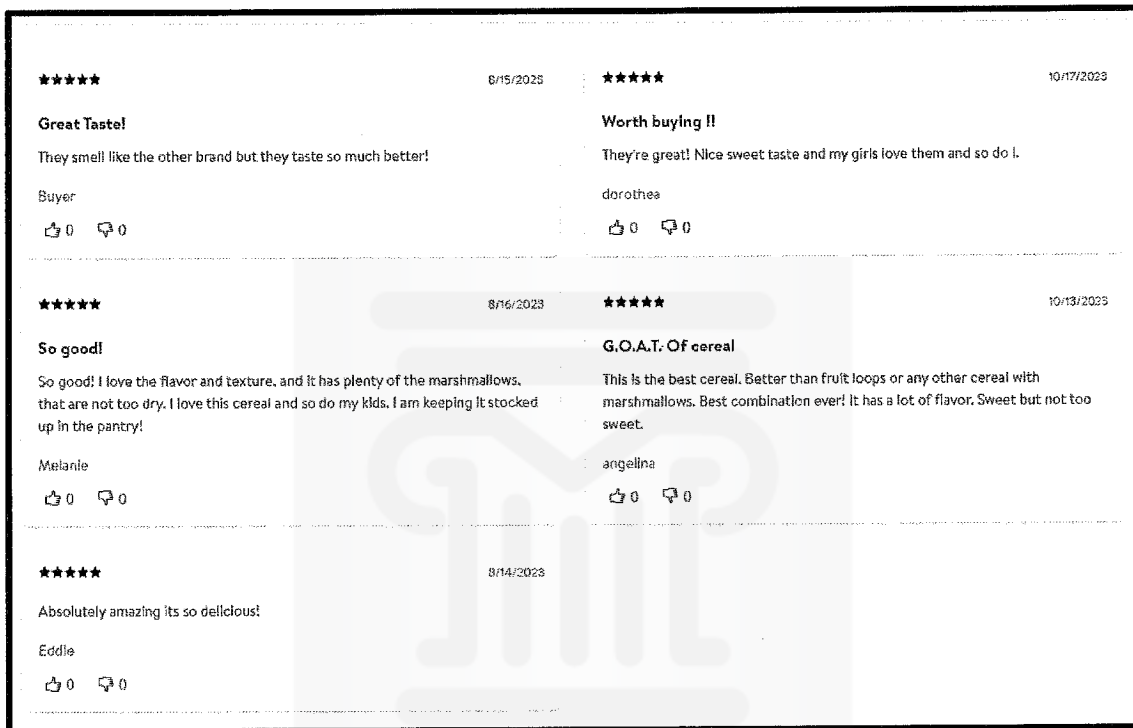
31. Customers enjoyed Snoop Cereal’s flavor and quality.



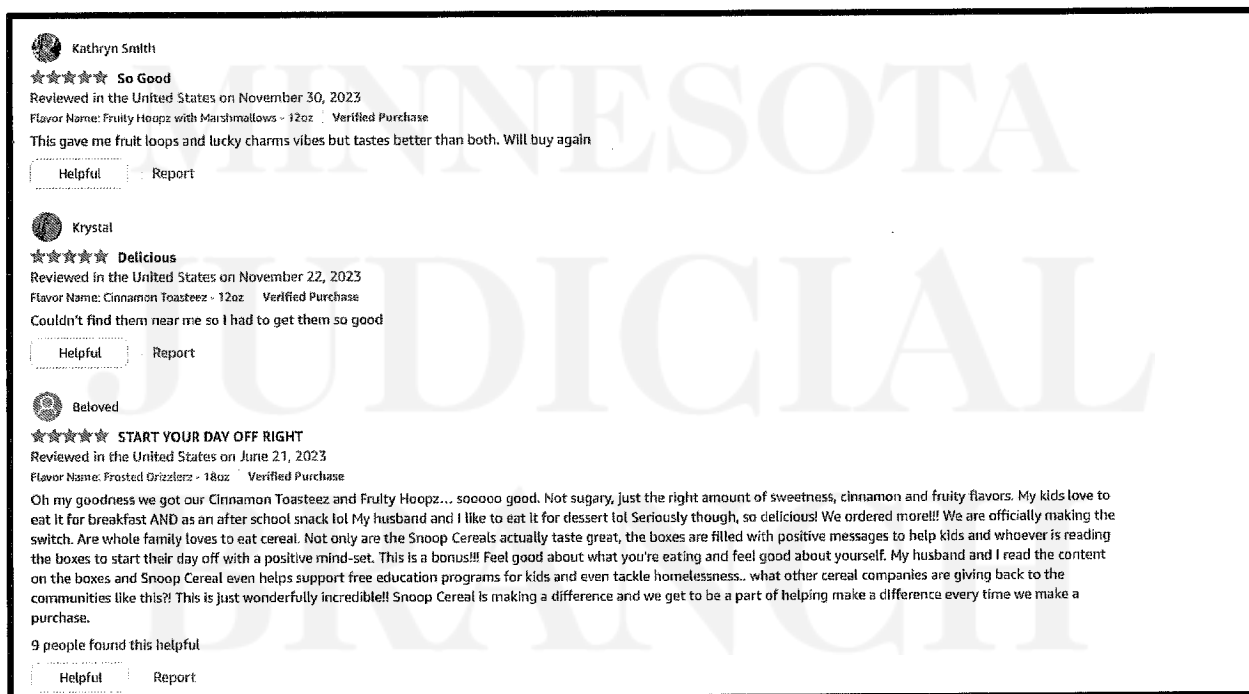
Walmart customer reviews of Frosted Drizzlers as of January 24, 2024.

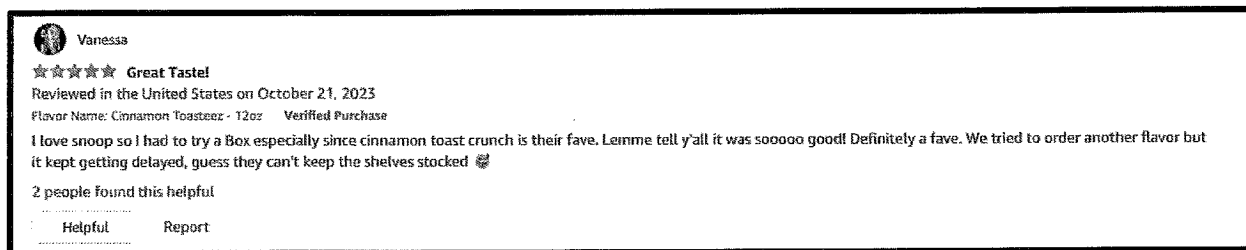


Walmart customer reviews of Cinnamon Toasteez as of January 24, 2024.



Walmart customer reviews of Fruity Hoopz as of January 24, 2024.





Amazon customer reviews of Snoop Cereal as of January 24, 2024.

32. The cereal was meant to be affordably priced and available in stores across the nation including Walmart.

33. Unfortunately, as shown below, Defendants have hiked the price of a single box of Snoop Cereal to exorbitant prices and intentionally hindered its sale to the public to force Broadus Foods out of the market.

Relationship Between Broadus Foods and Post

34. Seeing how successful Snoop Cereal could be, Broadus Foods brought the product to Post as one of the largest cereal producers in the country to enter a partnership for the manufacturing, distribution, and sale of the product.

35. Post represents itself as an expert in the industry including in the sale, marketing, manufacturing, and distributing of “third-party branded food products.”

36. Initially, Post did not want to partner with Broadus Foods but instead offered to purchase Snoop Cereal in its entirety, cutting Broadus Foods out of the market.

37. Snoop Dogg and Master P turned down this offer as it was more important to them to keep the ownership of the brand to promote diversity in the food industry and as an example to minority entrepreneurs and business owners that they too could create and sell a good product in the market.

38. Selling the product outright would have taken away Snoop Dogg and Master P’s goal of providing a thriving business as a legacy for their families.

39. Although Broadus Foods turned down their purchase offer, Post did propose and agree on a Partnership and Promotion Agreement with Broadus Foods for the manufacturing, marketing, distribution, and sale of Snoop Cereal.

40. This Agreement was signed by Post and Broadus Foods on December 13, 2022.

41. The Agreement provided that Post would take over all aspects of the production of Snoop Cereal to bring it to market including but not limited to the manufacturing, packaging, retail and ecommerce sales, trade promotions, customer services, distribution, and transportation.

42. Post represented that Snoop Cereal would be placed on store shelves at numerous stores including Walmart which was Post's largest customer and seller of its products. Post already owned significant shelf space on the cereal aisle at Walmart stores in which they could place Snoop Cereal.

43. Anyone walking down the cereal aisle of their local Walmart will see dozens of Post branded cereal on every shelf. The relationship with Post was to ensure that Snoop Cereal would be placed on those same shelves next to the other Post branded cereal.

44. Broadus Foods agreed to provide marketing for Snoop Cereal along with allowing Post to use the trademarks and other intellectual property associated with the brand.

45. In consideration of this partnership, Broadus Foods was to receive fifty percent (50%) of the net profits of all units of the cereal sold, shipped, or distributed by Post in bi-annual payments.

46. On July 15, 2023, Snoop Cereal was to be officially launched nationwide in several stores including Walmart.

Post and Walmart's Wrongful Acts in Hindering the Sale of Snoop Cereal

47. Snoop Cereal was an immediate success with people scrambling to locate and purchase the cereal.

48. Unfortunately, in a matter of a few months, customers across the country could no longer find the cereal at Walmart with Walmart listing that they did not have any products in stock or were sold out.

49. This was not simply a matter of supply and demand as customers rapidly learned that even though Snoop Cereal was listed as out of stock online and in store, many of the stores had the product on hand but did not place it on the shelves.

50. When Post and Walmart agree to sell Post's products at their stores, Walmart and Post agree on the exact aisle, shelf, and position each box will reside on the store floor. This joint venture results in each store being told exactly where they are to put each cereal brand down to the nearest millimeter. Walmart's corporate headquarters is then responsible for coding each box with that location.

51. Walmart can also code each box as having "no location" which means that the box will remain in the back of the stockroom of each store because it was not provided a spot on the store floor. After several months of remaining in the back, these boxes will be thrown out or sold at a significant discount on clearance.

52. Thus, for Post to have fulfilled its obligations under the Agreement, it would have had to purchase shelf space for the Snoop Cereal on the cereal aisle of Walmart stores.

53. In November and December 2023, Walmart stores consistently showed that they did not have Snoop Cereal in stock and online showed that it could not be purchased. The Walmart store managers told customers that they did not have any Snoop Cereal in their store.

54. However, several customers discovered that these Walmart stores did have Snoop Cereal in the back of the store and that the boxes had been in the back since they were released in July 2023. When the boxes were scanned, the employees told the customers that the boxes were listed as “no location provided” which meant that Walmart had not provided a placement for Snoop Cereal on its shelves.

55. Customers have posted on social media numerous examples of this shocking behavior of hiding the cereal in the stockroom with no intention of placing it on store shelves.

56. For example, in December 2023 in Richmond, Virginia, a customer entered a Walmart store and asked where he could get some Snoop Cereal. Numerous Walmart employees stated that they did not have any Snoop Cereal and that there was no Snoop Cereal listed. When the customer went into the back of the stockroom with the store manager, they found numerous boxes of Snoop Cereal still in their original packaging that had been in the stockroom since July 2023 and had never been placed on the store shelves.

57. In September 2023, a Walmart store in York, Pennsylvania, had a similar experience. The Walmart application stated that the Snoop Cereal was out of stock at that location, yet the employees found several boxes of Snoop Cereal in the stockroom that had been sitting there for over six weeks.



Picture of Walmart application showing that Cinnamon Toasteez were out of stock.



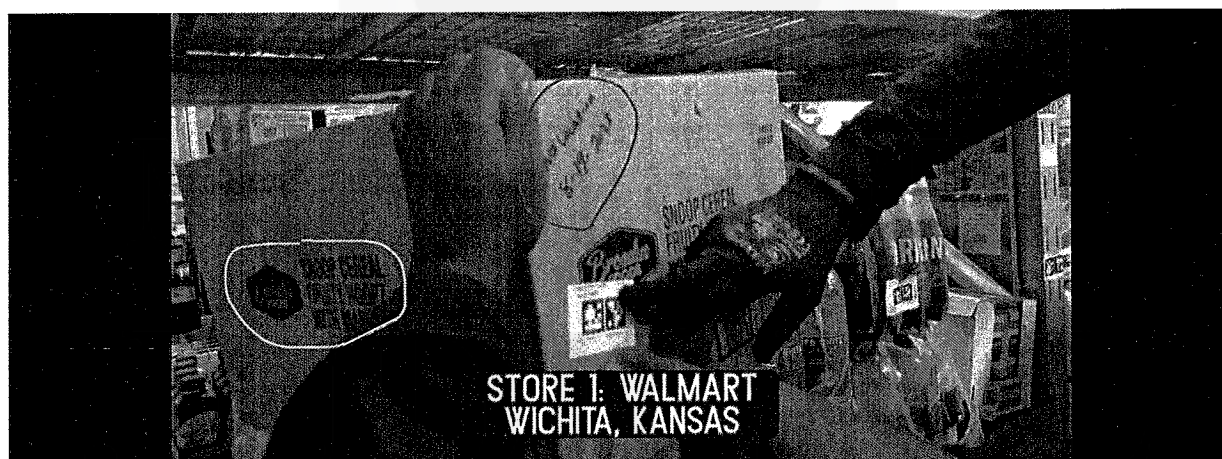
Picture from the same Walmart store which shows numerous boxes of Cinnamon Toasteez that remained in the stockroom.

58. Similarly, in December 2023, a customer entered a Walmart store in Long Beach, California, and asked a Walmart employee if they had any Snoop Cereal. When the employee looked it up, the application said that the store did not have any Snoop Cereal in stock, and they

were sold out. When the employee and customer looked in the stockroom, they found several boxes of Snoop Cereal that had been in the stockroom since July 10, 2023.



59. An identical situation occurred in a Walmart store in Wichita, Kansas, where the box specifically listed that it did not have a location provided for the cereal on the store floor.



Picture of a Snoop Cereal box that was coded as having “no location” on the Walmart store floor.

60. At a Walmart in New Berlin, Wisconsin, 200 boxes of Snoop Cereal had been allegedly shipped to that location. That store had never placed any boxes of Snoop Cereal in the cereal aisle. Online the store showed that Snoop Cereal was out of stock. However, when the employees went to the back, they located several packages of Snoop Cereal that had been shipped to that store on July 12, 2023, which was several months before. Notably, right next to the boxes

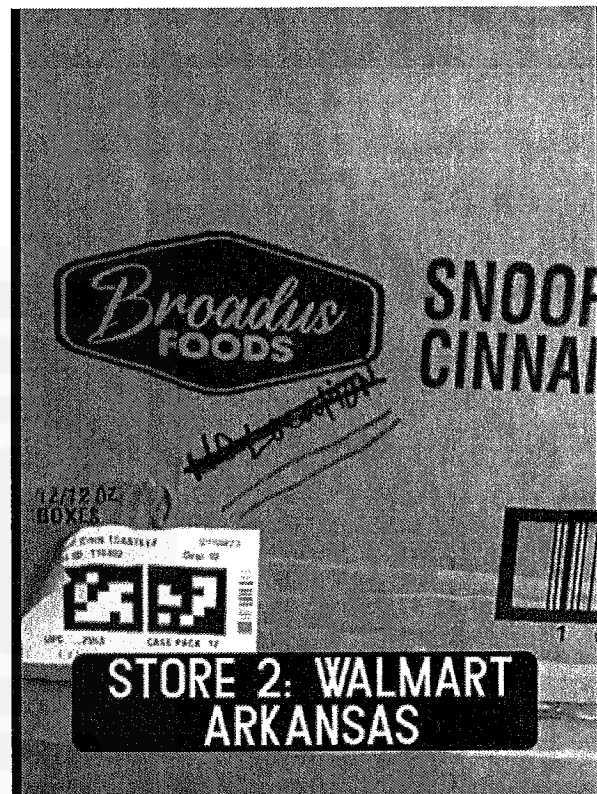
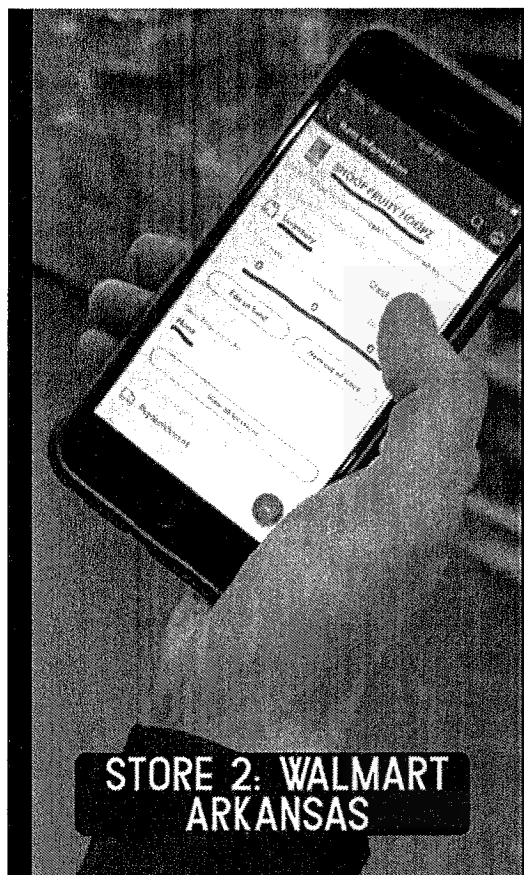
of Snoop Cereal were boxes of other Post cereal which had a floor location selected and were only a few days old.



Picture of the code label on a box in the stockroom of a Walmart store that had been delivered to the store on July 12, 2023, but was still in the back of the store a few months later.

61. These same stories occurred throughout the country at Walmart stores in Las Vegas, Nevada; Ellicot, Maryland; Austin, Texas; Dallas, Texas; Houston, Texas; Little Rock, Arkansas; Hot Springs, Arkansas; Woodbury, Minnesota; Lancaster, Pennsylvania; Hanover, Pennsylvania; Chambersburg, Pennsylvania; and Arizona.

62. The picture below is from a store in Arkansas where the Walmart employee's application showed that the store did not have any boxes of cereal within the store and that they did not have a location provided on the store floor when in fact several boxes of Snoop Cereal were located in the stockroom.



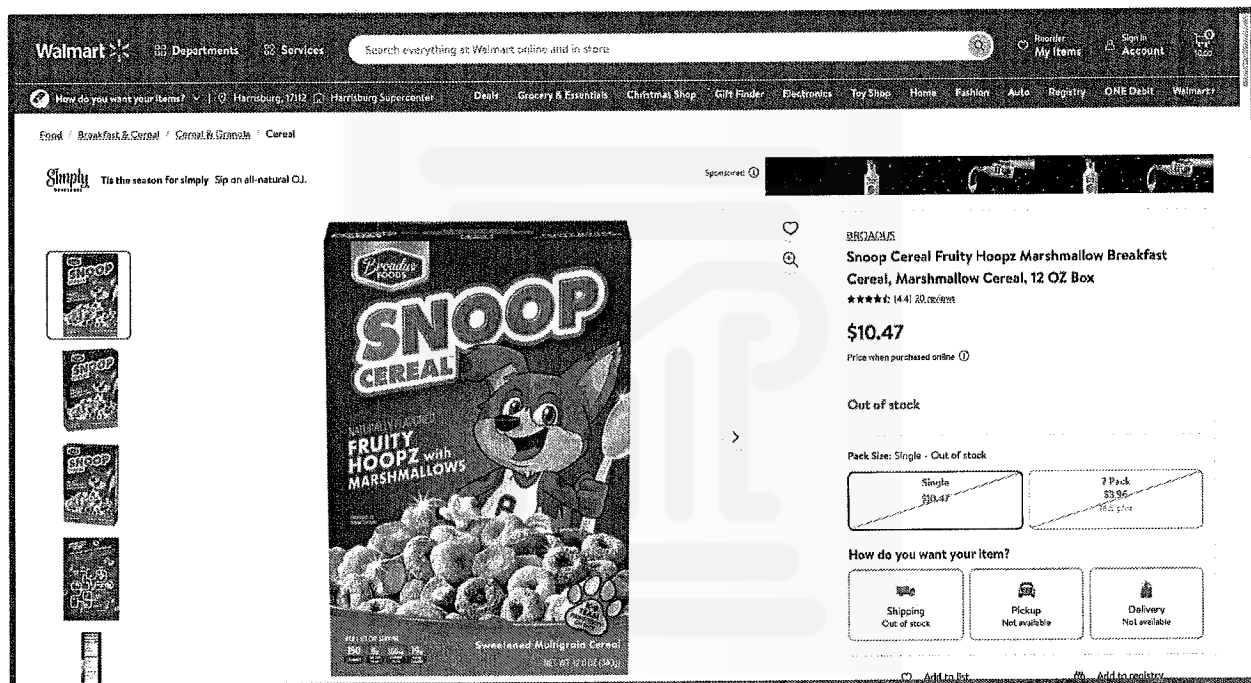
Images showing the Walmart employee's application indicating no Snoop Hoopz on hand with no store floor location identified, and an image showing a box of Snoop Cereal located in the stockroom that has written on the box "No Location."

63. For the locations that did place Snoop Cereal on the store floor, many of the stores did not place the cereal on the cereal aisle but placed them in the baby section, in clearance sections selling them for pennies on the dollar, and on aisles where no one would look for cereal.

64. Many Walmart employees and store managers stated that they were not given the option to sell Snoop Cereal within their stores as the position on the shelves was a decision made at Walmart's corporate headquarters.

65. By hiding the Snoop Cereal in the back of their stores with no intention of ever selling them fully, Walmart, in accordance with instructions from Post, deprived Plaintiff of the profits and compensation it expected to receive from the sale of Snoop Cereal.

66. To make matters worse, Walmart hiked the price of Snoop Cereal to over ten dollars a box which goes directly against Broadus Foods' goals of providing affordable food.



Walmart website showing Snoop Cereal is out of stock and listed at \$10.47 per box.

67. Because the location of products on their shelves is dictated by the agreements between Walmart and Post, the refusal to place the products on the shelves and sell the products in good faith was decided upon jointly by Walmart and Post.

68. Despite Walmart and Post's bad faith in the selling of Snoop Cereal, Defendants claim that Broadus Foods is responsible for vague chargebacks pertaining to the sale of the products. These chargebacks were solely caused by Defendants' own actions in failing to properly and in good faith sell the products at the proper price in a location where customers could actually make the purchase. It is improper to assert a chargeback for a product selling on clearance when the only reason it was placed on clearance is because it was kept in the stockroom for months at a time without ever being placed on the main store aisles.

69. Eventually on January 22, 2024, Post provided a generalized breakdown of the sales and profit for the period of July 2023 through December 2023. This breakdown shows exorbitant costs and allowances well above what it should cost to produce this cereal and well above what the price should be, which cuts into the profit margin. Hiding the product from the customer directly affects the profit margin that Broadus Foods reasonably expected they would have received had the products been sold in good faith.

70. This document illustrates that Post has continued their practice of hindering the sale of Snoop Cereal in all stores distributed to across the country by either in bad faith not displaying Snoop Cereal in appropriate locations within the stores, hindering the supply of fresh products to the retailers, or by agreeing to have the cereal sold at a significant discount. All of these show that Post had no intention of fulfilling the Agreement in good faith but instead are attempting to force Broadus Foods out of the market.

71. When Snoop Cereal was originally announced, Post's Chief Growth Officer stated, "When Snoop Dogg and Master P approached us with the opportunity to produce Snoop Cereal for Broadus Foods, we were immediately brought together by our shared passion for feeding all families, building diversity and economic development, and serving communities. We're excited to partner with a company that's committed to family and community just like we are."

72. Post's actions speak louder than their words as their actions have made clear that they are attempting to force Broadus Foods out of the market by entering into the Agreement with no intention of selling the products in good faith or at a price that would feed all families.

73. Walmart has furthered this arrangement by taking on a few of the products but not providing a location for those products on their shelves. This has permitted Post to profit from their

own cereal brands while keeping a competitor from having their products on the shelves and having to share profits.

74. To protect their interests, their legacy, and their representation of the minority community within this industry, Broadus Foods is forced to bring this suit to get compensation for their losses and require Post to perform the Agreement in good faith and get Snoop Cereal back on the store shelves at a reasonable price.

75. If Post and Walmart are able to do this to well-known minority businessman like Snoop Dogg and Master P, what will companies of this size do to the mom-and-pop minority-owned businesses who cannot afford to defend themselves?

V. CAUSES OF ACTION

76. Plaintiff incorporates and realleges each of the foregoing paragraphs as if fully stated herein and within each count.

77. Each count below is asserted jointly and in the alternative where required.

COUNT 1: BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING (Defendants Post Consumer and Post Foods)

78. Post and Plaintiff entered into the Agreement as an enforceable contract.

79. Post owed Plaintiff the implied covenant of good faith and fair dealing in performing their obligations under the Agreement.

80. Post was required to act in good faith in bringing Snoop Cereal to market on behalf of Broadus Foods.

81. This requirement included the duty to allow Snoop Cereal to be purchased by customers at Walmart and other stores at a fair price bringing in profits.

82. This duty also required Post to enter into agreements that would place Snoop Cereal on store shelves with a sufficient supply of fresh products to the market on par with Post's own products.

83. Post breached this duty by intentionally hindering the sale of Snoop Cereal at Walmart stores across the country.

84. This hinderance included entering into an agreement with Walmart that did not require Snoop Cereal to be sold or placed on the store shelves.

85. This hinderance also included spiking the price of Snoop Cereal to make it unaffordable to standard consumers.

86. Further, Post failed to distribute and deliver Snoop Cereal to Walmart stores consistently.

87. If Post had acted in good faith, Post would have entered into an agreement with Walmart to have Snoop Cereal placed on the store shelves in the cereal aisle to be sold at a fair price. Post did no such thing.

88. Post unjustifiably hindered Broadus Foods' rights under the Agreement to receive a profit for the sale of Snoop Cereal and to ensure the growth of the Snoop Cereal brand.

89. Post had an ulterior motive in refusing to act in good faith in the sale and distribution of Snoop Cereal. Because Broadus Foods did not accept Post's offer to buy the brand, Post determined that they could enter into the Agreement with no intention of displacing their own products and push Broadus Foods out of the market by not selling Snoop Cereal at a profitable rate.

90. As a direct and proximate result of Post's breach, Plaintiff sustained damages as identified below including lost profits, actual damages, lost marketing, lost reputation, and costs.

91. Post should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

COUNT 2: BREACH OF FIDUCIARY DUTY
(Defendants Post Consumer and Post Foods)

92. Post and Broadus entered into a Partnership Agreement whereby the parties agreed to work together in marketing and distributing Snoop Cereal for an equal share of the profits.

93. Because Post and Broadus were partners, Post owed Broadus fiduciary duties.

94. Post expressly represented that it had superior knowledge of the cereal industry including the manufacturing and selling of third-party branded products such as Broadus Foods.

95. Broadus Foods placed its trust in Post that Post would give its utmost efforts to manufacturing, distributing, and selling Snoop Cereal at a considerable profit in the same manner as Post does with its own cereal brands.

96. Because Post is in a superior position as to knowledge and authority for this deal, Post owed a fiduciary duty to Broadus Foods.

97. Additionally, Post and Broadus Foods' relationship gives rise to a joint venture agreement.

98. Post and Broadus Foods contributed to the arrangement with Broadus Foods providing the branding, marketing, and intellectual property and Post providing the manufacturing, distribution, and selling of the product.

99. Post and Broadus Foods had a joint proprietorship with the product.

100. Post and Broadus Foods equally shared in the profits from the Agreement which was a binding contract.

101. Because Post and Broadus Foods constitute a joint venture, Post owed Broadus a fiduciary duty.

102. Because Post owed Broadus Foods multiple fiduciary duties based on their relationship, Post breached that duty when it did not act in the best interests of Broadus Foods.

103. Specifically, Post did not act in Broadus Foods' best interest when it intentionally and/or negligently failed to sell the Snoop Cereal at a reasonable price and failed to secure store shelf space at Walmart stores and other retailers as represented resulting in Snoop Cereal not being sold or being sold at clearance prices for a loss.

104. Post did not provide the same level of distribution and agreements in bringing Snoop Cereal to market as it does with its own cereal brands which illustrates that Post placed its own interests ahead of its fiduciary, Broadus Foods.

105. Allowing Snoop Cereal to rot in the back of Walmart stores and then be sold for pennies on the dollar, Post breached its fiduciary duties by using its superior knowledge of the industry by trying to force Broadus Foods out of the market.

106. Post breached its duty of loyalty to Broadus Foods by placing its own interests above Broadus Foods and by hindering Broadus Foods' rights under the Agreement.

107. Post breached its fiduciary duties by acting deceitfully and in conspiracy with Walmart to keep Snoop Cereal off of the shelves and create an artificial lack of demand and loss which would not have existed had the product been properly placed on the shelves.

108. Post breached its fiduciary duties by incurring exorbitant costs and allowances above industry standards and those incurred by their own brands which cost Broadus Foods the profits expected.

109. Each breach of the fiduciary duty was done willfully and deliberately by Post to push Broadus Foods out of the market.

110. These breaches individually and collectively caused Plaintiff to suffer damages including lost profits, actual damages, lost reputation, and costs.

111. Post should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

COUNT 3: BREACH OF CONTRACT
(Defendants Post Consumer and Post Foods)

112. Post and Broadus Foods entered into a valid and enforceable contract, the Agreement.

113. Broadus Foods performed all of its obligations under the Agreement by providing the intellectual property to Post and by marketing Snoop Cereal.

114. Under this Agreement, Post had the obligation and duty to manufacture, sell, and distribute Snoop Cereal to retailers including Walmart and Amazon.

115. Broadus Foods was to receive 50% of the net profits from the sale of Snoop Cereal in bi-annual payments.

116. Post breached the Agreement by failing to enter into proper agreements, arrangements, and contracts with retailers including Walmart to get Snoop Cereal brought to market with proper supplies and prices that would yield expected profits.

117. Post breached the Agreement by instructing Walmart not to place the products on the shelves and by working with Walmart to sell the old cereal at a loss which interferes with the very purpose of the Agreement to Broadus Foods.

118. Further, Post breached the Agreement by failing to bring Snoop Cereal to market because placing them in stockrooms to rot does not constitute the market. The market for cereal includes the store shelves where customers are capable of purchasing the product. Post breached this obligation by failing to secure shelf space for Snoop Cereal.

119. Each of these breaches directly and proximately caused Plaintiff damages including lost profits, expectancy damages under the Agreement, loss of reputation, and the need to hire an attorney to enforce its rights. Plaintiff asks for specific performance of the Agreement and compensation for its damages.

120. Plaintiff will continue to suffer damages in continued lost profits and lost business moving forward as a direct and proximate cause of Post's breaches.

121. Post should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

COUNT 4: FRAUD
(Defendants Post Consumer and Post Foods)

122. When entering into the relationship to sell and manufacture Snoop Cereal, Broadus Foods relied on Post's admitted expertise in the cereal industry.

123. At the beginning of the relationship between the parties, Post falsely represented to Broadus Foods that it would sell and distribute Snoop Cereal as it would its own cereal brands.

124. This representation included that Snoop Cereal would be distributed to common retailers such as Walmart and Amazon and that the cereal would be placed on the store shelves in the cereal aisle.

125. Post represented that they would further Broadus Foods' goals of providing affordable food to those in need and providing food for all families.

126. Post also represented that it would bring Snoop Cereal to the market, which by its nature requires Post to produce enough products to meet customer demands and to ensure that the product is able to be purchased by requesting customers.

127. The inclusion of Snoop Cereal on Walmart store shelves was a key influence in Broadus Foods agreeing to enter into a relationship with Post.

128. Additionally, the representation that Post would treat Snoop Cereal on equal footing with its own brands was a key influence that Broadus Foods relied upon in entering into the Agreement.

129. Each of these representations were material representations that Broadus Foods justifiably relied upon when entering into the Agreement.

130. Post's representations were false at the time they were made as Post had no intention of treating Snoop Cereal equally as its own cereal brands.

131. Post falsely represented that it would bring Snoop Cereal to market because Post intended to only place the products in stockrooms and not make it available in sufficient quantities to satisfy demand and be available on store shelves.

132. Post's representations were false statements of future performance that they knew were false with no intention of performing.

133. In fact, Post entered into subpar contracts with retailers with the intent to deprive Broadus Foods of the benefit of the bargain of the Agreement by not providing for store shelf space to sell Snoop Cereal.

134. Additionally, Post incurred substantial expenses in coordination with the retailers to reduce the profits earned by Broadus Foods to try to push Broadus Foods out of the market. These expenses and chargebacks were well above the industry standard.

135. Post knew that they would not enter into agreements to buy retail shelf space to place Snoop Cereal in those stores at the time the Agreement was entered into.

136. Post knew the process and agreements it entered into for its own products with retailers and had no intention of using or entering into the same processes or agreements for Snoop Cereal.

137. Broadus Foods justifiably relied on these representations to its detriment as Broadus Foods would not have entered into the Agreement had it known that the representations were false.

138. Post's false representations directly and proximately caused damages to Broadus Foods including lost opportunities, lost profits, actual damages, and costs of court.

139. Post acted with deliberate disregard to the rights of Broadus Foods entitling Broadus Foods to exemplary damages.

140. Post should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

COUNT 5: NEGLIGENT MISREPRESENTATION
(Defendants Post Consumer and Post Foods)

141. Post as a partner with Broadus Foods and as an expert in the food industry stood in a special relationship with Broadus Foods and had a duty of reasonable care when conveying information concerning the sale, distribution, and manufacturing of Snoop Cereal under the Agreement.

142. Post represented to Broadus Foods that it would place Snoop Cereal on equal footing as Post's own brands.

143. This included representing that Post would enter into contracts with major retailers including Walmart to place Snoop Cereal on store shelves for customers to buy.

144. Post also represented that it would manufacture Snoop Cereal with proper means to lower the cost of production and expenses and to raise the profit margin.

145. Post breached its duty of reasonable care because these representations were false as Post had no intention of using similar production methods or entering into agreements to bring Snoop Cereal to market on an equal footing as Post's other cereal brands.

146. Post concealed their subjective belief that they would not have to place Snoop Cereal on retailer store shelves under the Agreement or that they could enter into agreements with retailers such as Walmart to only place a few boxes of cereal in the back stockrooms with no agreed upon shelf space.

147. Post's representations were false as they did not intend to bring Snoop Cereal to market. Post only intended to enter into window-dressing agreements to give the appearances of bringing Snoop Cereal to market when in reality the food remained in stockrooms so that they could not be sold to customers.

148. Because of the special relationship between the parties, Post had an obligation to inform Broadus Foods of this subjective belief as it was directly contrary to the intent and representations made between the parties. Additionally, this subjective belief constitutes material facts that must be disclosed to necessarily cure the otherwise misleading representation that Post would place Broadus Foods on equal footing as other Post brands.

149. Post did not act with reasonable care in communicating this information to Broadus Foods.

150. It was reasonable for Broadus Foods to rely on these representations when entering into the Agreement as there was no indication to Broadus Foods that they were false when made. Post made clear that it had superior knowledge of the food industry.

151. Broadus Foods' justifiable reliance on Post's false representations directly and proximately caused Broadus Foods' injuries including, actual damages, lost profits, lost opportunities, and lost value of the benefits promised.

152. Post should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

COUNT 6: TORTIOUS INTERFERENCE
WITH CONTRACT AND BUSINESS RELATIONS
(Defendant Walmart)

153. Walmart was aware of the Agreement between Broadus Foods and Post for the manufacture, sale, and distribution of Snoop Cereal.

154. Walmart was aware that this Agreement was valid and required Post to distribute and sell Snoop Cereal on equal grounds as Post's other cereal brands when bringing Snoop Cereal to market.

155. Walmart knew that Post was obligated to bring Snoop Cereal to market which would require placing Snoop Cereal on Walmart's store shelves.

156. Walmart entered into an agreement with Post for the purchase and sale of Snoop Cereal in its stores across the nation.

157. Walmart intentionally interfered with the Agreement by refusing to place Snoop Cereal on its retail store shelves and by hiding them in their stockrooms for months at a time.

158. In many different stores, Snoop Cereal remained in boxes in the back of the store despite customers seeking the cereal. Walmart was in sole control of the scanning of each box of Snoop Cereal and providing a location for that cereal on its floor.

159. Walmart intentionally chose not to provide a location for the cereal within their stores and intentionally chose to show on their applications and software that the Snoop Cereal was sold out or out of stock when in fact the cereal was rotting away in the stockroom at the back of the store.

160. Walmart knew that by hiding Snoop Cereal in its stockroom it would hinder the contract between Broadus Foods and Post to deprive them of the profit reasonably expected from the sale of Snoop Cereal. Walmart also knew that it could then sell the old Snoop Cereal on clearance at a loss to Plaintiff.

161. Walmart's interference was unjustified as they had no reason to interfere with the contract.

162. Walmart's intentional interference directly and proximately caused damages to Plaintiff including actual damages, lost profits, lost opportunities, and costs.

COUNT 7: COLLUSION AND CONSPIRACY
(All Defendants)

163. Walmart and Post colluded and conspired to force Broadus Foods out of the food industry and to prevent Snoop Cereal from being brought to market properly.

164. When Post's offer to purchase Snoop Cereal was rejected, Post entered into the Agreement with no intention of manufacturing, selling, or distributing Snoop Cereal on equal footing as its own cereal brands as a means of forcing Broadus Foods out of the food industry.

165. Post conspired with Walmart to acquire some of the Snoop Cereal with no intention of placing that cereal on its store shelves. Post knew that it could place its own cereal on the same

shelf spot and earn 100% of the profits without having to split any of the profits with Broadus Foods.

166. This exhibited by the fact that Walmart's corporate headquarters coded Snoop Cereal to not have a location on the store floor while also representing to the public that the cereal was sold out or out of stock.

167. By hiding the cereal until it was several months old, Defendants manufactured false chargebacks and losses with the sale of Snoop Cereal to limit or reduce the profits.

168. Defendants' conspiracy and collusion directly and proximately caused Plaintiff's damages including lost profits, lost opportunities, actual damages, and lost benefits. Defendants should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

COUNT 8: AIDING AND ABETTING
A BREACH OF FIDUCIARY DUTY
(Defendant Walmart)

169. As shown above, Post breached its fiduciary duties to Broadus Foods when it failed to distribute, sell, and manufacture Snoop Cereal in a good faith manner and to put Snoop Cereal on at least as equal of a footing as its own cereal.

170. Post's breach of its fiduciary duties caused Broadus Foods damages in its lost profits, lost opportunities, lost marketing expenses, and actual damages.

171. Walmart knew that Post's actions in not placing Snoop Cereal on equal footing as Post's other cereal was a breach of Post's fiduciary duties.

172. Walmart knew that entering into an agreement to not place Snoop Cereal on the store shelves yet show that the product was sold out or out of stock despite the cereal being in their stockrooms was a breach of Post's fiduciary duties.

173. By agreeing to this arrangement, Walmart substantially assisted or encouraged Post to commit this breach. Without Walmart agreeing to this deal, Post could not have claimed to have met their obligations of distributing to Walmart under the Agreement while also prohibiting the sale of Snoop Cereal on the shelves.

174. According to Walmart's store managers, Walmart corporate has exclusive authority over where the products get placed on the store floor. Walmart substantially aided in Post's breach of their fiduciary duties by coding Snoop Cereal to not have a location on the store floor and keeping it in the back of the store.

175. Walmart's aiding and abetting Post's breach of their fiduciary duties was a direct and proximate cause of Plaintiff's damages including actual damages, lost profits, lost opportunities, and costs.

176. Walmart should be required to disgorge any profits derived from these wrongful acts by the sale of other products which would have been replaced had Snoop Cereal been properly brought to market.

VI. DAMAGES

177. As a direct and proximate result of the actions stated above by Defendants, jointly and severally, Plaintiff sustained damages in an amount greater than Fifty Thousand Dollars (\$50,000.00) for the following types of damages:

- a. Expectancy damages;
- b. Actual damages;
- c. Lost profits;
- d. Disgorgement of profits;
- e. Costs of marketing and other expenditures;

- f. Specific performance;
- g. Lost opportunities;
- h. Lost reputation;
- i. Legal costs and attorney's fees; and
- j. Punitive damages.

VII. CONDITIONS PRECEDENT

178. All conditions precedent for Plaintiff's performance have occurred prior to Defendants' breaches.

VIII. JURY TRIAL REQUESTED

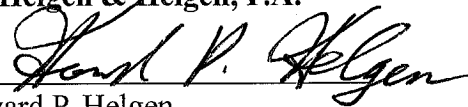
179. Plaintiff demands a jury trial on all matters able to be tried to a jury under applicable law.

IX. PRAYER FOR RELIEF

180. WHEREFORE, Plaintiff, Broadus Foods, LLC, prays that Defendants Post Consumer, Post Foods, and Walmart be cited to appear and answer and that upon a final hearing hereof, Plaintiff be granted judgment against Defendants and each of them for reasonable damages in excess of \$50,000.00, plus pre-judgment interest, post-judgment interest, costs of suit, and attorney's fees, and for such other and further relief determined by the Court.

Dated: 2-6-2024

By: Helgen & Helgen, P.A.



Howard P. Helgen
Minn. Bar No. 0043722
howard@helgenlaw.com
3200 Main Street NW, Suite 310
Coon Rapids, MN 55448
Telephone: (763) 717-4811
Facsimile: (763) 717-4829

Ben Crump Law, PLLC

Benjamin L. Crump (*Pro Hac Vice forthcoming*)
Fla. Bar No. 72583
court@bencrump.com
Paul A. Grinke (*Pro Hac Vice forthcoming*)
Texas Bar No. 24032255
paul@bencrump.com
Aaron Dekle (*Pro Hac Vice forthcoming*)
Texas Bar No. 24100961
aaron@bencrump.com
Brooke Cluse (*Pro Hac Vice forthcoming*)
Texas Bar No. 24123034
brooke@bencrump.com
5 Cowboys Way, Suite 300
Frisco, Texas 75034
Telephone: (972) 942-0494
Facsimile: (800) 770-3444

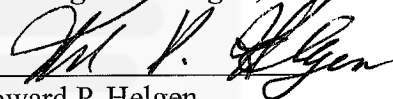
ATTORNEYS FOR BROADUS FOODS LLC

ACKNOWLEDGMENT

The undersigned acknowledges that if the Court should find that the undersigned acted in bad faith in asserting the cause of action stated in this pleading, the opposing parties in this litigation may be awarded costs, disbursements, and reasonable attorney's fees and witness fees pursuant to Minn. Stat. 549.21, Subd. 2.

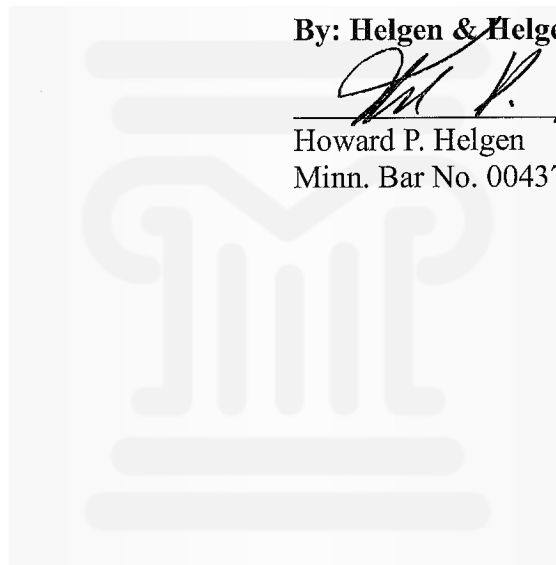
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Howard P. Helgen

Minn. Bar No. 0043722



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