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CLERK, U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION

ED CV 08-01240
[REDACTED] Individually and
on Behalf of All Others Similarly
Situating,

Plaintiff,

vs.

HANSEN NATURAL CORPORATION,
RODNEY C. SACKS and HILTON H.
SCHLOSBERG,

Defendants.

VIA FAX **01240** SGL (JCX)
No.
CLASS ACTION
COMPLAINT FOR VIOLATIONS OF
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

1 Plaintiff has alleged the following based upon the investigation of plaintiff's
2 counsel, which included a review of United States Securities and Exchange
3 Commission ("SEC") filings by Hansen Natural Corporation ("Hansen Natural" or the
4 "Company"), as well as regulatory filings and reports, securities analysts' reports and
5 advisories about the Company, press releases and other public statements issued by
6 the Company, and media reports about the Company, and plaintiff believes that
7 substantial additional evidentiary support will exist for the allegations set forth herein
8 after a reasonable opportunity for discovery.

9 JURISDICTION AND VENUE

10 1. The claims asserted herein arise under and pursuant to §§10(b) and 20(a)
11 of the Exchange Act [15 U.S.C. §§78j(b) and 78t(a)] and Rule 10b-5 promulgated
12 thereunder by the SEC [17 C.F.R. §240.10b-5].

13 2. This Court has jurisdiction over the subject matter of this action pursuant
14 to 28 U.S.C. §1331 and §27 of the Exchange Act.

15 3. Venue is proper in this District pursuant to §27 of the Exchange Act and
16 28 U.S.C. §1391(b). Many of the acts charged herein, including the preparation and
17 dissemination of materially false and misleading information, occurred in substantial
18 part in this District.

19 4. In connection with the acts alleged in this Complaint, defendants, directly
20 or indirectly, used the means and instrumentalities of interstate commerce, including,
21 but not limited to, the mails, interstate telephone communications and the facilities of
22 the national securities markets.

23 NATURE OF THE ACTION

24 5. This is a federal class action on behalf of purchasers of the common stock
25 of Hansen Natural between May 23, 2007 and November 8, 2007, inclusive (the
26 "Class Period"), seeking to pursue remedies under the Securities Exchange Act of
27 1934 (the "Exchange Act").

28

1 **PARTIES**

2 6. Plaintiff [REDACTED] as set forth in the accompanying certification
3 and incorporated by reference herein, purchased the common stock of Hansen Natural
4 at artificially inflated prices during the Class Period and has been damaged thereby.

5 7. Defendant Hansen Natural, through its subsidiaries, engages in the
6 development, marketing, sale, and distribution of beverages in the United States and
7 Canada.

8 8. (a) Defendant Rodney C. Sacks (“Sacks”) is, and was at all relevant
9 times, Chairman and Chief Executive Officer (“CEO”) of Hansen Natural.

10 (b) Defendant Hilton H. Schlosberg (“Schlosberg”) is, and was at all
11 relevant times, Vice Chairman, President, Chief Operating Officer and Chief Financial
12 Officer (“CFO”) of Hansen Natural.

13 (c) Defendants Sacks and Schlosberg are collectively referred to
14 herein as the “Individual Defendants.”

15 9. During the Class Period, the Individual Defendants, as senior executive
16 officers and/or directors of Hansen Natural, were privy to confidential and proprietary
17 information concerning Hansen Natural, its operations, finances, financial condition
18 and present and future business prospects. The Individual Defendants also had access
19 to material adverse non-public information concerning Hansen Natural, as discussed
20 in detail below. Because of their positions with Hansen Natural, the Individual
21 Defendants had access to non-public information about its business, finances,
22 products, markets and present and future business prospects via internal corporate
23 documents, conversations and connections with other corporate officers and
24 employees, attendance at management and/or board of directors meetings and
25 committees thereof, and via reports and other information provided to them in
26 connection therewith. Because of their possession of such information, the Individual
27 Defendants knew or recklessly disregarded that the adverse facts specified herein had
28 not been disclosed to, and were being concealed from, the investing public.

1 10. The Individual Defendants are liable as direct participants in the wrongs
2 complained of herein. In addition, the Individual Defendants, by reason of their status
3 as senior executive officers and/or directors, were “controlling persons” within the
4 meaning of §20(a) of the Exchange Act and had the power and influence to cause the
5 Company to engage in the unlawful conduct complained of herein. Because of their
6 positions of control, the Individual Defendants were able to and did, directly or
7 indirectly, control the conduct of Hansen Natural’s business.

8 11. The Individual Defendants, because of their positions with the Company,
9 controlled and/or possessed the authority to control the contents of its reports, press
10 releases and presentations to securities analysts and through them, to the investing
11 public. The Individual Defendants were provided with copies of the Company’s
12 reports and press releases alleged herein to be misleading prior to or shortly after their
13 issuance and had the ability and opportunity to prevent their issuance or cause them to
14 be corrected. Thus, the Individual Defendants had the opportunity to commit the
15 fraudulent acts alleged herein.

16 12. As senior executive officers and/or directors and as controlling persons of
17 a publicly traded company whose common stock was, and is, registered with the SEC
18 pursuant to the Exchange Act, and was, and is, traded on the NASDAQ National
19 Market (“NASDAQ”) and governed by the federal securities laws, the Individual
20 Defendants had a duty to promptly disseminate accurate and truthful information with
21 respect to Hansen Natural’s financial condition and performance, growth, operations,
22 financial statements, business, products, markets, management, earnings and present
23 and future business prospects, and to correct any previously issued statements that had
24 become materially misleading or untrue, so that the market price of Hansen Natural’s
25 common stock would be based upon truthful and accurate information. The
26 Individual Defendants’ misrepresentations and omissions during the Class Period
27 violated these specific requirements and obligations.

28

1 21. The Company develops, markets, sells and distributes energy drinks
2 under the following brand names: Monster Energy®, Lost® Energy, Joker Mad
3 Energy, Unbound Energy® and Ace brand names as well as Rumba brand energy
4 juice. The Company also markets, sells and distributes the Java Monster line of non-
5 carbonated dairy based coffee drinks, natural sodas, premium natural sodas with
6 supplements, organic natural sodas, seltzer waters, sports drinks and energy drinks
7 under the Blue Sky® brand name.

8 22. The Company has two reportable segments: Direct Store Delivery
9 (“DSD”), whose principal products comprise energy drinks, and Warehouse
10 (“Warehouse”), whose principal products comprise juice based and soda beverages.
11 The DSD segment develops, markets and sells products primarily through an
12 exclusive distributor network whereas the Warehouse segment develops, markets and
13 sells products directly to retailers.

14 23. The Class Period begins on May 23, 2007. On that date, JP Morgan
15 issued an analyst report reiterating its “overweight” rating on Hansen Natural stock
16 based on its “recent positive management meeting” with defendants Sacks and
17 Schlosberg. In that regard, the JP Morgan report stated, in pertinent part, as follows:

18 We recently hosted a management meeting with Hansen’s CEO Rodney
19 Sacks and CFO Hilton Schlosberg. ***Overall, the tone of the meeting was***
20 ***bullish.*** There were a number of incremental positive points, chiefly: (1)
21 a greater than expected 24-ounce price increase planned for July 1, (2)
22 positive management commentary on the progress of the off-premise
23 distribution arrangement with Anheuser-Busch wholesalers, and (3) a
24 strong initial start for the new Java Monster energy coffee product. On
25 the negative side, near-term margin visibility remains low, particularly as
26 lower margin initiatives take hold, including the Java launch and entry
27 into the on-premise channel. [Emphasis added.]
28

1 24. In response to the JP Morgan analyst report, the price of Hansen Natural
2 common stock rose \$1.24 per share, or 3%, to close at \$40.44 per share, on heavy
3 trading volume.

4 25. On August 8, 2007, Hansen Natural issued a press release announcing its
5 financial results for the second quarter of 2007, the period ended June 30, 2007. For
6 the quarter, the Company reported gross sales of \$280.6 million and net income of
7 \$38.3 million, or \$0.39 per diluted share. Defendant Sacks commented on the results,
8 stating, in pertinent part, as follows:

9 The energy category continues to show strong growth over the prior
10 year, and the Monster Energy(R) brand continues to increase market
11 share.

12 26. Following this earnings announcement, the Individual Defendants held a
13 conference call with analysts and investors to discuss the Company's earnings and
14 operations. With regard to the Company's outlook, Defendant Sacks stated, in
15 pertinent part, as follows:

16 Operating income excluding the nonrecurring expense items that I've
17 discussed earlier increased 47.6% to \$118.9 million from \$80.6 million a
18 year ago, and net income for the first half on the same basis increased
19 50% to \$73.9 million or \$0.75 per diluted share from \$49.3 million or
20 \$0.50 per diluted share last year. Gross profit as a percentage of net sales
21 for the three months ended June increased to 52.4% from 51.9% for the
22 comparable 2006 quarter. This was, we think, a great achievement. It
23 was largely fueled by the increase as a percentage of our sales of our
24 DSD products. They went up from roughly about an 85% mix compared
25 to our warehouse products to about a 90% mix. That did obviously help
26 and that's, although we did have items within the DSD section, where we
27 had a slight decrease in margin, the juice products, 24-ounce and also the
28 addition of Java Monster, which is a lower margin product, those

1 additional products are at lower margins, but yet they're still at higher
2 margins than the warehouse division. So when you look, as a result of
3 the mix during the quarter, we actually ended up with an ability to
4 actually increase our gross margin.

5 Going forward, sales going into July, sales are up in July 43.6% in the
6 company. Sales of Monster are up well over 50%. One of the issues, the
7 sales would have -- might appear at first glance to be a little lower than
8 we've achieved as an increase in sales in the third quarter, but there are a
9 number of reasons for that. It was a short month in deliveries, secondly,
10 we had a buy in obviously in -- we took up our processing of our 24-
11 ounce product and there was a buying simply one of the effects of life
12 and was normal, which obviously did boost sales a little bit in June, and
13 then it took away from sales in July, we believe that will normalize as we
14 go forward.

15 * * *

16 I have got some numbers [f]or August and last year, there was quite a
17 substantial increase in August over the July, which had a similar trend.
18 The June number last year was higher than the July number. Generally,
19 the sales are both up to June, it then had a drop-off last year in July a
20 little bit and then it was quite a good increase in August, and then
21 continued, there was a slight corroborate back in September and then it
22 started to level off but those are at much higher levels than earlier. What
23 we are doing is trading off levels now that are very much higher last year
24 than the second quarter. So there was that very sort of similar trend
25 where June was higher, July dropped off and then August was
26 substantially higher. So just to give you that color in answer to that
27 earlier question. Okay. As I said, thanks very much, we're happy with
28 the results, we're excited to go forward, we think we've got a great new

1 product line, we've got some new products coming and we're very
2 excited about the second half of the year and for the category generally
3 which is continuing to show really really strong and solid results for us.
4 Thank you once again for your support, and hopefully we will be able to
5 report to you positive results to you guys at the end of the third quarter.
6 Thank you.

7 27. In response to the Company's earnings announcement, the price of
8 Hansen Natural common stock rose \$5.34 per share, or 13%, to close at \$46.92 per
9 share, on heavy trading volume.

10 28. From August 13, 2007 to September 14, 2007, the Individual Defendants
11 and other Company insiders unloaded 1,841,500 shares of their personally held
12 Hansen common stock, reaping more than \$84 million in gross proceeds.

13 29. The statements referenced above in ¶¶23-26 were each materially false
14 and misleading when made because they misrepresented and failed to disclose the
15 following adverse facts, which were known to defendants or recklessly disregarded by
16 them:

17 (a) that Hansen Natural's second quarter sales results were materially
18 impacted by inventory loading as customers were induced to purchase more product
19 before the Company raised its prices in its Monster Energy drink line and its Java
20 Monster drink line;

21 (b) that the Company was experiencing declining sales in its non-core
22 drink lines;

23 (c) that the Company was experiencing production shortfalls with its
24 Java Monster drink line; and

25 (d) as a result of the foregoing, defendants lacked a reasonable basis
26 for their positive statements about the Company and its prospects.

27 30. On November 8, 2007, the Company issued a press release announcing
28 its financial results for the third quarter of 2007, the period ended September 30, 2007.

1 For the quarter, the Company reported gross sales of \$277.8 million and net income of
2 \$45.8 million, or \$0.46 per diluted share.

3 31. Following this earnings announcement, the Individual Defendants held a
4 conference call with analysts and investors to discuss the Company's earnings and
5 operations. With regard to the Company's declining profit margins, Defendant Sacks
6 stated, in pertinent part, as follows:

7 The negative was in the DSD segment, where the increased sales mix of
8 Java, which is at a substantially lower margin, and also negative, with
9 certain increases in raw materials. On the other side, there were some
10 increased margins that we were able to achieve on the warehouse
11 division.

12 Going forward, gross profit percentages will be affected by the main
13 factors will be the, possibly, the higher sales mix of Java Monster
14 products. We're all seeing some increases in certain raw materials,
15 particularly dairy products and apple juice concentrate. Dairy,
16 particularly, has grown up on the last six months or so, and we're
17 looking to see how we can try and, obviously, lock in some pricing for
18 next year. We are planning some price increases for some of our
19 products, and in this regard we are planning a price increase for Java
20 Monster around the beginning of the year. We feel that the brand is
21 pulling it--selling very well. I'll come on to that a bit later.

22 32. With regard to the Company's slowing sales in its non-core drink lines,
23 Defendant Sacks, stated, in pertinent part, as follows:

24 Some of the decreases that we had were in--Lost as a brand has sort of
25 suffered some reductions in sales and making-- taking steps to address
26 that. Joker and Ace and Unbound are all products where--on the Allied
27 product side, we have seen falloff in sales, which have been
28 disappointing, and we're looking at decisions on what we'd do with

1 those lines and how we'd address them going forward. We're still very
2 happy with the Rumba line. We think that has got some legs. But going
3 forward, we've got to make some decisions as to whether we'd
4 concentrate primarily on Monster, obviously, and on Lost and on
5 Rumba. And that seems to be a direction we possibly will go, but we
6 haven't yet made any final decisions on the other Allied brands. We
7 wanted to see what we should or shouldn't do with those going forward.
8 They sell, and there is proper contribution, but I think that we're
9 probably allocating too much resources to them, and we could have those
10 resources better spent, both on a sales and marketing level, we think,
11 with the principal main brands.

12 * * *

13 What we've got -- I've got it over here. The effect of the drop-off in
14 sales of what I would call these Allied products was, in the quarter, about
15 \$5.5 million. \$5.5 to \$6 million with Energy. So about \$6 million was
16 the drop-off in the other Energy products right from the previous year.
17 Obviously, we had expected an increase. So, obviously, that has affected
18 the numbers so quite dramatically.

19 MARK ASTRACHAN: \$6 million off of the previous year.

20 RODNEY SACKS: Yes, in the quarter. These Allied product sales were
21 lower. If we had been projecting a 40% increase, or 50%, on the Allied
22 products, what you've got -- it's there in your numbers, that would have
23 made about a \$10 million difference.

24 MARK ASTRACHAN: Right. Okay.

25 RODNEY SACKS: One of the major other items was in our DSD
26 division, we lost about \$3 million in the quarter in the Warehouse
27 division on teas, lemonades and cocktails. That was down, which was
28 sales for one customer. Their sales were down. We were doing sort of a

1 special brand for them. A control brand and their sales were off by to
2 substantiate, you can see from those numbers. I think the reason was
3 probably it was introduced off when there was some sell-in. That
4 accounted for \$3 million also negative on the Warehouse division.

5 33. In response to these statements, shares of the Company's common stock
6 fell \$13.17 per share, or 23%, to close at \$43.50 per share, on heavy trading volume.

7 34. The markets for Hansen Natural common stock were open, well-
8 developed and efficient at all relevant times. As a result of these materially false and
9 misleading statements and failures to disclose, Hansen Natural's common stock traded
10 at artificially inflated prices during the Class Period. Plaintiff and other members of
11 the Class purchased or otherwise acquired Hansen Natural common stock relying
12 upon the integrity of the market price of Hansen Natural common stock and market
13 information relating to Hansen Natural, and have been damaged thereby.

14 35. During the Class Period, defendants materially misled the investing
15 public, thereby inflating the price of Hansen Natural common stock, by publicly
16 issuing false and misleading statements and omitting to disclose material facts
17 necessary to make defendants' statements, as set forth herein, not false and
18 misleading. Said statements and omissions were materially false and misleading in
19 that they failed to disclose material adverse information and misrepresented the truth
20 about the Company, its business and operations, as alleged herein.

21 36. At all relevant times, the material misrepresentations and omissions
22 particularized in this Complaint directly or proximately caused, or were a substantial
23 contributing cause of, the damages sustained by plaintiff and other members of the
24 Class. As described herein, during the Class Period, defendants made or caused to be
25 made a series of materially false or misleading statements about Hansen Natural's
26 business, prospects and operations. These material misstatements and omissions had
27 the cause and effect of creating in the market an unrealistically positive assessment of
28 Hansen Natural and its business, prospects and operations, thus causing the

1 Company's common stock to be overvalued and artificially inflated at all relevant
2 times. Defendants' materially false and misleading statements during the Class Period
3 resulted in plaintiff and other members of the Class purchasing the Company's
4 common stock at artificially inflated prices, thus causing the damages complained of
5 herein.

6 **ADDITIONAL SCIENTER ALLEGATIONS**

7 37. As alleged herein, defendants acted with scienter in that defendants knew
8 that the public documents and statements issued or disseminated in the name of the
9 Company were materially false and misleading; knew that such statements or
10 documents would be issued or disseminated to the investing public; and knowingly
11 and substantially participated or acquiesced in the issuance or dissemination of such
12 statements or documents as primary violations of the federal securities laws. As set
13 forth elsewhere herein in detail, defendants, by virtue of their receipt of information
14 reflecting the true facts regarding Hansen Natural, their control over, and/or receipt
15 and/or modification of Hansen Natural's allegedly materially misleading
16 misstatements, and/or their associations with the Company which made them privy to
17 confidential proprietary information concerning Hansen Natural, participated in the
18 fraudulent scheme alleged herein.

19 38. Defendants were further motivated to engage in this course of conduct in
20 order to allow the Individual Defendants and other Company insiders to sell more than
21 2.3 million shares of their personally-held Hansen Natural common stock for gross
22 proceeds in excess of \$104 million. The insider shares sold during the Class Period
23 are set forth more fully in the following chart:

Insider	Date	Shares	Price	Proceeds
KIRK BLOWER	6/25/2007	10,000	\$45.25	\$452,500
	6/25/2007	10,000	\$45.00	\$450,000
	8/13/2007	20,000	\$46.48	\$929,600
	8/22/2007	20,000	\$44.20	\$884,000
	9/12/2007	20,000	\$48.50	\$970,000
		80,000		\$3,686,100

1	MARK HALL	6/22/2007	270,400	\$44.65	\$12,073,360
2	THOMAS KELLY	8/13/2007	40,000	\$45.83	\$1,833,200
3		8/13/2007	10,000	\$45.16	\$451,600
4		9/4/2007	10,000	\$45.80	\$458,000
5			60,000		\$2,742,800
6	RODNEY SACKS	8/24/2007	128,500	\$44.14	\$5,671,990
7		9/13/2007	150,000	\$50.11	\$7,516,500
8		9/14/2007	113,000	\$49.56	\$5,600,280
9			391,500		\$18,788,770
10	Hilrod Holdings, L.P. ¹	8/20/2007	25,000	\$44.01	\$1,100,250
11		8/21/2007	320,000	\$44.08	\$14,105,600
12		8/22/2007	200,000	\$44.10	\$8,820,000
13		8/23/2007	110,000	\$44.01	\$4,841,100
14		8/24/2007	145,000	\$44.14	\$6,400,300
15			800,000		\$35,267,250
16	HILTON SCHLOSBERG	8/24/2007	128,500	\$44.14	\$5,671,990
17		9/13/2007	150,000	\$50.11	\$7,516,500
18		9/14/2007	113,000	\$49.56	\$5,600,280
19			391,500		\$18,788,770
20	MICHAEL SCHOTT	6/22/2007	45,100	\$44.46	\$2,005,146
21		6/22/2007	35,765	\$44.43	\$1,589,039
22		6/22/2007	3,800	\$44.47	\$168,986
23		6/22/2007	1,100	\$44.46	\$48,906
24		6/28/2007	14,200	\$43.72	\$620,824
25		6/28/2007	10,288	\$43.71	\$449,688
26		6/28/2007	9,100	\$43.69	\$397,579
27		6/28/2007	6,900	\$43.70	\$301,530
28		6/28/2007	5,404	\$43.62	\$235,722
		6/28/2007	4,831	\$43.65	\$210,873
		6/28/2007	4,305	\$43.60	\$187,698
		6/28/2007	4,000	\$43.56	\$174,240
		6/28/2007	1,500	\$43.64	\$65,460
		6/28/2007	1,400	\$43.66	\$61,124
		6/28/2007	1,100	\$43.67	\$48,037
		6/28/2007	1,000	\$43.63	\$43,630
		6/28/2007	987	\$43.58	\$43,013
		6/28/2007	900	\$43.59	\$39,231
		6/28/2007	600	\$43.74	\$26,244
		6/28/2007	533	\$43.55	\$23,212
		6/28/2007	500	\$43.61	\$21,805

¹ Hilrod Holdings, L.P. is a limited partnership held by Defendants Schlosberg and Sacks along with Michael B. Schott, the Company's Sr. Vice President of National Sales of Monster Beverage Division of Hansen Beverage Company.

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	6/28/2007	500	\$43.74	\$21,870
	6/28/2007	400	\$43.57	\$17,428
	6/28/2007	300	\$43.73	\$13,119
	6/28/2007	200	\$43.68	\$8,736
	6/28/2007	100	\$43.49	\$4,349
	6/28/2007	100	\$43.53	\$4,353
	6/28/2007	52	\$43.78	\$2,277
	8/13/2007	8,211	\$44.86	\$368,345
	8/13/2007	4,200	\$44.91	\$188,622
	8/13/2007	2,200	\$45.13	\$99,286
	8/13/2007	2,100	\$44.76	\$93,996
	8/13/2007	2,059	\$44.81	\$92,264
	8/13/2007	2,000	\$45.11	\$90,220
	8/13/2007	2,000	\$45.14	\$90,280
	8/13/2007	1,775	\$44.83	\$79,573
	8/13/2007	1,741	\$45.98	\$80,051
	8/13/2007	1,600	\$45.15	\$72,240
	8/13/2007	1,500	\$45.00	\$67,500
	8/13/2007	1,500	\$45.90	\$68,850
	8/13/2007	1,400	\$45.33	\$63,462
	8/13/2007	1,300	\$44.92	\$58,396
	8/13/2007	1,300	\$44.93	\$58,409
	8/13/2007	1,100	\$44.89	\$49,379
	8/13/2007	800	\$44.90	\$35,920
	8/13/2007	789	\$44.94	\$35,458
	8/13/2007	725	\$44.80	\$32,480
	8/13/2007	700	\$45.04	\$31,528
	8/13/2007	600	\$44.67	\$26,802
	8/13/2007	600	\$44.89	\$26,934
	8/13/2007	500	\$44.60	\$22,300
	8/13/2007	500	\$44.62	\$22,310
	8/13/2007	500	\$44.88	\$22,440
	8/13/2007	500	\$44.99	\$22,495
	8/13/2007	500	\$45.10	\$22,550
	8/13/2007	500	\$45.92	\$22,960
	8/13/2007	400	\$45.21	\$18,084
	8/13/2007	300	\$44.68	\$13,404
	8/13/2007	300	\$44.70	\$13,410
	8/13/2007	300	\$44.87	\$13,461
	8/13/2007	300	\$45.31	\$13,593
	8/13/2007	300	\$45.80	\$13,740
	8/13/2007	200	\$44.63	\$8,926
	8/13/2007	200	\$44.98	\$8,996
	8/13/2007	200	\$45.05	\$9,010
	8/13/2007	200	\$45.08	\$9,016
	8/13/2007	200	\$45.18	\$9,036
	8/13/2007	200	\$45.27	\$9,054
	8/13/2007	200	\$45.32	\$9,064
	8/13/2007	200	\$45.38	\$9,076
	8/13/2007	200	\$45.91	\$9,182
	8/13/2007	200	\$45.97	\$9,194
	8/13/2007	100	\$44.73	\$4,473

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	8/13/2007	100	\$44.77	\$4,477
	8/13/2007	100	\$44.91	\$4,491
	8/13/2007	100	\$45.01	\$4,501
	8/13/2007	100	\$45.03	\$4,503
	8/13/2007	100	\$45.29	\$4,529
	8/13/2007	100	\$45.50	\$4,550
	8/13/2007	100	\$45.93	\$4,593
	8/13/2007	100	\$45.94	\$4,594
	8/16/2007	6,565	\$41.51	\$272,513
	8/16/2007	5,400	\$41.50	\$224,100
	8/16/2007	3,100	\$41.53	\$128,743
	8/16/2007	2,700	\$42.01	\$113,427
	8/16/2007	2,500	\$41.59	\$103,975
	8/16/2007	2,400	\$41.73	\$100,152
	8/16/2007	1,900	\$41.71	\$79,249
	8/16/2007	1,600	\$41.38	\$66,208
	8/16/2007	1,400	\$41.42	\$57,988
	8/16/2007	1,400	\$41.49	\$58,086
	8/16/2007	1,400	\$41.52	\$58,128
	8/16/2007	1,300	\$41.39	\$53,807
	8/16/2007	1,283	\$41.78	\$53,604
	8/16/2007	1,100	\$41.22	\$45,342
	8/16/2007	1,000	\$41.74	\$41,740
	8/16/2007	1,000	\$42.02	\$42,020
	8/16/2007	970	\$41.29	\$40,051
	8/16/2007	800	\$41.28	\$33,024
	8/16/2007	800	\$41.34	\$33,072
	8/16/2007	732	\$41.72	\$30,539
	8/16/2007	693	\$42.00	\$29,106
	8/16/2007	600	\$41.33	\$24,798
	8/16/2007	600	\$41.54	\$24,924
	8/16/2007	500	\$41.44	\$20,720
	8/16/2007	500	\$41.48	\$20,740
	8/16/2007	500	\$41.51	\$20,755
	8/16/2007	500	\$41.69	\$20,845
	8/16/2007	500	\$41.75	\$20,875
	8/16/2007	400	\$41.20	\$16,480
	8/16/2007	400	\$41.55	\$16,620
	8/16/2007	400	\$41.66	\$16,664
	8/16/2007	300	\$41.12	\$12,336
	8/16/2007	300	\$41.32	\$12,396
	8/16/2007	300	\$41.36	\$12,408
	8/16/2007	300	\$41.47	\$12,441
	8/16/2007	300	\$41.64	\$12,492
	8/16/2007	300	\$41.89	\$12,567
	8/16/2007	257	\$41.70	\$10,717
	8/16/2007	200	\$41.21	\$8,242
	8/16/2007	100	\$41.11	\$4,111
	8/16/2007	100	\$41.15	\$4,115
	8/16/2007	100	\$41.31	\$4,131
	8/16/2007	100	\$41.40	\$4,140
	8/16/2007	100	\$41.41	\$4,141

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	8/16/2007	100	\$41.46	\$4,146
	8/16/2007	100	\$41.68	\$4,168
	8/16/2007	100	\$41.88	\$4,188
		250,965		\$10,991,162
SYDNEY SELATI	6/29/2007	3,300	\$42.23	\$139,359
	6/29/2007	2,800	\$43.11	\$120,708
	6/29/2007	2,100	\$43.29	\$90,909
	6/29/2007	1,900	\$43.32	\$82,308
	6/29/2007	1,900	\$43.33	\$82,327
	6/29/2007	1,400	\$42.91	\$60,074
	6/29/2007	1,000	\$42.77	\$42,770
	6/29/2007	700	\$42.80	\$29,960
	6/29/2007	300	\$42.81	\$12,843
	6/29/2007	300	\$42.92	\$12,876
	6/29/2007	200	\$42.88	\$8,576
	6/29/2007	100	\$42.90	\$4,290
	8/27/2007	5,787	\$44.80	\$259,258
	8/27/2007	2,528	\$44.83	\$113,330
	8/27/2007	2,227	\$44.90	\$99,992
	8/27/2007	800	\$44.95	\$35,960
	8/27/2007	713	\$44.84	\$31,971
	8/27/2007	400	\$44.82	\$17,928
	8/27/2007	300	\$44.87	\$13,461
	8/27/2007	300	\$44.88	\$13,464
	8/27/2007	300	\$44.92	\$13,476
	8/27/2007	300	\$44.93	\$13,479
	8/27/2007	145	\$44.85	\$6,503
	8/27/2007	100	\$44.86	\$4,486
	8/27/2007	100	\$44.94	\$4,494
	8/28/2007	3,100	\$43.22	\$133,982
	8/28/2007	3,000	\$43.46	\$130,380
	8/28/2007	2,900	\$43.52	\$126,208
	8/28/2007	2,600	\$44.06	\$114,556
	8/28/2007	2,500	\$43.21	\$108,025
	8/28/2007	2,100	\$44.22	\$92,862
	8/28/2007	1,900	\$43.18	\$82,042
	8/28/2007	1,600	\$42.97	\$68,752
	8/28/2007	1,500	\$44.60	\$66,900
	8/28/2007	1,400	\$42.90	\$60,060
	8/28/2007	1,200	\$43.47	\$52,164
	8/28/2007	1,200	\$44.12	\$52,944
	8/28/2007	1,000	\$43.15	\$43,150
	8/28/2007	1,000	\$43.35	\$43,350
	8/28/2007	900	\$43.20	\$38,880
	8/28/2007	500	\$44.35	\$22,175
	8/28/2007	100	\$43.25	\$4,325
		58,500		\$2,555,557
	Total:	2,302,865		\$104,893,769

LOSS CAUSATION/ECONOMIC LOSS

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2 39. During the Class Period, as detailed herein, defendants engaged in a
3 scheme to deceive the market and a course of conduct which artificially inflated the
4 prices of Hansen Natural common stock and operated as a fraud or deceit on Class
5 Period purchasers of Hansen Natural's common stock by failing to disclose that
6 Hansen's second quarter sales results were materially impacted by inventory loading
7 as customers were induced to purchase more product before the Company raised its
8 prices in its Monster Energy drink line and its Java Monster drink line, among other
9 things. When defendants' prior misrepresentations and fraudulent conduct were
10 disclosed and became apparent to the market, the price of Hansen Natural common
11 stock fell precipitously as the prior artificial inflation came out. As a result of their
12 purchases of Hansen Natural common stock during the Class Period, plaintiff and the
13 other Class members suffered economic loss, *i.e.*, damages, under the federal
14 securities laws.

15 40. By failing to disclose that Hansen's second quarter sales results were
16 materially impacted by inventory loading as customers were induced to purchase more
17 product before the Company raised its prices in its Monster Energy drink line and its
18 Java Monster drink line, among other things, defendants presented a misleading
19 picture of Hansen Natural's business and prospects. Defendants' false and misleading
20 statements had the intended effect and caused Hansen Natural's common stock to
21 trade at artificially inflated levels throughout the Class Period, reaching as high as
22 \$68.11 per share on October 18, 2007.

23 41. As a direct result of defendants' disclosure on November 8, 2007, the
24 price of Hansen Natural common stock fell precipitously, falling \$13.17 per share, or
25 23%. This drop removed the inflation from the price of Hansen Natural common
26 stock, causing real economic loss to investors who had purchased Hansen Natural
27 common stock during the Class Period.

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1 42. The 23% decline in the price of Hansen Natural common stock after this
2 disclosure came to light was a direct result of the nature and extent of defendants'
3 fraud finally being revealed to investors and the market. The timing and magnitude of
4 the price decline in Hansen Natural common stock negates any inference that the loss
5 suffered by plaintiff and the other Class members was caused by changed market
6 conditions, macroeconomic or industry factors or Company-specific facts unrelated to
7 the defendants' fraudulent conduct. The economic loss, *i.e.*, damages, suffered by
8 plaintiff and the other Class members was a direct result of defendants' fraudulent
9 scheme to artificially inflate the prices of Hansen Natural common stock and the
10 subsequent significant decline in the value of Hansen Natural common stock when
11 defendants' prior misrepresentations and other fraudulent conduct were revealed.

12 **APPLICABILITY OF PRESUMPTION OF RELIANCE:
13 FRAUD ON THE MARKET DOCTRINE**

14 43. At all relevant times, the market for Hansen Natural common stock was
15 an efficient market for the following reasons, among others:

16 (a) Hansen Natural common stock met the requirements for listing,
17 and was listed and actively traded on the NASDAQ, a highly efficient and automated
18 market;

19 (b) as a regulated issuer, Hansen Natural filed periodic public reports
20 with the SEC and the NASDAQ;

21 (c) Hansen Natural regularly communicated with public investors via
22 established market communication mechanisms, including regular disseminations of
23 press releases on the national circuits of major newswire services and other wide-
24 ranging public disclosures, such as communications with the financial press and other
25 similar reporting services; and

26 (d) Hansen Natural was followed by several securities analysts
27 employed by major brokerage firms who wrote reports which were distributed to the
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1 sales force and certain customers of their respective brokerage firms. Each of these
2 reports was publicly available and entered the public marketplace.

3 44. As a result of the foregoing, the market for Hansen Natural common
4 stock promptly digested current information regarding Hansen Natural from all
5 publicly available sources and reflected such information in the prices of the stock.
6 Under these circumstances, all purchasers of Hansen Natural common stock during
7 the Class Period suffered similar injury through their purchase of Hansen Natural
8 common stock at artificially inflated prices and a presumption of reliance applies.

9 **NO SAFE HARBOR**

10 45. The statutory safe harbor provided for forward-looking statements under
11 certain circumstances does not apply to any of the allegedly false statements pleaded
12 in this Complaint. Many of the specific statements pleaded herein were not identified
13 as “forward-looking statements” when made. To the extent there were any forward-
14 looking statements, there were no meaningful cautionary statements identifying
15 important factors that could cause actual results to differ materially from those in the
16 purportedly forward-looking statements. Alternatively, to the extent that the statutory
17 safe harbor does apply to any forward-looking statements pleaded herein, defendants
18 are liable for those false forward-looking statements because at the time each of those
19 forward-looking statements were made, the particular speaker knew that the particular
20 forward-looking statement was false, and/or the forward-looking statement was
21 authorized and/or approved by an executive officer of Hansen Natural who knew that
22 those statements were false when made.

23 **COUNT I**

24 **Violation of Section 10(b) of**
25 **the Exchange Act and Rule 10b-5**
Promulgated Thereunder Against All Defendants

26 46. Plaintiff repeats and realleges each and every allegation contained above
27 as if fully set forth herein.

28

1 47. During the Class Period, defendants disseminated or approved the
2 materially false and misleading statements specified above, which they knew or
3 deliberately disregarded were misleading in that they contained misrepresentations
4 and failed to disclose material facts necessary in order to make the statements made,
5 in light of the circumstances under which they were made, not misleading.

6 48. Defendants: (a) employed devices, schemes, and artifices to defraud; (b)
7 made untrue statements of material fact and/or omitted to state material facts
8 necessary to make the statements not misleading; and (c) engaged in acts, practices,
9 and a course of business which operated as a fraud and deceit upon the purchasers of
10 the Company's common stock during the Class Period.

11 49. Plaintiff and the Class have suffered damages in that, in reliance on the
12 integrity of the market, they paid artificially inflated prices for Hansen Natural
13 common stock. Plaintiff and the Class would not have purchased Hansen Natural
14 common stock at the prices they paid, or at all, if they had been aware that the market
15 prices had been artificially and falsely inflated by defendants' misleading statements.

16 50. As a direct and proximate result of defendants' wrongful conduct,
17 plaintiff and the other members of the Class suffered damages in connection with their
18 purchases of Hansen Natural common stock during the Class Period.

19 **COUNT II**

20 **Violation of Section 20(a) of** 21 **the Exchange Act Against the Individual Defendants**

22 51. Plaintiff repeats and realleges each and every allegation contained above
23 as if fully set forth herein.

24 52. The Individual Defendants acted as controlling persons of Hansen
25 Natural within the meaning of §20(a) of the Exchange Act as alleged herein. By
26 reason of their positions as officers and/or directors of Hansen Natural, and their
27 ownership of Hansen Natural stock, the Individual Defendants had the power and
28 authority to cause Hansen Natural to engage in the wrongful conduct complained of

1 herein. By reason of such conduct, the Individual Defendants are liable pursuant to
2 §20(a) of the Exchange Act.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, plaintiff prays for relief and judgment, as follows:

5 A. Determining that this action is a proper class action, designating plaintiff
6 as Lead Plaintiff and certifying plaintiff as a Class representative under Rule 23 of the
7 Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;

8 B. Awarding compensatory damages in favor of plaintiff and the other Class
9 members against all defendants, jointly and severally, for all damages sustained as a
10 result of defendants' wrongdoing, in an amount to be proven at trial, including interest
11 thereon;

12 C. Awarding plaintiff and the Class their reasonable costs and expenses
13 incurred in this action, including counsel fees and expert fees; and

14 D. Such other and further relief as the Court may deem just and proper.

15 **JURY DEMAND**

16 Plaintiff hereby demands a trial by jury.

17 DATED: September 11, 2008

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