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14 UNITED STATES DISTRICT COURT  
15 CENTRAL DISTRICT OF CALIFORNIA  
16 EASTERN DIVISION

17 MARCELO CUNHA, Individually and )  
18 on Behalf of All Others Similarly )  
Situating, )  
19 )  
20 Plaintiff, )  
21 vs. )  
22 HANSEN NATURAL CORPORATION, )  
RODNEY C. SACKS and HILTON H. )  
23 SCHLOSBERG, )  
24 Defendants. )

**VIA FAX**  
No.  
**CLASS ACTION**  
**COMPLAINT FOR VIOLATIONS OF  
FEDERAL SECURITIES LAWS**  
**DEMAND FOR JURY TRIAL**

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26  
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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 Marcelo Cunha, 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:

<b>Insider</b>	<b>Date</b>	<b>Shares</b>	<b>Price</b>	<b>Proceeds</b>
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. <sup>1</sup>	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

<sup>1</sup> 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
<b>SYDNEY SELATI</b>	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
	<b>Total:</b>	<b>2,302,865</b>		<b>\$104,893,769</b>

## LOSS CAUSATION/ECONOMIC LOSS

1  
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.

28

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  
28

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**  
26 **Promulgated Thereunder Against All Defendants**

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



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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