

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

ILEANA A. GONZALEZ,

Plaintiff,

v.

DR PEPPER SNAPPLE GROUP, INC.,
WAYNE R. SANDERS, LARRY D. YOUNG,
DAVID E. ALEXANDER, ANTONIO
CARRILLO, JOSE GUTIERREZ, PAMELA
H. PATSLEY, RONALD G. ROGERS,
DUNIA SHIVE, and ANNE SZOSTAK,

Defendants.

Civil Case No.:

DEMAND FOR JURY TRIAL

**COMPLAINT FOR VIOLATION OF SECTIONS 14(a) AND 20(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Plaintiff Ileana A. Gonzalez (“Plaintiff”) brings this suit for violations of Sections 14(a) and 20(a) of the Securities Exchange Act Of 1934. In support of this Complaint, Plaintiff, by her attorneys, alleges upon information and belief, except for her own acts, which are alleged on knowledge, as follows:

NATURE OF THE ACTION

1. Plaintiff, a stockholder of Dr Pepper Snapple Group, Inc., (“DPSG” or the “Company”) brings this action against the Company and its Board of Directors (collectively, the “Board” or the “Individual Defendants,” as further defined below) for violations of Section 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15.U.S.C. §§ 78n(a), 78t(a), and SEC Rule 14a-9, 17 C.F.R. 240.14a-9, in connection with the proposed sale of

DPSG. Specifically, Defendants solicit stockholder approval in connection with the sale of the Company through a Proxy Statement that omits material facts necessary to make the statements therein not false or misleading. Stockholders need this material information to decide whether to vote in favor of the merger.

2. On January 29, 2018, the Company announced that it had entered into a definitive agreement (the “Merger Agreement”) with Keurig Green Mountain, Inc. (“Keurig”) and its indirect subsidiary, Maple Parent Holdings Corp. (“Maple Parent,” and collectively with Keurig, “Keurig”), which are affiliates of JAB Holding Company (“JAB”), pursuant to which DPSG and Keurig will combine their respective businesses. Under the terms of the agreement, which has been unanimously approved by the Dr Pepper Snapple Board of Directors, Dr Pepper Snapple shareholders will receive \$103.75 per share in a special cash dividend and retain 13% of the combined company.

3. In connection with the Proposed Transaction, on March 8, 2018, the Company filed a materially incomplete and misleading Schedule 14A Information Statement (the “Proxy Statement”) with the United States Securities and Exchange Commission (“SEC”). The Proxy Statement is materially misleading in that it fails to provide adequate disclosure of material information related to the Proposed Transaction, including: (i) the background of the transaction; (ii) DPSG’s financial forecasts, which were distributed by DPSG’s management to its shareholders in connection with the proposed merger; and (iii) the valuation analyses prepared by DPSG’s financial advisor in connection with the rendering of its fairness opinion.

4. Without all material information DPSG stockholders cannot make an informed decision regarding whether to vote for or against the Proposed Transaction. Accordingly, the failure to adequately disclose such material information constitutes a violation of Sections 14(a)

and 20(a) of the Exchange Act as stockholders need such information in order to make a fully-informed decision in connection with the shareholder vote on the Proposed Transaction.

5. For these reasons and as set forth in detail herein, the Individual Defendants have violated federal securities laws. Plaintiff seeks to enjoin the Proposed Transaction or, in the event the Proposed Transaction is consummated, recover damages resulting from the Individual Defendants' violations of these laws. As the special meeting of DPSG stockholders to vote on the Proposed Transaction is forthcoming, judicial intervention is warranted here to rectify existing and future irreparable harm to the Company's stockholders.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction under 28 U.S.C. § 1331, pursuant to 15 U.S.C. § 78aa (federal question jurisdiction), as Plaintiff alleges violations of Section 20(a) and 14(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder.

7. The Court has personal jurisdiction over each of the Defendants because each either is a corporation that is incorporated under the laws of, conducts business in and maintains operations in this District or is an individual who either is present in this District for jurisdictional purposes or has sufficient minimum contacts with this District as to render the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

8. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. §78aa, as well as under 28 U.S.C. § 1391, because: (i) the conduct at issue had an effect in this District; and (ii) the Company is incorporated in this District.

PARTIES

9. Plaintiff is, and has been at all relevant times, the owner of shares of DPSG

common stock.

10. Wayne R. Sanders (“Sanders”) has served as a director since May 2008 and is Chairman of the Board of Directors and Chairman of the Corporate Governance and Nominating committee.

11. Larry Young (“Young”) is President and CEO of DPSG. After joining the Company in 2006 as president and chief operating officer of its newly formed Bottling Group division following the acquisition of Dr Pepper/Seven Up Bottling Group, Young became president and CEO in October 2007, and led the spinoff the following May from Cadbury Schweppes plc.

12. David E. Alexander (“Alexander”) has served as a director since November 2011 and currently serves as Chairman of the Audit Committee.

13. Antonio Carrillo (“Carrillo”) was elected to the Board in February 2015.

14. José Gutiérrez (“Gutiérrez”) has served as a member of the Board since September 2016.

15. Pamela H. Patsley (“Patsley”) has served as a director since April 2008 and is a currently a member of the Audit Committee.

16. Ronald G. Rogers (“Rogers”) has served as a director since May 2008 and currently servesw as a member of the Compensation Committee.

17. Dunia Shive (“Shive”) was elected to the Board in November 2014 and currently sits on the Corporate Governance and Nominating Committee.

18. M. Anne Szostak (“Szostak”) has served as a director since May 2008 and is the Chair of the Compensation Committee.

19. Defendants, Szostak, Shive, Rogers, Patsley, Gutiérrez, Carrillo, Alexander,

Young, and Sanders are collectively referred to herein as the “Supervisory Board” or the “Individual Defendants.”

20. Defendant DPSG is a leading producer of flavored beverages in North America and the Caribbean. In addition to the Company’s flagship Dr Pepper and Snapple brands, the Company’s portfolio includes 7UP, A&W, Bai, Canada Dry, Clamato, Crush, Hawaiian Punch, IBC, Mott’s, Mr & Mrs T mixers, Peñafiel, Rose’s, Schweppes, Squirt and Sunkist soda. The company is incorporated in Delaware and maintains its administrative headquarters at 5301 Legacy Drive Plano, Texas 75024. DPSG’s common stock is traded on the New York Stock Exchange under the symbol “DPS.” DPSG and the Individual Defendants are collectively referred to herein as “Defendants.”

OTHER RELEVANT ENTITIES

21. Keurig Green Mountain, Inc., a Delaware corporation, is a leading producer of specialty coffee and innovative single-serve brewing systems, with its Keurig® brewers and single-serve hot beverages in more than 20 million homes and offices throughout North America. Keurig has partnerships with more than 50 leading global coffee, tea and cocoa brands, allowing it to offer consumers vast personal choice from over 600 varieties.

22. Salt Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of DPSG, was formed solely for the purpose of facilitating the merger and the transactions contemplated thereby.

FACTUAL BACKGROUND

The Merger Process

23. In May of 2017, JAB and DPSG held discussions regarding the potential

distribution of certain products owned by Peet's Coffee, which is majority-owned by JAB, through the DPSG distribution network. These discussions lead to an inquiry from JAB as to whether DPSG would be interested in a strategic transaction other than a distribution arrangement.

24. The two entities held further discussions in August and September of 2017 regarding the structure of JAB's potential proposal and, on October 5, 2017, JAB submitted a proposal to acquire DPSG (the "October Proposal"). The October Proposal called for an acquisition of DPSG in exchange for \$66.00 per share in cash, payable in the form of a one-time dividend, and a 28% equity stake in the combined company to be retained by DPSG's stockholders. The October Proposal was tied to a number of conditions that sought to limit the scope of DPSG's sale process including: (i) exclusive bi-lateral discussions, noting that JAB would walk away if DPSG sought other offers or conducted any pre-signing market check; (ii) willingness to sign a customary non-disclosure agreement and a standstill agreement providing JAB the ability to make a private, friendly offer to the Board and the fall-away of the standstill restrictions upon the receipt by DPSG of any competing proposal; (iii) access to reciprocal due diligence focused on, in the case of Keurig's review of DPSG, a small number of key items that drive value as well as customary confirmatory due diligence; and (iv) alignment on process and timetable—a three-week process with an announcement date of October 30, 2017.

25. The October Proposal was presented to the Board on October 6, 2017, during a special telephonic meeting at which members of senior management were present. Following a discussion regarding the debt anticipated to be incurred, the dividend to stockholders and the need for the pro-forma entity to allocate free cash flow to pay down the debt of the combined company, the Board noted that the October Proposal undervalued DPSG and that the compressed

three-week process was likely unfeasible. Despite these concerns, the Board authorized further discussions with JAB and the initiation of a due diligence process, but directed DSPG management to respond to JAB with a request to extend the October 30, 2017 deadline for signing to November 15, 2017.

26. DSPG management also reached out to representatives of Credit Suisse to discuss the potential engagement of Credit Suisse as financial advisor to DSPG and requested that Credit Suisse prepare a summary of its material relationships with each of JAB and Keurig.

27. The following day, JAB agreed to extend JAB's deadline for signing an agreement, but only until November 6, 2017.

28. On October 12, 2017, DSPG and JAB entered into a nondisclosure agreement ("NDA"), which included an 18-month standstill restriction that was structured to fall-away upon the receipt by DSPG of any competing proposal. That same day, the Board held a special telephonic meeting, at which time the Board approved the engagement of Credit Suisse (as financial advisor), Morgan Lewis (as outside legal counsel), Morris, Nichols, Arsht & Tunnell LLP (as Delaware counsel), PricewaterhouseCoopers (as independent accounting advisor) and McKinsey & Co. ("McKinsey") (as consultants to perform an overview of the coffee industry and Keurig's business) in connection with a potential transaction with JAB and the exploration of potential strategic alternatives the Board may consider in connection with its review.

29. Throughout the month of October, DSPG and JAB, and their respective representatives, proceeded to negotiate the terms of the merger and engaged in mutual due diligence.

30. On October 25, 2017, the Board held a special telephonic meeting to discuss the October Proposal and the status of negotiations and diligence. Following this discussion, the

Board unanimously rejected the October Proposal and instructed DPSG executives to inform JAB that the October Proposal undervalued DPSG, provided insufficient value for DPSG's Stockholders, and set a timetable that was unrealistic to complete DPSG's due diligence on Keurig and the coffee industry generally.

31. Approximately one month later, on November 20, 2017, JAB submitted a revised acquisition proposal to DPSG (the "November Proposal"). The November Proposal improved upon the October Proposal and contemplated an increase in the cash consideration to \$88.00 per share, payable in the form of a one-time dividend, together with a 15% equity stake in the combined company to be retained by DPSG's stockholders, and granted to DPSG the right to appoint two directors to the board of the combined company. Similar to the October Proposal, the November Proposal was subject to certain conditions, including JAB's insistence on exclusivity and a commitment to sign and announce the transaction by December 18, 2017.

32. The November Proposal was reviewed by the Board during a November 22, 2017 special telephonic meeting at which members of senior management were present. Following a discussion regarding the November Proposal, the Board directed management to reengage in due diligence efforts and to work with Credit Suisse to, among other things, review financial aspects of the November Proposal.

33. Approximately one month later, on December 20, 2017, the Board held a special telephonic meeting to review the status of due diligence efforts and the desirability of a potential transaction. During this meeting, Credit Suisse discussed certain preliminary financial aspects of the November Proposal, and noted that the November Proposal, while not reflecting a significant increase in overall value from the October Proposal, reduced some of the risk inherent in the October Proposal by increasing in the cash component to \$88 and decreasing the size of the

equity ownership stake in the combined company.

34. Following these discussions, the Board concluded that the November Proposal still undervalued DPSG, but directed DPSG management to continue negotiations with JAB to determine whether JAB had a more compelling offer that could be presented to the Board for further consideration and a determination at that time of whether such an offer would be in the best interests of DPSG's stockholders.

35. As a consequence of these negotiations, on January 8, 2018, JAB submitted a revised proposal (the "First January Proposal"), which contemplated further increase in the cash consideration to \$96.00 per share, payable in the form of a one-time dividend, together with a 14% equity stake in the combined company to be retained by DPSG's stockholders, and a right to appoint two directors to the board of the combined company.

36. On January 24, 2018, JAB submitted a revised offer (the "Second January Proposal"), that provided for a further increase in the cash consideration to \$103.00 per share, payable in the form of a one-time dividend, together with a 13% equity stake in the combined company to be retained by DPSG's stockholders. It also provided for a termination fee of \$800 million, which would be payable by DPSG in certain circumstances and for DPSG's right to appoint two directors to the board of the combined company. Following continued negotiations between the two entities and their respective representatives, JAB increased the amount of the one-time cash dividend to \$103.75 per share of DPSG common stock and reduced the amount of the termination fee to \$700 million (the "Final Proposal").

37. On January 27, 2018, the Board held a special telephonic meetings to review the status of negotiations and to vote on the Proposed Transaction. During the course of this meeting, Credit Suisse discussed with the Board potential strategic alternatives that might be

available to DPSG, including certain third parties that might theoretically consider a strategic transaction with DPSG. Following this presentation, the Board concluded that, for varying reasons, it was unlikely that any of these third parties would actually pursue a strategic transaction with DPSG, and directed management to: (i) continue negotiations with JAB on the remaining open business and legal issues; (ii) not make a counter-proposal to the Final Proposal; and (iii) continue with the single-bidder strategy.

38. The following day, on January 28, 2018, the Board held a special telephonic meeting at which members of senior management and representatives of Credit Suisse were present, to vote on the Proposed Transaction. Following a presentation by Credit Suisse that the consideration DPSG was to receive was fair, from a financial point of view, to the holders of DPSG common stock, the Board unanimously determined that the merger agreement and the transactions contemplated thereby, were fair to and in the best interests of DPSG and its stockholders.

39. On January 29, 2018, the merger agreement was executed by DPSG, and that same day, before the opening of trading on NYSE, DPSG and Keurig issued a joint press release announcing the execution of the merger agreement.

The Merger Announcement

40. In a joint press release dated January 29, 2018, Keurig and DPSG announced that the two entities had entered into the Merger Agreement.

41. The press release states in pertinent part:

PLANO, Tex. and BURLINGTON, Mass., January 29, 2018 —Dr Pepper Snapple Group, Inc. (“Dr Pepper Snapple”) (NYSE: DPS) and Keurig Green Mountain, Inc. (“Keurig”) today announced that the companies have entered into a definitive merger agreement to create Keurig Dr Pepper (“KDP”), a new beverage company of scale with a portfolio of iconic consumer brands and unrivaled distribution capability to reach virtually every point-of-sale in North

America. Under the terms of the agreement, which has been unanimously approved by the Dr Pepper Snapple Board of Directors, Dr Pepper Snapple shareholders will receive \$103.75 per share in a special cash dividend and retain 13% of the combined company.

KDP will have pro forma combined 2017 annual revenues of approximately \$11 billion. This combination of two iconic beverage companies joins together beloved brands Dr Pepper, 7UP, Snapple, A&W, Mott's and Sunkist with leading coffee brand Green Mountain Coffee Roasters and the innovative Keurig singleserve coffee system, as well as more than 75 owned, licensed and partner brands in the Keurig system.

Larry Young, President and Chief Executive Officer of Dr Pepper Snapple, said, "This transaction will deliver significant and immediate value to our shareholders, along with the opportunity to participate in the long-term upside potential of our combined company and attract new brands and beverage categories to our platform in a fast-changing industry landscape. We are excited to combine with Keurig to build on the rich heritage and expertise of both companies and provide the highest-quality hot and cold beverages to satisfy every consumer throughout the day."

Bob Gamgort, Chief Executive Officer of Keurig, said, "Our view of the industry through the lens of consumer needs, versus traditional manufacturer-defined segments, unlocks the opportunity to combine hot and cold beverages and create a platform to increase exposure to high-growth formats. The combination of Dr Pepper Snapple and Keurig will create a new scale beverage company which addresses today's consumer needs, with a powerful platform of consumer brands and an unparalleled distribution capability to reach virtually every consumer, everywhere. We are fortunate to have talented leadership teams within both companies, and I look forward to working together with the Dr Pepper Snapple team to make this combination a success for all of our stakeholders."

Bart Becht, Partner and Chairman of JAB Holding Company and Chairman of Keurig, said, "We are very excited about the prospect of KDP becoming a challenger in the beverage industry. Management's proven operational and integration track record along with their commitment to innovation and potential future brand consolidation opportunities, while maintaining an investment grade rating, positions the company well for long-term success and material shareholder value creation."

Dirk Van de Put, CEO of Mondelēz International, which will have a significant stake in KDP, said, "We have been very pleased with our coffee partnership with Keurig, and strongly support the strategic rationale for this transaction. We look forward to continuing to participate in the compelling value-creation and long-term growth opportunities inherent in this powerful beverage platform."

Compelling Value for Shareholders

The company believes its complementary portfolio, access to high-growth segments of the beverage industry and shareholder value-focused management team will enable it to achieve sustained growth through continued innovation, brand consolidation opportunities and enhanced household penetration for its leading brands.

KDP targets realizing \$600 million in synergies on an annualized basis by 2021. Dr Pepper Snapple expects to pay its first quarter ordinary course dividend of \$0.58 per share. At the close of the transaction, the company expects to deliver an annual dividend of \$0.60 per share.

The company will deliver strong cash flow generation and accelerate its deleveraging, with a target Net Debt/EBITDA of below 3.0x within two to three years after closing. KDP anticipates total net debt at closing to be approximately \$16.6 billion and it anticipates maintaining an investment grade rating.

Keurig Performance Update

Since becoming a private company following its acquisition by a JAB-led investor group in March 2016, Keurig has renewed its marketing investment and improved its new brewer innovation pipeline, which has resulted in renewed top-line volume growth, increasing U.S. household penetration for Keurig brewers to 20%, from 17%, in the last two years. In the same period, Keurig has added key brand partners into the Keurig system with the help of strategic pod price reductions and value-added services. The combination of those two factors has allowed the company to improve its pod growth from the low-single digits to mid-single digits in the second half of calendar year 2017.

Keurig also delivered a 14.1% annual improvement in operating income and increased its operating margin by 710 basis points in the last two years behind significant productivity improvement programs. The company has also strengthened its balance sheet and significantly reduced its debt/EBITDA to 2.7x as of December 2017, from 5.5x as of March 2016, when the company was acquired.

Transaction Details

Under the terms of the merger agreement, Dr Pepper Snapple shareholders will receive a special cash dividend of \$103.75 per share and will retain their shares in Dr Pepper Snapple. Upon closing of the transaction, Keurig shareholders will hold 87% and Dr Pepper Snapple shareholders will hold 13% of the combined company.

JAB Holding Company, a global investment firm with a proven track record of investing long-term capital in global consumer brands, and its partners, will

together make an equity investment of \$9 billion as part of the financing of the transaction. JAB will be investing equity capital from JAB Holding Company as well as through JAB Consumer Fund, an investment fund backed by a group of like-minded, long-term oriented investors. Both JAB Holding Company and JAB Consumer Fund are overseen by three senior partners: Peter Harf, Bart Becht and Olivier Goudet. Entities affiliated with BDT Capital Partners, a Chicago-based merchant bank that provides long-term private capital and advice to closely held companies, are also investing alongside JAB. Upon closing of the transaction, JAB will be the controlling shareholder. Mondelēz International, JAB's partner in Keurig, will hold an approximately 13-14% stake in the combined company.

The balance of the transaction financing will be provided through financing debt commitments from JPMorgan Chase Bank, Bank of America Merrill Lynch and Goldman Sachs. The transaction is not subject to a financing condition and is expected to close in the second calendar quarter of 2018, subject to the approval of Dr Pepper Snapple shareholders and the satisfaction of customary closing conditions, including receipt of regulatory approvals.

Management and Governance

Bob Gamgort, current chief executive officer of Keurig, will serve as chief executive officer of the combined company and Ozan Dokmecioglu, current chief financial officer of Keurig, will serve as its chief financial officer. Dr Pepper Snapple President and CEO Larry Young intends to transition to a role on KDP's Board of Directors to help the new management team realize the full potential of the company. Bart Becht, of JAB, will serve as Chairman of the company's Board of Directors and Bob Gamgort will become an Executive Member of the Board. Four additional directors will be appointed by JAB, two directors will be appointed by Dr Pepper Snapple, including Mr. Young, two directors will be appointed by Mondelēz International, and two independent directors will be appointed.

Keurig and Dr Pepper Snapple will continue to operate out of their current locations and Bob Gamgort, CEO of the combined company, will be based in Burlington, Mass. The combined company will draw on the leadership teams of both companies, who will continue running their respective businesses.

The Proxy Statement Omits Material Information

42. On March 8, 2018, DPSG caused to be filed a Proxy Statement with the SEC. As alleged below and elsewhere herein, the Proxy Statement contains material misrepresentations and omissions of fact that must be cured to allow DPSG stockholders to render an informed decision with respect to the Proposed Transaction.

43. As discussed below, the Proxy Statements omits material information regarding: (i) the background of the transaction; (ii) DPSG's financial forecasts, which were distributed by DPSG's management to its shareholders in connection with the proposed merger; and (iii) the valuation analyses prepared by DPSG's financial advisor in connection with the rendering of its fairness opinion.

Material Omissions Concerning the Sale Process

44. With respect to DPSG's investigation into potential alternative transactions, the Proxy Statement omits material information pertaining to the Board's consideration of potential strategic alternatives that might be available to DPSG, including certain third parties that might theoretically consider a strategic transaction with DPSG.

45. Specifically, on January 27, 2018, just one day before the Board voted unanimously to approve the Merger Agreement, Credit Suisse discussed with the Board potential strategic alternatives that might be available to DPSG, including certain third parties that might theoretically consider a strategic transaction with DPSG. Following this discussion, the "Board concluded that, for varying reasons, it was unlikely that any of these third parties would actually pursue a strategic transaction with DPSG." Details regarding these third parties that might theoretically consider a strategic transaction with DPSG is worryingly absent from the Proxy Statement, as is any information concerning whether potential strategic alternatives that might be available to DPSG were ever considered by the Board prior to the January 27, 2018 meeting. This information is clearly material to DPSG stockholders as without additional information DPSG stockholders are unable to evaluate whether the Board a thorough investigation of the Company's strategic options or if parties that had previously been interested in a potential

acquisition of the Company are now foreclosed from submitting superior proposals.

46. The omission of this material information renders the Proxy Statement false and misleading, including, inter alia, the following sections of the Proxy Statement: (i) “Recommendation of the Board; DPSG's Reasons for the Merger;” (ii) “Opinion of DPSG's Financial Advisor;” (iii) “Background of the Merger.”

Material Omissions Concerning DPSG's Projected Financial Information

47. With respect to DPSG's projected financial information, the Proxy Statement omits material information pertaining to the financial projections that were used by the Company's financial advisor in connection with the Proposed Transaction.

48. Specifically, the Proxy Statement provides projected values for EBITDA and Unlevered Free Cash Flow, two non-GAAP accounting metrics that are not typically provided to Company stockholders in either the Company's annual or quarterly reports filed with the SEC, for projected financial information over the years 2017-2023. However, the Proxy Statement omits to disclose the metrics used to calculate these non-GAAP measures or otherwise reconcile the non-GAAP projections to the most comparable GAAP measures. The omission of this information is particularly troubling for DPSG shareholders. By providing projected values for EBITDA and Unlevered Free Cash Flow without fully disclosing the line item metrics used to calculate them, or otherwise reconciling these non-GAAP projection to corresponding GAAP measures, DPSG has unexplainably departed from the customary method by which DPSG stockholders are routinely provided financial information relating to the Company, thereby rendering the financial projections contained within the Proxy Statement materially incomplete and misleading.

49. Accordingly, the Proxy Statement must disclose the necessary line items to reconcile these non-GAAP measures to well-understood GAAP financial metrics. Non-GAAP measures have no universally understood definition and vary widely between companies depending on the needs of management in promoting their own effect on Company performance. Here, with regard to EBITDA the Proxy Statement notes that EBITDA “[r]epresents earnings before interest, taxes, depreciation and amortization, as adjusted for one-time non-recurring items (as applicable) and reflecting stock-based compensation as an expense.” The Proxy Statement provides a similar breakdown with regard to Unlevered Free Cash Flow, noting that Unlevered Free Cash Flow “[r]epresents unlevered net income less capital expenditures (net of disposals), plus depreciation and amortization, plus amortization of deferred tax asset, less deferred revenue (excluding tax impact), plus any decrease and less any increase in net working capital.”

50. Despite detailing the various line item metrics used to calculate these Non-GAAP measures, the Proxy Statement fails to disclose the values of the line items used to calculate them, nor does the Proxy provide a reconciliation of EBITDA or Unlevered Free Cash Flow to their most directly comparable respective GAAP measures. This is a significant deviation from the methodology by which DPSG typically provides financial information to its stockholders. As evidenced by the recent Form 10-K For the Year Ended December 31, 2017, filed on February 14, 2017, DPSG stockholders are routinely provided with these line item metrics at the end of each financial year. Consequently, the failure to provide financial projections relating to these line item metrics, and to instead provide financial projections for two non-GAAP financial measures that are not provided in either the Company’s annual or quarterly reports, renders the financial projections contained within the Proxy Statement materially incomplete and

misleading.

51. Because of the non-standardized and potentially manipulative nature of non-GAAP measures, when a company discloses information in a Proxy Statement that includes non-GAAP financial measures, the Company must also disclose comparable GAAP measures and a quantitative reconciliation of forward-looking information. 17 C.F.R. § 244.100. The Proxy Statement makes no effort to account for the failure to provide the corresponding line items used to calculate these non-GAAP projections, nor does it attempt to reconcile these non-GAAP measures to GAAP metrics. Accordingly, the Proxy Statement violates SEC regulations and materially misleads DPSG stockholders regarding the standalone value of the Company.

52. The omission of this material information renders the Proxy Statement false and misleading, including, inter alia, the following sections of the Proxy Statement: (i) “Recommendation of the Board; DPSG's Reasons for the Merger;” (ii) “Opinion of DPSG's Financial Advisor;” (iii) “Certain Unaudited Prospective Financial Information Utilized by Our Board of Directors and Financial Advisor.”

Material Omissions Concerning Credit Suisse's Financial Analyses

53. The Proxy Statement describes Credit Suisse's fairness opinion and the various valuation analyses it performed in support of its opinions. However, the description of Credit Suisse's fairness opinion and the underlying analyses omits key inputs and assumptions of DPSG underlying these analyses. Without this information, as described below, DPSG public stockholders are being misled as to what weight, if any, to place on Credit Suisse's fairness opinions in determining whether to vote in favor of the Proposed Transaction. This omitted information, if disclosed, would significantly alter the total mix of information available to DPSG stockholders.

54. Specifically, the Proxy Statement discloses that Credit Suisse conducted both a *DPSG (Standalone) Discounted Cash Flow Analysis* for DPSG and *Pro Forma Combined Company Discounted Cash Flow Analysis* for the combined company. However, as noted below, the Proxy fails to disclose the following key components used in the analysis. Specifically, with respect to Credit Suisse's *Pro Forma Combined Company Discounted Cash Flow Analysis*, the Proxy fails to disclose the following key components used in the analysis: (i) the inputs and assumptions underlying the calculation of the range of multiples from 12.00x to 13.25x; (ii) the inputs and assumptions underlying the calculation of the discount rates ranging from 6.0% to 8.0%; and (iii) the inputs and assumptions underlying the treatment of stock-based compensation as a cash expense. Similarly, with respect to Credit Suisse's *DPSG (Standalone) Discounted Cash Flow Analysis*, the Proxy fails to disclose the following key components used in the analysis: (i) the inputs and assumptions underlying the calculation of the range of multiples from 12.5x to 13.5x; (ii) the inputs and assumptions underlying the calculation of the discount rates ranging from 5.0% to 6.5%; and (iii) the inputs and assumptions underlying the treatment of stock-based compensation as a cash expense.

55. When a bankers' endorsement of the fairness of a transaction is touted to shareholders, the valuation methods used to arrive at that opinion as well as the key inputs and range of ultimate values generated by those analyses are crucial to a fair presentation of the material facts. Furthermore, the disclosure of projected financial information provides stockholders with the best basis to project the future financial performance of a company, and allows stockholders to understand the financial analyses performed by the company's financial advisor in support of its fairness opinion. This information is therefore material, and must be disclosed if DPSG stockholders are to make a fully informed decision. The omission of this

information renders the statements made concerning the financial advisors' analyses and opinions materially misleading.

56. Without such undisclosed information, DPSG stockholders cannot evaluate for themselves whether the financial analyses performed by Credit Suisse were based on reliable inputs and assumptions or whether they were prepared with an eye toward ensuring that a positive fairness opinion could be rendered in connection with the Proposed Transaction. In other words, full disclosure of the omissions identified above is required in order to ensure that stockholders can evaluate the extent to which Credit Suisse's opinion and analyses should factor into their decision whether to vote in favor of or against the Proposed Transaction.

57. The omission of this material information renders the Proxy Statement false and misleading, including, *inter alia*, the following sections of the Proxy Statement: (i) "Recommendation of the Board; DPSG's Reasons for the Merger;" (ii) "Opinion of DPSG's Financial Advisor;" (iii) "Certain Unaudited Prospective Financial Information Utilized by Our Board of Directors and Financial Advisor."

58. This material information directly impacts the Company's expected future value as a standalone entity, and its omission renders the statements made materially misleading and, if disclosed, would significantly alter the total mix of information available to DPSG stockholders. Accordingly, DPSG stockholders are being asked to vote for the Proposed Transaction without all material information at their disposal.

59. Based on the foregoing, the Proxy Statement violates Section 14(a) of the Exchange Act and applicable SEC regulations by materially misleading DPSG stockholders. DPSG public shareholders lack critical information necessary to evaluate the Proposed Transaction. Moreover, without the key financial information and related disclosures, DPSG

public shareholders cannot gauge the accuracy and reliability of the financial analyses performed by Credit Suisse, and whether they can reasonably rely on the financial advisor's fairness opinions.

60. Accordingly, Plaintiff seeks, among other things, the following relief: (i) enjoinder of the Proposed Transaction; or (ii) rescission of the Proposed Transaction in the event that it is consummated and to recover damages resulting from Defendants' misconduct.

CLAIMS FOR RELIEF

COUNT I

Against All Defendants for Violations of Section 14(a) of the Exchange Act and Rule 14a-9 Promulgated Thereunder

61. Plaintiff repeats and realleges each allegation set forth herein.

62. As detailed herein, Defendants disseminated the materially incomplete and misleading Proxy Statement specified above, which contained statements and omissions which, at the time and in the light of the circumstances under which they were made, were false and misleading with respect to material facts and which omitted to state material facts necessary to make the statements therein not misleading, in violation of Section 14(a) of the Exchange Act and SEC Rules promulgated thereunder, including SEC Rule 14a-9.

63. By the use of the mails and by means and instrumentalities of interstate commerce and the facility of a national securities exchange, Defendants solicited and permitted the use of their names to solicit proxies or consents or authorizations in respect of the common stock of DPSG.

64. By virtue of their positions within the Company, the Individual Defendants were aware of this information and of their duty to disclose this information in the Proxy Statement. The Proxy Statement was prepared, reviewed, and/or disseminated by Defendants. The Proxy

Statement misrepresented and omitted material facts, including material information about the sale process for the Company, the consideration offered in the Proposed Transaction, and the actual intrinsic value of the Company's assets. Defendants were at least negligent in filing and disseminating the Proxy Statement with these materially incomplete and misleading statements and omissions. Defendants have also failed to correct the Proxy Statement and the failure to update and correct false statements is also a violation of Section 14 of the Exchange Act and SEC Rules promulgated thereunder.

65. The omissions and false and misleading statements in the Proxy Statement are material in that a reasonable stockholder would consider them important in deciding whether to vote in favor of and tender their shares in the Proposed Transaction. A reasonable investor would view a full and accurate disclosure as significantly altering the "total mix" of information made available in the Proxy Statement and in other information reasonably available to stockholders.

66. Plaintiff has no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff be fully protected from immediate and irreparable injury, which defendants' actions threaten to inflict.

COUNT II

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

67. Plaintiff repeats and realleges the preceding allegations as if fully set forth herein.

68. The Individual Defendants acted as controlling persons of DPSG within the meaning of Section 20(a) of the Exchange Act, as alleged herein. By virtue of their positions as officers and directors of DPSG and their participation in and awareness of the Company's business and operations and their intimate knowledge of the materially false statements and omissions contained in the Proxy Statement filed with the SEC, they had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the

Company, including the content and dissemination of the various statements that Plaintiff contends are false and misleading.

69. Each of the Individual Defendants was provided with or had unlimited access to copies of the Proxy Statement and other statements alleged by Plaintiff to be false and misleading prior to or shortly after these statements were issued and had the ability to prevent the issuance of the statements or to cause the statements to be corrected.

70. In particular, each of the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same. Among other things, the Proxy Statement at issue contains the unanimous recommendation of the Individual Defendants to approve the Proposed Transaction. Thus, they were directly involved in the making of that document.

71. In addition, as the Proxy Statement sets forth at length, and as described herein, the Individual Defendants were each involved in negotiating, reviewing, and approving the Proposed Transaction. The Proxy Statement purports to describe the various issues and information that they reviewed and considered – descriptions which had input from the Individual Defendants.

72. By virtue of the foregoing, the Individual Defendants have violated Section 20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against defendants jointly and severally, as follows:

- (A) declaring that the Proxy Statement is materially false or misleading;

- (B) enjoining, preliminarily and permanently, the Proposed Transaction;
- (C) in the event that the transaction is consummated before the entry of this Court's final judgment, rescinding it or awarding Plaintiff rescissory damages;
- (D) directing that Defendants account to Plaintiff for all damages caused by them and account for all profits and any special benefits obtained as a result of their breaches of their fiduciary duties.
- (E) awarding Plaintiff the costs of this action, including a reasonable allowance for the fees and expenses of Plaintiff's attorneys and experts; and
- (F) granting Plaintiff such further relief as the Court deems just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

Dated: March 27, 2018

O'KELLY ERNST & JOYCE, LLC

/s/ Ryan M. Ernst

Ryan M. Ernst (#4788)
Daniel P. Murray (#5785)
901 N. Market St., Suite 1000
Wilmington, DE 19801
Telephone: (302) 778-4000
Facsimile: (302) 295-2873
Email: rernst@oelegal.com
dmurray@oelegal.com

LEVI & KORSINSKY LLP

Donald J. Enright (to be admitted *pro hac vice*)
Elizabeth K. Tripodi (to be admitted *pro hac vice*)
1101 30th Street, N.W., Suite 115
Washington, D.C. 20007
Telephone: (202) 524-4290
Facsimile: (202) 333-2121
Email: denright@zlk.com
etripodi@zlk.com

Attorneys for Plaintiff

CERTIFICATION OF PLAINTIFF PURSUANT TO FEDERAL SECURITIES LAWS

I, Ileana A. Gonzalez, declare as to the claims asserted under the federal securities laws, as follows:

1. I have reviewed the Complaint and authorized its filing.
2. I did not purchase the securities that are the subject of this Complaint at the direction of Plaintiffs' counsel or in order to participate in this litigation.
3. I am willing to serve as a representative party on behalf of the Class, including providing testimony at deposition and trial, if necessary.
4. I currently hold shares of Dr Pepper Snapple Group Inc. My purchase history is as follows:

Purchase Date	Stock Symbol	Shares Transacted	Price Per Share
3/14/2014	DPS	100	52.53

5. During the three years prior to the date of this Certification, I have not participated nor have I sought to participate, as a representative in any class action suit in the United States District Courts under the federal securities laws.

6. I have not received, been promised or offered, and will not accept, any form of compensation, directly or indirectly, for prosecuting or serving as a representative party in this class action, except for: (i) such damages or other relief as the Court may award to me as my pro rata share of any recovery or judgment; (ii) such reasonable fees, costs or other payments as the Court expressly approves to be paid to or on behalf of me; or (iii) reimbursement, paid by my attorneys, of actual or reasonable out-of-pocket expenditures incurred directly in connection with the prosecution of this action.

I declare, under penalty of perjury, that the foregoing is true and correct. Executed this March 26, 2018, at Ashburn, VA.

Name: Ileana A. Gonzalez

Signed:



CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Ileana A. Gonzalez

(b) County of Residence of First Listed Plaintiff Louden, VA (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Ryan M. Ernst and Daniel P. Murray O'Kelly Ernst & Joyce, LLC 901 N. Market St., Ste. 1000, Wilmington, DE 19801 (302) 778-4000

DEFENDANTS

Dr. Pepper Snapple Group, Inc., Wayne R. Sanders, Larry D. Young, David E. Alexander, Antonio Carrillo, Jose Gutierrez, Pamela H. Patsley, Ronald G. Rodgers, Dunia Shive and Anne Szostak

County of Residence of First Listed Defendant Collin, TX (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 in merger with Keurig Green Mountain, Inc. Brief description of cause: Violations of Securities Exchange Act of 1934

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: X Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER 18-cv-429, 18-cv-442

DATE 03/27/2018 SIGNATURE OF ATTORNEY OF RECORD /s/ Ryan M. Ernst (No. 4788)

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE