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Blue Buffalo Pet Products, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements (Continued)

Note 10 – Related Parties

Invus Partners LLC holds \$20.1 million of the Company's outstanding debt under the Amended Facility. Several of the members of the Company's Board of Directors ("BOD") are members of Invus Partners LLC, as well as managing directors and officers of the general partner of our majority stockholder.

In addition, Kunkemueller Enterprises LP, which is owned in part by the wife of one of the members of our BOD, holds \$1.5 million of our debt under the Amended Facility.

Note 11 – Legal Proceedings

On May 6, 2014, Nestle Purina filed a lawsuit against us in the United States District Court for the Eastern District of Missouri. As amended, Nestle Purina's complaint alleges that we have engaged in false advertising, commercial disparagement and unjust enrichment. Nestle Purina asserts that, contrary to our advertising and labeling claims, certain BLUE products contain chicken or poultry by-product meals, artificial preservatives and/or corn and that certain products in the BLUE grain-free line contain grains. Nestle Purina also alleges that we have made false claims that our products (including LifeSource Bits) provide superior nutrition and health benefits compared to our competitors' products. In addition, Nestle Purina contends that we have been unjustly enriched as consumers have paid a premium for BLUE products in reliance on these alleged false and misleading statements, at the expense of our competitors. Nestle Purina seeks an injunction prohibiting us from making these alleged false and misleading statements, as well as treble damages, restitution and disgorgement of our profits, among other things. In addition, Nestle Purina has issued press releases and made other public announcements, including advertising and promotional communications through emails and internet and social media websites that make claims similar to those contained in their lawsuit. Nestle Purina seeks a declaratory judgment that these statements are true and do not constitute defamation. In addition, a number of related consumer class action lawsuits have been filed making allegations similar to Nestle Purina's and seeking monetary damages and injunctive relief.

We believe Nestlé Purina's claims and the related class action lawsuits are without merit and intend to vigorously defend ourselves. Although we have determined that a loss contingency with respect to the Nestlé Purina litigation and related class action lawsuits is reasonably possible, such litigation and lawsuits are still in their early stages and the final outcome is uncertain. In particular, we have determined that the possible loss or range of loss resulting from Nestlé Purina proceedings and each of the related class action claims cannot be reasonably estimated due to the following reasons: (1) the early stages of the proceedings, (2) the lack of specific damages sought by the plaintiffs, (3) the uncertainty as to plaintiffs' support for their damages claim, (4) the uncertainty as to factual issues, (5) the uncertainty of number of plaintiffs in the related class action claims and (6) our claims against third party defendants and counterclaims against Nestlé Purina.

In the normal course of business, the Company is subject to proceedings, lawsuits and other claims and assessments, which typically include consumer complaints and post-termination employment claims. The Company has assessed such contingent liabilities and believes the potential of these liabilities is not expected to have a material, if any, effect on the Company's financial position, its results of operations or its cash flows.