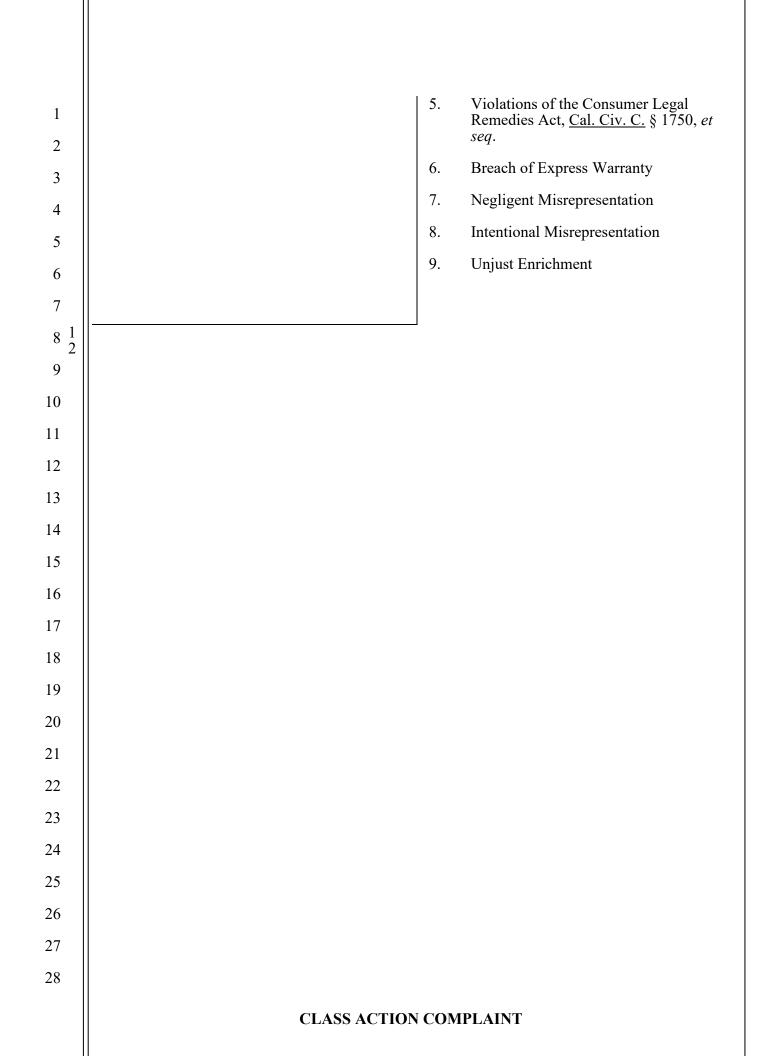
1 2 3 4 5 6 7 8 9 10 11 12 13 14	SCOTT+SCOTT ATTORNEYS AT LAW LLP Alex Barlow (pro hac vice application forthcoming) abarlow@scott-scott.com TX State Bar No. 24006798 Kyle Dingman (pro hac vice application forthcoming) kdingman@scott-scott.com TX State Bar No. 24078428 7718 Wood Hollow Dr. Suite 105 Austin, TX 78731 WADE KILPELA SLADE LLP Edwin J. Kilpela, Jr. (pro hac vice application forthcoming) ekilpela@waykayslay.com David Slade (pro hac vice application forthcoming) sara@waykayslay.com Marc A. Castaneda, State Bar No. 263213 sara@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Jamarca@waykayslay.com Suite 100E Santa Monica, CA 90404 Attorneys for Plaintiff		
15 1	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
16 2	COUNTY OF ORANGE		
 17 18 19 20 21 22 23 24 25 26 27 	KAYLA ESMOND, on behalf of herself and all others similarly situated, Plaintiff, vs. SHIELD MANAGEMENT GROUP, LLC d/b/a WEST COAST CURE, Defendants.	 Case No. CLASS ACTION COMPLAINT Violations of Unfair Competition Law 'Unfair' Prong, <u>Cal. Bus. & Prof. C.</u> § 17200, <i>et seq</i>. Violations of Unfair Competition Law, 'Fraudulent' Prong, <u>Cal. Bus. & Prof. C.</u> § 17200, <i>et seq</i>. Violations of Unfair Competition Law, 'Unlawful' Prong, <u>Cal. Bus. & Prof. C.</u> § 17200, <i>et seq</i>. Violations of the False Advertising Law, <u>Cal. Bus. & Prof. C.</u> § 17500, <i>et seq</i>. 	
28	CLASS ACTIO	N COMPLAINT	



INTRODUCTION

1. In every state with regulated cannabis, there are strict testing and labeling requirements, enabling consumers to make informed purchasing and medicating decisions.

2. Among other requirements, these regulations require any product introduced into the stream of commerce to be entirely free of certain harmful—indeed, toxic—pesticides and other adulterants.

3. As one might expect, consumers anticipate that any cannabis products they purchased in a commercial setting would be devoid of toxic chemicals that are prohibited by law.

4. But players in the industry have turned to out-and-out fraud, colluding to harm consumers via a process called "lab shopping," in which cannabis brands seek out the labs that will turn a blind eye to pesticide contaminations in their products, regardless of what is supported by empirical data.

5. There are approximately 50 Department of Cannabis Control (DCC) licensed labs in California, and competition is fierce to maintain market share in a plateauing industry.

6. Whereas competition used to be healthy and revolved around quality, turnaround time and customer service, it has now devolved into a free-for-all, in which brands and laboratories agree, jointly, to ignore "safety fails" (that is, contamination in test batches)— which are unsupported and unsupportable by science—in an effort to hide the presence of dangerous chemicals, which otherwise would prevent the sale of these tainted goods.

7. Independent testing has found multiple instances of unreported Category I contaminants—the presence of which would preclude the commercial sale of a cannabis product at any concentration level—as well as Category II contaminants at multiple times the allowable legal limit. This level of undisclosed contamination—while unlawful—is alarmingly prevalent. A separate study from 2017 found that *as much as 80% of cannabis products available for purchase are contaminated with "mold, fungus, bacteria, pesticides, or harmful solvents.*"¹

¹ Jay Barmann, 80 Percent of Medical Marijuana Tested at Recent NorCal Conference is Tainted With Mold, Other Toxins, SFist (Aug. 31, 2017) (available at <u>https://sfist.com/2017/08/31/80 percent_of_medical_marijuana_tes/</u>). -18. Sadly, now that the practice of lab shopping, and by extension burying safety fails, has become widespread, there is no end in sight, and no place for honest brokers in the marketplace, absent external intervention.

9. Neither consumers nor even dispensaries could be expected to know which products on the shelf disguise contamination, and which do not (consumers and dispensaries are not laboratories, after all). But the consequence of this fact poses an existential threat for the health of consumers in California.

10. Plaintiff brings this action individually and on behalf of all others similarly situated, asserting claims under the violations of Unfair Competition Law, <u>Cal. Bus. & Prof. C.</u> § 17200, *et seq.*; violations of the False Advertising Law, <u>Cal. Bus. & Prof. C.</u> § 17500, *et seq.*; violations of the Consumer Legal Remedies Act, <u>Cal. Civ. C.</u> § 1750, *et seq.*; breach of express warranty; negligent misrepresentation; intentional misrepresentation; and unjust enrichment, against Defendant for selling cannabis products with contaminants that render the products unfit for sale under California law.

PARTIES

11. Plaintiff Kayla Esmond is a resident of California. During the Class Period (four years preceding the date of the filing of this Complaint), Plaintiff purchased multiple of Defendant's Products, as defined in paragraph 47, *infra*, which contained unlawful contaminants.

12. Defendant Shield Management Group, LLC d/b/a West Coast Cure ("West Coast Cure," or "Defendant") is a cannabis brand licensed to commercially manufacture and distribute cannabis products in the State of California. Defendant is incorporated in the State of California and is headquartered in Orange County, California.

JURISDICTION AND VENUE

13. This Court has personal jurisdiction over Defendant because Defendant is a limited liability company incorporated and headquartered in California and has sufficient minimum contacts with California or otherwise intentionally avails itself of the laws and markets of California, through the sale and distribution of the cannabis products at issue in this Complaint in California, to render the exercise of jurisdiction by the California courts permissible.

14. Defendant's activities in California gave rise to the claims identified herein, both suffered by Plaintiff and by members of the proposed Class. Defendant introduces its tainted cannabis products into the stream of commerce in California, including the tainted products purchased by Plaintiff and the Class, each of which give rise to the claims of Plaintiff and the Class.
15. Venue is proper in this Court because Defendant is headquartered in this County, has conducted business and entered into transactions in this County, and the conduct at issue occurred

in, and/or emanated from, this County.

FACTUAL ALLEGATIONS

I.

CANNABIS PRODUCTS IN CALIFORNIA

A.

Overview of the Regulatory Landscape

16. With the 2016 passage of the Control, Regulate and Tax Adult Use of Marijuana Act (Proposition 64 or "Prop 64"), the recreational use of cannabis was legalized in California, with sales commencing in January 2018.

17. Prop 64 also established a robust regulatory regime governing, *inter alia*, testing, packaging, and labeling requirements for cannabis sold within California.

18. The agency tasked with developing and administering these regulations is the Department of Cannabis Control ("DCC"), and the regulations under the DCC's purview are set forth under the California Code of Regulations, Title 4, Division 16: "Department of Cannabis Control." Cal. Code Regs. tit. 4, § 15000, *et seq*.

i. Labeling Requirements – Ensuring Accurate Measurement of THC Content and Testing for Harmful Substances.

19. Like other consumer products, cannabis must be truthfully and accurately labeled. As the DCC explains, "Cannabis must be properly labeled to make sure consumers are informed about what they are buying."²

² <u>https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/labeling-checklist-manufactured-products.pdf</u> -3-

1 20. Prior to being packaged for sale, cannabis products must be tested by a licensed 2 laboratory.³ The DCC, requires "all batches of cannabis goods to be tested before they can be sold. 3 Laboratories test cannabis goods to make sure they are free of contaminants and labeled with 4 accurate amounts of cannabinoids and terpenes."4 5 Laboratories conduct their tests based upon samples provided by other licensed 21. 6 cannabis businesses, such as a distributor.⁵ 7 22. Beyond testing the THC content of a sample, the laboratory must also test each sample 8 for the following:⁶ 9 Cannabinoids; • Foreign material; 10 • Heavy metals; 11 • Microbial impurities; • Mycotoxins; 12 • Moisture content and water activity; • Residual pesticides; 13 Residual solvents and processing chemicals; and • 14 If applicable, terpenoids. ٠ 15 23. The laboratory must also report the results of each of these tests on the "Certificate of 16 Analysis" or "COA,"⁷ a document that is generated for each tested sample and provided to (1) the 17 DCC; and (2) the "track and trace system."⁸ 18 ³ Cal. Code Regs. tit. 4, § 15406(d) (prohibiting the sale of cannabis to consumers unless "[t]he 19 cannabis goods have undergone laboratory testing as required by the Act and chapter 6 of this division[.]") 20 DCC, *Testing Laboratories* (available at https://cannabis.ca.gov/licensees/testing-laboratories/) ⁵ Cal. Code Regs. tit. 4, § 15304 ("After taking physical possession of a batch of cannabis or 21 cannabis products, the licensed distributor shall contact a licensed testing laboratory and arrange for a laboratory employee to come to the licensed distributor's licensed premises to select a 22 representative sample for laboratory testing."); see also Cal. Code Regs. tit. 4, § 15305 (establishing protocols for sample selection). 23 Cal. Code Regs. tit. 4, § 15714(b)(1)-(9). 7 Cal. Code Regs. tit. 4, § 15714(c) 24 ⁸ Cal. Code Regs. tit. 4, § 15726(c); In January 2018, the California Cannabis Track-and-Trace system ("Track and Trace" or "CCTT") was launched. Track and Trace is the program used 25 statewide to record the inventory and movement of cannabis and cannabis products through the commercial cannabis supply chain-from seed to sale-and it is now being used by cannabis 26 businesses with an annual or a provisional license. Track and Trace uses unique identifiers (UIDs) 27 for reporting the movement of cannabis and cannabis products through the licensed commercial cannabis distribution chain. The state's contracted service provider for the track-and-trace system 28 Continued on the next page CLASS ACTION COMPLAINT

24. Critically, the COA must be provided to the DCC and uploaded to the track and trace system *before* the laboratory releases any individual or cumulative test results to any other person—including the party that hired the laboratory to do the testing.⁹

25. The COA must contain, *inter alia*: (1) the analytical methods, analytical instrumentation used, and corresponding Limits of Detection ("LOD") and Limits of Quantitation ("LOQ"); and (2) a list of all analytes detected during the analyses of the sample that are unknown, unidentified, or injurious to human health if consumed, if any.¹⁰

26. The COA must also provide a "pass" or "fail" indication for each analyte listed Cal. Code Regs. tit. 4, § 15714(b)(1)-(9) (and enumerated in paragraph 22, above).¹¹

27. For example, when conducting required testing for residual pesticides,¹² if the laboratory results show *any* amount of a "Category I" pesticide in the tested sample, or an amount of a "Category II" pesticide that exceeds the amounts established in the DCC regulations, then the sample fails the test and the batch from which the sample was collected may not be released for retail sale.¹³

28. With the exception of terpenoid analytes, a "fail" indication for any of the analytes listed in Cal. Code Regs. tit. 4, § 15714(b)(1)-(9) (and enumerated in paragraph 22, above), means that the batch of cannabis product being tested may not be released for retail sale.¹⁴

is METRC, Inc., a technology company that uses the METRC (Marijuana Enforcement, Tracking, Reporting, and Compliance) software program. *See, generally,* DCC, et al., *FREQUENTLY ASKED QUESTIONS About the California Cannabis Track-and-Trace System* (available at https://www.cdfa.ca.gov/calcannabis/documents/CCTT_FAO.pdf)

- ⁹ Cal. Code Regs. tit. 4, § 15726(d)
- ¹⁰ Cal. Code Regs. tit. 4, § 15726(e)
- 11 Cal. Code Regs. tit. 4, § 15726(f)
- 1^{12} See, Cal. Code Regs. tit. 4, § 15714(b)(7).
- ¹³ Cal. Code Regs. tit. 4, \S 15719(d)(1)-(2); \S 15719(e).

¹⁴ See, Cal. Code Regs. tit. 4, § 15717(c) (moisture content and water activity); Cal. Code Regs. tit. 4, § 15718(d) (residual solvents and processing chemicals); Cal. Code Regs. tit. 4, § 15719(e) (residual pesticides); Cal. Code Regs. tit. 4, § 15720(e) (microbial impurities); Cal. Code Regs. tit. 4, § 15721(d) (mycotoxin); Cal. Code Regs. tit. 4, § 15722(f) (foreign material); Cal. Code Regs.

tit. 4, § 15723(d) (heavy metals); Cal. Code Regs. tit. 4, § 15724(g) (cannabinoids).

CLASS ACTION COMPLAINT

Following a failed testing, the owner of the batch may arrange for remediation or 29. reprocessing in an attempt to cure the defect.¹⁵ However, the batch may not be retested in the absence of such remediation or reprocessing.¹⁶

ii.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

Testing Licensure and Standards

30. In order to receive a license to test cannabis products, a laboratory must meet several criteria. Among other requirements, the laboratory must establish and maintain ISO/IEC 17025 accreditation for testing (1) cannabinoids; (2) heavy metals; (3) microbial impurities; (4) mycotoxins; (5) residual pesticides; (6) residual solvents and processing chemicals; and (if tested) terpenoids.¹⁷

In the event that a laboratory does not have this accreditation, it may apply for an 31. interim license—valid for 12 months—as long as the laboratory provides an attestation that it intends to seek ISO/IEC 17025 accreditation for the above-identified analyte testing methods.¹⁸ The interim license may be renewed once, for an additional 12-month period; and after such time the entity may only seek further renewal of the interim license if the licensee provides evidence that it has submitted an application for ISO/IEC 17025 accreditation.¹⁹

Regardless of whether the laboratory has its ISO/IEC 17025 accreditation, it must 32. establish test methods that comport with the following guidelines: (1) US Food and Drug Administration's Bacterial Analytical Manual, 2016; (2) AOAC International's Official Methods of Analysis for Contaminant Testing of AOAC International, 20th Edition, 2016; and (3) United States Pharmacopeia and the National Formulary's Methods of Analysis for Contaminant Testing, 2016.²⁰

Additionally, licensed laboratories must be independent of any other licensed 33. cannabis businesses. Pursuant to statute, a licensed testing laboratory "shall maintain independence from persons who hold a license or an interest in a commercial cannabis business licensed for any

- 28
 - ²⁰ Cal. Code Regs. tit. 4, § 15712

¹⁵ Cal. Code Regs. tit. 4, § 15727; See also, Cal. Code Regs. tit. 4, § 17305 (identifying standards for remediation of failed batches). 16 *Id*.

¹⁷ Cal. Code Regs. tit. 4, § 15701 ¹⁸ Cal. Code Regs. tit. 4, § 15703

¹⁹ Id.

activity other than testing"²¹; "shall not employ any person who is employed by, or is an owner or financial interest holder of, a commercial cannabis business licensed for any activity other than testing"²²; and "shall not offer or agree to provide preferential treatment, including discounted testing services, to any other licensee unless the offer or agreement is available to all licensees."²³

Actors Across the Marketplace—Including Defendants—Conspire to Hide B. Safety Fails on Contaminated Batches, and Generally Deceive Consumers.

34. In the competitive cannabis industry, particularly in California, a disturbing pattern has emerged where certain testing laboratories and cannabis sellers have engaged in deceptive practices aimed at ignoring safety fails in tested batches.

35. This systemic fraud is not an isolated phenomenon but rather is becoming a pervasive issue across the marketplace, affecting numerous stakeholders, including consumers, legitimate businesses, and the integrity of the industry as a whole.

The motivation for ignoring the presence of contaminants is alarming but simple: if 36. the lab were to accurately report the results, the batch of product being tested could not be sold; if the lab ignores the contaminants, then the products are marketable.

37. By misreporting results involving unlawful contaminants, Defendants and their cohorts have created an unfair market environment where honest and compliant laboratories, such as Plaintiff, are at a significant disadvantage.

38. The practice of falsely reporting contaminant levels manifests itself "lab shopping," as discussed in the introduction of this Complaint, whereby cannabis growers intentionally select testing laboratories that they know will, *inter alia*, turn a blind eye to safety fails.

39. This conspiracy to deceive not only distorts the market but also undermines the regulatory frameworks established to ensure product safety and consumer trust. The Defendants, through their actions, have thus contributed to a market dynamic where veracity and compliance on the part of testing laboratories are punished rather than rewarded, leading to a public health crisis for consumers of cannabis products.

- ²¹ Cal. Code Regs. tit. 4, § 15004.1(a) ²² Cal. Code Regs. tit. 4, § 15004.1(d)
- ²³ Cal. Code Regs. tit. 4, § 15004.1(e)

40. The fraudulent testing practices at the heart of this complaint involve the deliberate manipulation of testing results, in a deliberate effort to hide dangerous contaminants in the products. This manipulation is not a result of mere negligence or error but is a calculated effort to misrepresent the actual makeup of cannabis products.

41. The prevalence of these fraudulent activities is not only a testament to their profitability but also an indictment of the existing regulatory oversight, which has been insufficient in deterring or detecting such practices. The Defendants, as part of this broader trend, have played a significant role in perpetuating this fraud, directly harming the Plaintiff and Class members.

42. Specifically, Defendants have issued inaccurate COAs for products that are commercially available, but which independent testing reveals have either Category I contaminants, which render them unable to be sold to consumers, full stop; or else they have levels of Category II contaminants that are above what is allowed under DCC regulations, which means that they also are ineligible for public consumption.

43. In addition, Defendants' labels are false and misleading to consumers, who expect that the labeling of cannabis products is accurate. Consumers also expect that the labels of cannabis products comply with DCC regulations, and so expect that any product on the shelf does not contain prohibited contaminants.

44. If Defendants told the truth—that is, that the cannabis products that they usher into the stream of commerce are adulterated with unlawful and toxic contaminants—then the price of those products would fall dramatically (or the products would simply not be fit for sale).

C.

Defendant's Specific Conduct

45. Defendant is a brand that has sold products that are adulterated with an unlawful contaminant.

46. The allegations regarding Defendant are derived from independent testing.

47. The following products (the "Products") were sold with COAs that failed to identify the presence of Category I and/or Category II contaminants for multiple products. Proper testing would have identified these substances and would have rendered them unfit for sale. The respective products and their contaminants are as follows:

	i. Apple Burst		
	Product Name: Apple Burst		
	Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr		
	• Category II Contaminant(s): Bifenazate (19x limit); and Trifloxystrobin (231x limit)		
	ii. Birthday Cake		
	Product Name: Birthday Cake		
	• Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr		
	• Category II Contaminant(s): Bifenazate (3x limit); and Trifloxystrobin (10x limit)		
	iii. Biscotti		
	Product Name: Biscotti		
	Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr		
	• Category II Contaminant(s): Bifenazate (2x limit); and Trifloxystrobin (9x limit)		
	iv. Bubba Kush		
	Product Name: Bubba Kush		
	Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
	• Category II Contaminant(s): Bifenazate (25x limit); Trifloxystrobin (234x limit);		
	Imidacloprid (1.5x limit)		
	v. Gas OG		
	Product Name: Bubba Kush		
	Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
	• Category II Contaminant(s): Bifenazate (19x limit); Trifloxystrobin (228x limit);		
	Tebuconazole (slightly over limit)		
	-9- CLASS ACTION COMPLAINT		

1	vi. Jack Herer		
2	Product Name: Jack Herer		
3	Brand: West Coast Cure		
4	Category I Contaminant(s): Chlorfenapyr		
5	• Category II Contaminant(s): Bifenazate (3x limit); Trifloxystrobin (10x limit)		
6	vii. Lucky Charmz		
7	Product Name: Lucky Charmz		
8	Brand: West Coast Cure		
9	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
10	• Category II Contaminant(s): Bifenazate (2x limit); Trifloxystrobin (16x limit)		
11	viii. Strawberry Cream		
12	Product Name: Strawberry Cream		
13	Brand: West Coast Cure		
14	Category I Contaminant(s): Chlorfenapyr		
15	• Category II Contaminant(s): Bifenazate (21x limit); Trifloxystrobin (224x limit)		
16	ix. CUREpen - Birthday		
17	Product Name: CUREpen - Birthday		
18	Brand: West Coast Cure		
19	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
20	Category II Contaminant(s): Trifloxystrobin (7x limit)		
21	x. CUREpen - Gelato		
22	Product Name: CUREpen - Gelato		
23	Brand: West Coast Cure		
24	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
25	Category II Contaminant(s): Trifloxystrobin (5x limit)		
26	xi. CUREpen – Jack Herer		
27	Product Name: CUREpen – Jack Herer		
28	Brand: West Coast Cure		
	-10- CLASS ACTION COMPLAINT		

	• Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
	• Category II Contaminant(s): Bifenazate (slightly over limit); Trifloxystrobin (10x		
	limit)		
	xii. CUREpen – Lemon Cooler		
	• Product Name: CUREpen – Lemon Cooler		
	• Brand: West Coast Cure		
	• Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
	• Category II Contaminant(s): Trifloxystrobin (4x limit)		
	xiii. CUREpen – Watermelon Sorbet		
	• Product Name: CUREpen – Watermelon Sorbet		
	Brand: West Coast Cure		
	• Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
	Category II Contaminant(s): Trifloxystrobin (4x limit)		
	xiv. Apple Burst CUREpen Cartridge – 1g		
	• Product Name: Apple Burst CUREpen Cartridge – 1g		
	• Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr		
	• Category II Contaminant(s): Bifenazate (12x limit); Trifloxystrobin (13x limit)		
	xv. Jack Herer CUREpen Cartridge – 1g		
	 Product Name: Jack Herer CUREpen Cartridge – 1g 		
	Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr		
	• Category II Contaminant(s): Bifenazate (3x limit); Trifloxystrobin (11x limit)		
	xvi. Lucky Charmz CUREpen Cartridge – 1g		
	Product Name: Lucky Charmz CUREpen Cartridge – 1g		
	Brand: West Coast Cure		
	Category I Contaminant(s): Chlorfenapyr		
	• Category II Contaminant(s): Bifenazate (3x limit); Trifloxystrobin (11x limit)		
	-11- CLASS ACTION COMPLAINT		

1	xvii. Biscotti CUREpen Cartridge – 1g		
2	 Product Name: Biscotti CUREpen Cartridge – 1g 		
3	Brand: West Coast Cure		
4	Category I Contaminant(s): N/A		
5	• Category II Contaminant(s): Myclobutanil (2x limit)		
6	xviii. Phire – Cranberry Crush Distillate Cartridge - 1g		
7	Product Name: Cranberry Crush Distillate Cartridge - 1g		
8	Brand: Phire		
9	Category I Contaminant(s): Chlorfenapyr; Fipronil		
10	Category II Contaminant(s): N/A		
11	xix. Phire – Pineapple Gelato Distillate Cartridge - 1g		
12	Product Name: Pineapple Gelato Distillate Cartridge - 1g		
13	Brand: Phire		
14	Category I Contaminant(s): Chlorfenapyr		
15	Category II Contaminant(s): N/A		
16	xx. Blue Dream		
17	Product Name: Blue Dream		
18	Brand: West Coast Cure		
19	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
20	• Category II Contaminant(s): Trifloxystrobin (5x limit)		
21	xxi. Maui Waui		
22	Product Name: Blue Dream		
23	Brand: West Coast Cure		
24	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
25	Category II Contaminant(s): Trifloxystrobin (5x limit)		
26	xxii. Orange Cookies		
27	Product Name: Orange Cookies		
28	Brand: West Coast Cure		
	-12- CLASS ACTION COMPLAINT		

1	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
2	Category II Contaminant(s): Trifloxystrobin (4x limit)		
3	xxiii. Zkittles		
4	Product Name: Zkittles		
5	Brand: West Coast Cure		
6	Category I Contaminant(s): Chlorfenapyr; Paclobutrazol		
7	Category II Contaminant(s): Trifloxystrobin (5x limit)		
8	CLASS ALLEGATIONS		
9	48. Plaintiffs bring this action on behalf of herself and all other similarly-situated		
10	persons as a class action pursuant to <u>Code of Civil Procedure</u> section 382.		
11	49. Plaintiff seeks to represent a class composed of and defined as follows (the "Class"):		
12	All persons residing in the State of California who purchased one of		
13	the Products since June 15, 2020.		
14	50. Specifically excluded from the proposed Class is Defendant, its officers, directors,		
15	agents, trustees, parents, children, corporations, trusts, representatives, employees, successors,		
16	assigns, or other persons or entities related to or affiliated with Defendant and/or its officers and/or		
17	directors, or any of them. Also excluded from the proposed Class are the Court, the Court's		
18	immediate family and Court staff.		
19	51. Ascertainable Class: The members of the Class are readily ascertainable. The Class		
20	definition identifies a group of unnamed plaintiffs by describing a set of common characteristics		
21	sufficient to allow a member of that group to identify himself or herself as having a right to recover		
22	based on the description. Other than by direct notice, alternatively proper and sufficient notice of		
23	this action may be provided to Class members through notice published in newspapers or other		
24	publications.		
25	52. Numerosity: The proposed Class is so numerous that joinder of all members would		
26	be impracticable. The precise number of Class members is unknown at this time but can be readily		
27	determined from public records and Defendant's records. Plaintiff reasonably estimates that the		

determined from public records and Defendant's records. Plaintiff reasonably estimates that the

Class is likely to include over a thousand members.

28

1 53. Commonality and Predominance: A well-defined community of interest in the 2 questions of law or fact involving and affecting all members of the Class exists, and common 3 questions of law or fact are substantially similar and predominate over questions that may affect 4 only individual Class members. The questions of law and fact common to Plaintiff and the Class 5 include, among others, the following: 6 Whether Defendants' conduct was unlawful, within the meaning of the UCL; a. 7 Whether Defendants' conduct was unfair, within the meaning of the UCL; b. 8 Whether Defendants' conduct was fraudulent, within the meaning of the UCL; c. d. Whether Defendants' conduct violated the CLRA; Whether Defendants' conduct was unlawful pursuant to the FAL; e. f. The appropriate measure of damages; The appropriate measure of injunctive, declaratory, or other equitable relief; and g. h. Whether Defendants were unjustly enriched.

54. **Typicality:** Plaintiff is a member of the Class she seeks to represent. Plaintiff's claims are typical of the Class members' claims because they all were injured as a result of Defendant's conduct.

55. Adequacy of Representation: Plaintiff is an adequate representative of the Class she seeks to represent and will fairly and adequately protect the interests of the Class. Plaintiff is committed to the vigorous prosecution of this action and has retained competent counsel, experienced in litigation of this nature, to represent him and the Class. There are no conflicts between Plaintiff and the unnamed class members. Plaintiff anticipates no difficulty in the management of this litigation as a class action.

56. To prosecute this case, Plaintiff has chosen the undersigned law firms, which are very experienced in class action litigation and have the financial and legal resources to meet the substantial costs and legal issues associated with this type of litigation.

57. **Superiority.** A class action is superior to individual actions in part because of the non-exhaustive factors listed below:

CLASS ACTION COMPLAINT

-14-

1	a. Joinder of all class members would create extreme hardship and inconvenience for		
2	class members as they reside throughout the state;		
3	b. Individual claims by class members are impractical because the costs to pursue		
4	individual claims may exceed the value of what any one class member has at stake.		
5	As a result, individual class members may have no interest in prosecuting and		
6	controlling separate actions;		
7	c. There are no known individual class members who are interested in individually		
8	controlling the prosecution of separate actions;		
9	d. The interests of justice will be well served by resolving the common disputes of		
10	potential class members in one forum;		
11	e. Individual suits would not be cost effective or economically maintainable as		
12	individual actions; and		
13	f. This action is manageable as a class action.		
14	58. The Class is not so large that it would be unmanageable, and no difficulties are		
15	foreseen providing notice to individual claimants. Class members can be readily identified using		
16	records and information kept by Defendant in the usual course of business and within its control.		
17	59. Final Declaratory or Injunctive Relief. Plaintiff also satisfies the requirements for		
18	maintaining a class seeking declaratory and/or injunctive relief. Defendant has acted or refused to		
19	act on grounds that apply generally to the proposed Class, making final declaratory or injunctive		
20	relief appropriate with respect to the proposed Class as a whole.		
21	CAUSES OF ACTION		
22	COUNT I		
23	California Bus. And Prof. Code § 17200, <i>et seq.</i> – Unlawful Prong (Individually and on Behalf of the Class)		
24			
25	60. Plaintiff repeats and realleges the above allegations in this Complaint as if set forth		
26	fully herein.		
27	61. As set forth above, West Coast Cure's conduct violates multiple laws of the State of		
28	California, including laws related to the manufacture and sale of cannabis products, including Cal		
	-15- CLASS ACTION COMPLAINT		

Bus & Prof Code § 26131 (regulations promulgated by the DCC); Cal. Code Regs. tit. 4, § 17305, *et seq.*; the FAL; and the CLRA. Each of these independent violations of the law also serve as predict violations of the UCL's unlawful prong.

62. Plaintiff has standing to pursue this claim as she suffered an injury in fact and has lost money as a result of Defendant's actions as set forth herein. Specifically, Plaintiff would not have bought any of Defendant's Products had known the actual composition of them, as required by law.

63. Pursuant to section 17203 of the UCL, Plaintiff individually and on behalf of the Class, seeks restitution and an order of this Court enjoining West Coast Cure from engaging in the unlawful business practices alleged herein in connection with the sale of the Products.

COUNT II California Bus. And Prof. Code § 17200, *et seq.* – Unfair Prong (Individually and on Behalf of the Class)

64. Plaintiff repeats and realleges all preceding paragraphs contained herein.

65. Defendant's business practices, as alleged herein, are unfair because its conduct in releasing its Products into the marketplace is immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers. The gravity of the harm to consumers is not outweighed by the utility of West Coast Cure's conduct.

66. West Coast Cure's business practices are also unfair because they undermine public policy, which is tethered to specific statutory provisions, including but not limited to statutes concerning the sale of marijuana, such Cal Bus & Prof Code § 26131 (regulations promulgated by the DCC) and Cal. Code Regs. tit. 4, § 17305, *et seq.*, as well as the FAL and the CLRA.

67. Further, Defendant's business practices are unfair because: (1) the injury to the consumer is substantial; (2) the injury is not outweighed by any countervailing benefits to consumers or competition; and (3) consumers could not reasonably have avoided the injury.

68. There were reasonably available alternatives to further West Coast Cure's legitimate business interests, other than the conduct described above. This is evidenced by the many companies that follow all required testing and contamination laws in providing similar products to consumers.

-16-

1	69.	West Coast Cure's wrongful business practices constituted, and constitute, a	
2	continuing course of conduct of unfair competition since West Coast Cure is continuing to sell the		
3	Products.		
4	70.	Plaintiff has standing to pursue this claim as she suffered an injury in fact and has lost	
5	money as a	result of Defendant's actions as set forth herein. Specifically, Plaintiff would not have	
6	bought any o	of Defendant's Products had known the actual composition of them, as required by law.	
7	71.	Pursuant to section 17203 of the UCL, Plaintiff individually and on behalf of the	
8	Class, seeks	restitution and an order of this Court enjoining West Coast Cure from engaging in the	
9	unlawful bu	siness practices alleged herein in connection with the sale of the Products.	
0		COUNT III	
1		California Bus. And Prof. Code § 17200, <i>et seq</i> . – Fraudulent Prong	
2		(Individually and on Behalf of the Class)	
3			
4	72.	Plaintiff repeats and realleges all preceding paragraphs contained herein.	
5	73.	Defendant has engaged in numerous fraudulent statements in connection with the sale	
6	of the Produ	icts.	
7	74.	Defendant concealed the failing grades of its Products and offered them for sale to the	
8	public. This	representation to the public that the Products complied and passed all required testing,	
9	when it did not, constitutes fraud.		
0	75.	Plaintiff and members of the Class have been injured by West Coast Cure's fraudulent	
1	representatio	ons for the reasons set forth above. These misrepresentations were an immediate cause	
2	of the injury	·.	
3	76.	Plaintiff has standing to pursue this claim as she suffered an injury in fact and has lost	
4	money as a :	result of Defendant's actions as set forth herein. Specifically, Plaintiff would not have	
5	bought any o	of Defendant's Products had known the actual composition of them, as required by law.	
6	77.	Pursuant to section 17203 of the UCL, Plaintiff individually and on behalf of the	
7	Class, seeks	restitution and an order of this Court enjoining West Coast Cure from engaging in the	
8	unlawful bus	siness practices alleged herein in connection with the sale of the Products.	
		-17- CLASS ACTION COMPLAINT	
	1		

COUNT IV Violations of Cal. Bus. & Prof. C. § 17500, *et seq.* - False Advertising Law (Individually and on Behalf of the Class)

78. Plaintiff incorporates each and every factual allegation set forth above.

79. As alleged in detail above, Defendants falsely advertised its products by falsely representing that that the Products (a) were free of pesticides, fungicides, heavy metals, and other similarly prohibited contamination, and (b) had "passed" California's contamination requirements for the sale of cannabis products.

80. Defendant's misrepresentations were likely to deceive, and did deceive, Plaintiff and Class members. Defendants knew, or should have known through the exercise of reasonable care, that these statements were false and misleading.

81. Defendant's misrepresentations were intended to induce reliance, and Plaintiff and Class members reasonably relied on them when purchasing Defendant's Products. Classwide reliance can be inferred because Defendant's misrepresentations and omissions were material, *i.e.*, a reasonable consumer would consider them important in deciding whether to buy the products.

82. Defendant's misrepresentations were a substantial factor in Plaintiff's purchase decisions and the purchase decisions of Class members.

83. Plaintiff and Class members were injured as a direct and proximate result of Defendant's conduct because they would not have purchased Defendant's Products if they had known that the Products were contaminated.

COUNT V California Civil Code § 1750, *et seq.* - Consumer Legal Remedies Act (Individually and on Behalf of the Class)

84. Plaintiff incorporates by reference each and every factual allegation set forth above.

85. Plaintiff and the Class are "consumers," as the term is defined by California Civil Code § 1761.

86. Plaintiff and the Class have engaged in "transactions" with Defendant as that term is defined by California Civil Code § 1761(e).

87. The conduct alleged in this Complaint constitutes unfair methods of competition and unfair and deceptive acts and practices for the purpose of the CLRA, and the conduct was -18-

undertaken by Defendant in transactions intended to result in, and which did result in, the sale of goods to consumers.

88. As alleged more fully above, Defendant made and disseminated untrue and misleading statements of facts in its advertisements and labels to class members. Defendant did this by express representations that its Products (a) were free of pesticides, fungicides, heavy metals, and other similarly prohibited contamination, and (b) had "passed" California's contamination requirements for the sale of cannabis products.

89. Defendant violated, and continues to violate, Section 1770(a)(5) of the California Civil Code by representing that goods have "characteristics, ingredients, uses, benefits, or quantities which they do not have."

90. Defendant violated, and continues to violate, Section 1770(a)(9) of the California Civil Code by advertising "goods...with intent not to sell them as advertised."

91. Defendant's representations were likely to deceive, and did deceive, Plaintiff and reasonable consumers. Defendant knew, or should have known through the exercise of reasonable care, that these statements were inaccurate and misleading.

92. Defendant's misrepresentations were intended to induce reliance, and Plaintiff reasonably relied on them when purchasing the Products. Defendant's misrepresentations and omissions were a substantial factor in Plaintiff's decision to purchase the Products.

93. In addition, classwide reliance can be inferred because Defendant's misrepresentations were material, i.e., a reasonable consumer would consider them important in deciding whether to buy the Products.

94. Defendant's misrepresentations were a substantial factor and proximate cause in causing damages and losses to Plaintiff and the Class.

95. Plaintiff and Class members were injured as a direct and proximate result of Defendant's conduct because they would not have purchased Defendant's Products if they had known that the Product were contaminated.

96. Accordingly, pursuant to California Civil Code § 1780(a)(2), Plaintiff, individually and on behalf of all other members of the Class, seeks injunctive relief.

97. CLRA § 1782 NOTICE. The CLRA demand letter was sent concurrent with the filing of the complaint to Defendant's headquarters via certified mail (return receipt requested), that provided notice of Defendant's violations of the CLRA and demanded that Defendant correct the unlawful, unfair, false and/or deceptive practices alleged here. If Defendant does not fully correct the problem for Plaintiff and for each member of the Class within 30 days of receipt, Plaintiff and the Class will seek all monetary relief allowed under the CLRA.

COUNT VI Breach Of Express Warranty (Individually and on Behalf of the Class)

98. Plaintiff incorporates by reference each and every factual allegation set forth above.

99. Defendant, as the designer, manufacturer, marketer, distributor, supplier, and/or seller of the Products, issued a material, written warranty by representing that the Products were as described in the Certificate of Analysis. This warranty included express representations that the Products (a) were free of pesticides, fungicides, heavy metals, and other similarly prohibited contamination, and (b) had "passed" California's contamination requirements for the sale of cannabis products.

100. This warranty was part of the basis of the bargain for Plaintiff and Class members.

101. The Products do not conform to this warranty because, as alleged in detail above, they contain pesticides and other contaminants and because the Products in fact failed California's cannabis safety requirements.

102. Plaintiff and Class members were injured as a direct and proximate result of Defendants' conduct because: (a) they would not have purchased Defendants' products if they had known that the product was contaminated; and (b) they overpaid for the products because the products would not have been sellable at the same price had Defendants' labeling accurately disclosed the contamination.

COUNT VII Negligent Misrepresentation (Individually and on Behalf of the Class)

103. Plaintiff incorporates by reference the facts alleged above.

1 104. As alleged in detail above, Defendant's labeling represented to Plaintiff and Class 2 members that the Products (a) were free of pesticides, fungicides, heavy metals, and other similarly 3 prohibited contamination, and (b) had "passed" California's contamination requirements for the sale 4 of cannabis products. 5 105. As alleged in detail above, these representations were false. 6 106. When Defendant made these misrepresentations, it should have known that they were 7 false. Defendant had no reasonable grounds for believing that these representations were true when 8 made. 9 107. Defendant intended that Plaintiff and Class members rely on these representations. 10 108. Defendant's misrepresentations and omissions were a substantial factor and 11 proximate cause in causing damages and losses to Plaintiff and Class members. 12 109. Defendant's misrepresentations and omissions were a substantial factor in Plaintiff's 13 purchases and purchases by the Class members. 14 110. Plaintiff and Class members were injured as a direct and proximate result of 15 Defendant's conduct because they would not have purchased Defendants' products if they had 16 known that the product was contaminated. 17 COUNT VIII Intentional Misrepresentation 18 (Individually and on Behalf of the Class) 19 111. Plaintiff incorporates by reference the facts alleged above. 20 112. As alleged in detail above, Defendant's labeling represented to Plaintiff and Class 21 members that the Products (a) were free of pesticides, fungicides, heavy metals, and other similarly 22 prohibited contamination, and (b) had "passed" California's contamination requirements for the sale 23 of cannabis products. 24 113. As alleged in detail above, these representations were false. 25 114. As alleged above, when Defendant made these misrepresentations, it knew that they 26 were false. 27 115. In the alternative, Defendant was reckless or willfully blind to the truth. 28 -21-CLASS ACTION COMPLAINT

1	116. Defendant intended that Plaintiff and Class members rely on these representations and	l	
2	Plaintiff and Class members reasonably relied on them.		
3	117. Defendant's misrepresentations and omissions were a substantial factor in Plaintiff's	;	
4	purchases and the purchases of Class members.		
5	118. Plaintiff and Class members were injured as a direct and proximate result of	Ĩ	
6	Defendant's conduct because they would not have purchased Defendant's products if they had	l	
7	known that the product was contaminated.		
8 9	COUNT IX Unjust Enrichment (Individually and on Behalf of the Class)		
10	119. Plaintiff incorporates by reference the facts alleged above.		
11	120. As alleged in detail above, Defendant's false and misleading labeling caused Plaintiff	Ĩ	
12	and the Class to purchase Defendant's Products.		
13	121. In this way, Defendant received a direct and unjust benefit, at the expense of Plaintiff	ĩ	
14	and the Class.		
15	122. Plaintiff and the Class seek the equitable return of this unjust benefit.		
16	PRAYER FOR RELIEF		
17	WHEREFORE, Plaintiff and the Class respectfully request that this Court:		
18	a. Award judgment in their favor against Defendant on all its Counts;		
19	b. Award damages in their favor and against Defendants;		
20	c. Award Plaintiff all profits derived by Defendants' wrongful acts complained of		
21	herein;		
22	d. Award Plaintiff costs and reasonable attorney fees.		
23	e. Award Plaintiff such other relief, in law or equity, as this Court deems just and		
24	proper.		
25			
26			
27			
28	-22-		
	CLASS ACTION COMPLAINT		

1	Dated: June 15, 2024 SCOT	T+SCOTT
2	ATTO	ORNEYS AT LAW LLP
3	Bu	: /s/ Sara D. Avila
4		Alex Barlow (pro hac vice application forthcoming)
		abarlow@scott-scott.com TX State Bar No. 24006798
5 6		Kyle Dingman (<i>pro hac vice</i> application forthcoming) kdingman@scott-scott.com TX State Bar No. 24078428
7		7718 Wood Hollow Dr. Suite 105
8		Austin, TX 78731
9		WADE KILPELA SLADE LLP Edwin J. Kilpela, Jr. (<i>pro hac vice</i> application
10		forthcoming) ekilpela@waykayslay.com David Slade (<i>pro hac vice</i> application forthcoming)
11		Sara D. Avila, State Bar No. 263213
12		sara@waykayslay.com Marc A. Castaneda, State Bar No. 299001
13		marc@waykayslay.com James LaMarca
14		jlamarca@waykayslay.com (<i>pro hac vice</i> application forthcoming)
15		2450 Colorado Ave. Suite 100E
16		Santa Monica, CA 90404
17		Attorneys for Plaintiff
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
	CLASS A	-23- ACTION COMPLAINT

ClassAction.org

This complaint is part of ClassAction.org's searchable <u>class action lawsuit database</u>