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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
9 **COUNTY OF LOS ANGELES**

10 BUNTARN LUN, individually and on behalf  
of all others similarly situated,

11 *Plaintiff,*

12 vs.

13 LOWELL FARMS INC. and CYPRESS  
14 MANUFACTURING COMPANY

15 *Defendants.*

Case No.

**Class Action Complaint**

- 1. **Unfair Competition Law**
- 2. **False Advertising Law**
- 3. **Consumer Legal Remedies Act**
- 4. **Breach of Express Warranty**
- 5. **Negligent Misrepresentation**
- 6. **Intentional Misrepresentation**
- 7. **Unjust Enrichment**

Jury Trial Demanded

*General Jurisdiction – Civil*

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1 **I. Introduction.**

2 1. The state of California has permitted the use of cannabis in some form since  
3 1996.<sup>1</sup> Today, there are an estimated 6.7 million cannabis consumers in California. About two  
4 million of them use cannabis medicinally, to treat conditions such as cancer, glaucoma, AIDS,  
5 and seizures.<sup>2,3</sup>

6 2. Like other consumer products, cannabis must be truthfully and accurately labeled.

7 3. The California Department of Cannabis Control (“DCC”) oversees the labeling of  
8 cannabis products. As the DCC explains, “Cannabis must be properly labeled to make sure  
9 consumers are informed about what they are buying.”<sup>4</sup>

10 4. Tetrahydrocannabinol (commonly known as “THC”) is the primary active  
11 ingredient in cannabis. THC “is the chemical responsible for most of marijuana’s psychological  
12 effects.”<sup>5</sup>

13 5. DCC regulations require that the label of cannabis products include a declaration  
14 of the product’s THC content.<sup>6</sup> Depending on the nature of the product, the THC content can be  
15 expressed as a percentage (for example, 30% THC) or in milligrams (for example, 550mg).<sup>7</sup>  
16 Further, the THC content on the label must be within 10% of what is actually in the package.<sup>8</sup>  
17 As an example, if the THC content is expressed as a percentage and is listed as 30%, the actual  
18 THC of the product must be between 27-33%.<sup>9</sup> As a second example, if the THC content of the

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21 <sup>1</sup> [California’s cannabis laws - Department of Cannabis Control](#) (Californians passed Prop.  
22 215 in 1996, permitting medical cannabis use); [California Proposition 64, Marijuana  
23 Legalization \(2016\) - Ballotpedia](#) (Californians passed Prop. 64 in 2018, permitting the  
24 recreational use of marijuana for persons aged 21 or older under state law).

25 <sup>2</sup> [Number of cannabis consumers by state U.S. 2020 | Statista](#)

26 <sup>3</sup> [Medical Marijuana Patient Numbers \(mpp.org\)](#) (an estimated 1,920,294 people use  
27 cannabis medially in California); <https://cannabis.ca.gov/consumers/medicinal-cannabis/> (listing  
28 diseases that cannabis can help manage).

<sup>4</sup> [https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/Labeling-Checklist-  
Nonmanufactured-Goods\\_211022.pdf](https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/Labeling-Checklist-Nonmanufactured-Goods_211022.pdf)

<sup>5</sup> [What is THC \(Tetrahydrocannabinol\)? | Live Science](#)

<sup>6</sup> Cal. Code Regs. Title 4, §§ 17407.

<sup>7</sup> Cal. Code Regs. Title 4, §§ 17407.

<sup>8</sup> Cal. Code Regs. Title 4, § 15307.1.

<sup>9</sup> Cal. Code Regs. Title 4, § 15307.1.

1 product is expressed in milligrams and is listed as 550mg, then the actual THC content of the  
2 product must be between 495mg and 605mg.

3 6. Defendants Lowell Farms Inc. and Cypress Manufacturing Company make, sell,  
4 distribute, and market the “Lowell Herb Co.” brand, including “preroll” products. A “preroll”  
5 consists of cannabis that has been “rolled” in paper so that it can be smoked out of the box (as  
6 opposed to “loose” cannabis, such as flower, which a consumer must roll into a joint or consume  
7 in some other way).<sup>10</sup>

8 7. As required by DCC regulations, each of Defendants’ products include a label  
9 that purportedly identifies the THC content of the product. For Defendants’ products, the labels  
10 include the THC content expressed as a percentage.

11 8. The THC content declared on the label of Defendants’ cannabis products has an  
12 upper range that is typically very high (such as 30% for non-infused flower prerolls and in excess  
13 of 40% for infused flower pre-rolls). Because cannabis consumers generally prefer and are  
14 willing to pay more for high-THC cannabis products, declaring that their products have a very  
15 high THC content allows Defendants to charge premium rates for their cannabis products.

16 9. The declarations of THC content on Defendants’ labels, however, are false.  
17 Testing by independent labs reveals that the true THC content of Defendants’ products is  
18 materially less than the amount listed on the label. Moreover, the difference is far greater than  
19 the 10% margin of error that DCC regulations permit. Defendants are systematically overstating  
20 the THC content to deceive consumers into thinking that the effects of their prerolls are more  
21 potent than they truly are. This is false and misleading. And, it violates DCC regulations, and  
22 California law.

23 10. Plaintiff Buntarn Lun purchased Defendants’ mislabeled Products. Like other  
24 consumers of Defendants’ products, Plaintiff trusted the accuracy of Defendants’ labels. Like  
25 other consumers of Defendants’ products, Plaintiff was deceived by Defendants’ false and  
26 misleading labels.

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<sup>10</sup> Cal. Code Regs. Title 4, § 1500(bbb).

1 **II. Parties.**

2 11. Plaintiff Buntarn Lun is domiciled in Long Beach, California (Los Angeles  
3 County).

4 12. The proposed class includes citizens of California.

5 13. Defendant Lowell Farms Inc. is a Canadian corporation with a principal place of  
6 business in Salinas, California. Lowell Farms makes, sells, distributes, and markets the Lowell  
7 Herb Co. brand of preroll products.

8 14. Defendant Cypress Manufacturing Company is a California corporation with a  
9 principal place of business in Salinas, California. Cypress Manufacturing makes, sells,  
10 distributes, and markets the Lowell Herb Co. brand of preroll products.

11 **III. Jurisdiction and Venue.**

12 15. The Court has personal jurisdiction over Defendants Lowell Farms Inc. and  
13 Cypress Manufacturing Company because they reside in California and do business here.

14 16. Venue is proper because Defendants do business in this county, Plaintiff resides  
15 in Los Angeles County, and a substantial portion of the transactions occurred in this county.

16 **IV. Facts.**

17 **A. Californians want high-THC cannabis products, and are willing to pay more  
18 for them.**

19 17. For the past seventeen years, the state of California has permitted the use of  
20 cannabis in some form. In 1996, Californians passed Prop. 215, the Compassionate Use Act,  
21 permitting the possession and use of cannabis for medical purposes.<sup>11</sup> In 2018, Californians  
22 passed Prop. 64, which legalized the recreational use of marijuana for persons aged 21 or older  
23 under state law.<sup>12</sup>

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28 <sup>11</sup> [California's cannabis laws - Department of Cannabis Control.](#)

<sup>12</sup> [California Proposition 64, Marijuana Legalization \(2016\) - Ballotpedia](#)

1 18. Today, an estimated 6.7 million Californians use cannabis.<sup>13</sup> Of those, about two  
2 million people, or about 5% of California’s population, use cannabis medically to treat  
3 conditions such as cancer, glaucoma, AIDS, and seizures.<sup>14,15</sup>

4 19. The California Department of Cannabis Control (“DCC”) is responsible for  
5 issuing regulations regarding the labeling of cannabis products.<sup>16</sup> The DCC’s regulations require  
6 labeling of the THC content in cannabis products. THC “is the chemical responsible for most of  
7 marijuana’s psychological effects.”<sup>17</sup> For preroll products such as the ones sold by Defendants,  
8 California regulations require that the label includes the THC content of the cannabis product  
9 (which may be expressed in percentages such as THC: 10%, THC: 20%, etc.).<sup>18</sup>

10 20. California regulations further require that the THC content listed on the label to  
11 be within a particular margin of error of what is actually in the product. (That is, the THC  
12 content listed on the label must match the true THC content of the product, with some allowance  
13 for error.) Specifically, the THC “claimed to be present on a label,” must be within “plus or  
14 minus 10.0%” of the true THC content of product.<sup>19</sup> As an example, if the label states that a  
15 product is 30% THC, the product must be between 27%-33% THC. Thus, if the actual product  
16 contained only 25% THC but the THC content was listed at 30%, the label would violate  
17 California regulations and be inaccurate and mislabeled.

18 21. The THC content of cannabis products is important to consumers, and drives  
19 consumer purchasing decisions. Because THC is responsible for most of the psychological  
20 effects that cannabis produces, many consumers prefer and seek out cannabis with a higher THC  
21 content. The THC content of cannabis products largely drives the demand for those products.

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23 <sup>13</sup> [Number of cannabis consumers by state U.S. 2020 | Statista](#)

24 <sup>14</sup> [Medical Marijuana Patient Numbers \(mpp.org\)](#) (an estimated 1,920,294 people use  
cannabis medically in California).

25 <sup>15</sup> <https://cannabis.ca.gov/consumers/medicinal-cannabis/> (listing of diseases that  
cannabis can help manage).

26 <sup>16</sup> [https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/Labeling-Checklist-  
Nonmanufactured-Goods\\_211022.pdf](https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/Labeling-Checklist-Nonmanufactured-Goods_211022.pdf)

27 <sup>17</sup> [What is THC \(Tetrahydrocannabinol\)? | Live Science](#)

28 <sup>18</sup> [https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/Labeling-Checklist-  
Nonmanufactured-Goods\\_211022.pdf](https://cannabis.ca.gov/wp-content/uploads/sites/2/2021/12/Labeling-Checklist-Nonmanufactured-Goods_211022.pdf)

<sup>19</sup> Cal. Code Regs. Title 4, § 15307.1.

1           22.     Because of this, cannabis products with higher THC content sell for substantially  
2 higher prices. As industry publications confirm, “potency, defined strictly in terms of the THC  
3 levels...dictates both how quickly products sell and the price per gram.”<sup>20</sup> Simply put, “Higher  
4 numbers = higher prices.”<sup>21</sup>

5           23.     Consumers “use THC percentages like nutritional labels, purchasing products  
6 based on their THC content.”<sup>22</sup> In 2020, cannabis that was 7-14% THC content retailed for  
7 \$5.31 a gram, whereas cannabis with over 28% THC retailed for more than twice that—\$12.89.<sup>23</sup>

8           24.     Cannabis with low THC content, in contrast, is difficult to sell. As Julia Jacobson,  
9 CEO of a California farm, puts it, “The pressure is real. Full stop. We have some retailers who  
10 love us, who sell out of our products, and they will only put our product on their shelves when it  
11 tests over 20 percent...The buyers are always caveating, saying, ‘We know there’s so much more  
12 to cannabis and its effects [than just THC], but our consumers are still THC hunting.’”<sup>24</sup>

13           25.     In short, high-THC cannabis products are in higher demand and sell for more.  
14 Companies that sell and market cannabis have a strong economic incentive to declare a high  
15 THC content on the label of their products.

16           **B.     Scientific research reveals serious problems with the accuracy of labeled**  
17           **THC content.**

18           26.     The demand for high-THC products has, unfortunately, led to “THC inflation”—  
19 the practice of intentionally listing false, high THC content on labels.<sup>25</sup> According to Dan Land,  
20 a professor of chemistry and forensics at UC Davis, “THC inflation is pernicious, it’s easy to  
21 accomplish, and there are strong financial incentives to do it.”<sup>26</sup> There is “enormous pressure” on  
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23 \_\_\_\_\_  
24 <sup>20</sup> <https://www.leafly.com/news/science-tech/marijuana-thc-inflation-is-getting-out-of-hand>

25 <sup>21</sup> [https://cannabisindustryjournal.com/feature\\_article/the-inflated-thc-crisis-plaguing-california-cannabis/](https://cannabisindustryjournal.com/feature_article/the-inflated-thc-crisis-plaguing-california-cannabis/)

26 <sup>22</sup> <https://fivethirtyeight.com/features/americas-pot-labs-have-a-thc-problem/>

27 <sup>23</sup> [Cannabis retail price by potency US 2020 | Statista](#) ; [Recreational cannabis in the U.S. - Statistics & Facts | Statista](#)

28 <sup>24</sup> [America’s Pot Labs Have A THC Problem | FiveThirtyEight](#)

<sup>25</sup> [America’s Pot Labs Have A THC Problem | FiveThirtyEight](#)

<sup>26</sup> [America’s Pot Labs Have A THC Problem | FiveThirtyEight](#)

1 “manufacturers to push their [THC] numbers up.”<sup>27</sup> So, companies “proceed to ‘lab shop’:  
2 giving their business to whichever lab provides them the highest potency.”<sup>28</sup> “[M]any labs have  
3 sacrificed their scientific integrity to chase what the clients want: higher THC potency...The  
4 practice has become so prevalent that labs openly advertise their higher potency values to gain  
5 customers without fear of recourse.”<sup>29</sup> The inflated THC numbers printed on labels today are  
6 “largely due to fraud rather than mere incompetence.”<sup>30</sup>

7 27. THC-content fraud is rampant in California. Recently, a few independent labs  
8 tested the THC content of cannabis products off of dispensary shelves and compared them to the  
9 THC content listed on the labels. “The results were staggering. Eighty-seven percent of the  
10 samples failed their label claims (i.e. were >10% deviant of their labeled values), with over half  
11 of the samples >20% deviant of their labeled THC values.”<sup>31</sup>

12 **C. Defendants’ Lowell Products all include substantially similar representations**  
13 **about the THC content on their labels.**

14 28. Defendants make, sell, distribute, and market the Lowell Herb Co. brand of  
15 infused and non-infused preroll products (the “Lowell Products” or “Products”). In California,  
16 “Lowell Herb Co products now accounts for over 10% of the total non-infused pre-roll  
17 market.”<sup>32</sup> Defendants’ Lowell Products include the following:

- 18 • Lowell Smokes Classic Preroll Packs (including but not limited to The Wake Up  
19 Sativa, The Relaxing Indica, The Zen Hybrid, The Indica Blend and The Happy  
20 Hybrid);

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23 <sup>27</sup> [https://cannabisindustryjournal.com/feature\\_article/the-inflated-thc-crisis-plaguing-california-cannabis/](https://cannabisindustryjournal.com/feature_article/the-inflated-thc-crisis-plaguing-california-cannabis/)

24 <sup>28</sup> *Id.*

25 <sup>29</sup> *Id.*

26 <sup>30</sup> <https://www.leafly.com/news/science-tech/marijuana-thc-inflation-is-getting-out-of-hand>

27 <sup>31</sup> [https://cannabisindustryjournal.com/feature\\_article/the-inflated-thc-crisis-plaguing-california-cannabis/](https://cannabisindustryjournal.com/feature_article/the-inflated-thc-crisis-plaguing-california-cannabis/)

28 <sup>32</sup> <https://www.newcannabisventures.com/lowell-farms-q3-drops-34-sequentially-to-8-7-million/>



- Lowell Smokes Individual Prerolls (including but not limited to Grease Monkey, Eight Daze Indica, Triple Sour OG, Disco Mints, Original Gorilla, Mother's Milk, and Cherry Glaze);
- Lowell Smokes Infused Prerolls (including but not limited to Hash Wrapped Disco Mints, Hash Wrapped Smoke Sour Diesel, Hash Wrap, and OG Blueberry Creme);
- Lowell Smokes Quicks Eighth Packs (including but not limited to The Social Sativa, The Relaxing Indica, The Chill Indica, The Passion Hybrid, The Wake-Up Sativa, and The Vivid Sativa ).

29. Example products are shown below:



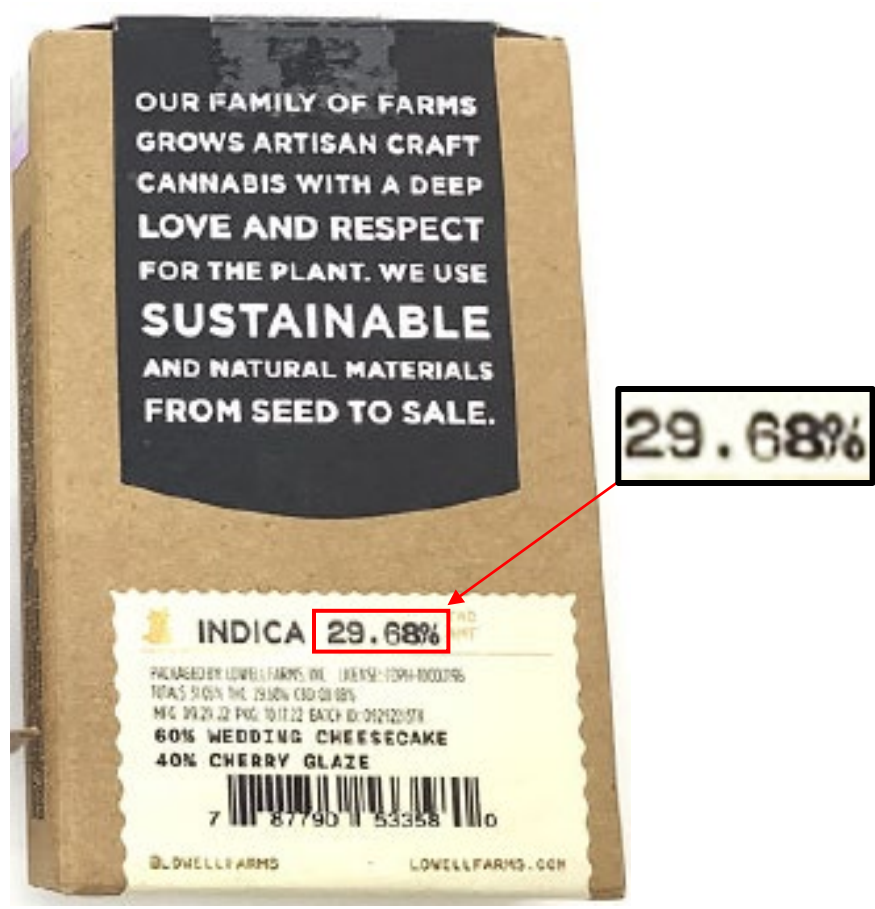
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30. As required by DCC regulations, all of the Lowell Products claim to have a specific THC content.<sup>33</sup> This representation is in the same format and in the same place across all of the Lowell Products. A representative example is shown below:

<sup>33</sup> 4 CA Code of Regs 17407.

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31. The Lowell Products claim to have various, specific THC content depending on the product. For example, the Lowell Product shown above states that it has 29.68% THC content. The Lowell infused Products are advertised in excess of 40% THC.

**D. Scientific testing reveals that Lowell prerolls are labeled with inflated THC content.**

32. Independent laboratory testing of Lowell Products reveals that the actual THC content of the products is materially less (well below the allowable 10% margin of error) than what was declared on the label.

33. For example, the Lowell Smokes – The Relaxing Indica – 6 Premium Pre-Rolls Pack was listed as having 29.68% THC on the label. Lab testing showed, however, that the actual THC content of the product was substantially lower, at 18.69% THC. Thus, the THC content was overstated by 37%—substantially more than the 10% margin of error allowed under the California regulations.

1           34.     Additionally, in September 2022, cannabis publication Weed Week published an  
2 article after testing several California preroll brands to see whether the THC contents listed on  
3 the labels were accurate. Their tests revealed that, for prerolls, “potency inflation is close to  
4 ubiquitous.”<sup>34</sup>

5           35.     One of the brands tested by Weed Week was Lowell Herb Co. For the tested  
6 Lowell Product, the true THC content was materially less (well below the allowable 10% margin  
7 of error) than what was declared on the label.

8           36.     In particular, the Lowell Smokes – The Relaxing Indica Hash Infused 3-Pack  
9 Preroll was listed as having 38% THC on the label. Independent lab testing showed, however,  
10 that the actual content of the product was substantially lower, between 18-21% THC. Thus, the  
11 THC content was overstated by 81-111% —substantially more than the 10% margin of error  
12 allowed under the California regulations.

13           37.     As these results show, the actual THC content is substantially lower than the  
14 labeled content. Defendants’ THC content labeling is systematically wrong and overstated.

15           **E.     Defendants’ labeling violates DCC regulations and is false and misleading to**  
16           **reasonable consumers.**

17           38.     As described above, DCC regulations require an accurate statement of the THC  
18 content of cannabis products on the label, and state a permissible margin of error: 10%.  
19 Defendants’ labels include a statement of the THC content of their cannabis products that far  
20 exceed the true THC content of Defendants’ products. Moreover, the excess is far greater than  
21 the excess allowable under the applicable DCC regulations. Accordingly, Defendants’ labels  
22 violate DCC regulations.

23           39.     In addition, Defendants’ labels are false and misleading to reasonable consumers.  
24 Reasonable consumers expect that the required THC content declaration on the label of cannabis  
25 products is reasonably accurate. In other words, reasonable consumers expect that the declared  
26 THC content is substantially the same as the true THC content. Reasonable consumers also  
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28           <sup>34</sup> <https://www.weedweek.com/stories/exclusive-we-tested-top-calif-prerolls-for-potency-inflation/>

1 expect that the labels of cannabis products comply with DCC regulations, and so reasonably  
2 expect that the declared THC content is no more than 10% greater than the true THC content.  
3 No reasonable consumer expects that the THC content declaration on the label of the product is  
4 wildly inaccurate, and that the true THC content is far less than the declared content. In short,  
5 reasonable consumers reasonably believe that they are receiving a product that has the THC  
6 content that is listed on the label, when in fact they are receiving much less.

7 40. The inaccurate labeling of Defendants' Products is highly material to reasonable  
8 consumers. THC is one of the active ingredients in cannabis products, and the one that causes  
9 the vast majority of the product's psychological and medicinal effects. Consumers care about  
10 the THC content of cannabis products and decide which cannabis product to buy in large part  
11 based on the declared THC content.

12 41. In addition, as detailed above, consumers are willing to pay more for cannabis  
13 products with higher THC content, and expect to pay less for cannabis products with lower THC  
14 content. This makes sense, since the primary reason that consumers purchase cannabis is for its  
15 psychological and medicinal effects, and those psychological and medicinal effects are largely  
16 driven by the THC content of the product.

17 42. Defendants know, or reasonably should know, that they are misleading  
18 consumers. Defendants know that THC content is highly material to consumers, and have a  
19 direct financial incentive to overstate the THC content of their products. Moreover, as one of the  
20 largest players in California's cannabis industry, Defendants are aware of industry trends, aware  
21 of the rampant testing fraud in the cannabis market, and know which labs participate in the fraud.  
22 Accordingly, Defendants are intentionally and knowingly causing the THC content declared on  
23 the label of their products to be substantially, and systematically, overstated, either by misstating  
24 the results themselves or by intentionally and knowingly causing testing labs, which are their  
25 agents, to report fraudulently high THC content results.

26 43. In the alternative, Defendants are willfully blind (and at a minimum negligent  
27 with respect to) to the fact that the THC content declared on their products is substantially and  
28 systematically overstated. Indeed, if Defendants did what Weed Week did for \$150 dollars—i.e.,

1 have even a handful of its own products tested by an independent lab—Defendants would have  
2 learned that the THC content of their products was substantially overstated. Given the rampant  
3 testing fraud in the cannabis industry, any reasonable cannabis distributor in Defendants’  
4 position would have tested their products independently. As industry publications warn (and as  
5 Defendants are well aware), there is an “upper limit” on cannabis potency. “The biological  
6 limits on THC production mean that ~35% total THC by dry weight is a rough upper limit for  
7 strains. On average, high-THC strains contain ~18-20% total THC.”<sup>35</sup>

8 **F. Defendants overcharge millions of consumers.**

9 44. Defendants’ false and misleading labeling allows Defendants to charge higher  
10 prices for their products. As explained above, the THC content drives the sales of cannabis  
11 products—including the price at which the products sell for, how quickly they sell, and whether  
12 they sell at all.<sup>36</sup>

13 45. If Defendants told the truth— that is, that their products’ THC content is  
14 substantially lower than represented on the label— the price of their Products would fall  
15 dramatically. If consumers knew the truth—that the Products contain substantially less THC  
16 than the label says—Defendants could not sell their Products for its current prices. Indeed, as  
17 explained above, cannabis products with lower declared amounts of THC content sell for  
18 substantially less than ones with higher declared amounts of THC content. Accordingly, if  
19 Defendants told the truth about the THC content of their products, they would have had to lower  
20 the price, and Plaintiff and class members would have paid less. Similarly, if Plaintiff and class  
21 members had known that Defendants systematically overstate the THC content of their products,  
22 they would not have purchased the products, or would have paid less for them.

23 46. Thus, Plaintiff and each class member paid a substantial price premium because  
24 of Defendants’ false and misleading labeling. Said differently, Plaintiff paid more for a superior  
25

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26 <sup>35</sup> <https://www.leafly.com/news/science-tech/peak-thc-cbd-levels-for-cannabis-strains>

27 <sup>36</sup> [https://www.leafly.com/news/science-tech/marijuana-thc-inflation-is-getting-out-of-](https://www.leafly.com/news/science-tech/marijuana-thc-inflation-is-getting-out-of-hand;)  
28 [hand;](https://fivethirtyeight.com/features/americas-pot-labs-have-a-thc-problem/); <https://fivethirtyeight.com/features/americas-pot-labs-have-a-thc-problem/>; [Cannabis retail price by potency US 2020 | Statista](#)

1 product worth more, and received an inferior product worth less. Plaintiff and the class therefore  
2 sustained an economic injury and paid a price premium as a result of Defendants' false and  
3 misleading labels.

4 **G. Plaintiff was misled and harmed by Defendants' misleading labeling.**

5 47. Like millions of other consumers, Plaintiff bought the Lowell Products and relied  
6 on the accuracy of the THC content on the label. Like millions of other consumers, Plaintiff paid  
7 a price premium for Defendants' products as a result of Defendants' false and misleading labels.  
8 Like millions of other consumers, Plaintiff was overcharged.

9 48. On June 10, 2022, Buntarn Lun purchased the Lowell Smokes – the Relaxing  
10 Indica Preroll 6-Pack from the Catalyst dispensary in Long Beach, California. He read and relied  
11 on the accuracy of the THC content of the product. If he had known the truth, he would not have  
12 purchased the product, or would have paid less for it.

13 49. Plaintiff wants Defendants to fix their testing and labeling practices and sell their  
14 Products with accurate THC content labeling. This will allow Plaintiff, and other class members,  
15 to make informed choices about the cannabis products they are purchasing and using.

16 **V. Class Action Allegations.**

17 **A. The California Class.**

18 50. Plaintiff brings his claims for the following class: all persons who, while in the  
19 state of California and within the applicable statute of limitations period, purchased one or more  
20 Lowell Products.

21 51. The following people are excluded from the Class: (1) any Judge or Magistrate  
22 Judge presiding over this action and the members of their family; (2) Defendants, Defendants'  
23 subsidiaries, parents, successors, predecessors, and any entity in which the Defendants or their  
24 parents have a controlling interest and their current employees, officers, and directors; (3)  
25 persons who properly execute and file a timely request for exclusion from the Class; (4) persons  
26 whose claims in this matter have been finally adjudicated on the merits or otherwise released; (5)  
27 Plaintiff's counsel and Defendants' counsel, and their experts and consultants; and (6) the legal  
28 representatives, successors, and assigns of any such excluded persons.

1            ***Numerosity & Ascertainability***

2            52.    The proposed class contains members so numerous that separate joinder of each  
3 member of the class is impractical. There are millions of class members.

4            53.    Class members can be identified through public notice.

5            ***Predominance of Common Questions***

6            54.    There are questions of law and fact common to the proposed class. Common  
7 questions of law and fact include, without limitation:

8                    (1) whether Defendants made false or misleading statements of fact in its  
9 advertising and labeling;

10                    (2) whether Defendants violated California's consumer protection statutes;

11                    (3) whether Defendants committed a breach of contract;

12                    (4) whether Defendants committed a breach of an express warranty;

13                    (5) damages needed to reasonably compensate Plaintiff and the proposed class.

14            ***Typicality & Adequacy***

15            55.    Plaintiff's claims are typical of the proposed class. Like the proposed class,  
16 Plaintiff purchased the Products and relied on the THC content listed on the labels. There are no  
17 conflicts of interest between Plaintiff and the class.

18            ***Superiority***

19            56.    A class action is superior to all other available methods for the fair and efficient  
20 adjudication of this litigation because individual litigation of each claim is impractical. It would  
21 be unduly burdensome to have individual litigation of millions of individual claims in separate  
22 lawsuits, every one of which would present the issues presented in this lawsuit.

23 **VI.    Claims.**

24                                    **First Cause of Action:**

25                                    **California's Unfair Competition Law (UCL)**

26                                    **(on behalf of Plaintiff and the class)**

27            57.    Plaintiff incorporates each and every factual allegation set forth above.

28            58.    Plaintiff brings this cause of action individually and on behalf of the class.



1 59. Defendants have violated California’s Unfair Competition Law (UCL) by  
2 engaging in unlawful, fraudulent, and unfair conduct (i.e., violating each of the three prongs of  
3 the UCL).

4 ***The Unlawful Prong***

5 60. Defendants engaged in unlawful conduct by violating the FAL, the CLRA, and  
6 the California regulations regarding labeling of cannabis products,<sup>37</sup> as alleged throughout and  
7 incorporated here.

8 ***The Fraudulent Prong***

9 61. As alleged in detail above, Defendants’ labeling is false and misleading. Their  
10 labeling is likely to deceive, and did deceive, Plaintiff and other reasonable consumers.

11 ***The Unfair Prong***

12 62. Defendants’ conduct caused substantial injury to Plaintiff and class members.  
13 The harm to Plaintiff and the class greatly outweighs the public utility of Defendants’ conduct  
14 (which is none). Inaccurately labeled THC content has no public utility. This injury was not  
15 outweighed by any countervailing benefits to consumers or competition. Misleading labels only  
16 injure healthy competition and harm consumers.

17 63. Plaintiff and the class could not have reasonably avoided this injury. As alleged  
18 above, Defendants’ misrepresentations and omissions were deceiving to reasonable consumers.

19 64. Defendants’ conduct, as alleged above, was immoral, unethical, oppressive,  
20 unscrupulous, and substantially injurious to consumers.

21 65. Defendants’ conduct violated the public policy against false and misleading  
22 advertising, which is tethered to the CLRA and FAL. Defendants’ conduct also violated  
23 California’s public policy in favor of consumer and patient choice when it comes to cannabis  
24 products, and THC content labeling in particular, which is tethered to the DCC regulations  
25 governing the labeling of cannabis products.

26 \* \* \*

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27  
28  
<sup>37</sup> Cal. Code Regs. Title 4, §§ 17407, 15307.1.

1           66.    For all prongs, Plaintiff saw, read and reasonably relied on Defendants'  
2 misrepresentations and omissions when purchasing Defendants' Products. Classwide reliance  
3 can be inferred because Defendants' misrepresentations were material, i.e., a reasonable  
4 consumer would consider them important in deciding whether to buy Defendants' Products.

5           67.    Defendants' misrepresentations were a substantial factor in Plaintiff's purchase  
6 decision and the purchase decisions of class members.

7           68.    Plaintiff and class members were injured as a direct and proximate result of  
8 Defendants' conduct because: (a) they would not have purchased Defendants' Products if they  
9 had known that the THC content listed on the product was inflated and (b) they overpaid for the  
10 products because the products are sold at a price premium due to Defendants' misleading  
11 labeling.

#### **Second Cause of Action:**

#### **California's False Advertising Law (FAL)**

#### **(on behalf of Plaintiff and the class)**

15           69.    Plaintiff incorporates each and every factual allegation set forth above.

16           70.    Plaintiff brings this cause of action individually and on behalf of the class.

17           71.    As alleged in detail above, Defendants falsely advertised their products by falsely  
18 representing that Defendants' Products contained the THC content listed on the labels.

19           72.    Defendants' misrepresentations were likely to deceive, and did deceive, Plaintiff  
20 and other reasonable consumers. Defendants knew, or should have known through the exercise  
21 of reasonable care, that these statements were false and misleading.

22           73.    Defendants' misrepresentations were intended to induce reliance, and Plaintiff  
23 saw, read, and reasonably relied on them when purchasing Defendants' Products. Classwide  
24 reliance can be inferred because Defendants' misrepresentations and omissions were material,  
25 i.e., a reasonable consumer would consider them important in deciding whether to buy the  
26 products.

27           74.    Defendants' misrepresentations were a substantial factor in Plaintiff's purchase  
28 decision and the purchase decisions of class members.

1 75. Plaintiff and class members were injured as a direct and proximate result of  
2 Defendants' conduct because: (a) they would not have purchased Defendants' Products if they  
3 had known that the THC content listed on the product was inflated; and (b) they overpaid for the  
4 products because the products are sold at a price premium due to Defendants' misleading  
5 labeling.

6 **Third Cause of Action:**

7 **California's Consumer Legal Remedies Act**

8 **(on behalf of Plaintiff and the class)**

9 76. Plaintiff incorporates each and every factual allegation set forth above.

10 77. Plaintiff brings this cause of action individually and on behalf of the class.

11 78. Plaintiff and the class are "consumers," as the term is defined by California Civil  
12 Code § 1761(d).

13 79. Plaintiff and the class have engaged in "transactions" with Defendants as that  
14 term is defined by California Civil Code § 1761(e).

15 80. The conduct alleged in this Complaint constitutes unfair methods of competition  
16 and unfair and deceptive acts and practices for the purpose of the CLRA, and the conduct was  
17 undertaken by Defendants in transactions intended to result in, and which did result in, the sale  
18 of goods to consumers.

19 81. As alleged more fully above, Defendants made and disseminated untrue and  
20 misleading statements of facts in their advertisements and labels to class members. Defendants  
21 did this by advertising products have a specific THC content, when in fact the products did not  
22 have the listed THC content.

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

26 83. Defendants violated, and continues to violate, Section 1770(a)(9) of the California  
27 Civil Code by advertising "goods...with intent not to sell them as advertised."  
28

1           84. Defendants' representations were likely to deceive, and did deceive, Plaintiff and  
2 reasonable consumers. Defendants knew, or should have known through the exercise of  
3 reasonable care, that these statements were inaccurate and misleading.

4           85. Defendants' misrepresentations were intended to induce reliance, and Plaintiff  
5 saw, read, and reasonably relied on them when purchasing the Products. Defendants'  
6 misrepresentations were a substantial factor in Plaintiff's purchase decision.

7           86. In addition, classwide reliance can be inferred because Defendants'  
8 misrepresentations were material, i.e., a reasonable consumer would consider them important in  
9 deciding whether to buy the Products.

10           87. Defendants' misrepresentations were a substantial factor and proximate cause in  
11 causing damages and losses to Plaintiff and the class.

12           88. Plaintiff and the class were injured as a direct and proximate result of Defendants'  
13 conduct because: (a) they would not have purchased Defendants' Products if they had known  
14 that the THC content listed on the product was inflated; (b) they overpaid for the products  
15 because the products are sold at a price premium due to Defendants' misleading labeling; or (c)  
16 they received products that were, in truth, worthless.

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

19           90. CLRA § 1782 NOTICE. On December 7, 2022, a CLRA demand letter was sent  
20 to Defendants' headquarters via certified mail (return receipt requested), that provided notice of  
21 Defendants' violations of the CLRA and demanded that Defendants correct the unlawful, unfair,  
22 false and/or deceptive practices alleged here. If Defendants do not fully correct the problem for  
23 Plaintiff and for each member of the class within 30 days of receipt, Plaintiff and the class will  
24 seek all monetary relief allowed under the CLRA.

25           91. A CLRA venue declaration is attached.  
26  
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1 **Fourth Cause of Action:**

2 **Breach of Express Warranty**

3 **(on behalf of the class)**

4 92. Plaintiff incorporates by reference each and every factual allegation set forth  
5 above.

6 93. Plaintiff brings this cause of action individually and on behalf of the class.

7 94. Defendants, as the designers, manufacturers, marketers, distributors, suppliers,  
8 and/or sellers of Defendants' cannabis Products, issued a material, written warranty by  
9 representing that Defendants' Products contained the THC content listed on the labels. This was  
10 an affirmation of fact about the products and a promise relating to the goods.

11 95. This warranty was part of the basis of the bargain for Plaintiff and class members.  
12 Plaintiff read and relied on this warranty.

13 96. Defendants' Products do not conform to this warranty because, as alleged in detail  
14 above, they do not have the THC content listed on the label.

15 97. Plaintiff provided Defendants with notice of this breach of warranty (on behalf of  
16 themselves and the class), by mailing a notice letter to Defendants' headquarters on December 7,  
17 2022.

18 98. Plaintiff and class members were injured as a direct and proximate result of  
19 Defendants' conduct because: (a) they would not have purchased Defendants' Products if they  
20 had known that the THC content listed on the product was inflated; and (b) they overpaid for the  
21 products because the products are sold at a price premium due to Defendants' misleading  
22 labeling.

23 **Fifth Cause of Action:**

24 **Negligent Misrepresentation**

25 **(on behalf of Plaintiff and the class)**

26 99. Plaintiff incorporates by reference the facts alleged above.

27 100. Plaintiff alleges this claim individually and on behalf of the class.

28



1 114. Defendants intended that Plaintiff and class members rely on these representations  
2 and Plaintiff read and reasonably relied on them.

3 115. Defendants' misrepresentations and omissions were a substantial factor in  
4 Plaintiff's purchase decision and the purchase decisions of class members.

5 116. Plaintiff and class members were injured as a direct and proximate result of  
6 Defendants' conduct because: (a) they would not have purchased Defendants' Products if they  
7 had known that the THC content listed on the product was inflated; (b) they overpaid for the  
8 products because the products are sold at a price premium due to Defendants' misleading  
9 labeling.

10 **Seventh Cause of Action:**

11 **Unjust Enrichment/Quasi-Contract**

12 **(on behalf of Plaintiff and the class)**

13 117. Plaintiff incorporates by reference the facts alleged above.

14 118. As alleged in detail above, Defendants' false and misleading labeling caused  
15 Plaintiff and the class to purchase Defendants' Products and overpay for the Products.

16 119. In this way, Defendants received a direct and unjust benefit, at the expense of  
17 Plaintiff and the class.

18 120. Plaintiff and the class seek the equitable return of this unjust benefit.

19 **VII. Relief.**

20 121. Plaintiff seeks the following relief individually and for the proposed class and  
21 classes:


- 22 • An order certifying the asserted claims, or issues raised, as a class action;
- 23 • A judgment in favor of Plaintiff and the proposed class;
- 24 • Damages;
- 25 • Restitution, disgorgement, and other just equitable relief;
- 26 • Punitive damages, as available by law;
- 27 • Attorney's fees, as available by law;
- 28 • An injunction;

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- Pre- and post-judgment interest;
- Any additional relief that the Court deems reasonable and just.

Dated: December 14, 2022

Respectfully submitted,

By: 

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*Attorneys for Plaintiff*



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**Demand for Jury Trial**

Plaintiff demands the right to a jury trial on all claims so triable.

Dated: December 14, 2022

By: 

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*Attorneys for Plaintiff*

1 **California Civil Code Section 1780(d) CLRA Venue Declaration**

2 I, Christin Cho, declare:

3 1. I am a partner in Dovel & Luner, LLP and an attorney licensed to practice in the  
4 State of California. I am counsel of record for Plaintiff in this action.

5 2. This action was commenced in a county described in California Civil Code  
6 Section 1780(d) as a proper place for the trial of the action.

7 3. Plaintiff Buntarn Lun resides in Los Angeles County and purchased Defendants'  
8 products from a business in Los Angeles County.

9 4. Defendants are doing business in Los Angeles County.

10 I declare under penalty of perjury under the laws of the State of California and of the  
11 United States of America that the foregoing is true and correct to the best of my knowledge and  
12 that this declaration was signed on December 14, 2022 in Santa Monica, California.  
13  
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16 Christin Cho

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