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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

22CV407762

CHRISTIAN AYALA and EMMETT REINER,
individually and on behalf of all other persons
similarly situated,

Case No.

CLASS ACTION COMPLAINT

Plaintiffs,

v.

CENTRAL COAST AGRICULTURE, INC.,

Defendant.

1 Plaintiffs Christian Ayala and Emmett Reiner (“Plaintiffs”), individually and on behalf of all
2 others similarly situated, brings this Class Action Complaint against Central Coast Agriculture, Inc.
3 (“Raw Garden” or “Defendant”) and complain and allege upon personal knowledge as to themselves
4 and their own acts and experiences and, as to all other matters, upon information and belief, including
5 investigation conducted by their attorneys:

6 **NATURE OF THE ACTION**

7 1. This is a civil class action lawsuit regarding Defendant’s false and misleading labeling
8 and marketing of the purported quantity of THC in the Raw Garden Infused Joints (the “THC
9 Products” or the “Products”).¹ The marketing and advertising of the THC Products contain numerous
10 false and misleading claims of the amount of THC quantity, the effects of THC Products, and quality
11 of THC Products (“THC Claims”). Defendant advertises its THC Products as high quality and
12 misleads consumers into believing that the amount of THC advertised on Raw Garden Infused Joints
13 are actually the amount within its Products. By doing so, Defendant benefits from the ability to
14 charge a substantial price premium for its THC Products based on the false THC quantity.

15 2. Plaintiffs seek relief in this action individually, and as a class action on behalf of
16 similarly situated purchasers of Defendant’s Products, for: (i) violation of California’s Consumers
17 Legal Remedies Act (“CLRA”), Cal. Civil Code §§ 1750, *et seq.*; (ii) violation of California’s Unfair
18 Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; (iii) violation of California’s
19 False Advertising Law (“FAL”), Cal. Bus. & Prof. Code §§ 17500, *et seq.*; (iv) breach of express
20 warranty; (v) breach of the implied warranty of merchantability; (vi) unjust enrichment; and (vii)
21 fraud.

22 **THE PARTIES**

23 3. Plaintiff Christian Ayala is a citizen of California who resides in Santa Clara,
24 California. Plaintiff purchased his Product during the relevant period.

25 4. Plaintiff Emmett Reiner is a citizen of California who resides in Pacific Palisades,
26 California. Plaintiff purchased his Product during the relevant period.

27 ¹ As promoted on its website, the Products comes in various strains. Each strain, however, is the
28 same type of infused joint Product with micronized refined live resin crushed diamonds and contains
the same packaging. *See* <https://rawgarden.farm/products/infused-joints/> (last visited Nov. 8, 2022).

1 5. Defendant Central Coast Agriculture, Inc. ("Raw Garden") is a Delaware corporation
2 that at all material times maintained its principal place of business in Buellton, California, 93427.

3 6. Raw Garden manufactures, sells, and distributes its Infused Joints, and is responsible
4 for the advertising, marketing, and packaging of the Products. The planning and execution of the
5 advertising, marketing, labeling, packaging, testing, and/or business operations concerning the
6 Products and the THC Claims were primarily carried out at Raw Garden's headquarters and facilities
7 within California, as is Raw Garden's manufacturing and assembly.

8 **JURISDICTION AND VENUE**

9 7. This Court has jurisdiction over this action pursuant to Article 6, § 10 of the California
10 Constitution, California Business and Professions Code § 17203, Civil Code § 1780(d) and Code of
11 Civil Procedure §§ 382 and 410.10.

12 8. This Court has personal jurisdiction over the parties because Plaintiffs are citizens
13 and residents of California and submit to the jurisdiction of the Court, and because Defendant, at all
14 times relevant hereto, is headquartered in California and because, at all times relevant hereto, it has
15 systematically and continually conducted, and continues to conduct business in California.

16 9. Venue is proper in this Court pursuant to Code of Civil Procedure § 395 and Civil
17 Code § 1780(d). Defendant conducts business in this County and throughout the State of California.
18 Furthermore, Plaintiff Ayala's transaction occurred in this County.

19 **FACTUAL ALLEGATIONS**

20 **A. A General Explanation of THC Products**

21 10. In 1996, the State of California became the first state to legalize medical cannabis. In
22 2016, this was expanded to completely legalize recreational cannabis. The legalization of cannabis
23 in California has since ushered in a multibillion-dollar industry estimated to be the largest legal
24 cannabis market in the world.²

25 11. Tetrahydrocannabinol ("THC") is a natural compound found in cannabis plants. It is
26 a highly sought-after cannabinoid, commonly found in cannabis joints, vape cartridges, edibles, oils,
27

28 ² *Available at* <https://www.statista.com/topics/9159/global-cannabis-market> (last visited Nov. 7, 2022).

1 capsules and tinctures. Consumers desire THC because it is chemically similar to human
2 endocannabinoids and interacts with the endocannabinoid system such that it helps regulate sleep,
3 mood, appetite, chronic pain, inflammation, immune responses, motor control, and stress responses.

4 **B. Raw Garden Infused Joints**

5 12. The Raw Garden Infused Joints at issue are cannabis joints which Defendant touts as
6 “100% Pure cannabis joints infused with micronized Refined Live Resin™ Crushed Diamonds, and
7 nothing else,” and prominently advertises as having an average THC range between “30%-40%”
8 potency.³

9 13. Each Product’s packaging in turn advertises a specific purported cannabinoid (*i.e.*
10 THC and CBD) content for the Product, in both milligrams (“mg”) and percentages:



³ Available at <https://rawgarden.farm/products/infused-joints/> (last visited Nov. 8, 2022).

1 14. Defendant further promises the Products have “Nothing to Hide—just farm fresh
2 flowers, and a concentrate you love.”⁴

3 15. Moreover, each of Defendant’s Infused Joints shares the same packaging, advertising,
4 and representations regarding THC and CBD concentration. The only difference on the label is the
5 name of the strain. For example, the Mountain Berry strain has the same packaging as the Fire
6 Walker strain:



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⁴ *Id.*



BACK

C. Defendant’s Products Do Not Contain The Quantity Of THC Promised

16. WeedWeek is an online newsletter for cannabis professionals focused on the nationwide cannabis industry.⁵ On September 8, 2022, WeedWeek released an article shedding light on THC potency inflation in the California cannabis market.⁶ Among the seven brands WeedWeek tested for potency was Raw Garden’s Infused Joints.

17. WeedWeek’s independent testing revealed that Raw Garden’s THC Claims are false and misleading. While the Product tested was labelled and marketed at 44% THC potency,

⁵ Available at <https://www.weedweek.com/about/> (last visited Nov. 7, 2022).

⁶ Alex Halperin, “EXCLUSIVE: We tested top Calif. Prerolls for potency inflation,” WEEDWEEK, available at <https://www.weedweek.com/stories/exclusive-we-tested-top-calif-prerolls-for-potency-inflation/> (last visited Nov. 7, 2022).

1 WeedWeek’s testing revealed THC potency as low as 25%. This represents an underfilling of 44%—
2 nearly **half** the promised THC potency.⁷

3 18. Defendant knew that the THC Claims are false and misleading, yet still advertised,
4 labeled, and packaged the THC Products with the false and misleading THC Claims by uniformly
5 marking packages of the Products with an inflated THC content.

6 19. Defendant knowingly prepared the material on its product labels to misrepresent the
7 true quantity of THC in the Products.

8 **PLAINTIFF AYALA’S EXPERIENCE WITH THE RAW GARDEN PRODUCTS**

9 20. In June 2022, Plaintiff Christian Ayala purchased Raw Garden Infused Joints in
10 “Caribbean Slurm” from flowercompany.com. Before purchasing the Infused Joints, Plaintiff Ayala
11 reviewed information about the Product, including the quantity of THC purportedly contained
12 therein.

13 21. When purchasing his THC Product, Plaintiff Ayala also reviewed the accompanying
14 labels, disclosures, warranties, and marketing materials, and understood them as representations and
15 warranties by Defendant that his Product contained the quantities of THC advertised. Plaintiff Ayala
16 relied on these representations and warranties in deciding to purchase Defendant’s THC Product over
17 comparable products. Accordingly, these representations and warranties were part of the basis of
18 the bargain, in that he would not have purchased the THC Product on the same terms had he known
19 these representations were not true.

20 22. Plaintiff Ayala remains interested in purchasing THC Products and would consider
21 Raw Garden Infused Joints in the future if Defendant filled the Products with the amount of THC
22 advertised. In making his purchases, Plaintiff Ayala paid a substantial price premium due to the false
23 and misleading claims concerning the purported quantity of THC in Defendant’s Infused Joints.
24 However, Plaintiff did not receive the benefit of his bargain because Defendant’s THC Products do
25 not contain anywhere near the quantities of THC advertised.

26
27 ⁷ Certificate of Analysis from Infinite Chemical Analysis Labs showed total THC concentration
28 of 25.07% and total cannabinoids concentration of 26.03%. Available at
https://archive.ph/o/IOyFD/https://www.weedweek.com/wp-content/uploads/2022/09/CA220815-024-075-WeedWeek-Raw-Garden_.pdf (last visited Nov. 8, 2022).

1 23. Plaintiff Ayala also understood that in making the sale, his retailer was acting with
2 the knowledge and approval of Defendant and/or as the agent of Defendant. Plaintiff Ayala further
3 understood that each purchase involved a direct transaction between himself and Defendant, because
4 his THC Product came with packaging and other materials prepared by Defendant, including
5 representations and warranties regarding the THC Claims.

6 **PLAINTIFF REINER'S EXPERIENCE WITH THE RAW GARDEN PRODUCT**

7 24. In April 2022, Plaintiff Emmett Reiner purchased a Raw Garden Infused Joints 3-
8 pack in "Sunset Cookies" from the Coastal Dispensary in Los Angeles, California. Before
9 purchasing the Infused Joints, Plaintiff Reiner reviewed information about the Product, including the
10 quantity of THC purportedly contained therein.

11 25. When purchasing his THC Product, Plaintiff also reviewed the accompanying labels,
12 disclosures, warranties, and marketing materials, and understood them as representations and
13 warranties by Defendant that his Product contained the quantities of THC advertised. Plaintiff Reiner
14 relied on these representations and warranties in deciding to purchase Defendant's THC Product over
15 comparable products. Accordingly, these representations and warranties were part of the basis of
16 the bargain, in that he would not have purchased the THC Product on the same terms had he known
17 these representations were not true.

18 26. Plaintiff Reiner remains interested in purchasing THC Products and would consider
19 Raw Garden Infused Joints in the future if Defendant filled the Products with the amount of THC
20 advertised. In making his purchases, Plaintiff Reiner paid a substantial price premium due to the
21 false and misleading claims concerning the purported quantity of THC in Defendant's Infused Joints.
22 However, Plaintiff Reiner did not receive the benefit of his bargain because Defendant's THC
23 Products do not contain anywhere near the quantities of THC advertised.

24 27. Plaintiff Reiner also understood that in making the sale, his retailer was acting with
25 the knowledge and approval of Defendant and/or as the agent of Defendant. Plaintiff Reiner further
26 understood that each purchase involved a direct transaction between himself and Defendant, because
27 his THC Product came with packaging and other materials prepared by Defendant, including
28 representations and warranties regarding the THC Claims.

1 **CLASS ACTION ALLEGATIONS**

2 28. Plaintiffs bring this action on behalf of themselves and as representatives of all
3 similarly situated individuals pursuant to Cal. Code Civ. Proc. § 382 and Cal. Civ. Code § 1781 and
4 the below-defined Class of consumers who purchased Raw Garden Infused Joints:

5 During the fullest period allowed by law, all persons in the State of
6 California who purchased Raw Garden Infused Joints for personal use and
7 not for resale within the State of California.

8 29. Members of the Class described above are referred to as “Class Members” or
9 members of the Class.

10 30. Excluded from the Class are persons who made such purchase for the purpose of
11 resale. Also excluded are Defendant and its affiliates, parents, subsidiaries, employees, officers,
12 agents, and directors, as well as any judicial officers presiding over this matter and the members of
13 their immediate families and judicial staff.

14 31. Certification of Plaintiffs’ claims for class-wide treatment is appropriate because
15 Plaintiffs and Class Members can prove the elements of their claims on a class-wide basis using the
16 same evidence as would be used to prove those elements in individual actions alleging the same
17 claims.

18 32. Plaintiffs reserve the right to amend the definition of the Class if discovery or further
19 investigation reveals that the Class should be expanded or otherwise modified.

20 33. Members of the Class are so numerous that their individual joinder herein is
21 impracticable. On information and belief, members of the Class number in the tens or hundreds of
22 thousands. The precise number of Class Members and their identities are unknown to Plaintiffs at
23 this time but may be determined through discovery. Class Members may be notified of the pendency
24 of this action by mail and/or publication through the distribution records of Defendant and third-
25 party retailers and vendors.

26 34. Common questions of law and fact exist as to all members of the Class, which
27 predominate over any questions affecting individual members of the Class. These common
28 questions of law or fact include, but are not limited to, the following:

- 1 a) Whether the Products contains the levels of THC advertised;
- 2 b) Whether the THC Claims are false or misleading;
- 3 c) Whether Defendant's actions violate the consumer protection statutes invoked
- 4 herein;
- 5 d) Whether Defendant warranted the THC Claims in their labeling, marketing, and
- 6 advertising;
- 7 e) Whether Defendant breached these warranties;
- 8 f) Whether Defendant committed fraud by doing so;
- 9 g) Whether Plaintiffs and Class Members are entitled to damages, including
- 10 compensatory, exemplary, and statutory damages, and the amount of such
- 11 damages;
- 12 h) Whether Plaintiffs and the other Class Members have been injured and the
- 13 proper measure of their losses as a result of those injuries; and
- 14 i) Whether Plaintiffs and the Class Members are entitled to injunctive, declaratory,
- 15 or other equitable relief.

16 35. Defendant engaged in a common course of conduct giving rise to the legal rights
17 sought to be enforced by Plaintiffs. Similar or identical statutory and common law violations,
18 business practices, and injuries are involved. Individual questions, if any, pale by comparison, in
19 both quality and quantity, to the numerous common questions that dominate this action.

20 36. Plaintiffs' claims are typical of the claims of the other Class Members, as each class
21 member was subject to the same omission of material fact and misrepresentations regarding the level
22 of THC in the Products. Plaintiffs share the aforementioned facts and legal claims or questions with
23 Class Members, and Plaintiffs and all Class Members have been similarly affected by Defendant's
24 common course of conduct alleged herein. Plaintiffs and all Class Members sustained monetary and
25 economic injuries including, but not limited to, ascertainable loss arising out of Defendant's
26 deceptive omission of material fact and misrepresentations regarding the levels of THC in the
27 Products.

28 37. Plaintiffs are adequate representatives of the Class because their interests do not

1 conflict with the interests of the Class Members they seek to represent, they have retained competent
2 counsel experienced in prosecuting class actions, and they intend to prosecute this action vigorously.
3 The interests of Class Members will be fairly and adequately protected by Plaintiffs and their counsel.

4 38. Absent a class action, Class Members will continue to suffer the harm described
5 herein, for which they would have no remedy. Even if separate actions could be brought by
6 individual consumers, the resulting multiplicity of lawsuits would cause undue burden and expense
7 for both the Court and the litigants, as well as create a risk of inconsistent rulings and adjudications
8 that might be dispositive of the interests of similarly situated consumers, substantially impeding their
9 ability to protect their interests, while establishing incompatible standards of conduct for Defendant.

10 39. Defendant has acted or refused to act on grounds generally applicable to Plaintiffs
11 and all members of the Class, thereby making appropriate final injunctive relief and declaratory
12 relief, as described below, with respect to the Class as a whole.

13 40. A class action is superior to any other available methods for the fair and efficient
14 adjudication of the present controversy for at least the following reasons:

- 15 • The damages suffered by each individual putative Class Member do not justify the burden
16 and expense of individual prosecution of the complex and extensive litigation
17 necessitated by Defendant's conduct;
- 18 • Even if individual Class Members had the resources to pursue individual litigation, it
19 would be unduly burdensome to the courts in which the individual litigation would
20 proceed;
- 21 • The claims presented in this case predominate over any questions of law or fact affecting
22 individual Class Members;
- 23 • Individual joinder of all putative Class Members is impracticable;
- 24 • Absent a class action, Plaintiffs and putative Class Members will continue to suffer harm
25 as a result of Defendant's unlawful conduct; and
- 26 • This action presents no difficulty that would impede its management by the Court as a
27 class action, which is the best available means by which Plaintiffs and putative Class
28 Members can seek redress for the harm caused by Defendant.

41. In the alternative, the Class may be certified for the following reasons:

- The prosecution of separate actions by individual Class Members would create a risk of inconsistent or varying adjudication with respect to individual Class Members, which would establish incompatible standards of conduct for Defendant;
- Adjudications of individual Class and Members' claims against Defendant would, as a practical matter, be dispositive of the interests of other putative Class who are not parties to the adjudication and may substantially impair or impede the ability of other putative Class Members to protect their interests; and
- Defendant has acted or refused to act on grounds generally applicable to the putative Classes, thereby making appropriate final and injunctive relief with respect to the putative Classes as a whole.

COUNT I

Violation Of The California Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, *et seq.* (On Behalf of the Class)

42. Plaintiffs hereby re-allege and incorporate all allegations contained in the preceding paragraphs as if fully set forth herein.

43. California's Consumers Legal Remedies Act, Cal. Civ. Code § 1770(a)(5), prohibits "[r]epresenting that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which he or she does not have."

44. California's Consumers Legal Remedies Act, Cal. Civ. Code § 1770(a)(7), prohibits "[r]epresenting that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another."

45. California's Consumers Legal Remedies Act, Cal. Civ. Code § 1770(a)(9), prohibits "[a]dvertising goods or services with intent not to sell them as advertised."

46. Defendant violated these provisions by making the misrepresentations alleged above, including the THC Claims.

47. Plaintiffs and the Class suffered economic injury as a direct and proximate result Defendant's violation because: (a) they would not have purchased the THC Products on the same terms if they had known that the Products were falsely labeled as alleged herein; (b) they paid a price premium compared to products without the misrepresentations alleged herein; and (c) the THC Products did not have the characteristics, ingredients, uses, benefits, or quantities as promised.

1 statutory or regulatory provisions, including but not limited to the applicable sections of: the
2 Consumers Legal Remedies Act, the False Advertising Law, and the Medical Cannabis Regulation
3 and Safety Act.

4 55. Further, the consumer injury was substantial, not outweighed by benefits to
5 consumers or competition, and not one consumer themselves could reasonably have avoided.

6 56. Defendant violated the “fraudulent” prong of the UCL by making misrepresentations
7 about the Infused Joint Products, as described herein. Defendant’s claims relating the
8 representations and omissions stated on the Products’ labeling and marketing statements mislead
9 reasonable consumers regarding the presence of THC in the Products.

10 57. Plaintiffs and the Class suffered economic injury as a direct and proximate result
11 Defendant’s violation because: (a) they would not have purchased the Infused Joint Products on the
12 same terms if they had known that the Products had been falsely labeled as alleged herein; (b) they
13 paid a price premium compared to products without the misrepresentations alleged herein; and (c)
14 the Infused Joint Products did not have the characteristics, ingredients, uses, benefits, or quantities
15 as promised.

16 58. On behalf of themselves and other members of the Class, Plaintiffs seek (1) to enjoin
17 the unlawful acts and practices described herein; (2) restitution of all revenues obtained as result of
18 Defendant’s violations of the UCL; and (c) reasonable attorneys’ fees and costs.

19 **COUNT III**

20 **Violation Of The California False Advertising Law,**
21 **Cal. Bus. & Prof. Code §§ 17500, *et seq.***
22 **(On Behalf of the Class)**

23 59. Plaintiffs hereby re-allege and incorporate all allegations contained in the preceding
24 paragraphs as if fully set forth herein.

25 60. California’s False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, *et seq.*, makes
26 it “unlawful for any person to make or disseminate or cause to be made or disseminated before the
27 public in this state ... in any advertising device ... or in any other manner or means whatever,
28 including over the Internet, any statement, concerning ... personal property or services, professional
or otherwise, or performance or disposition thereof, which is untrue or misleading and which is

1 known, or which by the exercise of reasonable care should be known, to be untrue or misleading.”

2 61. Defendant committed acts of false advertising, as defined by §17500, by making the
3 misrepresentations alleged above, including the THC Claims.

4 62. Defendant knew or should have known the THC Claims were false, but continued to
5 manufacture and sell underfilled Raw Garden Infused Joint Products in the retail and wholesale
6 markets while labeling the Products with the THC Claims.

7 63. Defendant’s actions in violation of § 17500 were false and misleading such that the
8 general public is and was likely to be deceived.

9 64. Plaintiffs and the Class suffered economic injury as a direct and proximate result
10 Defendant’s violation because: (a) they would not have purchased the THC Products on the same
11 terms if they had known that the Products were falsely labeled as alleged herein; (b) they paid a price
12 premium compared to products without the misrepresentations alleged herein; and (c) the THC
13 Products did not have the characteristics, ingredients, uses, benefits, or quantities as promised.

14 65. Pursuant to Cal. Bus. & Prof. Code § 17535, Plaintiffs, on behalf of themselves and
15 California Subclass Members, seek an order enjoining Defendant from continuing to engage in
16 deceptive business practices, false advertising, and any other act prohibited by law, including those
17 set forth in this Complaint. Injunctive relief is needed, as Defendant continues to misrepresent the
18 true nature of the Products and continues to mislead the public. Additionally, Plaintiffs have
19 purchased the Products, and would be willing to purchase these Products again, if the they could
20 trust the representations on Raw Garden’s packaging.

21 66. On behalf of themselves and other members of the Class, Plaintiffs seek (1) restitution
22 of all revenues obtained as a result of Defendant’s FAL violations; and (2) reasonable attorneys’
23 fees and costs.

24 **COUNT IV**
25 **Breach of Express Warranty**
26 **(On Behalf of the Class)**

27 67. Plaintiffs hereby re-allege and incorporates all allegations contained in the preceding
28 paragraphs as if fully set forth herein.

68. In connection with the sale of the Infused Joint Products, Defendant issued written

1 warranties. Defendant, as the designer, manufacturer, marketer, distributor, and/or seller of the
2 Products, expressly warranted that the Products were fit for their intended purpose by making
3 promises and affirmations of fact on their Products' labeling and packaging, including the THC
4 Claims.

5 69. The affirmations of fact and promises made by Defendant to Plaintiffs and the Class
6 regarding the THC Products became part of the basis of the bargain between Defendant and Plaintiffs
7 and the Class, thereby creating an express warranty that the Infused Joint Products would conform
8 to those affirmations of fact, representations, promises, and descriptions.

9 70. The THC Products do not, in fact, contain the amount of THC promised in the THC
10 Claims. Instead, the Products contains only a fraction of the THC advertised on their labeling and
11 packaging.

12 71. Plaintiffs and members of the Class suffered economic injury as a direct and
13 proximate result of Defendant's breach of warranty because: (a) they would not have purchased the
14 THC Products on the same terms if they had known that the Products had been falsely labeled as
15 alleged herein; (b) they paid a price premium for the THC Products based on Defendant's express
16 warranties; and (c) the THC Products did not have the characteristics, uses, or benefits as promised
17 by Defendant in the THC Claims. As a result, Plaintiffs and members of the Class have been
18 damaged either in the full amount of the purchase price of the THC Products or in the difference in
19 value between the Products as warranted and the Products as sold.

20 72. On or about November 3, 2022 and November 8, 2022, prior to filing this action,
21 Defendant was served with pre-suit notice letters that complied in all respects with U.C.C. §§ 2-313
22 and 2-607. Plaintiffs' counsel sent Defendant a letter advising it *inter alia* that it breached an express
23 warranty and demanded that it cease and desist from such breaches and make full restitution by
24 refunding the monies received therefrom. A true and correct copy of Plaintiffs' counsel's November
25 3, 2022 letter is attached hereto as Exhibit A. A true and correct copy of Plaintiffs' counsel's
26 November 8, 2022 letter is attached hereto as Exhibit B.

1 **COUNT V**
2 **Breach of Implied Warranty of Merchantability**
3 **(On Behalf of the Class)**

4 73. Plaintiffs hereby re-allege and incorporate all allegations contained in the preceding
5 paragraphs as if fully set forth herein.

6 74. Defendant is and was at all relevant times a “merchant” within the meaning of the
7 Uniform Commercial Code (“UCC”). Defendant manufactured, distributed, and marketed the
8 Products, which are “goods” within the meaning of the UCC. Consequently, Defendant impliedly
9 warranted that the THC Products were merchantable, including that they could pass without
10 objection in the trade under the contract description, that they were fit for the ordinary purposes for
11 which such goods are used, that they were of fair average quality within the description, that they
12 were adequately labeled, and that they would conform to the promises or affirmations of fact made
13 on the Products’ labeling and packaging. However, each of these implied warranties were false with
14 respect to the goods of the kind sold to Plaintiffs and Class members.

15 75. Under U.C.C. § 2-314(2), in order for goods to be merchantable, they must be at least
16 conform to the promise or affirmations of fact made on the container or label.

17 76. In reliance upon Defendant’s skill and judgment and the implied warranties above,
18 Plaintiffs and Class members purchased the THC Products.

19 77. The THC Products were not altered by Plaintiffs or Class members in a manner that
20 would reduce the quantity of THC the Products contain.

21 78. The THC Products were underfilled when they left the exclusive control of
22 Defendant.

23 79. Defendant knew the THC Products would be purchased and used by Plaintiffs and
24 members of the Class without additional testing by Plaintiffs and Class Members. The Products
25 were not of fair average quality within its description, were not adequately labeled, and did not
26 conform to the promises or affirmations of fact made on the Products’ label.

27 80. More specifically, Defendant breached its implied warranty of merchantability to
28 Plaintiffs and the Class because the THC Products would not pass without objection in the trade in
that it does not conform to the THC Claims made on the Products’ labels. Instead, the Products

1 contained substantially less THC than they were labeled to contain, and Plaintiffs and Class
2 Members did not receive the goods as warranted.

3 81. Plaintiffs and members of the Class suffered economic injury as a direct and
4 proximate result Defendant's breach of the implied warranty because: (a) they would not have
5 purchased the THC Products on the same terms if they had known that the Products had been falsely
6 labeled as alleged herein; (b) they paid a price premium for the Products based on Defendant's
7 warranties; and (c) the Products did not have the characteristics, uses, or benefits as promised by
8 Defendant in the THC Claims. As a result, Plaintiffs and members of the Class have been damaged
9 either in the full amount of the purchase price of the THC Products or in the difference in value
10 between the Products as warranted and the Products as sold.

11 **COUNT VI**
12 **Unjust Enrichment**
13 **(In the Alternative and on Behalf of the Class)**

14 82. Plaintiffs hereby re-allege and incorporate all allegations contained in the preceding
15 paragraphs as if fully set forth herein.

16 83. Plaintiffs and Class members conferred a benefit in the form of monies paid to
17 Defendant by purchasing underfilled Joint Infused Products.

18 84. Defendant voluntarily accepted and retained this benefit.

19 85. Defendant has been unjustly enriched in retaining the revenues derived from
20 Plaintiff's and Class Members' purchases of the THC Products. Retention of those moneys under
21 these circumstances is unjust and inequitable in light of the misrepresentations of fact made by
22 Defendant in labeling, packaging, marketing, and advertising the THC Products, including the
23 THC Claims. These misrepresentations caused injuries to Plaintiffs and Class members because
24 they would not have purchased the Products if the true facts had been known.

25 86. Because this benefit was obtained unlawfully, namely by selling and accepting
26 compensation for underfilled THC Products, it would be unjust and inequitable for Defendant to
27 retain it without paying the value thereof. Accordingly, Defendant must pay restitution to
28 Plaintiffs and Class Members for its unjust enrichment, as ordered by the Court.

1 **COUNT VII**
2 **Fraud**
3 **(On Behalf of the Class)**

4 87. Plaintiffs hereby re-allege and incorporate all allegations contained in the preceding
5 paragraphs as if fully set forth herein.

6 88. As discussed above, Defendant provided Plaintiffs and Class members with false or
7 misleading material information about the THC Products manufactured, distributed, and sold by
8 Defendant. For example, Defendant made promises and affirmations of fact in labeling,
9 packaging, marketing, and advertising the THC Claim.

10 89. As indicated above, however, these representations are false as the THC Products
11 are underfilled and contain less THC than Defendant claims.

12 90. The misrepresentations and omissions of material fact made by Defendant, upon
13 which Plaintiffs and Class members reasonably and justifiably relied, were intended to induce and
14 actually induced Plaintiffs and Class members to purchase the Products.

15 91. Defendant knew the THC Claims were false but continued to manufacture and sell
16 underfilled THC Products in the retail and wholesale markets while labeling the Products with the
17 THC Claims.

18 92. During the relevant time period, Plaintiffs and Class Members were unaware that
19 the THC Products were underfilled.

20 93. The fraudulent actions of Defendant caused damage to Plaintiffs and Class
21 Members, who are entitled to damages and other legal and equitable relief as a result.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, seek
24 judgment against Defendant, as follows:

- 25 a) For an order certifying the certifying the Class under Cal. Code Civ. Proc. § 382 naming
26 Plaintiffs as representatives of the Class, and Plaintiffs' attorneys as Class Counsel to
27 represent the Class;
- 28 b) For an order declaring that Defendant's conduct violates the statutes and laws
referenced herein;

- 1 c) For compensatory, statutory, and punitive damages in amounts to be determined by the
2 Court and/or Jury;
3 d) For prejudgment interest on all amounts awarded;
4 e) For an order of restitution and all other forms of equitable monetary relief;
5 f) For injunctive relief as pleaded or as the Court may deem proper; and
6 g) For an order awarding Plaintiffs' and the Class their reasonable attorneys' fees,
7 expenses, and costs of suit.

8 **DEMAND FOR JURY TRIAL**

9 Plaintiffs hereby demand a trial by jury.

10 Dated: November 21, 2022

11 **BURSOR & FISHER, P.A.**

12 By: _____

13 Frederick J. Klorczyk III

14 Frederick J. Klorczyk III (State Bar No. 320783)
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16 New York, NY 10019
17 Tel: (646) 837-7150
18 Fax: (212) 989-9163
19 E-mail: fklorczyk@bursor.com

20 **BURSOR & FISHER, P.A.**

21 Neal J. Deckant (State Bar No. 322946)
22 Brittany S. Scott (State Bar No. 327132)
23 1990 North California Blvd., Suite 940
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Attorneys for Plaintiffs



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

2 I, Frederick J. Klorczyk III, declare as follows:

3 1. I am an attorney at law licensed to practice in the States of California and New York,
4 and I a member of the bar of this Court. I am a Partner at Bursor & Fisher, P.A., counsel of record
5 for Plaintiffs in this action. Plaintiff Ayala alleges that he is a citizen of California and resides in
6 Santa Clara, California. I have personal knowledge of the facts set forth in this declaration and, if
7 called as a witness, I could and would competently testify thereto under oath.

8 2. The Complaint filed in this action is filed in the proper place for trial under Civil Code
9 Section 1780(d) in that Defendant conducts business in this County and throughout the State of
10 California. Additionally, Plaintiff Ayala alleges that his purchase occurred in this County.

11 I declare under the penalty of perjury under the laws of the State of California and the United
12 States that the foregoing is true and correct and that this declaration was executed at New York, New
13 York, this 21th day of November, 2022.

14 
15 _____
16 Frederick J. Klorczyk III



EXHIBIT A



888 SEVENTH AVE.
NEW YORK, NY 10019
www.bursor.com

FREDERICK J. KLORCZYK III
Tel: 646.837.7150
Fax: 212.989.9163
fklorczyk@bursor.com

November 3, 2022

Via Certified Mail – Return Receipt Requested

Central Coast Agriculture, Inc.
c/o Registered Agents Inc.
1401 21st Street, Suite R
Sacramento, CA 95811

Central Coast Agriculture, Inc.
240 E. Hwy 246, #210
Buellton, CA 93003

*Re: Notice and Demand Letter Pursuant to U.C.C. §§ 2-313, 2-314, 2-607;
California's Consumers Legal Remedies Act, Cal. Civil Code §§ 1750, et seq.; and
all other applicable consumer protection statutes*

To Whom It May Concern:

This letter serves as a preliminary notice and demand for corrective action to Central Coast Agriculture, Inc. (“You”) pursuant to U.C.C. § 2-607(3)(a) concerning breaches of express and implied warranties related to our client Emmett Reiner, and a class of all similarly situated purchasers (the “Class”) of Raw Garden products (collectively, the “THC Products”) claiming that the products purportedly contain a given quantity of THC (the “THC Claims”). This letter also serves as a notice of violation of the California Consumers Legal Remedies Act (“CLRA”), Cal. Civ. Code §§ 1750, *et seq.*; the California Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; the California False Advertising Law (“FAL”), Cal. Bus. & Prof. Code §§ 17500, *et seq.*; and all other applicable federal and state laws.

Our client purchased “Raw Garden Infused Joints” in “Sunset Cookies.” Prior to purchasing his THC Products, our client reviewed information about the products, including the quantity of THC purportedly contained in each. Our client also reviewed the accompanying labels, disclosures, warranties, and marketing materials, and understood them as representations and warranties by You that the THC Products contained the quantities of THC advertised. Our client relied on these representations and warranties in deciding to purchase his THC Products over comparable products. But these representations were false, and our client did not receive the quantity of THC he purchased. Independent lab testing reveals that the true quantity of THC in the THC Products is only a small fraction of these representations. Accordingly, You breached express and implied warranties made to our client and the Class and violated the consumer protection statutes reference above. *See* U.C.C. §§ 2-313, 2-314.

On behalf of our client and the Class, we hereby demand that You (1) issue a mandatory recall of the THC Products, and (2) make full restitution to all purchasers of the THC Products of all purchase money obtained from sales thereof.

We also demand that You preserve all documents and other evidence which refer or relate to any of the above-described practices including, but not limited to, the following:

1. All documents concerning the design, packaging, labeling, and manufacturing process for the THC Products;
2. All tests of the THC Products, whether performed by You or any third-party entities;
3. All documents concerning the pricing, advertising, marketing, and/or sale of the THC Products;
4. All communications with customers involving complaints or comments concerning the THC Products;
5. All documents concerning communications with any retailer involved in the marketing or sale of the THC Products;
6. All documents concerning communications with federal or state regulators concerning the THC Products; and
7. All documents concerning the total revenue derived from sales of the THC Products.

If you contend that any statement in this letter is inaccurate in any respect, please provide us with your contentions and supporting documents immediately upon receipt of this letter.

Please contact me right away if you wish to discuss an appropriate way to remedy this matter. If I do not hear from you promptly, I will take that as an indication that you are not interested in doing so.

Very truly yours,



Frederick J. Klorczyk III



EXHIBIT B



888 SEVENTH AVE.
NEW YORK, NY 10019
www.bursor.com

FREDERICK J. KLORCZYK III
Tel: 646.837.7150
Fax: 212.989.9163
fklorczyk@bursor.com

November 8, 2022

Via Certified Mail – Return Receipt Requested

Central Coast Agriculture, Inc.
c/o Registered Agents Inc.
1401 21st Street, Suite R
Sacramento, CA 95811

Central Coast Agriculture, Inc.
240 E. Hwy 246, #210
Buellton, CA 93003

*Re: Notice and Demand Letter Pursuant to U.C.C. §§ 2-313, 2-314, 2-607;
California's Consumers Legal Remedies Act, Cal. Civil Code §§ 1750, et seq.; and
all other applicable consumer protection statutes*

To Whom It May Concern:

This letter serves as a preliminary notice and demand for corrective action to Central Coast Agriculture, Inc. (“You”) pursuant to U.C.C. § 2-607(3)(a) concerning breaches of express and implied warranties related to our client Christian Ayala, and a class of all similarly situated purchasers (the “Class”) of Raw Garden products (collectively, the “THC Products”) claiming that the products purportedly contain a given quantity of THC (the “THC Claims”). This letter also serves as a notice of violation of the California Consumers Legal Remedies Act (“CLRA”), Cal. Civ. Code §§ 1750, *et seq.*; the California Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; the California False Advertising Law (“FAL”), Cal. Bus. & Prof. Code §§ 17500, *et seq.*; and all other applicable federal and state laws.

Our client purchased “Raw Garden Infused Joints” in “Caribbean Slurm.” Prior to purchasing his THC Products, our client reviewed information about the products, including the quantity of THC purportedly contained in each. Our client also reviewed the accompanying labels, disclosures, warranties, and marketing materials, and understood them as representations and warranties by You that the THC Products contained the quantities of THC advertised. Our client relied on these representations and warranties in deciding to purchase his THC Products over comparable products. But these representations were false, and our client did not receive the quantity of THC he purchased. Independent lab testing reveals that the true quantity of THC in the THC Products is only a small fraction of these representations. Accordingly, You breached express and implied warranties made to our client and the Class and violated the consumer protection statutes reference above. *See* U.C.C. §§ 2-313, 2-314.

On behalf of our client and the Class, we hereby demand that You (1) issue a mandatory recall of the THC Products, and (2) make full restitution to all purchasers of the THC Products of all purchase money obtained from sales thereof.

We also demand that You preserve all documents and other evidence which refer or relate to any of the above-described practices including, but not limited to, the following:

1. All documents concerning the design, packaging, labeling, and manufacturing process for the THC Products;
2. All tests of the THC Products, whether performed by You or any third-party entities;
3. All documents concerning the pricing, advertising, marketing, and/or sale of the THC Products;
4. All communications with customers involving complaints or comments concerning the THC Products;
5. All documents concerning communications with any retailer involved in the marketing or sale of the THC Products;
6. All documents concerning communications with federal or state regulators concerning the THC Products; and
7. All documents concerning the total revenue derived from sales of the THC Products.

If you contend that any statement in this letter is inaccurate in any respect, please provide us with your contentions and supporting documents immediately upon receipt of this letter.

Please contact me right away if you wish to discuss an appropriate way to remedy this matter. If I do not hear from you promptly, I will take that as an indication that you are not interested in doing so.

Very truly yours,



Frederick J. Klorczyk III