Cas	e 2:20-cv-04829-ODW-PLA Document 1 F	iled 05/29/20 Page 1 of 31 Page ID #:1
1 2 3 4 5 6 7 8	BURSOR & FISHER, P.A. Frederick J. Klorczyk III (State Bar No. 3 Neal J. Deckant (State Bar No. 322946) Brittany S. Scott (State Bar No. 327132) 1990 North California Blvd., Suite 940 Walnut Creek, CA 94596 Telephone: (925) 300-4455 Facsimile: (925) 407-2700 E-mail: fklorczyk@bursor.com ndeckant@bursor.com bscott@bursor.com	
9	[Additional Counsel Listed on Signature Page]	
10		
11		
12	UNITED STATES DISTRICT COURT	
13	CENTRAL DISTRICT OF CALIFORNIA	
14		2 20 4920
15	MIGUEL RODRIGUEZ, on behalf of himself and all others similarly situated,	Case No. 2:20-cv-4829
16	Plaintiff,	CLASS ACTION COMPLAINT
17	V.	
18	JUST BRANDS USA, INC., JUST BRANDS FL, LLC, JUST BRANDS,	JURY TRIAL DEMANDED
19	INC., JUST CBD, LLC, and SSGI FINANCIAL SERVICES, INC.,	
20		
21	Defendants.	
22 23		
23 24		
24		
26		
27		
20		
DOCKET A L A R M Find authenticated court documents without watermarks at <u>docketalarm.com</u> .		

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

27

20

RM

Plaintiff Miguel Rodriguez brings this action on behalf of himself and all others similarly situated against Defendants Just Brands USA, Inc. ("Just Brands USA"), Just Brands FL, LLC ("Just Brands FL"), Just Brands, Inc. ("Just Brands"), Just CBD, LLC ("Just CBD"), and SSGI Financial Services, Inc. ("SSGI") (collectively, "Defendants"), each of whom collectively does business as "JustCBD." Plaintiff makes the following allegations pursuant to the investigation of his counsel and based upon information and belief, except as to the allegations specifically pertaining to himself, which are based on personal knowledge.

NATURE OF THE ACTION

1. This is a putative class action lawsuit on behalf of purchasers of JustCBD-branded products against Defendants for manufacturing, distributing, and selling underfilled cannabidiol ("CBD") products (collectively, the "CBD Products" or "Products," as enumerated below). CBD is commonly used to treat anxiety, insomnia, depression, diabetes, PTSD, and chronic pain. CBD is sold in a variety of forms, including compounds, tinctures, and edibles. CBD can be administered by inhalation of smoke or vapor. Alternatively, food and beverage items can be infused with CBD as an alternative means of ingesting the substance.

2. Defendants' labeling and packaging repeatedly overstate the quantity of CBD contained in their Products. As discussed below, the labeling and packaging of the CBD Products are replete with representations and warranties, namely that the Products purportedly contain specific amounts of CBD (the "CBD Claims").¹ However, the CBD Products contain only a fraction of the CBD advertised on Defendants' website and on the Products' labeling and packaging. In fact, some of Defendants' Products contain no CBD whatsoever. For example, pursuant to

¹ Specifically, the CBD Claims include the following: "25mg CBD," "50mg CBD," 26 "65mg CBD," "100mg CBD," "200mg CBD," "250mg CBD," "360mg CBD," "500mg CBD," "550mg CBD," "750mg CBD," "1000mg CBD," "1500mg CBD," and "3000mg CBD."

Find authenticated court documents without watermarks at docketalarm.com.

independent lab testing commissioned by Plaintiff's counsel, the "JustCBD Honey Liquid Tincture," which purports to contain "100mg CBD" in the bottle, actually contains just 48.92mg CBD per bottle. This represents an <u>underfill of approximately</u> 3 51%. As another example, the "JustCBD Apple Rings Gummies," which 4 purportedly contains "250mg CBD," in fact contains a non-detectable quantity of 5 CBD.² This represents an <u>underfill of 100%</u>. By misrepresenting the true quantity 6 of CBD in their CBD Products, Defendants are able to charge a substantial price 7 premium on account of these fictitious CBD quantity claims. 8

Defendants' multiple and prominent systematic mislabeling of the 3. Products form a pattern of unlawful and unfair business practices that harms the public.

For all the reasons set forth herein, including but not limited to 4. 11 12 Defendants' misrepresentations regarding the quantity of CBD in its products, 13 Plaintiff seeks relief in this action individually, and as a class action on behalf of similarly situated purchasers of Defendants' products, for: (i) breach of express 14 warranty; (ii) unjust enrichment; (iii) fraud; (iv) violation of California's Consumers 15 Legal Remedies Act, Cal. Civ. Code §§ 1750 et seq. ("CLRA"); (v) violation of 16 17 California's Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200 et seq. 18 ("UCL"); (vi) violation of California's False Advertising Law, Cal. Bus. & Prof. Code §§ 17500 et seq. ("FAL"); and (vii) violation of the Florida Deceptive and 19 Unfair Trade Practices Act, Fla. Stat. §§ 501.201, et seq. ("FDUTPA"). 20

THE PARTIES

5. Plaintiff Miguel Rodriguez is a citizen of California who resides in Van Nuys, California. On October 2, 2018, Plaintiff Rodriguez purchased "JustCBD Signature CBD Cartridges" in the Pineapple Express and Northern Lights flavors. On March 17, 2019, Plaintiff Rodriguez purchased "JustCBD CBD Gummies 1000mg" and "JustPets Dog Treats."

27

28

RM

21

22

23

24

25

26

1

2

9

10

² AL screens CBD at a limit of detection of 0.4 mg/g.

Find authenticated court documents without watermarks at docketalarm.com.

6. On both occasions, Plaintiff Rodriguez purchased his JustCBD products 1 from Defendants' website justcbdstore.com. Before purchasing his JustCBD-2 branded products, Plaintiff Rodriguez reviewed product information and images, 3 including the CBD Claim featured on the product packaging, which promised 4 specific quantities of CBD. When purchasing his CBD Products, Plaintiff Rodriguez 5 also reviewed the accompanying labels, disclosures, warranties, and marketing 6 materials, and understood them as representations and warranties by Defendants that 7 the Products contained the quantities of CBD advertised. Plaintiff Rodriguez relied 8 on these representations and warranties in deciding to purchase Defendants' CBD 9 Products over comparable products. Accordingly, these representations and 10 warranties were part of the basis of the bargain, in that he would not have purchased 11 12 the CBD Products on the same terms had he known these representations were not 13 true. However, Plaintiff Rodriguez may purchase the CBD products in the future under the reasonable belief that the CBD Claims have been corrected. In making his 14 purchases, Plaintiff Rodriguez paid a substantial price premium due to the false and 15 misleading CBD Claims. However, Plaintiff Rodriguez did not receive the benefit of 16 his bargain, because Defendants' CBD Products do not contain anywhere near the 17 18 quantities of CBD advertised. Plaintiff Rodriguez also understood that in making the sale, his retailer was acting with the knowledge and approval of Defendants and/or as 19 the agent of Defendants. Plaintiff Rodriguez further understood that each purchase 20 involved a direct transaction between himself and Defendants, because the CBD 21 22 Products came with packaging and other materials prepared by Defendants, 23 including representations and warranties regarding the CBD Claims.

7. Defendant Just Brands USA, Inc. ("Just Brands USA"), is a Florida
corporation with its principal place of business in Coral Springs, Florida. Just
Brands USA manufactures, sells, and/or globally distributes JustCBD-branded
products, and is responsible for the advertising, marketing, and packaging of CBDinfused edibles, oils, tinctures, creams, and vapes, including the CBD Products. Just

24

25

26

27

28

RM

Brands USA manufactured, marketed, and/or sold the CBD Products during the
 relevant class period. The planning and execution of the advertising, marketing,
 labeling, packaging, testing, and/or corporate operations concerning the CBD
 Products and the CBD Claims was primarily carried out at Just Brands USA's
 headquarters and facilities within Florida, as is most, or all, of the CBD Products'
 manufacturing and assembly.

8. Defendant Just Brands FL, LLC ("Just Brands FL"), is a Florida 7 corporation with its principal place of business in Coral Springs, Florida. Just 8 9 Brands FL manufactures, sells, and/or globally distributes JustCBD-branded products, and is responsible for the advertising, marketing, and packaging of CBD-10 infused edibles, oils, tinctures, creams, and vapes, including the CBD Products. Just 11 12 Brands FL manufactured, marketed, and/or sold the CBD Products during the relevant class period. The planning and execution of the advertising, marketing, 13 14 labeling, packaging, testing, and/or corporate operations concerning the CBD Products and the CBD Claims was primarily carried out at Just Brands FL's 15 headquarters and facilities within Florida, as is most, or all, of the CBD Products' 16 manufacturing and assembly. 17

18 9. Defendant Just Brands, Inc. ("Just Brands"), is a Florida corporation with its principal place of business in Hollywood, Florida. Just Brands 19 manufactures, sells, wholesales, and/or globally distributes JustCBD-branded 20 products, and is responsible for the advertising, marketing, and packaging of CBD-21 infused edibles, oils, tinctures, creams, and vapes, including the CBD Products. Just 22 23 Brands manufactured, marketed, and/or sold the CBD Products during the relevant class period. The planning and execution of the advertising, marketing, labeling, 24 25 packaging, testing, and/or corporate operations concerning the CBD Products and the CBD Claims was primarily carried out at Just Brands headquarters and facilities 26 within Florida, as is most, or all, of the CBD Products' manufacturing and assembly.

27 28

RM

Find authenticated court documents without watermarks at docketalarm.com.

DOCKET A L A R M



Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.