Superior Court of California County of Marin 1 JUNE P. BASHANT, ESQ. (SBN 188496) 05/29/2024 ROUDA, FEDER, TIETJEN & McGUINN James M. Kim, Clerk of the Court 2 44 Montgomery Street, Suite 1900 By: K. Keeton, Deputy San Francisco, California 94104 3 Telephone: 415-398-5398 Facsimile: 415-398-8169 4 ibashant@rftmlaw.com www.rftmlaw.com 5 6 SARAH R. LONDON (SBN 267083) MICHAEL LEVIN-GESUNDHEIT (SBN 292930) 7 REILLY T. STOLER (SBN 310761) MIRIAM E. MARKS (SBN 332351) 8 LIEFF CABRASER HEIMANN & BERNSTEIN, LLP 9 275 Battery Street, 29th Floor San Francisco, California 94111 10 Telephone: 415-956-1000 slondon@lchb.com 11 12 SANDRA RIBERA SPEED (SBN 236769) RIBERA LAW FIRM, APC 13 157 West Portal Avenue, Suite 2 San Francisco, California 94127 14 Telephone: 415-576-1600 sribera@riberalaw.com 15 Attorneys for Plaintiff John Doe 16 17 SUPERIOR COURT OF THE STATE OF CALIFORNIA 18 IN AND FOR THE COUNTY OF MARIN 19 JOHN DOE, Case No. CV0002999 20 Plaintiff. 21 **COMPLAINT FOR DAMAGES and** v. DEMAND FOR TRIAL BY JURY 22 STIIIZY INC. dba SHRYNE GROUP, INC.; STIIIZY IP, LLC; and DOES 1-20, inclusive, 1. Negligence 23 2. Strict Products Liability – Failure to Warn 3. Strict Products Liability – Design Defect Defendants. 24 4. Negligent Misrepresentation 5. Fraudulent Concealment 25 6. Breach of Implied Warranty 7. Fraud 26 Punitive Damages Allegation 27 28

ELECTRONICALLY FILED

Plaintiff JOHN DOE ("Plaintiff"), by and through the undersigned counsel, brings this action against Defendants STIIIZY INC. dba SHRYNE GROUP, INC.; STIIIZY IP, LLC; and DOES 1-20, inclusive (hereinafter collectively referred to as, "STIIIZY" or "Defendants"). Plaintiff, a natural person, brings claims under California law. Plaintiff's allegations are based upon information and belief.

NATURE OF THE CASE

- 1. STIIIZY is marketing dangerous, high-potency, marijuana vaporizers in ways known to appeal to teenagers. STIIIZY's conduct and products are causing young people to suffer cannabis-induced psychosis (CIP) and driving an epidemic of CIP among California's youth.
- 2. CIP is not a bad high, or a bad trip. CIP is an acute psychological event that can require years of treatment, including the use of anti-psychotic medication. Based on current scientific and medical research, CIP appears to be caused by high THC exposures, which can damage the portions of the brain that allow a person to distinguish reality from delusion. Even an individual who recovers from CIP and is not diagnosed with chronic psychosis may incur lasting damage to their brain, increasing their risk of mental health issues for the rest of their life.
- 3. Across the country, there is a growing concern that the increasingly frequent use of high-potency cannabis products may acutely harm teenagers' health by causing episodic or lasting bouts of psychosis. The problem is only becoming more visible in California, one of the first states to legalize recreational cannabis: According to state hospital data, there were 1,053 emergency room visits for CIP in California in 2019—a 54% increase from 682 emergency room visits in 2016.¹ Even as scientific and medical researchers investigate this alarming public health development, the harms attendant to CIP have devastated and continue to devastate the lives of teenagers and their families.

¹ April Dembosky, Cases of Cannabis-Induced Psychosis Rise. Lawmakers Want to Add Mental

Health Warnings to Pot Products, NPR (June 7, 2022), https://www.kqed.org/news/11916028/lawmakers-consider-adding-mental-health-warnings-to-pot-products.

4. The recent rise in teen CIP is due in large part to the availability of cannabis,² as well as technological advances in how young people can use its most potent forms. Over the past 15 years,³ increasingly sophisticated vaporizer devices (or vapes) have facilitated teens' easy and frequent use of increasingly highly concentrated cannabis in a portable, easy-to-use, and fashionably aesthetic format. Cannabis vapes are discreet; they look like USB drives, do not generate much smoke, and enable the inhalation of high-potency cannabis that is many times more concentrated than what, in the past, could be smoked from a simple rolled cannabis cigarette (or "joint").

- 5. The cannabis industry targets youth in every aspect of its marketing. Cannabis strains feature fun names like "Purple Punch" or "Gelato." Cannabis vapes are designed not only in subtle black or metallic colors but also in eye-catching colors and patterns. Cannabis dispensaries, which have sprouted up in main-street storefronts across the country, cultivate clublike spaces of pulsing lights, bass-heavy music, and eye-catching displays of their latest cannabis strains and means of using them. And cannabis advertising features attractive young people engaged in cool social activities—from skateboarding to attending music festivals—that are meant to evoke a larger, cannabis-using lifestyle.
- 6. In part because of such marketing strategies, public perception of the risk of cannabis is also declining. According to the federal Substance Abuse and Mental Health Services Administration (SAMHSA), in 2021 only approximately 33.9% of individuals aged 12-17 years perceived a great risk of harm associated with smoking marijuana once or twice a week; for the same age group, this figure dropped in 2022 to approximately 31.4%.⁴ For individuals aged 18-

² A number of states have legalized the use of cannabis in some form. California legalized the recreational use and sale of cannabis for adults 21 and over beginning in 2017, with the passage of Proposition 64 (the Adult Use of Marijuana Act) on November 8, 2016.

³ See A Brief History of Weed Vapes, Vice (July 12, 2017), https://www.vice.com/en/article/43d4dm/a-brief-history-of-weed-vapes.

⁴ Table 3.1B – Perceived Great Risk of Harm Associated with Substance Use, SAMHSA, <a href="https://www.samhsa.gov/data/sites/default/files/reports/rpt42728/NSDUHDetailedTabs2022/NSDUHDetailedTabs

⁵ See Id.

review.

25, the percentage of those perceiving a great risk of harm associated with smoking marijuana once or twice a week was only 14.5% in 2021 and 13.6% in 2022.⁵

- 7. Delta-9 tetrahydrocannabinol, or THC, is the principal psychoactive constituent of cannabis and causes the "high" commonly associated with using cannabis. While the amount of THC in a given cannabis product can vary widely, it has tended to increase over time. According to statistics compiled by the National Institute on Drug Abuse, the average THC content of cannabis seized by the Drug Enforcement Agency more than tripled in the past 25 years, increasing from 4% in 1995 to 15% in 2021. Medical studies have found that high-potency cannabis concentrates may lead to higher risk of developing acute adverse effects such as paranoia and psychosis.
- 8. As both the potency of cannabis products and the frequency of their consumption increase, medical studies have observed a correlation between cannabis consumption and a variety of psychiatric conditions, including CIP—an acute psychological event. The DSM-5 categorizes CIP disorder as a substance-induced psychotic disorder, but CIP has further distinguishing characteristics such as the sudden onset of mood lability and paranoid symptoms within one week of, but as early as 24 hours after use. CIP is commonly precipitated by a cannabis user ingesting a sharply increased amount of THC, which often results from using a higher-potency product.⁸
- 9. California is the largest commercial cannabis market in the United States, and STIIIZY dominates the California market for cannabis vapes. STIIIZY—pronounced "steezy," a name derived from the California slang word "steez," meaning a combination of style and ease—markets its cannabis strains, vaping devices, and other cannabis paraphernalia using flavors named for fruits/candy, conventionally attractive, youthful female models, and campaigns tied to

and physical health outcomes, 115 Behavior Research & Therapy 111-120 (Apr. 2019),

⁷ Mark A. Prince & Bradley T. Conner, Examining links between cannabis potency and mental

⁶ Cannabis Potency Data, National Institute on Drug Abuse,

 $[\]underline{https://nida.nih.gov/research/research-data-measures-resources/cannabis-potency-data}.$

https://www.sciencedirect.com/science/article/abs/pii/S0005796718301803.

Ruby S. Grewal & Tony P. George, *Cannabis-Induced Psychosis: A Review*, 34 Psychiatric Times 7 (July 2017), https://www.psychiatrictimes.com/yiew/cannabis-induced-psychosis-

celebrities and musical artists. Instead of warning of the dangers posed by its high-potency cannabis and vapes, STIIIZY markets its products as medicine for angst and anxiety. The photos below from STIIIZY's website show the vapes themselves (for example, in a military-like camouflage print), sold under various names evocative of sweets (including "birthday cake"), and an example of STIIIZY's youth-oriented marketing (in which a young woman wearing a cropped tank top with a Playboy rabbit logo sucks on a lollypop while leaning on a shelf in a gas station convenience store):







10. Teenagers unsurprisingly find this kind of marketing—bright colors, products named for sweets, aspirational imagery, and sexualized marketing—attractive. STIIIZY capitalizes on that attraction, promoting their cannabis products as critical components of a trendy lifestyle while hiding the risks of using powerful vaping technology to ingest endless, high-potency hits of THC. The result is an increase in CIP experienced by teenagers, whose symptoms have presented as paranoia, delusions, and hallucinations, sometimes including violent threats and behavior to themselves, their friends, or their own families. For those who are affected, youth CIP has fundamentally altered their lives, put enormous strain on their families, and cost hundreds of thousands of dollars as their loved ones attempt to pick up the pieces and pay for the ongoing care and rehabilitation needed to address the long-term impacts of CIP.

PARTIES

11. Plaintiff JOHN DOE is a competent adult and resident of Marin, California. The events giving rise to this lawsuit occurred when he was a minor. Plaintiff, who is still in high school,

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⁹ See Starbucks Corp. v. Superior Court, 168 Cal.App.4th 1436, 1452, n.7 (2008) (noting in dicta that "[t]he judicial use of 'Doe plaintiffs' to protect legitimate privacy rights has gained wide currency, particularly given the rapidity and ubiquity of disclosures over the World Wide Web.").

- 19. The Court has jurisdiction over this action pursuant to California Constitution, Article 6 § 10, and California Code of Civil Procedure § 382.
- 20. There is no federal jurisdiction in this case. All claims are brought pursuant to California state law. There are no federal causes of action and Plaintiff expressly disclaims any federal causes of action. Plaintiff is domiciled in and is a citizen of the state of California. All Defendants are also citizens of the state of California. Diversity of citizenship is absent.
- 21. Venue is proper in Marin County under California Code of Civil Procedure § 395 because the incident that gives rise to this action occurred in Marin County.

FACTUAL ALLEGATIONS

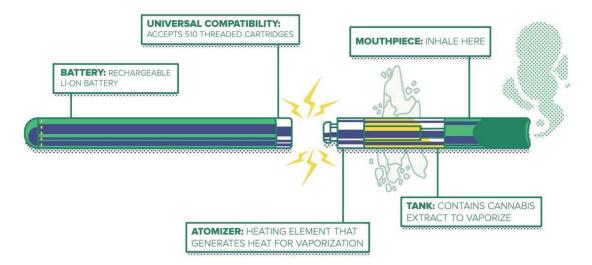
I. The Cannabis Vaping Industry Has Boomed in the Past Decade.

- 22. In the past decade, California consumers increasingly have been able to use cannabis with vaporizer devices—vaporizers, or simply "vapes." Cannabis vapes are sleek, portable, battery-operated electronic devices that allow a user to inhale cannabis vapor in a discreet manner, without burning cannabis or using an open flame. They are similar to e-cigarettes; indeed, for years vaping technology for years was primarily applied to manufacture e-cigarettes. More recently, as states across the country act to legalize the medical and recreational use of cannabis, the cannabis vaping industry has adopted and adapted vaping technology for its own purposes.
- 23. Technologically sophisticated vaping companies with a focus on cannabis began to emerge in the early 2010s and took off beginning in 2016. That November, California voters passed Proposition 64, the Adult Use of Marijuana Act by a 57% to 43% vote, which legalized the use, sale, and cultivation of recreational cannabis in California for adults aged 21 and over. ¹⁰ In the years that followed, the cannabis vaping industry continued to attract the attention of investors and businesses as more states legalized medical and recreational cannabis. As the cannabis market

¹⁰ In California, a person can buy cannabis if they are: (1) 18 years of age or older, with a physician's recommendation (medicinal use); or (2) 21 or older (adult use).

grew more lucrative, the race to capture the cannabis vaping market with a differentiated product heated up.¹¹

- 24. On April 30, 2024, media outlets reported that the Drug Enforcement Administration (DEA) planned to reclassify cannabis from Schedule I to Schedule III under the Controlled Substances Act (CSA). This change would relax restrictions on the cannabis industry—for example, allowing cannabis retailers to deduct business expenses on federal tax filings¹²—while also removing certain barriers for medical research and scientists to study its effects.¹³ The race to saturate the market with marijuana products can only be expected to intensify.
 - 25. A cannabis vape is a device that increases the temperature of cannabis, either in dry



form, concentrate, or oil, until the THC can be transmitted without burning. The user inhales the cannabis vapor from one end of the vape through the mouth and into their lungs. The vapor emitted

¹¹ Chris Morris, *Vaporizer industry takes a page from Apple's book*, CNBC (Apr. 20, 2017), https://www.cnbc.com/2017/04/20/vaporizer-industry-takes-a-page-from-apples-book.html.

¹² Legal Consequences of Rescheduling Marijuana, Congressional Research Service (May 1, 2024), https://crsreports.congress.gov/product/pdf/LSB/LSB/LSB11105.

¹³ Rhitu Chatterjee, *Scientists welcome new rules on marijuana, but research will still face obstacles*, NPR (May 3, 2024), https://www.npr.org/sections/health-shots/2024/05/03/1248985559/marijuana-weed-schedule-i-iii-research-barriers.

by a cannabis vape is far less visually noticeable and odorous than smoke from a traditional joint or other smoking device (such as a pipe or bong). Below is the design of a simple vape.¹⁴

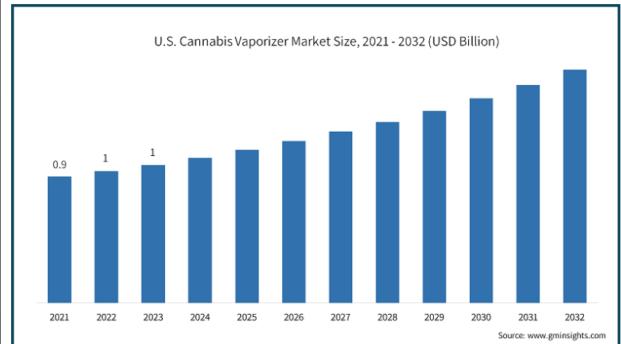
- 26. There are a wide variety of electronic vaping devices on the market, including disposable and reusable models. Reusable vapes are refilled with cannabis-containing cartridges or refillable containers. Generally, the liquid cannabis oil used in cannabis vapes contains cannabinoids such as delta-9-tetrahydrocannabinol (delta-9-THC), delta-8-THC (sold at convenience stores and gas stations), and cannabidiol (CBD), along with flavorings and additives such as propylene glycol and vegetable glycerin.¹⁵
- 27. The growth of the overall U.S. cannabis market continues on an upward trajectory. Industry website Statista estimates that revenue is expected to reach \$42.98 billion in 2024, with an estimated market volume of \$49.56 billion by the end of 2029. The size of the U.S. cannabis vape market is also growing, which Global Market Insights estimated at roughly \$1 billion now with steady growth over time, per the figure below: 17

¹⁴ Xiomara Blanco, *Vape pens: The highs and lows of weed vaporizers*, CNET (Sept. 6, 2017), https://www.cnet.com/tech/mobile/vape-pens-highs-and-lows-of-weed-vaporizers.

¹⁵ Sharma P, Mathews DB, Nguyen QA, Rossmann GL, A Patten C, Hammond CJ, *Old Dog, New Tricks: A Review of Identifying and Addressing Youth Cannabis* Vaping in the Pediatric Clinical *Setting*. Clin Med Insights Pediatr. 2023 Mar 25;17:11795565231162297. doi: 10.1177/11795565231162297, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10041590.

¹⁶ *Market Insights: Cannabis – United States*, STATISTA, https://www.statista.com/outlook/hmo/cannabis/united-states.

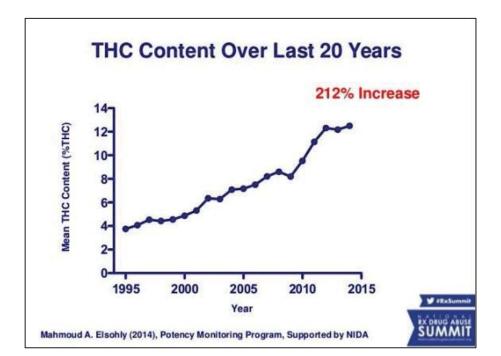
¹⁷ Cannabis Vaporizer Market Size, GMI, https://www.gminsights.com/industry-analysis/cannabis-vaporizer-market.



II. **Cannabis Is Growing More Potent.**

28. The THC potency of cannabis has increased over the past few decades. In the early 1990s, cannabis had an average THC concentration of approximately 2-3%. 18 Twenty years later, the average THC content of cannabis had more than doubled, reflecting a 212% increase through the year 2014, as illustrated below:

¹⁸ Libby Stuyt, M.D., Problems with our High Potency THC Marijuana from the perspective of an Addiction Psychiatrist, Colorado Substance Abuse Trend and Response Task Force (May 1, 2020), https://coag.gov/app/uploads/2020/08/Problems-with-our-High-Potency-THC-Marijuana-4-1-20.pdf.



29. Now, especially in states like California where recreational and medical use of cannabis is legal, THC potency tends to be even higher, ranging from ~16% THC (for cannabis flower) to 95% THC (for concentrated cannabis products).

III. <u>Use of High-Potency Cannabis Is Associated with Cannabis-Induced Psychosis.</u>

- 30. Against the backdrop of the burgeoning cannabis vaping industry, the scientific and medical literature has found that cannabis use is associated with an array of unwanted health outcomes, from anxiety, depression, poor sleep hygiene, and lung damage, ¹⁹ to disrupted cognitive functioning such as schizophrenia and psychosis.
- 31. Numerous lines of evidence suggest a correlation between cannabis consumption and a variety of psychiatric conditions, including cannabis-induced psychosis (CIP). DSM-5 categorizes cannabis-induced psychotic disorder as a substance-induced psychotic disorder. But there are distinguishing characteristics of CIP that differentiate it from other psychotic disorders such as schizophrenia. Clear features of CIP are sudden onset of mood lability and paranoid symptoms after use. CIP is commonly precipitated by a sudden increase in potency (e.g., percent

¹⁹ See Laura Bailey, Vaping marijuana associated with more symptoms of lung damage than vaping or smoking nicotine, Michigan News (Mar. 3, 2021), https://news.umich.edu/vaping-marijuana-associated-with-more-symptoms-of-lung-damage-than-vaping-or-smoking-nicotine.

of THC content or quantity of cannabis consumption). Specifically in youth, there is a direct relationship between cannabis use and its risks.²⁰

32. The issue of high-potency cannabis is garnering more media attention as the problem proliferates. Child psychiatrist and addiction specialist at the University of Colorado School of Medicine in Denver Dr. Christian Thurstone explained, "We're definitely seeing a rise in cannabis-induced psychosis among teenagers." Nora Volkow, director of the National Institute on Drug Abuse, also observed: "Those who consume the highest doses are the ones that are going to have the highest risk of becoming psychotic." Indeed, according to Dr. Thurstone: "The studies that we have so far clearly indicate that the risk for psychosis is dose dependent, meaning that the more marijuana somebody's exposed to especially in adolescence, the greater the risk of developing psychosis, schizophrenia and severe mental illness." Research done thus far suggests the same. The use of high-potency THC concentrates, like those found in vape pens, has been observed to correlate with a higher incidence of mental and physical health problems, and also leads to a higher risk of developing acute adverse effects, such as paranoia, psychosis, and cannabis hyperemesis syndrome. And the problems acute adverse effects are paranoia, psychosis, and cannabis hyperemesis syndrome.

IV. STIIIZY Is the Major Player in California's Booming Cannabis Vaping Industry.

33. Founded in Southern California in 2017, STIIIZY is a major player in the cannabis vaping industry, especially in California.

²⁰ Ruby S. Grewal, *Cannabis-Induced Psychosis: A Review*, 34 Psychiatric Times 7, https://www.psychiatrictimes.com/view/cannabis-induced-psychosis-review.

²¹ Akshay Syal, M.D., Kate Snow, and Patrick Martin, *High-potency marijuana highlights the risk of cannabis-induced psychiatric disorders*, NBC News (Apr. 4, 2024), https://www.nbcnews.com/health/mental-health/marijuana-induced-psychiatric-disorders-high-potency-weed-psychosis-rcna146072.

²² *Id*.

²³ *Id*.

²⁴ Mark A. Prince, Bradley T. Conner, *Examining links between cannabis potency and mental and physical health outcomes*, 115 Behavior Research & Therapy 111-120 (Apr. 2019), https://pubmed.ncbi.nlm.nih.gov/30497655.

- 34. STIIIZY is currently the best-selling cannabis brand in the United States, with over \$25 million in monthly revenue largely derived from the sale of vapes. At present, all ten of the best-selling vapes in California—the largest cannabis market in the United States—are STIIIZY's. STIIIZY generates significant revenue every month, much of it coming through its 32 California retail locations, four of which are in San Francisco alone. And the company is growing.
- 35. STIIIZY's products are popular. In March 2023, the Cannabis Business Times reported that "45% of California vape consumers indicate they've purchased STIIIZY's products, and more than 90% of purchasers say they'd buy again."25 In 2022, STIIIZY's vapes accounted for about 65% of their sales, with the most popular design being the OG Pod.²⁶
- 36. A STIIIZY cannabis vape is a sleek, technologically sophisticated device designed to make cannabis vaping simple and smooth. The device is comprised of a detachable, replaceable pod containing high-potency cannabis oil, a ceramic coil, and a battery. The battery is both the power source and the body of the device. STIIIZY makes its own proprietary pods and batteries. When a user inhales, the coil heats the THC in the leak and burn-proof pod, and the user inhales the vapor. An LED light automatically lights up while the user is inhaling from the device. STIIIZY manufactures and sells a wide variety of types of THC pods for its devices, ranging from Original THC Pods to Solventless Live Rosin Pods, which differ based on the way the cannabis oil is prepared. Currently, STIIIZY sells most of its 0.5-gram THC Pods for \$18.00 each. The following image of a 2018-era STIIIZY cannabis vape was featured on its homepage in 2018²⁷:

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(Apr. 20, 2022), https://www.youtube.com/watch?v=pedEAp-jzMw.

california-brands-stiiizy-brightfield.

²⁶ Stiiizy - California's #1 Cannabis Brand by Volume - Canna Cribs at 24:25-24:40, CannaCribs

²⁵ Madeline Scanlon, "What the Cannabis Industry Can Learn From Top California Brands,"

Cannabis Business Times (Mar. 2023), https://www.cannabisbusinesstimes.com/article/top-

²⁷ https://stiiizy.com (Aug. 22, 2018), available at https://web.archive.org/web/20180822065851/https://stiiizy.com.



- 37. STIIIZY promotes its vapes as technologically superior to the competition: providing vapor that is more inhalable and more potent. STIIIZY's Co-founder and CEO, James Kim, dubs himself a "known innovator in the space, credited with advancements in electronic cannabis oil delivery systems that has put the award winning STIIIZY brand ahead of its competitors."
- 38. STIIIZY has competed successfully in the cannabis vaping market not only through its technology but also through its product design. STIIIZY designs and manufactures vapes in a wide variety of shapes, sizes, and colors, such that vapes look more like colorful pens, cell phones, and highlighters. For example, at approximately 4 inches tall, ³/₄ inches wide, and 5/8 inches thick, STIIIZY's "Starter Kit: Red Edition" (pictured below, in actual two-dimensional size) resembles a red highlighter:



On another

page,

STIIIZY features a group of STIIIZY vape pens in neon colors and asks: "What's your favorite



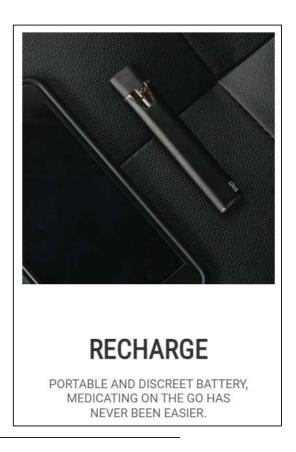
color for a vape pen that lasts long and draws strong?"28

²⁸ Weed Pens, Pods, and Cartridges: What's the Difference?, STIIIZY (Sept. 16, 2022), https://www.stiiizy.com/blogs/learn/weed-pens-pods-and-cartridges-whats-the-difference.

39. STIIIZY wants to be more than just a vape manufacturer. As its website declares: "STIIIZY's proprietary pod system has garnered a cult-like following since its launch and has emerged as a leading lifestyle brand in cannabis."²⁹ In addition to cannabis strains, vapes, gummies, and other cannabis products, STIIIZY sells sweatshirts, hats, and stickers. STIIIZY actively promotes itself as a lifestyle brand with the hashtag #STAYSTIIIZY through social media, consumer advertising, and partnerships with, among other things, certain music artists, events, and other stakeholders in the cannabis lifestyle ecosystem—all of it focused on youth.

V. <u>STIIIZY Aggressively Markets High-Potency THC Vapes to Youth.</u>

40. STIIIZY markets its Products as having anxiety-alleviating, virtually medicinal properties. As STIIIZY's current blog explains: "One of the most common reasons people use cannabis is to relieve stress and anxiety. With the relaxed high, the worry fades." Early versions





²⁹ What is STIIIZY?, STIIIZY, https://www.stiiizy.com.

³⁰ Exploring the Spectrum: The Different Kinds of High, STIIIZY (May 29, 2023), https://www.stiiizy.com/blogs/learn/exploring-the-spectrum-the-different-kinds-of-high

of STIIIZY's website promoted its rechargeable vapes³¹ and vape pens³² as providing users with "medicating on the go."

- 41. STIIIZY's website promotes each of its cannabis strains in comprehensive profiles that set out lengthy descriptions of a strain's history, flavor profile, and effects. For users seeking a "relaxed high," STIIIZY recommends the Lava Cake strain: "A cross of thin Mint GSC x Grape Pie, Lava Cake produces deep relaxation that eases your mind and body. It's the perfect smoke for after work or a lazy day off." STIIIZY describes its Dreamsicle strain as having "effects [] characterized by a boost in mental clarity and creativity, with a dreamy cerebral state and euphoria, along with potential relief from chronic pain, headaches, depression and anxiety." The webpage promoting Dreamsicle features a graphic with a marijuana leaf over an orange cream popsicle against a starry, swirling sky.
- 42. As another example, STIIIZY's profile of its hybrid strain "Pineapple Express" includes a brightly colored, vaguely scientific-seeming infographic with a pineapple and dried

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SATIVA INDICA

FLAVORS

PINEAPPLE EXPRESS

T 16%-25%

C 1%

B D

HIGH: 2-4
HOURS

CREATIVITY

RELAXING

UPLIFTING

FENERGIZING
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³¹ https://stiiizy.com (Aug. 22, 2018), accessible at https://stiiizy.com/https://web.archive.org/web/20180822065851.

³² https://stiiizy.com (May 13, 2019), accessible at https://web.archive.org/web/20190513164835/https://stiiizy.com.

³³ Exploring the Spectrum: The Different Kinds of High, STIIIZY (May 29, 2023), https://www.stiiizy.com/blogs/learn/exploring-the-spectrum-the-different-kinds-of-high

³⁴ *Dreamsicle Strain Guide*, STIIIZY (Mar. 14, 2024), https://www.stiiizy.com/blogs/learn/dreamsicle-strain-guide.

³⁷ *Id*

bunch of cannabis flower at the center, surrounded by statistics illustrating the flower's THC concentration (16%-25%), estimated duration of the high (2-4 hours), and descriptive language such as: "CREATIVITY," "RELAXING," "UPLIFTING," and "ENERGIZING." The post touts the strain's ability to boost users' "mood and creativity," also noting that Pineapple Express is "a popular choice among artists, writers, and anyone seeking a boost in their creative endeavors." The THC concentration of a Pineapple Express vape pod is approximately 91%. 36

- 43. "Pineapple Express," "Lava Cake," and "Dreamsicle" are not unusual names; almost all of STIIIZY's cannabis strains are named after or evoke fruit, desserts, or fruity desserts—flavors plainly aimed at youth. For example, STIIIZY's vapes currently feature indica strains "Biscotti" and "Watermelon Z"; sativa strains "Orange Sunset," "Strawberry Cough," and "Super Lemon Haze"; and hybrid strains "Apple Fritter," "Pineapple Runtz," and "Pink Acai." Biscotti is one of STIIIZY's most potent strains; its flower has an average THC level of 20-25%, and its vape pods have a THC concentration of approximately 92%. 38
- 44. THC potency is a strong selling point in the cannabis industry, and STIIIZY aggressively promotes the high potency of its Products, boasting that STIIIZY strains "set the standard for potency and purity."³⁹ In a recent blog post, STIIIZY explains: "Top shelf weed is distinguished typically by its exceptional quality, potency, and aroma."⁴⁰ The post praises "THC content and its effect" as "the cornerstone of cannabis efficacy," and notes that: "Potency isn't

³⁵ Pineapple Express Strain: Unraveling the Mysteries, STIIIZY (Aug. 4, 2023), https://www.stiiizy.com/blogs/learn/unraveling-the-mysteries-of-pineapple-express-strain.

³⁶ STIIIZY Pineapple Express Pod 1g, Doobie Nights, https://doobienights.com/products/stiiizy-stiiizy-pineapple-express-pod-1g-for-sale-santa-rosa-ca.

³⁸ Biscotti Strain: Gourmet Cannabis, STIIIZY (Feb. 1, 2023), https://www.stiiizy.com/blogs/learn/biscotti-strain; Biscotti, Mankind Dispensary, https://mankindcannabis.com/shop/recreational-cannabis/products/30462/stiiizy-biscotti.

³⁹ All In One THC Pens, STIIIZY, https://www.stiiizy.com/products/all-in-one-thc-pens (last accessed Apr. 29, 2024).

⁴⁰ Top Shelf Weed: Quality, Potency, and Aroma, STIIIZY (Mar. 28, 2024), https://www.stiiizy.com/blogs/learn/top-shelf-weed.

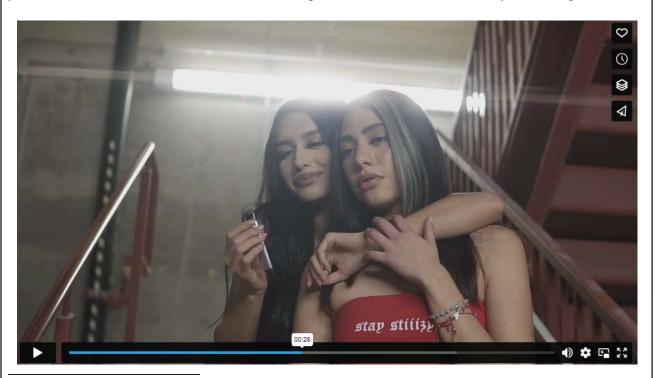
merely about the numbers; it's about the experience." In sum, according to STIIIZY, "Top shelf cannabis, with its higher THC levels, promises an elevated experience that's sought after by both recreational users and those in need of symptom relief." Nowhere in the post does STIIIZY warn about the dangers of high-potency THC, especially to youth.

45. STIIIZY vapes transmit alarmingly potent THC as compared to cannabis flower because the cannabis oil in a vape pod has a much higher THC concentration. As STIIIZY's blog explains:

Many people swear by vapes because they pack quite the punch in a small package. Cannabis oil is far more potent than regular cannabis flower since it's far more concentrated. While bud usually has an average of 25-35% THC, the oil in vapes can have anywhere from 60-95% THC! Talk about a one-hit wonder.⁴¹

As noted above, STIIIZY's Biscotti strain pods have a 92% THC concentration; Pineapple Express pods have a 91% concentration.

46. STIIIZY's marketing materials are further indicative of its focus on advertising to youth. The screenshots below from STIIIZY's promotional videos showcase youth using STIIIZY



⁴¹ *The Best Vape Pens for Cannabis*, STIIIZY (Oct. 20, 2022), https://www.stiiizy.com/blogs/learn/the-best-vape-pens-for-cannabis.

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0:27 / 0:51

Source: YouTube⁴³

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⁴³ See https://www.youtube.com/watch?v=FtkxJcYMAxo.

Hop with [STIIIZY's] pioneering cannabis culture."45

STIIIZY also actively cultivates and promotes its ties to celebrities and the music

industry, partnering with artists and events as part of its marketing efforts to promote itself as a

lifestyle brand. For example, the June 2021 opening of STIIIZY's dispensary in Pomona,

California, featured rappers Xzibit and Too Short.⁴⁴ In March 2024, STIIIZY collaborated with

the four-day-long Rolling Loud California music festival to "blend[] the electrifying world of Hip

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vaping products while sucking on lollipops and sporting STIIIZY-branded clothing (featuring

slogan "stay stiiizy" in the first, and simply "STIIIZY" in the second), all while apparently hiding

in what appears to be where teenagers all too often use STIIIZY's products: school stairwells.

⁴⁴ Xzibit & Too Short Make Appearance at STIIIZY Pomona Grand Opening, STIIIZY (June 26, 2021), https://www.stiiizy.com/blogs/learn/xzibit-too-short-make-appearance-at-stiiizy-pomonagrand-opening.

⁴⁵ STIIIZY X Rolling Loud California '24, STIIIZY (Mar. 14, 2024), https://www.stiiizy.com/blogs/learn/rolling-loud-2024.

48. As of May 9, 2024, the Warning Disclaimer section of STIIIZY's FAQ webpage was limited to the following⁴⁶:

MICHIGAN

- For use by individuals registered qualifying patients or individuals 21 years of age
 or older only. Keep out of reach of children. It is illegal to drive a motor vehicle
 while under the influence of marijuana. National Poison Control Center 1-800222-1222.
- WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY
 WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL
 INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL
 PROBLEMS FOR THE CHILD.

NEVADA

- For use only by adults 21 years of age or older. Keep out of reach of children. The page does not include any warning related to California or any warning about psychosis.
- 49. To be sure, the bottom of every webpage on STIIIZY's site warns—in exceedingly small font—that its products are intended "For use by individuals, registered qualifying patients or individuals 21 years of age or older only." Again, there are no warnings about psychosis or the risks STIIIZY's products present to teenagers and youth.
- 50. Despite scientific evidence of the risk high-potency THC vapes pose to teenagers and young adults, STIIIZY has engaged in a course of conduct aimed at inducing teenagers and young adults to use its products. STIIIZY does not warn of the risk of psychosis and even conceals the danger, in part, by marketing its offerings as mental health products for the anguished teen.

⁴⁶ FAQ, STIIIZY, https://www.stiiizy.com/pages/faq.

VI. Plaintiff JOHN DOE Used STIIIZY Vapes and Developed CIP, with Lasting

Damage.

- 51. Plaintiff is informed and believes, and thereon alleges, that Defendants were engaged in the manufacturing, retailing, design, wholesaling, testing, advertising, promotion, and distribution of cannabis vaping products, including cannabis vaping devices, cannabis e-liquid, and cannabis cartridges (collectively, "cannabis Products").
- 52. In or about 2020-2022, Plaintiff was exposed to and saw advertising and messages from Defendants, including on its website(s) and via social media. The plaintiff was unhappy at school at that time and was experiencing stress and anxiety. He received "a menu" of STIIIZY vaping products on his social media. The products promoted wellness and relaxation. The products also endorsed reducing stress and anxiety. The plaintiff became curious by the representations and did not find any harmful effects associated with the STIIIZY products. Plaintiff studied Defendants' website and representations, including statements of the type alleged herein, carefully before using the Products. Based on these representations, Plaintiff believed that Defendants' Products would provide him with some relief from his stress and anxiety and were not harmful.
- 53. In or around 2020-2022, at age 15, the plaintiff began using the high-potency THC vape Products manufactured, retailed, designed, wholesaled, tested, advertised, promoted, and distributed by Defendants.
- 54. At the time that Plaintiff began vaping Defendants' Products, he was enrolled at a prestigious school in Marin County where he was an athlete and boasted a 4.6 GPA.
- 55. Vaping was commonplace at Plaintiff's school and among teenagers in his community. Over the ensuing year, Plaintiff continued to vape Defendants' Products, increasing in frequency. Plaintiff went from using STIIIZY vape products socially with friends a few times a week, which increased to Plaintiff vaping each morning, and ultimately Plaintiff vaping Defendants' products multiple times per day. "Menus" of Defendants' high potency THC vapes were advertised over Snapchat, which is how Plaintiff obtained Defendants' Products. Plaintiff chose STIIIZY products because they were sleek, and the designs were cool and sophisticated. The flavors and strains optimized the sensory experience, and he believed the cannabis dulled his

sadness and helped with his anxiety and stress. Plaintiff also chose STIIIZY for ease of use with a disposable pod system and reusable battery.

- 56. In the Summer of 2022, John Doe went on a family vacation where he did not use any THC products for approximately one month. Upon his return, in and around August 19, 2022, Plaintiff resumed his habit of vaping STIIIZY THC products and immediately began demonstrating erratic behavior and ultimately, signs of psychosis.
- 57. On Monday, August 22, 2022, Plaintiff was at home before school when he had a violent outburst in which he put a knife to his neck during a belligerent rant of delusional thoughts including hacking movements with the knife where he was demonstrating killing himself in front of his parents and younger brother. Plaintiff's dad wrestled him to the ground to forcibly remove the knife while his mother called 911, and the local police arrived at Plaintiff's home shortly thereafter. Plaintiff was exhibiting such psychotic symptoms at the time that police were unable to conduct an interview with him. Instead, police had no choice but to handcuff Plaintiff and take him directly to the psychiatric ward at Marin General Hospital. Plaintiff was involuntarily detained on a 72-hour psychiatric hold under California Welfare and Institutions Code § 5150 after testing positive for extremely high levels of THC.
- 58. Plaintiff's parents first heard the term "cannabis induced psychosis" from the psychiatrists at Marin General who were treating their son. Approximately 5-6 hours into Plaintiff's 72-hour psychiatric hold, and in fear of voices he was hearing in the room and fear that the Doctors and nursing staff at the hospital were trying to kill him, Plaintiff incredulously removed the window from its framing in his private psych ward hospital room and jumped outside. Plaintiff, half-naked with no shoes ran a quarter of a mile, barefoot, to his previous high school. It was not until Plaintiff's parents received a call from the school's principal that they became aware that Plaintiff had escaped from the psychiatric ward. Plaintiff's former principal told Plaintiff's parents that Plaintiff was in his office saying that there were aliens trying to murder him. Police responded to Plaintiff's former school and returned Plaintiff to the psychiatric ward at Marin General Hospital, where Plaintiff was described by his medical team as "quite psychotic, delusional, [and] paranoid at this time," and that Plaintiff's condition was "consistent with cannabis-induced psychosis."

59. Doctors stated that Plaintiff was getting worse, not better. As a result, on August 23, 2033, Plaintiff was transferred to Santa Rosa Behavioral Health Hospital where Plaintiff was heavily medicated for the next 10 days and subsequently discharged to the care of his parents with instructions that he needed to find a psychiatrist to help manage the anti-psychotic drugs. Plaintiff was still showing signs of psychosis upon discharge, telling his parents that the hospital was trying to kill him and that his school friends were trapped in the same hospital.

60. Plaintiff's road to "recovery" has been a slow process. He remained on anti-psychotic medications and attended weekly appointments with a therapist. During the ensuing year, the Plaintiff was unable to participate in the sports in which he had previously excelled. Plaintiff tried his best to improve his once stellar GPA, which had decreased due to his cannabis vaping, but was unable to get back on the same trajectory academically or athletically in order to obtain competitive college admissions or scholarships. While Plaintiff has not vaped cannabis since his hospitalization in August of 2022, medical professionals have advised him that, if he vapes THC again, Plaintiff has a 90% chance of suffering permanent psychosis.

FIRST CAUSE OF ACTION

Negligence

- 61. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
- 62. At all relevant times, Defendants named herein designed, manufactured, assembled, inspected, tested (or not), packaged, labeled, marketed, advertised, promoted, supplied, distributed, and/or sold and/or otherwise placed their Products into the stream of commerce, and therefore owed a duty of reasonable care to avoid causing harm to those that consumed their Products.
- 63. Defendants' Products were the types of products that could endanger others if negligently made or promoted.
- 64. Defendants had a duty of reasonable care in designing, manufacturing, assembling, inspecting, testing, packaging, labeling, marketing, advertising, promoting, supplying, distributing, and/or selling their Products to avoid causing harm to users of their Products.

- 65. Defendants knew or should have known through the exercise of reasonable care, that minors and young people would be attracted to Defendants' Products.
- 66. Defendants knew or should have known through the exercise of reasonable care, that use of their Products was dangerous, harmful, and injurious when used by Plaintiff in a reasonably foreseeable manner, particularly with minors and young people.
- 67. Defendants knew or should have known through the exercise of reasonable care, that ordinary consumers such as Plaintiff would not have realized the potential risks and dangers of their Products.
- 68. Defendants knew, or should have known, that their Products could cause serious risk of harm, particularly to minors and young people.
- 69. Defendants, as designers, manufacturers, retailers, wholesalers, suppliers, and distributors of cannabis vaping devices, cannabis e-liquid, and cannabis cartridges, were negligent in carrying out the manufacturing, retailing, design, wholesaling, testing, advertising, promotion, and distribution of these Products; failed to take the care and duty owed to Plaintiff; and thereby caused Plaintiff to suffer harm.
- 70. Defendants' negligence proximately caused the defects inherent in their Products. As a result, Plaintiff now suffers from the continuing likelihood of medical and psychological problems as described herein.
- 71. As a proximate result of Defendants' negligence, Plaintiff JOHN DOE was required to employ clinicians to examine, treat, and care for him, and he incurred medical, hospital, pharmaceutical, and incidental and consequential expenses. Plaintiff will continue to incur such medical, hospital, pharmaceutical, and incidental and consequential expenses in the future. The amounts of these past and future economic damages are presently unknown with certainty but exceed the minimum jurisdiction of this Court.
- 72. As a proximate result of Defendants' negligence, Plaintiff JOHN DOE sustained shock and injury to his nervous system and person. The injuries have caused and continue to cause him great mental, physical, and nervous pain and suffering. These injuries will result in permanent

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SECOND CAUSE OF ACTION

disability. The amounts of these past and future noneconomic damages are presently unknown with

Strict Products Liability – Failure to Warn

- 73. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
- 74. At all relevant times, Defendants named herein designed, manufactured, assembled, inspected, tested (or not), packaged, labeled, marketed, advertised, promoted, supplied, distributed, and/or sold the Products that Plaintiff used.
- 75. The Products that Plaintiff used had potential risks that were known or knowable in light of the scientific and medical knowledge that was generally accepted in the scientific community at the time of manufacture, distribution, or sale.
- 76. The potential risks presented a substantial danger when the Products were used or misused in an intended or reasonably foreseeable way.
- 77. The ordinary consumer of the Products would not have recognized the potential risks.
- 78. STIIIZY and DOES 1-20 failed to adequately warn or instruct of the potential risks, including but not limited to that the Products are not safe for anyone under 21 years of age and may cause CIP. Instead, STIIIZY and DOES 1-20 made their Products available in youth-friendly colors and flavors. STIIIZY and DOES 1-20 also designed their Products to be more palatable to youth and non-users of cannabis by increasing their vapes' inhale-ability and THC concentration, making them even more dangerous.
- 79. The Products were expected to, and did in fact, reach Plaintiff, and were thereafter used without substantial change in the condition in which they were sold.
- 80. As a result of STIIIZY and DOES' 1-20 failures to adequately warn and/or instruct, Plaintiff was harmed as described herein.

- 81. The lack of sufficient instructions and warnings was a substantial factor in causing Plaintiff's harm.
- 82. As a result of his injuries caused by STIIIZY and DOES 1-20, Plaintiff has incurred and will incur significant medical expenses, pain and suffering, and emotional distress.
- 83. As a direct and proximate result of the willful, wanton, maliciously motivated, and/or reckless conduct of STIIIZY and DOES 1-20, Plaintiff sustained damages as set forth above. Accordingly, Plaintiff seeks and is entitled to punitive damages in an amount to be determined at trial.

THIRD CAUSE OF ACTION

Strict Products Liability - Design Defect

- 84. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
- 85. At all relevant times, Defendants named herein designed, manufactured, assembled, inspected, tested (or not), packaged, labeled, marketed, advertised, promoted, supplied, distributed, and/or sold the Products that Plaintiff used.
- 86. Defendants' Products were defective in design in that they did not perform as safely as an ordinary consumer would have expected them to perform when used in an intended or reasonably foreseeable way. The Products' failure to perform safely was a substantial factor in causing Plaintiff's harm.
- 87. Alternatively, the Products' design was defective because the risks inherent in their design outweighed the benefits, and the Products were a substantial factor in causing Plaintiff's harm.
- 88. The Products were expected to, and did in fact, reach Plaintiff, and were thereafter used without substantial change in their condition in which they were sold.
 - 89. As a result of STIIIZY's and DOES' 1-20 conduct, Plaintiff suffered severe injuries.
- 90. The defect(s) in Defendants' Products was a substantial factor in causing Plaintiff's harm.

- 91. As a result of his injuries, Plaintiff has incurred and will incur significant medical expenses, pain and suffering, and emotional distress.
- 92. As a direct and proximate result of the willful, wanton, maliciously motivated, and/or reckless conduct of Defendants, Plaintiff sustained damages as set forth above. Accordingly, Plaintiff seeks and is entitled to punitive damages in an amount to be determined at trial.

FOURTH CAUSE OF ACTION

Negligent Misrepresentation

- 93. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
- 94. During the period of time that Defendants designed, manufactured, distributed, advertised, promoted, supplied, and/or marketed their Products, Defendants falsely and negligently represented to the Plaintiff and other consumers of the Products that the Products were safe for use and were fit for their intended purposes; that their Products were not dangerous and did not impose any health or psychological risks; and that their Products would function without defect.
- 95. The representations made by Defendants were false. Defendants concealed, falsified, or misrepresented to Plaintiff and the public the true facts, representing that their Products are safe for use and fit for their intended purposes, even though use of their Products may cause severe medical and psychological problems as described herein.
- 96. Plaintiff was a person that Defendants should reasonably have expected to be affected as a result of using Defendants' Products.
- 97. When Defendants made these representations in their advertising, they knew or should have known that the representations were false and that they were made with no reasonable ground for believing them to be true. The representations were made by Defendants with intent to deceive users of their Products.

98.	At the tim	e these	representations	were	made	in	their	advertising,	Defendant	S
concealed from	m Plaintiff t	heir lacl	of adequate tes	ting ar	nd rese	arcl	n and	their lack of	informatio	n
about the safet	ty of the Pro	ducts.								

- 99. Plaintiff, at the time these representations were made by Defendants and at the time Plaintiff purchased and used their Products, was ignorant of the falsity of Defendants' representations and believed that the Products were safe and fit for their intended use.
- 100. In reliance on Defendants' representations, Plaintiff was induced to and did purchase and use their Products. Had Plaintiff known of the true facts, then Plaintiff would not have taken such actions.
- 101. Plaintiff reasonably relied on Defendants' representations that the Products were safe, having no independent expertise of his own to evaluate the Products or the representations to be anything other than what Defendants represented;
- 102. Plaintiff has suffered and will continue to suffer from physical injuries and the continuing likelihood of medical problems as described herein;
- 103. Plaintiff's reliance on Defendants' representations was a substantial factor in causing harm to Plaintiff;
- 104. As a result of his injuries caused by Defendants, Plaintiff has incurred and will incur significant medical expenses, pain and suffering, and emotional distress.
- 105. As a direct and proximate result of the willful, wanton, maliciously motivated, and/or reckless conduct of Defendants, Plaintiff sustained damages as set forth above. Accordingly, Plaintiff seeks and is entitled to punitive damages in an amount to be determined at trial.

FIFTH CAUSE OF ACTION

Fraudulent Concealment

- 106. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
 - 107. Defendants had a duty to disclose material facts about their Products to Plaintiff, as:

- a. Defendants disclosed some facts to Plaintiff about the nature and safety of their Products but intentionally failed to disclose other facts, making the disclosure they did make misleading or deceptive;
- b. Defendants intentionally failed to disclose certain facts about the nature and safety of their Products that were known only to Defendants and which Defendants knew that Plaintiff could not have known or reasonably discovered.
- 108. At all times relevant, Defendants fraudulently and deceptively sold or partnered to sell their Products to Plaintiff as safe or not harmful when Defendants knew it to be untrue.
- 109. Defendants fraudulently and deceptively downplayed or minimized any risk associated with cannabis vaping generally and their Products in particular for young persons under age 26. At all relevant times, Defendants represented their Products on their website as a better choice. Defendants pitched investors by claiming that their Products were not harmful. Defendants worked together to pitch news stories or other media content designed to downplay the risks of cannabis vaping, suggesting that any concern was overblown. These tactics mimic those used by the tobacco industry to sow seeds of doubt and confusion among the public, to initiate new users, to keep customers buying Defendants' products, and to avoid regulation or legislative efforts to control sales.
- 110. Defendants failed to disclose to Plaintiff that their Products can cause psychosis and other adverse health effects.
- 111. Defendants failed to disclose that they had not adequately researched or tested their Products to assess their safety before placing them on the market and promoting them to young people under age 26.
- 112. Defendants manipulated the formulations of their Products in ways that could and would impact their danger to Plaintiff, and Defendants did so without notifying Plaintiff of the risks.
- 113. Each of these misrepresentations and omissions were material at the time they were made. In particular, each of the misrepresentations and omissions concerned material facts that

were essential to the analysis undertaken by Plaintiff as to whether to purchase or consume the Products.

- 114. Plaintiff did not know of the facts that Defendant concealed.
- 115. Defendants intended to deceive Plaintiff and the public by concealing these facts.
- 116. Defendants had a duty to accurately provide this information to Plaintiff. In not so informing Plaintiff, Defendants breached their duty. Defendants also gained financially from, and as a result of, their breach.
- 117. Defendants had ample opportunities to disclose these facts to Plaintiff, through packaging, advertising, retail outlets, on its website, via emails to Plaintiff, and on social media. Defendants concealed material information at all relevant times, through today. Defendants have yet to disclose the truth about their products.
- 118. Plaintiff relied to his detriment on Defendants' fraudulent omissions. Had Plaintiff been adequately informed of the material facts concealed from him regarding the safety of Defendants' products, and not intentionally deceived by Defendants, Plaintiff would not have purchased or used Defendants' Products.
- 119. As a result of their injuries caused by Defendants, Plaintiff has incurred and will incur significant medical expenses, pain and suffering, and emotional distress.
- 120. Defendants' fraudulent concealment was a substantial factor in Plaintiff's harm as described herein. Plaintiff also suffered economic harm in that he would not have purchased the Products if he had known the true facts.

SIXTH CAUSE OF ACTION

Breach of Implied Warranty

- 121. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
- 122. At all relevant times, Defendants designed, manufactured, distributed, packaged, compounded, merchandised, advertised, promoted, supplied, and/or sold their Products into the

stream of commerce, and therefore owed a duty of reasonable care to avoid causing harm to those that consumed their Products, such as Plaintiff.

- 123. Defendants were at all times merchants with respect to their Products sold to Plaintiff and were in the business of selling such Products.
- 124. Each Product sold comes with an implied warranty that it will be merchantable and fit for the ordinary purpose for which it would be used.
- 125. The ordinary intended purposes of Defendants' Products—and the purpose for which they are marketed, promoted, and sold—is to serve as a safe means of alleviating anxiety, promoting relaxation, stimulating creativity, or a similar purpose.
- 126. Defendants' Products are not fit for that use—or any other use—because they feature an unreasonably potent THC-delivery mechanism and pose significant risks of substantial physical injury resulting from the use of the Products. When used as intended or reasonably foreseeable, Defendants' Products worsen or aggravate users' underlying dependence on THC and can cause psychosis.
- 127. Due to these and other features, Defendants' Products are not fit for their ordinary, intended use as either anxiety-reducing devices or recreational cannabis-vaping devices, and the Products are in fact defective and fail to conform to Defendants' implied warranties.
- 128. Defendants' breached their implied warranties in violation of California Commercial Code § 2314 et seq.
- 129. Plaintiff was a third-party beneficiary of Defendants' agreements with their distributors, dealers, and sellers for the distribution, dealing, and/or sale of their Products to consumers. Specifically, Plaintiff is the intended beneficiary of Defendants' implied warranties. Defendants' Products are manufactured with the express purpose and intent of being sold to consumers.
- 130. Plaintiff would not have used or purchased Defendants' Products, or would not have purchased the products on the same terms, had he known the facts which these Defendants failed to disclose.

- 131. Defendants' breach of these warranties was a substantial factor in causing Plaintiff's harm.
- 132. Plaintiff was injured as a direct and proximate result of Defendants' breach of implied warranties of merchantability. Plaintiff has been harmed by Defendants' failure to deliver merchantable products. The products were not in merchantable condition and were unfit because, in ordinary use, they create high-potency THC exposure and can cause psychosis and other negative health consequences.
- 133. As a result of his injuries caused by Defendants, Plaintiff has incurred and will incur significant medical expenses, pain and suffering, and emotional distress.
- 134. As a direct and proximate result of the willful, wanton, maliciously motivated and/or reckless conduct of Defendants, Plaintiff sustained damages as set forth above. Accordingly, Plaintiff seeks and is entitled to punitive damages in an amount to be determined at trial.

NINTH CAUSE OF ACTION

<u>Fraud</u>

- 135. Plaintiff repeats, reiterates, and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.
- 136. At all relevant times, Defendants named herein designed, manufactured, assembled, inspected, tested (or not), packaged, labeled, marketed, advertised, promoted, supplied, distributed, and/or sold and/or otherwise placed their Products into the stream of commerce, and therefore owed a duty of reasonable care to avoid causing harm to those that consumed their Products.
- 137. Plaintiff is informed and believes, and thereon alleges, that Defendants falsely and fraudulently represented to Plaintiff and members of the general public that their Products were safe for use. The representations by Defendants were in fact false. Contrary to Defendants' representations, their Products were not safe for use by members of the general public and were, in fact, extremely dangerous to consumers.

- 138. Defendants made other representations about the safety of their Products, including, but not limited to, the false, deceptive, misleading, and untruthful advertisements, public statements, marketing campaigns, and promotions alleged herein. Defendants intentionally deceived Plaintiff with regard to the safety of their Products.
- 139. Defendants intentionally misrepresented the safety of their Products in their advertising, representing in that advertising that their Products were safe for use, and concealed in the advertising the known risks and side effects of their Products.
- 140. When Defendants made these representations, they knew that such representations were false. Defendants made the representations with the intent to defraud and deceive Plaintiff, consumers, and the public in general, and with the intent to induce them to use their Products in the manner alleged in this Complaint.
- 141. Plaintiff took the actions alleged in this Complaint, while ignorant of the falsity of Defendants' representations in their advertising, and reasonably believed them to be true. In reliance upon such representations, Plaintiff was induced to, and did, use the Products as alleged in this Complaint. If Plaintiff had known the actual facts, Plaintiff would not have used the Products, and his reliance upon Defendants' misrepresentations was justified because such misrepresentations were made and conducted by individuals and entities that were in a position to know the true facts.
- 142. As alleged, Defendants worked in concert to maintain and expand the number of cannabis-vape users to ensure a steady and growing customer base. Defendants sought to accomplish this objective by (1) designing a product that delivered THC in a manner and in doses that were intended to induce frequent, habitual use; (2) fraudulently marketing, advertising, promoting, and misbranding that potent product to consumers, including the vulnerable youth market; and (3) defrauding regulators and the public to advance their interests.
- 143. Defendants' fraud and deceit was a substantial factor in causing Plaintiff's harm as alleged herein.
- 144. As a result of his injuries caused by Defendants, Plaintiff has incurred and will incur significant medical expenses, pain and suffering, and emotional distress.

145. Defendants' acts and omissions as described herein were committed maliciously, oppressively, deliberately, with intent to defraud, and in reckless disregard of Plaintiff's rights, interests, and well-being to enrich Defendants. Defendants' conduct warrants an assessment of punitive damages in an amount sufficient to deter such conduct in the future, which amount is to be determined according to proof.

PUNITIVE DAMAGES ALLEGATION

- 146. Plaintiff repeats, reiterates and realleges each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if fully set forth herein.
- 147. Through the actions outlined above, Defendants expressed a reckless indifference to the safety of users of their Products, including Plaintiff. Defendants' conduct, as described herein, knowing the dangers and risks of their Products, yet concealing and/or omitting this information was outrageous because of Defendants' evil motive or a reckless indifference to the safety of users of their Products, including Plaintiff. Further, Defendants chose to design, market, distribute, and sell their high-potency THC Products in ways known to appeal to youth and in ways known to be accessible to youth, and have consequently fueled an epidemic of youth cannabis vaping affecting youths including Plaintiff.
- 148. Plaintiff is entitled to punitive damages because Defendants' failure to warn and other actions as described herein were malicious, wanton, willful, or oppressive, or were done with reckless indifference to the Plaintiff, youth, and the public's safety and welfare. Defendants misled the public at large, including the Plaintiff herein, by making false representations about the safety of their products. Defendants downplayed, understated, and/or disregarded their knowledge of the serious and permanent side effects associated with the use of their product, despite available information demonstrating that their Products were likely to cause serious side effects, including cannabis-induced psychosis.
- 149. Defendants were or should have been in possession of evidence demonstrating that their products caused serious side effects, including cannabis-induced psychosis. Nonetheless,

they continued to market the products by providing false and misleading information regarding the safety and efficacy of their products.

- 150. Defendants' actions described above were performed willfully, intentionally, and with reckless disregard for the rights of Plaintiff and the public.
- 151. As a direct and proximate result of the willful, wanton, evil, motivated, and/or reckless conduct of Defendants, Plaintiff sustained damages as set forth above. Accordingly, Plaintiff seeks and is entitled to punitive damages in an amount to be determined at trial.

TIMELINESS AND TOLLING OF STATUTES OF LIMITATIONS

- 152. Through the exercise of reasonable diligence, Plaintiff did not and could not have discovered that Defendants' wrongful conduct related to their Products caused his injuries and/or sequelae thereto because, at the time of these injuries and/or sequelae thereto, the cause was unknown to Plaintiff.
- 153. Plaintiff did not suspect and had no reason to suspect that Defendants' wrongful conduct related to its Products caused his injuries and/or sequelae thereto until less than the applicable limitations period prior to the filing of this action.
- 154. In addition, Defendants' fraudulent concealment has tolled the running of any statute of limitations. Through their affirmative misrepresentations and omissions, Defendants actively concealed from Plaintiff the risks associated with the defects of their products and that these products caused Plaintiff's injuries and/or sequelae thereto. Through their ongoing affirmative misrepresentations and omissions, Defendants committed continual tortious and fraudulent acts.
- 155. As a result of Defendants' fraudulent concealment, Plaintiff was unaware and could not have reasonably known or learned through reasonable diligence that he had been exposed to the defects and risks alleged herein and that those defects and risks were the direct and proximate result of Defendants' acts and omissions.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff JOHN DOE demands judgment against the Defendants on each of the above-referenced claims and Causes of Action and as follows:

DEMAND FOR JURY TRIAL Plaintiff JOHN DOE demands a jury trial on every cause of action set forth in this Complaint. DATED: May 29, 2024 ROUDA, FEDER, TIETJEN, and McGUINN LIEFF CABRASER HEIMANN & BERNSTEIN, LLP RIBERA LAW FIRM, APC Attorneys for Plaintiff JOHN DOE