UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Gunn v. FCA US, LLC

Gunn · No. 22-cv-02229-JD · Decided April 29, 2025

SUMMARY

The United States District Court for the Northern District of California dismissed plaintiffs' first amended complaint challenging FCA's disclosure of vehicle destination charges. The court held that the amended complaint did not materially change the theory previously rejected, dismissed the claims with prejudice, and ordered the case closed.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	James Donato
JURISDICTION	United States District Court for the Northern District of California
DECIDED	April 29, 2025
DOCKET	22-cv-02229-JD
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiffs filed a first amended putative class-action complaint after the Court dismissed the original complaint with leave to amend. Defendant moved to dismiss the first amended complaint.
STANDARD OF REVIEW	Plausibility under Federal Rule of Civil Procedure 12(b)(6); the complaint must allege a plausible claim for relief.
PRECEDENTIAL VALUE	Unknown; district court opinion with no reported citation identified in the source.

TOPICS

motions to dismiss · consumer protection · deceptive trade practices · civil procedure · commercial litigation

PRACTICE AREAS

civil procedure · consumer protection · commercial litigation · deceptive trade practices

QUESTIONS PRESENTED

1. Whether the first amended complaint plausibly alleged California consumer-protection claims based on FCA's disclosure of destination charges without separately identifying a profit component.
2. Whether dismissal should be with prejudice after plaintiffs had already received an opportunity to amend.

HOLDINGS

1. The first amended complaint did not plausibly allege a claim because it retained the same theory that the fully disclosed destination charge was deceptive merely because it included an undisclosed profit component, and the additional allegations did not materially alter that theory.
2. Dismissal of the first amended complaint was with prejudice because plaintiffs had a full and fair opportunity to state a plausible claim and had been advised that further amendment would likely not be allowed.

KEY QUOTATIONS

> *"The FAC sings the same song as the original complaint, just with more emphasis."* (at 2)

> *"Consequently, dismissal of the FAC is with prejudice, and the case is ordered closed."* (at 2)

FACTUAL BACKGROUND

Plaintiffs alleged that FCA's Monroney stickers disclosed destination charges without stating that those charges included a profit component beyond actual delivery costs. Although the stickers plainly stated the destination charges in full, plaintiffs maintained that reasonable consumers would not know the charges included profit or that they should compare FCA's charges with those of other manufacturers. The first amended complaint added commentary concerning vehicle-pricing practices, behavioral economics, and congressional materials, but did not materially change that theory.

PROCEDURAL HISTORY

The Court previously dismissed plaintiffs' original complaint in its entirety, granted leave to amend, and warned that further amendment would likely not be permitted. Plaintiffs filed a first amended complaint that expanded the factual and legislative allegations but retained the same theory concerning undisclosed profit components in vehicle destination charges. The Court dismissed the first amended complaint with prejudice and ordered the case closed.

DISPOSITION

dismissed

CASES CITED

- Romoff v. General Motors LLC, 574 F. Supp. 3d 782, 787-89 (S.D. Cal. 2021), aff'd, Case No. 22-55170, 2023 WL 1097258 (9th Cir. Jan. 30, 2023) (unpublished)
- BCR Carpentry LLC v. FCA US, LLC, 2024 WL 4570734 (D.N.J. Oct. 24, 2024)

- Beeney v. FCA US LLC, 2024 WL 3444488 (D. Del. July 17, 2024)
- Louis D. Brandeis Ctr., Inc. v. Regents of Univ. of California, No. 23-cv-06133-JD, 2025 WL 974983, at *2 (N.D. Cal. Mar. 31, 2025)

OPINION

1 UNITED STATES DISTRICT COURT 2 NORTHERN DISTRICT OF CALIFORNIA 3 4 JAMES GUNN, et al., on behalf of Case No. 22-cv-02229-JD themselves and all others similarly situated, 5 Plaintiffs, SECOND ORDER RE MOTION TO 6 DISMISS v. 7 FCA US, LLC, 8 Defendant. 9 10 The Court dismissed plaintiffs' original complaint in its entirety, with leave to amend. 11 Dkt. No. 70.

The grounds for dismissal were straightforward. Plaintiffs alleged that the 12 "destination charges" disclosed in the familiar Monroney stickers on all new vehicles for sale did 13 not disclose to consumers that the charges included a profit component in addition to actual 14 delivery costs. Id. at 2-3.

The problem was that plaintiffs acknowledged that the Monroney 15 stickers plainly stated the destination charges in full, and that their claims were "not premised on a 16 misrepresentation, non-disclosure, or other act of deception." Id. at 5.

The Court concluded that 17 these concessions foreclosed the consumer claims alleged under California state law, and that 18 plaintiffs' "public policy" arguments did not save the day for them. Id. at 6-8. The Court also 19 noted that another district court in a nearly identical case had determined that a reasonable 20 consumer "would not be surprised" that the destination charges included profit mark-ups, a 21 conclusion that our circuit affirmed in an unpublished disposition.

Id. at 8-10 (citing Romoff v. 22 General Motors LLC, 574 F. Supp. 3d 782, 787-89 (S.D. Cal. 2021), aff'd, Case No. 22-55170, 23 2023 WL 1097258 (9th Cir. Jan. 30, 2023) (unpublished)). 24 Plaintiffs filed a first amended complaint that more than doubled the length of the original 25 complaint. Dkt. No. 73 (FAC). Much of the new material consisted of commentary about vehicle 26 pricing practices and "phenomena" said to be found by "behavioral economists," id. at ¶¶ 49 et 27 seq., and lengthy recitations of congressional committee hearings and statements with respect to 1 the Monroney stickers.

Id. at {| 98 et seq.; see also Dkt. No. 70 at 2 (discussing the AIDA). 2 || Plaintiffs attached as an exhibit to the FAC roughly 80 pages of legislative material along the 3 same lines. See Dkt. No. 73-1. 4 None of the new material, or the FAC as a whole, materially changed plaintiffs' theory of 5 || the case.

The gravamen of the FAC is still that defendant FCA "deceives the car-buying public" 6 || by not stating that the destination charges are "marked up to include profit." Dkt. No. 73 at ¥ 5. 7 This is said to be the case because, even though the destination charge is plainly stated in full on a 8

Monroney sticker on every vehicle for sale, “[r]easonable consumers are not expected to know that FCA’s vehicle-delivery charges are marked up to include profit or that they should compare FCA’s delivery charge against other manufacturers’ charges.” Id. FCA urges dismissal of the FAC, Dkt.

No. 76, with good reason. The FAC sings the same song as the original complaint, just with more emphasis. The FAC does not plausibly allege a 5 claim for the reasons stated in the dismissal order, Dkt. No. 70, which is fully incorporated here and provides the applicable law and analysis. It is worth noting that since the Court’s dismissal 3 order, other courts have dismissed or terminated materially identical suits against FCA for similar a reasons.

See, e.g., BCR Carpentry LLC vy. FCA US, LLC, 2024 WL 4570734 (D.N.J. Oct. 24, 3 2024); Beeney v. FCA US LLC, 2024 WL 3444488 (D. Del. July 17, 2024). In the dismissal order, the Court advised plaintiffs that further amendment would likely not be granted. Dkt. No. 70 at 10. Plaintiffs have had a full and fair opportunity to state a plausible claim.

Consequently, dismissal of the FAC is with prejudice, and the case is ordered closed. See Louis D. Brandeis Ctr., Inc. v. Regents of Univ. of California, No. 23-cv-06133-JD, 2025 WL 974983, at *2 (N.D. Cal. Mar. 31, 2025). IT IS SO ORDERED. Dated: April 29, 2025 JAMES #ONATO United fftates District Judge