

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

David Ferrer Arroyo v. Albertsons Companies, Inc. et al.

Ferrer Arroyo · No. 2:24-cv-08935-ODW (Ex) · Decided August 19, 2025

SUMMARY

The United States District Court for the Central District of California granted Albertsons Companies, Inc.’s Rule 12(b)(6) motion to dismiss a putative class action alleging that consumers were sold valueless gift cards in violation of the California Consumer Legal Remedies Act. The court held that the plaintiff failed to plead an actionable affirmative misrepresentation or omission with the particularity required by Rule 9(b), including failure to adequately allege materiality and a duty to disclose. The First Amended Complaint was dismissed with leave to amend within fourteen days.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Otis D. Wright, II
JURISDICTION	United States District Court for the Central District of California
DECIDED	August 19, 2025
DOCKET	2:24-cv-08935-ODW (Ex)
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss Plaintiff's putative class action asserting a California Consumer Legal Remedies Act claim.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and construes them in the plaintiff's favor, but requires sufficient factual matter to state a facially plausible claim. Fraud-based claims must satisfy Rule 9(b)'s particularity requirement.
PRECEDENTIAL VALUE	unpublished district court order
PARTIES	David Ferrer Arroyo v. Albertsons Companies, Inc. et al.

TOPICS

- consumer protection
- deceptive trade practices
- motions to dismiss
- pleadings
- class actions

PRACTICE AREAS

consumer protection

civil procedure

commercial litigation

QUESTIONS PRESENTED

1. Whether Plaintiff adequately pleaded an affirmative misrepresentation under the CLRA and Rule 9(b).
2. Whether Plaintiff adequately pleaded an actionable omission under the CLRA, including a duty to disclose and materiality.
3. Whether the First Amended Complaint should be dismissed under Rule 12(b)(6) and, if so, whether leave to amend should be granted.

HOLDINGS

1. Plaintiff failed to plead an affirmative misrepresentation with the particularity required by Rule 9(b) because he did not explain how the packaging statement that the gift cards could be purchased in amounts between \$20 and \$500 was misleading when made.
2. Plaintiff failed to plead an actionable CLRA omission because he did not allege that the omission contradicted a representation, arose from a duty to disclose, or was material in a manner that would have caused a reasonable consumer to behave differently.
3. The First Amended Complaint was dismissed with leave to amend because the court had not determined that amendment would necessarily be futile.

KEY QUOTATIONS

“A court may dismiss a complaint under Rule 12(b)(6) for lack of a cognizable legal theory or insufficient facts pleaded to support an otherwise cognizable legal theory.” (at 3)

“To survive a dismissal motion, a complaint need only satisfy the minimal notice pleading requirements of Rule 8(a)(2)—a short and plain statement of the claim.” (at 3)

“A pleading satisfies Rule 9(b) if it identifies ‘the who, what, when, where, and how’ of the misconduct charged.” (at 3)

“To plead an actionable omission under the CLRA, ‘the omission must be contrary to a representation actually made by the defendant, or an omission of a fact that defendant was obliged to disclose.’” (at 5)

FACTUAL BACKGROUND

On October 4, 2023, Plaintiff purchased four \$400 Vanilla-branded gift cards, paying a total of \$1,623.80 including purchase charges, at an Albertsons store in San Dimas, California. Several months later, after gifting and attempting to use the cards, Plaintiff discovered that all four cards had no monetary value. He alleged that Albertsons knew of gift-card fraud and failed to disclose the risk or take additional preventive measures, and asserted that he suffered lost time while seeking assistance and replacement cards.

PROCEDURAL HISTORY

Ferrer Arroyo filed a putative class action after purchasing allegedly valueless Vanilla gift cards from an Albertsons store. He filed a First Amended Complaint asserting a single CLRA cause of action. The court granted Albertsons's motion to dismiss the First Amended Complaint for failure to plead a qualifying misrepresentation or omission with the particularity required by Rule 9(b), but granted leave to amend.

DISPOSITION

dismissed

CASES CITED

- *Balistreri v. Pacifica Police Dep't*, 901 F.2d 696, 699 (9th Cir. 1990)
- *Porter v. Jones*, 319 F.3d 483, 494 (9th Cir. 2003)
- *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 555 (2007)
- *Ashcroft v. Iqbal*, 556 U.S. 662, 678-79 (2009)
- *Lee v. City of Los Angeles*, 250 F.3d 668, 679 (9th Cir. 2001)
- *Sprewell v. Golden State Warriors*, 266 F.3d 979, 988 (9th Cir. 2001)
- *Moore v. Kayport Package Express*, 885 F.2d 531, 540 (9th Cir. 1989)
- *MetroPCS v. SD Phone Trader*, 187 F. Supp. 3d 1147, 1150 (S.D. Cal. 2016)
- *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 1097, 1106 (9th Cir. 2003)
- *Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 1025, 1031 (9th Cir. 2008)
- *Schreiber Distrib. Co. v. Serv-Well Furniture Co.*, 806 F.2d 1393, 1401 (9th Cir. 1986)
- *Carrico v. City & County of San Francisco*, 656 F.3d 1002, 1008 (9th Cir. 2011)
- *Colgan v. Leatherman Tool Grp., Inc.*, 135 Cal. App. 4th 663, 680 (2006)
- *Nagel v. Twin Labs., Inc.*, 109 Cal. App. 4th 39, 54 (2003)
- *Kearns v. Ford Motor Co.*, 567 F.3d 1120, 1125 (9th Cir. 2009)
- *Boyd v. SunButter, LLC*, 762 F. Supp. 3d 931, 941 (C.D. Cal. 2025)
- *Hiradate v. Ralphs Grocery Co.*, No. 2:22-cv-03593-SSS (PDx), 2022 WL 19299128, at *2-3 (C.D. Cal. Nov. 28, 2022)
- *Schneider v. Cal. Dep't of Corr.*, 151 F.3d 1194, 1197 n.1 (9th Cir. 1998)
- *Hodsdon v. Mars, Inc.*, 891 F.3d 857, 861 (9th Cir. 2018)
- *Daugherty v. Am. Honda Motor Co.*, 144 Cal. App. 4th 824, 836 (2006)
- *Kulp v. Munchkin, Inc.*, 678 F. Supp. 3d 1158, 1169 (C.D. Cal. 2023)
- *Falk v. Gen. Motors Corp.*, 496 F. Supp. 2d 1088, 1095 (N.D. Cal. 2007)
- *Acevedo v. Sunnova Energy Corp.*, 738 F. Supp. 3d 1268, 1281 (C.D. Cal. 2024)
- *Daniel v. Ford Motor Co.*, 806 F.3d 1217, 1225 (9th Cir. 2015)
- *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003)

OPINION

David Ferrer Arroyo v. Albertsons Companies Inc.

PER CURIAM.

O 1 2 3 4 5 6 7 8 United States District Court 9 Central District of California 10 11 DAVID
FERRER ARROYO, Case № 2:24-cv-08935-ODW (Ex) 12 Plaintiff,

ORDER GRANTING

13 v.

14 A LBERTSONS COMPANIES, INC. et MOTION TO DISMISS [30]

al., 15 Defendants. 16 17

18 I. INTRODUCTION

19 Plaintiff David Ferrer Arroyo brings this putative class action against Defendant 20 Albertsons
Companies, Inc. (“Albertsons”) for allegedly selling gift cards containing 21 no monetary value.
(First Am. Compl. (“FAC”), ECF No. 26.) Albertsons moves to 22 dismiss this action pursuant to
Federal Rules of Civil Procedure (“Rule” or 23 “Rules”) 12(b)(6). (Mot. Dismiss (“Mot.”), ECF
No. 30). For the following reasons, 24 the Court GRANTS the Motion.1 25 26 27 28 1 Having
carefully considered the papers filed in connection with the Motion, the Court deemed the matter
appropriate for decision without oral argument. Fed. R. Civ. P. 78; C.D. Cal. L.R. 7-15.

1 II. BACKGROUND2

2 On October 4, 2023, Ferrer Arroyo purchased four Vanilla-branded gift cards, 3 each for an
amount of \$400 with a \$5.95 purchase charge, at an Albertsons grocery 4 store in San Dimas,
California (“San Dimas Albertsons”). (FAC ¶ 10.) In total, 5 Arroyo paid \$1,623.80 for the gift
cards. (Id.) Several months later, in January 2024, 6 Ferrer Arroyo gifted one of the \$400 gift cards
to another individual. (Id. ¶ 12.) After 7 attempting to access the funds on the gift card, the
recipient informed Ferrer Arroyo 8 that the gift card contained no monetary value. (Id.) Ferrer
Arroyo then opened 9 another gift card and discovered that it also contained no monetary value.
(Id.) 10 Following this discovery, Ferrer Arroyo returned to the San Dimas Albertsons 11 and
informed the Store Manager about this issue. (Id. ¶ 13.) While at the store, the 12 Store Manager
and Ferrer Arroyo opened the remaining two gift cards and found that 13 they were also valueless.
(Id.) At the Store Manager’s instruction, Ferrer Arroyo 14 filed a complaint with Albertsons’
customer service department and received a ticket 15 number related to the complaint. (Id.) After
receiving no response from Albertsons, 16 Ferrer Arroyo returned to the San Dimas Albertsons
and the Store Manager informed 17 him that he would call customer service on Ferrer Arroyo’s
behalf. (Id. ¶ 14.) Ferrer 18 Arroyo never received a response from Albertsons. (Id. ¶¶ 13–14.) 19
Ferrer Arroyo subsequently filed a formal claim with Vanilla Gift Cards and 20 received a
response two months later, on March 25, 2024. (Id. ¶ 15.) On April 15, 21 2024, Ferrer Arroyo
completed an email form and submitted it to Vanilla Gift Cards, 22 and on July 24, 2024, Vanilla
Gift Cards confirmed receipt. (Id.) On September 8, 23 2024, InComm Payments (“InComm”), the
card provider for Vanilla Gift Cards, 24 informed Ferrer Arroyo that it would send him
replacement cards. (Id. ¶ 15.) 25 26 27 2 All factual references derive from Plaintiff’s First

Amended Complaint or attached exhibits, unless otherwise noted, and well-pleaded factual allegations are accepted as true for purposes of this Motion. See *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009). 1 Based on the above, Ferrer Arroyo alleges that Albertsons knew the gift cards 2 “are subject to fraud” and “has been aware of the issue of worthless gift cards sold to 3 consumers” at its locations for many years. (Id. ¶¶ 16, 18.) He further alleges that 4 despite knowing their gift cards are subject to fraud, Albertsons sold the gift cards to 5 Ferrer Arroyo “without any such disclosures.” (Id. ¶ 16.) Ferrer Arroyo also alleges 6 that Albertsons did not take adequate preventative measures to avoid the sale of 7 valueless gift cards such as “train[ing] or requir[ing] its associates to carefully and 8 consistently inspect all gift cards prior to sale for evidence of tempering” or 9 “restrict[ing] the public from having access to gift cards by keeping all of them behind 10 a counter where consumers who want to purchase gift cards must request them from 11 an attendant.” (Id. ¶ 25.) As a result of Albertsons’ conduct, Ferrer Arroyo claims he 12 suffered “lost time from an opportunity-cost perspective” for time spent “driving back 13 and forth” to San Dimas Albertsons and speaking with the Store Manager, contacting 14 Albertsons customer service department, and communicating with InComm. (Id. 15 ¶ 17.) 16 Ferrer Arroyo initiated this putative class action on behalf of himself and all 17 other similarly situated consumers “who purchased a gift card from an Albertsons 18 owned store, for a specified monetary amount, and who were not able to access the 19 total monetary amount of gift card value purchased, because the total monetary 20 amount was not available on the gift card after purchase.” (Id. ¶ 27(1).) Ferrer 21 Arroyo asserts one cause of action for violation of the Consumer Legal Remedies Act 22 (“CLRA”), California Civil Code section 1750, et seq., and seeks, among other things, 23 actual damages and injunctive relief “to prevent the sale of valueless gift cards” and to 24 enjoin Albertsons from engaging in “unlawful, unfair, and fraudulent business 25 practices.” (Id., Prayer for Relief ¶¶ 2–3.) 26 Albertsons now moves to dismiss this action. (Mot.) The Motion is fully 27 briefed. (Opp’n, ECF No. 35; Reply, ECF No. 37.) 28

1 III. LEGAL STANDARD

2 A court may dismiss a complaint under Rule 12(b)(6) for lack of a cognizable 3 legal theory or insufficient facts pleaded to support an otherwise cognizable legal 4 theory. *Balistreri v. Pacifica Police Dep’t*, 901 F.2d 696, 699 (9th Cir. 1988). To 5 survive a dismissal motion, a complaint need only satisfy the minimal notice pleading 6 requirements of Rule 8(a)(2)—a short and plain statement of the claim. *Porter v. 7 Jones*, 319 F.3d 483, 494 (9th Cir. 2003). The factual “allegations must be enough to 8 raise a right to relief above the speculative level.” *Bell Atl. Corp. v. Twombly*, 9 550 U.S. 544, 555 (2007). That is, the complaint must “contain sufficient factual 10 matter, accepted as true, to state a claim to relief that is plausible on its face.” *Iqbal*, 11 556 U.S. at 678 (internal quotation marks omitted). 12 The determination of whether a complaint satisfies the plausibility standard is a 13 “context-specific task that requires the reviewing court to draw on its judicial 14 experience and common sense.” *Id.* at 679. A court is generally limited to the 15 pleadings and must construe all “factual allegations set forth in the complaint . . . as 16 true and . .

. in the light most favorable” to the plaintiff. *Lee v. City of Los Angeles*, 17 250 F.3d 668, 679 (9th Cir. 2001) (internal quotation marks omitted). However, a 18 court need not blindly accept conclusory allegations, unwarranted deductions of fact, 19 and unreasonable inferences. *Sprewell v. Golden State Warriors*, 266 F.3d 979, 988 20 (9th Cir. 2001). 21 When a plaintiff’s claims are fraud-based, Rule 9(b)’s heightened pleading 22 requirements apply. *Moore v. Kayport Package Express*, 885 F.2d 531, 540 (9th Cir. 23 1989); see also 18 U.S.C. §§ 1341, 1343. Rule 9(b) provides: “In alleging fraud or 24 mistake, a party must state with particularity the circumstances constituting fraud or 25 mistake.” “A pleading satisfies Rule 9(b) if it identifies ‘the who, what, when, where, 26 and how’ of the misconduct charged.” *MetroPCS v. SD Phone Trader*, 187 F. Supp. 27 3d 1147, 1150 (S.D. Cal. 2016) (quoting *Vess v. Ciba-Geigy Corp. USA*, 317 F.3d 28 1097, 1106 (9th Cir. 2003)). The plaintiff must “set forth more than the neutral facts 1 necessary to identify the transaction [and] must set forth what is false or misleading 2 about a statement, and why it is false.” *Vess*, 317 F.3d at 1106 (emphasis omitted). 3 Where a district court grants a motion to dismiss, it should generally provide 4 leave to amend unless it is clear the complaint could not be saved by any amendment. 5 See Fed. R. Civ. P. 15(a); *Manzarek v. St. Paul Fire & Marine Ins. Co.*, 519 F.3d 6 1025, 1031 (9th Cir. 2008). Leave to amend may be denied when “the court 7 determines that the allegation of other facts consistent with the challenged pleading 8 could not possibly cure the deficiency.” *Schreiber Distrib. Co. v. Serv-Well Furniture 9 Co.*, 806 F.2d 1393, 1401 (9th Cir. 1986). Thus, leave to amend “is properly 10 denied . . . if amendment would be futile.” *Carrico v. City & County of San 11 Francisco*, 656 F.3d 1002, 1008 (9th Cir. 2011).

12 IV. DISCUSSION

13 Albertsons moves to dismiss the single CLRA cause of action on the grounds 14 that Ferrer Arroyo (1) fails to identify a single misrepresentation made by Albertsons, 15 (2) alleges injuries that are not caused by the alleged violation, and (3) cannot seek 16 monetary damages for lost opportunity cost. (Mot. 11–22.) 17 The CLRA prohibits “unfair methods of competition and unfair or deceptive 18 acts or practices.” Cal. Civ. Code § 1770(a). Specifically, the CLRA makes illegal 19 acts or practices that are “undertaken by any person in a transaction intended to result 20 or that results in the sale or lease of goods or services to any consumer.” *Id.* Conduct 21 that is “likely to mislead a reasonable consumer” violates the CLRA. *Colgan v. 22 Leatherman Tool Grp., Inc.*, 135 Cal. App. 4th 663, 680 (2006) (quoting *Nagel v. 23 Twin Labs., Inc.*, 109 Cal. App. 4th 39, 54 (2003)). 24 Ferrer Arroyo contends that Albertsons violated CLRA section 1770(a)4–5, 9, 25 and 14 by “[u]sing deceptive representations or designations of geographic origin in 26 connection with goods or services,” [r]epresenting that goods or services have . . . 27 quantities that they do not have,” “[a]dvertising goods or services with intent not to 28 sell them as advertised,” and [r]epresenting that a transaction confers or involves 1 rights, remedies, or obligations that it does not have.” (See FAC ¶ 38.) Where, as 2 here, Ferrer Arroyo’s CLRA claims are based on a fraudulent omission or 3 misrepresentation, he “must plead (1) misrepresentation or omission, (2)

reliance, and 4 (3) damages, all with the particularity required by Rule 9(b).” *Boyd v. SunButter*, 5 LLC, 762 F. Supp. 3d 931, 941 (C.D. Cal. 2025); see also *Kearns v. Ford Motor Co.*, 6 567 F.3d 1120, 1125 (9th Cir. 2009) (“Rule 9(b)’s heightened pleading standards 7 apply to claims for violations of the CLRA.”). The parties do not dispute that

8 Rule 9(b)’s heightened pleading requirement applies. (Mot. 11; Opp’n 10 n.7.)

9 A. Affirmative Misrepresentation 10 Albertsons first argues that Ferrer Arroyo “do[es] not establish any 11 misrepresentation by Albertsons of the gift cards’ features.” (Mot. 12.) 12 In the First Amended Complaint, Ferrer Arroyo pleads only one statement—that 13 the Vanilla-branded gift card packaging stated gift cards “could be purchased in any 14 amount between ‘\$20–\$500’ with a ‘5.95 Purchase Charge.’” (FAC ¶ 10.) To 15 adequately plead a misrepresentation under Rule 9(b), Ferrer Arroyo must show how 16 this statement is misleading. *Vess*, 317 F.3d at 1106; see, e.g., *Oh v. Catalina Snacks, Inc.*, 764 F. Supp. 3d 903, 913 (C.D. Cal. 2025) (pleading the packaging 18 misrepresented the quantity contained inside of it by alleging it contained “40–47% 19 empty space”). Ferrer Arroyo does not explain in the First Amended Complaint how 20 this statement is misleading—for instance, that consumers could not purchase the gift 21 cards for the amounts indicated. 22 In his opposition, Ferrer Arroyo argues for the first time that the gift card 23 packaging, combined with Albertsons’ “conduct in agreeing to take payment from a 24 consumer to add a specified monetary value to the gift cards once activated at the 25 register,” show that Albertsons misrepresented the value of the gift cards. (Opp’n 8.) 26 Contending that the facts in this case are “directly on-point” with *Hiradate v. Ralphs Grocery Company*, No. 2:22-cv-03593-SSS (PDx), 2022 WL 19299128 (C.D. Cal.

28 Nov. 28, 2022), Ferrer Arroyo argues that his allegations in opposition are sufficient

1 to plead an affirmative misrepresentation. (Id. at 8–9.) However, Ferrer Arroyo did 2 not plead in the First Amended Complaint that Albertsons misrepresented the amounts 3 in the gift cards at the time of sale and the Court may not consider this newly raised 4 allegation in evaluating the sufficiency of the pleading. See *Schneider v. Cal. Dep’t of 5 Corr.*, 151 F.3d 1194, 1197 n.1 (9th Cir. 1998) (“In determining the propriety of a

6 Rule 12(b)(6) dismissal, a court may not look beyond the complaint to a plaintiff’s

7 moving papers, such as a memorandum in opposition to a defendant’s motion to 8 dismiss.”).

Notwithstanding the newly raised argument, *Hiradate* is not on point. In 9 *Hiradate*, the plaintiff alleged that third parties tampered with the gift card before he 10 purchased it, and therefore the grocery store’s statement that “it could, would, and did 11 load \$500 onto the [g]ift [c]ard” was false at the time it was made. 2022 WL 12 19299128, at *2–3. Here, Ferrer Arroyo does not allege that the gift cards were 13 valueless at the time of purchase. He alleges that he did not discover the gift cards 14 were valueless until January 2024, several months after he purchased them. (FAC 15 ¶¶ 12–13.) Accordingly, the allegations are insufficient to show how the packaging 16 statement, even when combined with Albertsons’ conduct of accepting payment, was 17 misleading when made. 18 B. Omission 19 Albertsons next argues that Ferrer Arroyo fails to plead a misleading

omission. 20 (Mot. 13.) 21 To plead an actionable omission under the CLRA, “the omission must be 22 contrary to a representation actually made by the defendant, or an omission of a fact 23 that defendant was obliged to disclose.” *Hodsdon v. Mars, Inc.*, 891 F.3d 857, 861 24 (9th Cir. 2018) (emphasis omitted) (quoting *Daugherty v. Am. Honda Motor Co.*, 25 144 Cal. App. 4th 824, 836 (2006)). 26 Here, Ferrer Arroyo alleges that Albertsons (1) knew the Vanilla-branded gift 27 cards “are subject to fraud which can render them worthless, . . . yet it sold [them] 28 without any such disclosures,” and (2) did “not adequately warn[] gift card 1 purchasers . . . that [they] might not be able to access the monetary value they paid for 2 the gift card after purchase and that the gift card might actually be worthless.” (FAC 3 ¶¶ 16, 25.) 4 First, Ferrer Arroyo fails to show that the alleged omissions are contrary to a 5 representation made by Albertsons. *Hodsdon*, 891 F.3d at 861. As previously 6 discussed, the only statement that Ferrer Arroyo alleges is the statement on the 7 packaging, that gift cards “could be purchased in any amount between ‘\$20–\$500’ 8 with a ‘5.95 Purchase Charge.’” (FAC ¶ 10.) Ferrer Arroyo does not explain how the 9 omission of a disclosure regarding fraud or potentially valueless gift cards contradicts 10 the statement that the gift cards can be purchased for certain amounts. 11 Second, Ferrer Arroyo fails to allege a duty to disclose. (See generally FAC.) 12 Under California law, an obligation to disclose may arise in the following four 13 circumstances if the defendant (1) “is in a fiduciary relationship with the plaintiff”; 14 (2) “had exclusive knowledge of material facts not known to the plaintiff”; 15 (3) “actively conceals a material fact from the plaintiff”; and (4) “makes partial 16 representations but also suppresses some material facts.” *Kulp v. Munchkin, Inc.*, 17 678 F. Supp. 3d 1158, 1169 (C.D. Cal. 2023). “In order for non-disclosed information 18 to be material, a plaintiff must show that, ‘had the omitted information been disclosed, 19 one would have been aware of it and behaved differently.’” *Falk v. Gen. Motors 20 Corp.*, 496 F. Supp. 2d 1088, 1095 (N.D. Cal. 2007). Materiality looks to whether “a 21 reasonable consumer would attach importance to its existence or nonexistence in 22 determining his choice of action in the transaction in question.” *Acevedo v. Sunnova 23 Energy Corp.*, 738 F. Supp. 3d 1268, 1281 (C.D. Cal. 2024) (quoting *Daniel v. Ford 24 Motor Co.*, 806 F.3d 1217, 1225 (9th Cir. 2015)). 25 In his opposition, Ferrer Arroyo contends that Albertsons had “actual 26 knowledge of the pervasive gift card fraud issue” and “specific knowledge of gift card 27 tampering risks.” (Opp’n 12.) A defendant’s knowledge can raise an obligation to 28 disclose if the knowledge was either exclusive and not known to plaintiff or was 1 actively concealed. *Kulp*, 678 F. Supp. 3d at 1169. Ferrer Arroyo fails to demonstrate 2 either. Absent from the First Amended Complaint are any allegations that Ferrer 3 Arroyo did not know of this risk or that Albertsons actively concealed the risk. In his 4 opposition, Ferrer Arroyo argues that Albertsons knew “one potential scam involves 5 third parties removing the security tape covering the activation code on the gift 6 cards . . . and then replacing the [activation code] with a substantially similar 7 equivalent.” (Opp’n 12.) But Albertsons presents copies of the gift card packaging³ 8 showing that this risk was disclosed on the packaging, with the following disclosure: 9 “IF TAMPER EVIDENT, DO NOT PURCHASE” and “[f]or security purposes, please 10 check

that the underlined portion of this [serial] number matches the [serial] number 11 below.” (Mot. 14; Decl. Jane Metcalf ISO Mot. Ex. 2 (“Gift Card Package”), ECF 12 No. 31–3.) Thus, if the material omission is based on Albertsons’ knowledge of the 13 activation code scam, Ferrer Arroyo fails to sufficiently plead that he did not know 14 this fact or that Albertsons actively concealed it. 15 Additionally, Ferrer Arroyo fails to explain how a disclosure would have caused 16 a reasonable consumer to behave differently—e.g., not purchase the gift cards. See 17 Falk, 496 F. Supp. 2d at 1095. Ferrer Arroyo broadly states that Albertsons did “not 18 adequately warn[] gift card purchasers,” and that Albertsons should have trained its 19 employees to inspect the gift cards for tampering or restrict the public’s access to the 20 gift cards. (FAC ¶ 25.) In response to Albertsons’ assertion that he would have 21 known the risk “if he had bothered to read the card packaging,” (Mot. 14), Ferrer 22 Arroyo states that this is “tantamount to victim-blaming” and again points to 23 Albertsons’ failure to restrict the public’s access to the gift cards, (Opp’n 12–13). It is 24 unclear—and Ferrer Arroyo does not allege—how a reasonable consumer would 25 “attach importance” to the proposed disclosure and alter their behavior. Acevedo, 26 738 F. Supp. 3d at 1281. Further, Ferrer Arroyo argues that Albertsons must take 27 3 The Court incorporates by reference photographs of the gift card packaging. See United States v. 28 Ritchie, 342 F.3d 903, 908 (9th Cir. 2003) (permitting incorporation by reference where “document forms the basis of the plaintiff’s claim”). 1 || additional preventive measures beyond a disclosure; it is therefore unclear how the proposed disclosure alone would be sufficient to alter the consumers’ behavior. 3 || Accordingly, as pleaded, Ferrer Arroyo fails to show that the alleged omission is material. 5 Based on the foregoing, Ferrer Arroyo does not meet the threshold requirement 6 || of pleading a misrepresentation or omission and the Court need not reach Albertsons’ 7 || additional arguments for dismissal. Boyd, 762 F. Supp. 3d at 941. Accordingly, the 8 | Court GRANTS the Motion.

9 Vv. CONCLUSION

10 For the reasons discussed above, the Court GRANTS Albertsons’ Motion to 11 || Dismiss and DISMISSES the First Amended Complaint WITH LEAVE TO 12 | AMEND. (ECF No. 30.) If Ferrer Arroyo chooses to amend, he must file his Second 13 | Amended Complaint no later than fourteen (14) days from the date of this order. If 14 || Ferrer Arroyo does not timely amend, this dismissal shall be deemed a dismissal with 15 || prejudice. 16 17 IT IS SO ORDERED. 18

19 August 19, 2025 ~

20 Nes. 21 Cthiee

OTIS D. GHT, II

33 UNITED STATES DISTRICT JUDGE

24 25 26 27 28