

Daily Journal

[Menu](#)[Search](#)

NEWS

Civil Litigation

[Bookmark](#)

Mar. 25, 2022

42 school districts accuse Juul Labs of racketeering

This new wave of lawsuits comes before the same judge who, in April last year, denied a motion to dismiss a products liability class action against Juul Labs.

Forty-two school districts sued Juul Labs and several executives after a 2021 motion was denied and a class action against the e-cigarette company was allowed to continue based on an alleged violation of the Racketeer Influenced and Corrupt Organizations Act, or RICO.

"What's happening in these school districts is deplorable," said Frantz Law Group founder James P. Frantz, the firm representing many of the school districts who recently filed suit. "Nine tenths of the kids think they're inhaling flavored water vapor."

This new wave of lawsuits comes before the same judge who, in April last year, denied a motion to dismiss a products liability class action against Juul Labs.

In that denial, U.S. District Judge [William H. Orrick III](#) in San Francisco said, "Plaintiffs assert a plausible theory to maintain their 'RICO' claims," because the defendants, "allegedly conducted acts of mail and wire fraud in connection with five related fraudulent schemes run through [Juul Labs, Inc.] as the RICO enterprise."

The new group of school district plaintiffs found a plausible avenue for recourse in this new RICO

theory.

While the previous class action challenged the same underlying actions by the defendants, this new group of cases seeks a new remedy, a ruling that the fraudulent marketing of Juul as a safe product was a public nuisance.

In a complaint filed Wednesday on behalf of the Unified School District of Antigo, Frantz Law Group, said, "By working to preserve and expand the market of underage JUUL customers, fraudulently denying JLI's youth-focused marketing, and deceiving regulators and the public in order to allow JUUL products to remain on the market, the enterprise caused [...] plaintiff to expend time, money, and resources to address the epidemic defendants created through their conduct."

This complaint is a near carbon copy of the majority of these recent suits filed by school districts from across the nation. All of them point to the same conduct as RICO violations, the alleged fraudulent and predatory advertising practices by Juul they say were aimed at getting children addicted to their product.

Specifically, the school districts complain that Juul has been able to reach kids in media that tobacco companies are barred from, through the knowingly false messaging that Juul is safe.

Examples of media Juul has ventured into where traditional tobacco companies are not allowed are television channels such as Nick Jr. and Cartoon Network, according to the complaint.

Jade Koller, an associate attorney for Frantz Law Group, said, "These districts are having to institute educational programs to teach kids about the dangers of Juul."

William B. Shinoff, another associate attorney of Frantz Law Group who has been traveling the country to meet with some of the 650 school districts the firm represents, noted that many of these school districts have to institute remedial measures and programs absent state funding.

For example, Shinoff said, "One school district in New Jersey has to comply with state law by implementing vape detectors in classrooms but has to pull from their own budget to do it. The remedies accompanying a finding of public nuisance would be a big benefit to school districts in dealing with the addiction pouring into classrooms."

Due to the recency of these filings, Juul and the named defendants have yet to specifically appoint counsel to address these cases.

Eugene Illovsky, a name partner at Boersch & Illovsky in Oakland who represents Juul Labs in the class action, did not respond to a request for comment on the newly filed cases.

#366718

Wisdom Howell

Daily Journal Staff Writer
wisdom_howell@dailyjournal.com

For reprint rights or to order a copy of your photo:

Email jeremy@reprintpros.com for prices.

Direct dial: 949-702-5390

Send a letter to the editor:

Email: letters@dailyjournal.com

Related Content

JUDICIAL PROFILE



William H. Orrick

William H. Orrick III

Northern District of California (San Francisco)
