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THE PEOPLE OF THE STATE OF CALIFORNIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
CITY AND COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,  
by and through JAMES K. HAHN, City Attorney  
of the City of Los Angeles, LEGRAND H. CLEGG II,  
City Attorney of the City of Compton, CHARLES E.  
DICKERSON III, City Attorney of the City of Inglewood,  
and MICHAEL JENKINS, City Attorney of the City of  
West Hollywood; and THE GENERAL PUBLIC by and  
through LEGRAND H. CLEGG II, City Attorney of the  
City of Compton, ROOSEVELT DORN, Mayor of the  
City of Inglewood and JOHN HEILMAN, Mayor of the  
City of West Hollywood,

Plaintiffs,

vs.

ARCADIA MACHINE & TOOL, BRYCO ARMS, INC.,  
DAVIS INDUSTRIES, INC., LORCIN ENGINEERING  
CO., INC., PHOENIX ARMS, SUNDANCE  
INDUSTRIES, INC., EXCEL INDUSTRIES, INC.  
A/K/A ACCU-TEK, BERETTA U.S.A. CORP., PIETRO  
BERETTA Sp. A., BROWNING ARMS CO., CARL  
WALTHER GmbH, CHARTER ARMS, INC., COLT'S  
MANUFACTURING CO., INC., FORJAS TAURUS, S.A.,  
GLOCK, INC., GLOCK GmbH, H&R 1871, INC.,  
HECKLER & KOCH, INC., MKS SUPPLY, INC. D/B/A  
HI-POINT FIREARMS, KEL-TEC CNC INDUSTRIES,  
INC., CHINA NORTH INDUSTRIES A/K/A NORINCO,  
NAVEGAR, INC. D/B/A INTRATEC U.S.A., INC.,  
NORTH AMERICAN ARMS, INC., SIGARMS, INC.,  
SMITH & WESSON CORP., STURM, RUGER &  
COMPANY, INC., S.W. DANIEL, INC., A/K/A COBRAY  
FIREARMS, INC., TAURUS INTERNATIONAL  
MANUFACTURING, INC., AMERICAN SHOOTING  
SPORTS COUNCIL, INC., NATIONAL SHOOTING

Case No. BC 210894

**FIRST AMENDED COMPLAINT  
FOR MAINTAINING A  
PUBLIC NUISANCE AND  
FOR UNFAIR, UNLAWFUL  
AND FRAUDULENT BUSINESS  
PRACTICES IN VIOLATION  
OF BUSINESS AND  
PROFESSIONS CODE § 17200**

1 SPORTS FOUNDATION, INC., SPORTING ARMS AND )  
2 AMMUNITION MANUFACTURERS' INSTITUTE, INC., )  
3 B.L. JENNINGS, ELLETT BROTHERS, )  
4 INTERNATIONAL ARMAMENT CORP. D/B/A )  
5 INTERARMS INDUSTRIES, INC., RSR WHOLESALE )  
6 GUNS, INC., SOUTHERN OHIO GUN DISTRIBUTORS, )  
7 B&B GROUP, INC., ANDREWS SPORTING GOODS, )  
8 INC., NATIONAL GUNS SALES, INC., S.G. )  
9 DISTRIBUTING, INC., HAWTHORNE DISTRIBUTORS, )  
10 INC., and DOES 1-300, )

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Defendants.

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THE PEOPLE OF THE STATE OF CALIFORNIA

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10 The People of the State of California and the General Public, for a cause of action against  
11 Defendants, and each of them, allege as follows, upon information and belief:

12  
13 **INTRODUCTION**

14 1. This action is brought on behalf of the People of the State of California and the  
15 General Public against handgun manufacturers, distributors, retailers and trade associations that adversely  
16 impact California. These Defendants design, manufacture, market, distribute, advertise, promote, supply  
17 and sell handguns in a manner that facilitates the easy availability of handguns to juveniles and criminals  
18 for their use in crime and the operation of handguns by children, with the resulting yearly toll of injury and  
19 loss of life in the California communities of Los Angeles, Compton, Inglewood, and West Hollywood and  
20 throughout the State of California.

21 2. Defendants' pattern of unfair, unlawful and fraudulent business acts and practices,  
22 results in Defendants being unjustly enriched.

23 3. Defendants, and each of them, have engaged in conduct that is injurious to health and  
24 has resulted in the creation and maintenance of a public nuisance in Southern California, specifically in  
25 Los Angeles, Compton, Inglewood and West Hollywood, by interfering with the comfortable enjoyment  
26 of life in these communities.

27 4. Defendants, and each of them, design, market, distribute, advertise, promote, supply  
28 and sell handguns -- a dangerous instrument that is the primary tool for violent crime -- in a manner that

1 facilitates the easy availability and misuse by felons, minors under the age of 21, and other prohibited or  
2 unauthorized purchasers and users. Further, Defendants, and each of them, design, market, distribute,  
3 advertise, promote, supply and sell handguns that fail to incorporate reasonable safety features, and over-  
4 promote the purported self-defense and home protection benefits of handguns, in a manner that  
5 undermines the minimal warnings or instructions provided by Defendants regarding safe storage,  
6 possession and use of handguns, thereby resulting in the unsafe storage, possession and use of handguns.

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8           5. Defendants' pattern of unfair, unlawful and fraudulent business acts and practices  
9 have undermined federal, state and local gun laws and the public policies embodied in those laws.  
10 Defendants, and each of them, have unjustly enriched themselves through these unfair, unlawful and  
11 fraudulent business acts and practices, and have shifted the burden and responsibility of the foreseeable  
12 ultimate costs of Defendants' products to the victims of gun violence and to the taxpayers. The resulting  
13 levels of shooting deaths and injuries in California and the entire nation exceed those in almost every other  
14 area of the world, impose enormous economic costs, and unreasonably interfere with the safety, health,  
15 well-being and quality of life of the People of the State of California.

16           6. As a result of the unfair, unlawful and fraudulent business acts and practices of  
17 Defendants, thousands of California residents have died, suffered serious bodily injury, and been exposed  
18 to increased criminal activity involving handguns.

19           7. In the City of Los Angeles, in 1997 there were 676 firearms deaths caused by  
20 handguns. Additionally, in 1997 there were 1,252 hospitalizations for non-fatal injuries.

21           8. In Compton, a city with a population of approximately 95,000, in 1997 there were  
22 74 firearms deaths, and 163 non-fatal hospitalizations, and in West Hollywood, a city with a population  
23 of approximately 37,000, there were 15 residents killed by handguns, and 10 hospitalizations for non-fatal  
24 firearms injuries.

25           9. In Inglewood, a city with a population of approximately 120,000, in 1997 there were  
26 37 firearms deaths and 54 non-fatal hospitalizations.

27           10. Young people throughout the State and in cities, including Los Angeles, Compton,  
28 Inglewood and West Hollywood, are particularly vulnerable to gun violence. Handguns are the leading

1 cause of death for young people ages 1-19 in California. 669 young people between the ages of 0-19 died  
2 as a result of firearms in 1996. Of these, 520 were homicides; 107 were suicides; 35 resulted from an  
3 unintentional shootings, and in 7 cases the reason for the killing could not be determined.

4 11. In Los Angeles, 136 young people aged 19 or younger were killed in 1997 and an  
5 additional 413 were hospitalized for firearms-related injuries.

6 12. In Compton, 16 young people aged 19 or younger were killed in 1997 and an  
7 additional 48 were hospitalized for firearms-related injuries.

8 13. In Inglewood, 9 young people under the age of 19 were killed with firearms and 17  
9 were hospitalized with non-fatal gun-related injuries.

10 14. In West Hollywood, 2 young people aged 19 or younger were hospitalized in 1997  
11 for firearms-related injuries.

12 15. Homicides committed with handguns are the leading cause of firearms related injuries  
13 and death in California. In 1997 alone, there were 1,835 homicides committed with a firearm in California  
14 and over 25,000 firearms-related injuries. The vast majority of these deaths and injuries are attributable  
15 to handguns.

16 16. In Los Angeles, in 1997 there were 481 homicides committed with firearms and  
17 1,119 non-fatal hospitalizations related to homicide attempts involving firearms.

18 17. In Compton, in 1997, there were 66 homicides committed with firearms and 151 non-  
19 fatal hospitalizations related to homicide attempts involving firearms.

20 18. In Inglewood, in 1997, there were 27 homicides committed with firearms and 48 non-  
21 fatal hospitalizations related to homicide attempts involving firearms.

22 19. In West Hollywood, in 1997, there were 8 homicides committed with firearms and  
23 9 non-fatal hospitalizations related to homicide attempts involving firearms.

24 20. In addition to homicides, handguns are also used in a significant number of other  
25 crimes. In 1998, for example, in Los Angeles there were more than 13,000 crimes, including over 5,000  
26 aggravated assaults committed with firearms, most of which were handguns that were obtained or  
27 possessed illegally.

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21. The above stated statistics demonstrate the magnitude of the problem caused by Defendants' unfair, unlawful and fraudulent business acts and practices.

22. In order to reduce the succession of handgun-related tragedies, Plaintiffs bring this action to enjoin the unfair, unlawful and fraudulent business acts and practices of Defendants, to obtain disgorgement of Defendants' wrongfully-obtained monies, to collect civil penalties, and abate the nuisance caused by Defendants' conduct explained herein.

## THE PARTIES

**PLAINTIFFS**

23. This action is being brought on behalf of the People of the State of California by James K. Hahn, City Attorney of Los Angeles, Legrand H. Clegg II, City Attorney of Compton, Charles E. Dickerson III, City Attorney of Inglewood, and Michael Jenkins, City Attorney of West Hollywood, pursuant to Business and Professions Code Section 17204 and/or Code of Civil Procedure Section 731.

24. This action is further being brought on behalf of the general public by Legrand H. Clegg II, City Attorney of Compton; Roosevelt Dorn, Mayor of Inglewood, and John Heilman, Mayor of West Hollywood pursuant to Business and Professions Code Section 17204.

## DEFENDANTS

25. Defendants, and each of them, design, manufacture, market, distribute, advertise, promote, supply and sell handguns.

26. Defendants, and each of them, are sued individually as a primary violator and as an aider and abettor. In acting to aid and abet the commission of the unfair, unlawful and fraudulent business acts and practices complained of herein, each Defendant acted with the actual or constructive awareness of the wrongfulness of such acts and practices and nonetheless rendered substantial assistance or encouragement to accomplishment of the wrongful acts and practices and was aware of the overall contribution to the common course of wrongful acts and practices alleged herein.

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1           27. Each Defendant was the agent and employee of each remaining Defendant, and was  
2 acting within the scope of such agency and employment in performing the acts herein alleged.

3           28. Whenever in this Complaint reference is made to any act or omission of a corporate  
4 Defendant, such allegation refers to the officers, directors, employees and agents of the corporate  
5 Defendant who did or do authorize such act or omission while actively engaged in the management,  
6 direction, operation or control of the affairs of the corporate Defendant, and while acting in the course  
7 and scope of their agency and employment.

8           29. The following Defendants, and each of them, design and manufacture handguns that  
9 are or were designed, manufactured, marketed, distributed, advertised, promoted, supplied and sold in  
10 California (hereinafter referred to as the "Defendant Manufacturers"):

11           30. Defendant Arcadia Machine & Tool ("AMT") is a corporation organized and existing  
12 under the laws of the State of California with its principal place of business in California.

13           31. Defendant Bryco Arms, Inc. ("Bryco") is a corporation organized and existing under  
14 the laws of the State of Nevada with its principal place of business in California.

15           32. Defendant Davis Industries, Inc. ("Davis") is a corporation organized and existing  
16 under the laws of the State of California with its principal place of business in California.

17           33. Defendant Lorcin Engineering Co., Inc. ("Lorcin") is a corporation organized and  
18 existing under the laws of the State of California with its principal place of business in California.

19           34. Defendant Phoenix Arms ("Phoenix") is a corporation organized and existing under  
20 the laws of the State of California with its principal place of business in California.

21           35. Defendant Sundance Industries, Inc. ("Sundance") is a corporation organized and  
22 existing under the laws of the State of California with its principal place of business in California.

23           36. Defendant Excel Industries, Inc. a/k/a Accu-tek ("Accu-tek") is a corporation  
24 organized and existing under the laws of the State of California with its principal place of business in  
25 California.

26           37. Defendant Beretta U.S.A. Corp. ("Beretta U.S.A.") is a corporation organized and  
27 existing under the laws of the State of Maryland with its principal place of business in Maryland, and

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1 imports handguns manufactured by defendant Pietro Beretta Sp. A., a corporation organized and existing  
2 under the laws of Italy with its principal place of business in Italy.

3 38. Defendant Pietro Beretta Sp. A. ("Pietro Beretta") is a corporation organized and  
4 existing under the laws of Italy with its principal place of business in Italy.

5 39. Defendant Browning Arms Co. ("Browning") is a corporation organized and existing  
6 under the laws of the State of Utah with its principal place of business in Utah.

7 40. Defendant Carl Walther GmbH ("Carl Walther") is a corporation organized and  
8 existing under the laws of the Federal Republic of Germany with its principal place of business in the  
9 Federal Republic of Germany.

10 41. Defendant Charter Arms, Inc. ("Charter Arms") is a corporation organized and  
11 existing under the laws of the State of Connecticut, with its principal place of business in New Jersey.

12 42. Defendant Colt's Manufacturing Company, Inc. ("Colt") is a corporation organized  
13 and existing under the laws of the State of Delaware with its principal place of business in Connecticut.

14 43. Defendant Forjas Taurus, S.A. ("Forjas Taurus") is a corporation organized and  
15 existing under the laws of Brazil with its principal place of business in Brazil.

16 44. Defendant Glock, Inc. is a corporation organized and existing under the laws of the  
17 State of Georgia with its principal place of business in Georgia, and imports handguns manufactured by  
18 defendant Glock GmbH, an Austrian corporation with its principal place of business in Austria.

19 45. Defendant Glock GmbH is a corporation organized and existing under the laws of  
20 Austria with its principal place of business in Austria.

21 46. Defendant H&R 1871, Inc. ("H&R") is a corporation organized and existing under  
22 the laws of the State of Massachusetts with its principal place of business in Massachusetts.

23 47. Defendant Heckler & Koch, Inc. ("Heckler & Koch") is the United States subsidiary  
24 of Heckler & Koch, GmbH, organized in the Federal Republic of Germany, with its principal place of  
25 business in Virginia.

26 48. Defendant MKS Supply Inc. d/b/a Hi-Point Firearms ("Hi-Point") is a corporation  
27 organized and existing under the laws of the State of Ohio, with its principal place of business in Ohio.

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1           49. Defendant Kel-Tec CNC Industries, Inc. ("Kel-Tec") is a corporation organized and  
2 existing under the laws of the State of Florida, with its principal place of business in Florida.

3           50. Defendant China North Industries a/k/a Norinco ("Norinco") is a corporation  
4 organized and existing under the laws of the State of California with its principal place of business in  
5 California.

6           51. Defendant Navegar, Inc. d/b/a Intratec U.S.A., Inc. ("Navegar") is a corporation  
7 organized and existing under the laws of the State of Florida with its principal place of business in Florida.

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9           52. Defendant North American Arms, Inc. is a corporation organized and existing under  
10 the laws of the State of Utah with its principal place of business in Utah.

11           53. Defendant Sigarms, Inc. ("Sigarms") is a corporation organized in the State of New  
12 Hampshire, with its principal place of business in New Hampshire.

13           54. Defendant Smith & Wesson Corp. ("Smith & Wesson") is a corporation organized  
14 and existing under the laws of the State of Delaware with its principal place of business in Massachusetts.

15           55. Defendant Sturm, Ruger & Company, Inc. ("Sturm Ruger") is a corporation  
16 organized and existing under the laws of the State of Delaware with its principal place of business in  
17 Connecticut.

18           56. Defendant S.W. Daniel, Inc. a/k/a Cobray Firearms, Inc., ("Cobray") is a corporation  
19 organized and existing under the laws of the State of Georgia, with its principal place of business in  
20 Georgia.

21           57. Defendant Taurus International Manufacturing, Inc. ("Taurus") is a corporation  
22 organized and existing under the laws of the State of California with its principal place of business in  
23 California, and imports handguns manufactured by defendant Forjas Tauras, S.A., a Brazilian corporation  
24 with its principal place of business in Brazil.

25           58. At all times relevant herein, DOES 1-100, inclusive were business entities, the status  
26 of which are currently unknown. DOES 1-100 designed and manufactured handguns that are or were  
27 marketed, distributed, advertised, promoted, supplied and sold within the jurisdictional limits of California  
28 (hereinafter referred to as part of the "Defendant Manufacturers"):

1           59. The following Defendants are industry trade associations (hereinafter referred to as  
2 the “Defendant Trade Associations”) that are composed of handguns manufacturers, distributors, and  
3 sellers, including some or all of the Defendant Manufacturers:

4           60. Defendant American Shooting Sports Council, Inc. (hereinafter referred to as the  
5 “ASSC”) is a tax exempt business league under section 501(c)(6) of the Internal Revenue Code organized  
6 and existing under the laws of the State of Georgia with its principal office in Georgia. ASSC is an  
7 industry trade association composed of handgun manufacturers and sellers, including some or all of the  
8 Defendant Manufacturers.

9           61. Defendant National Shooting Sports Foundation, Inc. (hereinafter referred to as the  
10 “NSSF”) is a tax exempt business league under section 501(c)(6) of the Internal Revenue Code organized  
11 and existing under the laws of the State of Connecticut with its principal office in Connecticut. NSSF is  
12 an industry trade association composed of firearm manufacturers and sellers, including some or all of the  
13 Defendant Manufacturers.

14           62. Defendant Sporting Arms and Ammunition Manufacturers’ Institute, Inc. (hereinafter  
15 referred to as the “SAAMI”) is a tax exempt business league under section 501(c)(6) of the Internal  
16 Revenue Code organized and existing under the laws of the State of Connecticut with its principal office  
17 in Connecticut. SAAMI is an industry trade association composed of handgun manufacturers and sellers,  
18 including some or all of the Defendant Manufacturers.

19           63. At all times relevant herein, DOES 101-125, inclusive were business entities, the  
20 status of which are currently unknown. DOES 101-125 are industry trade associations (hereinafter  
21 referred to as part of the “Defendant Trade Associations”), which are composed of handgun  
22 manufacturers, distributors, and sellers, including some or all of the Defendant Manufacturers.

23           64. The following Defendants, and each of them, marketed, distributed, advertised,  
24 promoted, supplied and sold handguns that are or were found within the jurisdictional limits of California  
25 (hereinafter referred to as the “Defendant Distributors”):

26           65. Defendant B.L. Jennings is a corporation organized and existing under the laws of  
27 the State of Nevada with its principal place of business in Nevada. B.L. Jennings distributes guns made  
28 by Defendant Manufacturer Bryco in California.

1           66. Defendant Ellett Brothers is a corporation organized and existing under the laws of  
2 the State of South Carolina with its principal place of business in South Carolina. Ellett Brothers  
3 telemarkets handguns nationwide, including in California.

4           67. Defendant International Armament Corp. d/b/a Interarms Industries, Inc.  
5 ("Interarms") is a corporation organized and existing under the laws of the State of Delaware with its  
6 principal place of business in Virginia. Interarms imports and/or distributes handguns made by several  
7 different manufacturers, including defendant Carl Walther GmbH. Interarms distributes its products to  
8 at least 46 California dealers, which are identified on its Internet site.

9           68. RSR Wholesale Guns, Inc. is a corporation organized and existing under the laws  
10 of the State of New York with its principal place of business in New York. Based on information and  
11 belief, RSR Wholesale Guns, Inc., distributes firearms in California, including guns manufactured by  
12 defendant Taurus International Manufacturing, Inc.

13           69. Southern Ohio Gun Distributors is a corporation organized and existing under the  
14 laws of the State of Ohio with its principal place of business in Ohio. Based on information and belief,  
15 Southern Ohio Gun Distributors distributes firearms in California.

16           70. At all times relevant herein, DOES 126-200, inclusive were business entities, the  
17 status of which are currently unknown. DOES 126-200 marketed, distributed, advertised, promoted,  
18 supplied and sold handguns that are or were found within California (hereinafter referred to as part of the  
19 "Defendant Distributors").

20           71. The following defendants, and each of them, market, distribute, advertise, promote,  
21 supply and sell handguns that are or were found within the jurisdictional limits of California (hereinafter  
22 referred to as "Defendant Dealers");

23           72. Defendant B & B Group, Inc., is a corporation organized and existing under the laws  
24 of the State of California with its principal place of business in California.

25           73. Defendant Andrews Sporting Goods, Inc., is a corporation organized and existing  
26 under the laws of the State of California with its principal place of business in California.

27           74. Defendant National Gun Sales, Inc., is a corporation organized and existing under  
28 the laws of the State of Florida with its principal place of business in California.

75. Defendant S. G. Distributing, Inc., is a corporation organized and existing under the laws of the State of California with its principal place of business in California.

76. Defendant Hawthorne Distributors, Inc., is a corporation organized and existing under the laws of the State of California with its principal place of business in California.

77. At all times relevant herein, DOES 201-300, inclusive were business entities, the status of which are currently unknown. DOES 201-300 market, distribute, advertise, promote, supply and sell handguns that are or were found within California (hereinafter referred to as part of the “Defendant Dealers”).

78. Plaintiff is ignorant of the true names and capacities of Defendants sued herein as DOES 1-300. Plaintiff alleges that each of the fictitiously named Defendants is responsible in some manner for the violations herein alleged. Plaintiff will seek leave to amend this complaint to allege such names and capacities when such have been ascertained. All of the above-named Defendants, DOES 1-300, and the agents and employees of those Defendants, were responsible in some manner for the obligations, liabilities and violations herein mentioned, which were legally caused by the aforementioned Defendants and DOES 1-300.

## JURISDICTION AND VENUE

79. Defendants, and each of them, are subject to the jurisdiction of the Courts of the State of California by virtue of their business dealings and transactions in California, by causing an injurious effect in California through their acts or omissions, and/or by their violation of California Business and Professions Code Section 17200, California Civil Code Sections 3479 and 3480 and California Penal Code Section 370.

80. Venue is proper in this court because the violations of law herein alleged and the resulting injuries have been committed within the cities of Los Angeles, Compton, Inglewood, West Hollywood, and elsewhere throughout California. Defendants, and each of them, at all times mentioned in this Complaint have transacted business within the cities of Los Angeles, Compton, Inglewood, West Hollywood and elsewhere throughout California.

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1 GENERAL ALLEGATIONS

2 I.

3 **HANDGUN-RELATED CRIME IS A NATIONAL PROBLEM THAT**  
4 **VICTIMIZES THOUSANDS OF CALIFORNIANS**

5 81. The widespread availability and misuse of firearms by minors, convicted criminals,  
6 and other unauthorized users is one of the most serious problems facing this nation. In 1996, the most  
7 recent year for which final nationwide statistics are available, more than 34,000 people were killed with  
8 firearms. Of these, more than 14,300 were homicides and about 18,100 were suicides, with more than  
9 1,100 deaths from accidental shootings. In addition, based on 1992 data, approximately 99,000  
10 individuals are treated annually in hospital emergency rooms for non-fatal firearm injuries, with about one-  
11 fifth of these for accidental shootings. Handguns cause most of these injuries and deaths. By comparison,  
12 in other industrialized nations, no more than a few hundred people are killed each year by handguns.

13 82. Statewide statistics for California reveal similar patterns of handgun violence. In  
14 1997 alone, there were 1,835 homicides committed with firearms, the majority of which are handguns.  
15 In 1997, firearms were the predominant means of committing homicide, constituting 72.3% of total  
16 homicides. Handguns alone represented over 64% of the total homicides and 89% of firearm homicides.  
17 During the five-year period 1992 through 1997, handguns were used in over 62% of the total homicides.  
18 In addition, in 1997, there were over 25,000 incidents in California in which a victim suffered serious  
19 injuries from a firearm.

20 83. As set forth below, this pattern of handgun violence is repeated in Los Angeles,  
21 Compton, Inglewood and West Hollywood as well.

22 84. For each of these fatal shootings, there are roughly three non-fatal shootings that  
23 require emergency room care.

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28 85. These deaths and injuries are devastating for the individuals involved, for their

1 families and communities, and for the State of California. Moreover, the pervasive threat of handgun  
2 violence affects the tenor and quality of everyday life, even for those who are not direct victims.

## 3 4 II.

### 5 THE HIGH LEVELS OF FIREARM CRIME IN CALIFORNIA IS FUELED 6 BY THE EASY AVAILABILITY OF HANDGUNS TO ILLEGITIMATE USERS

7 86. Defendants, and each of them, employ a two-tier distribution system to market  
8 handguns to the public. Through a two-tier distribution system, handguns flow from the manufacturer  
9 to distributor to dealer to purchaser. This distribution system facilitates, and, in fact, is designed to  
10 facilitate, handgun acquisition by persons not authorized or intended to use, sell or possess handguns  
11 (through what is hereinafter referred to as the “illegitimate secondary market”), such as criminals and  
12 minors. It is inappropriate to market a lethal product such as a handgun in unsafe and uncontrolled  
13 manner as it results in the distribution of handguns to the broadest market possible without employing  
14 safeguards against the illegal sale, possession and use of handguns by illegitimate users.

15 87. A substantial percentage of the handguns used to inflict harm and injury on California  
16 residents are obtained through the illegitimate secondary market created and promoted by the unfair,  
17 unlawful and fraudulent business acts and practices of Defendants. The fact that the Defendants' acts and  
18 omissions have created and promoted the illegitimate secondary market is a matter of common knowledge  
19 to Defendants, as is demonstrated by the following sworn statement of Robert Haas, the former Senior  
20 Vice-President of Marketing and Sales for defendant Smith & Wesson:

21 “The company [Smith & Wesson] and the industry as a whole are fully  
22 aware of the extent of the criminal misuse of handguns. The company and  
23 the industry are also aware that the black market in handguns is not simply  
24 the result of stolen guns but is due to the seepage of guns into the illicit  
25 market from multiple thousands of unsupervised federal handgun licensees.  
26 In spite of their knowledge, however, the industry’s position has  
27 consistently been to take no independent action to insure responsible  
28 distribution practices, to maintain that the present minimal federal

1 regulation of federal handgun licensees is adequate and to call for greater  
2 criminal enforcement of those who commit crimes with guns as the  
3 solution to the firearm crime problem. . . . I am familiar with the  
4 distribution and marketing practices of the [sic] all of the principal U.S.  
5 handgun manufacturers and wholesale distributors and none of them, to my  
6 knowledge, take additional steps, beyond determining the possession of a  
7 federal handgun license, to investigate, screen or supervise the wholesale  
8 distributors and retail outlets that sell their products to insure that their  
9 products are distributed responsibly.”

10 88. National surveys demonstrate that handguns are easily available to minors and  
11 convicted criminals through the illegitimate secondary market. For example, a recent survey showed that  
12 approximately 29% of 10th grade boys and 23% of 7th grade boys have at one time carried a concealed  
13 handgun. Another survey showed that 70% of all prisoners felt that they could easily obtain a firearm  
14 upon their release. Similarly, a recent study of 27 cities by the federal Bureau of Alcohol, Tobacco and  
15 Firearms ("ATF"), which analyzed more than 75,000 firearm trace requests, reported that more than 11%  
16 of firearms picked up in crime in major urban centers throughout the United States were possessed by  
17 juveniles under age 18. In Los Angeles, the percentage of crime guns seized from juveniles was higher,  
18 at 13.4%. The same ATF study indicated that in the United States another 15% of crime guns were seized  
19 from persons 18-20 years old, more than from any other three-year age group, adult or juvenile.  
20 Moreover, ATF tracing of trafficked crime guns found that more than 45% of the weapons seized were  
21 illegally possessed by convicted felons. Large percentages of these guns have been used in assaults,  
22 robberies, homicides, and other violent crimes. More than 80% of the firearms seized in crime are  
23 handguns.

24 89. Despite these statistics, Defendants have not taken reasonable steps to keep handguns  
25 out of the hands of minors. To the contrary, Defendants market their products in such a way that they  
26 appeal to minors. For example, one of the gun industry's leading trade associations, Defendant National  
27 Shooting Sports Foundation (NSSF), announced in 1992 a "new focus on women and youngsters." NSSF  
28 started a "Youth Education Program" in a search for new customers and expansion of the gun market.



1 The September/October 1992 issue of NSSF's magazine S.H.O.T. Business carried a column by a noted  
2 celebrity in the industry, Grits Gresham, in which he said:

3 "There's a way to help insure that new faces and pocketbooks will  
4 continue to patronize your business: Use the schools . . . [I]t's time to  
5 make your pitch for young minds, as well as for the adult ones."

6 90. The ease with which handguns are moved into the illegitimate marketplace is also  
7 demonstrated by the short time between retail sale and criminal misuse for a significant percentage of  
8 firearms. ATF tracing data indicates that as many as 43% of firearms traced to crime in cities across  
9 America have been bought from retail dealers less than three years earlier, which according to ATF is a  
10 strong indication that the firearm has been trafficked. An ATF study of Southern California crime guns,  
11 including those picked up in Los Angeles, found that 31% of the guns traced had been purchased from  
12 a licensed dealer less than one year earlier. This same study noted that handguns were especially prone  
13 to quick turnaround; a third of the crime guns that were handguns were seized within one year of being  
14 purchased, and more than half were seized within two years.

### 16 III.

#### 17 DEFENDANTS HAVE CREATED A DISTRIBUTION SYSTEM 18 THAT FACILITATES AND SUPPLIES AN ILLEGITIMATE 19 SECONDARY MARKET OF HANDGUNS

20 91. Defendants, and each of them, employ marketing and distribution policies and  
21 practices that facilitate, promote and yield high volume sales, widespread availability and easy access  
22 without any meaningful attention to or concern for their consequences.

23 92. Defendants, and each of them knew, or should have known, for at least four years  
24 prior to the filing of this Complaint, that a substantial percentage of the handguns they design,  
25 manufacture, market, distribute, advertise, promote, supply and sell are purchased by unauthorized  
26 persons, including minors and convicted criminals. Many of the guns illegally sold in this market are  
27 subsequently used in the commission of crime. Defendants, and each of them, knew, or should have  
28 known, that their manufacturing, marketing, distributing, advertising, promotional, supplying and sales

1 acts and practices would facilitate and encourage their handguns to flow into an illegitimate secondary  
2 market and be purchased, possessed and used by unauthorized persons. Further, it was foreseeable that  
3 defendants' manufacturing, marketing, distributing, advertising, promotional, supplying and sales acts and  
4 practices would facilitate handguns to flow into an illegitimate secondary market and be purchased,  
5 possessed and used by unauthorized persons.

6 **A. Defendants' Over-Saturate the Legitimate Market**

7 93. Defendants, and each of them, produce, market and distribute substantially more  
8 handguns than they reasonably expect to sell to legal purchasers. There are approximately 65 million  
9 handguns in the United States, and about 2.5 million more are added each year. A substantial percentage  
10 of these sales are diverted to an illegitimate secondary market. By deliberately producing, marketing and  
11 distributing more handguns than they can reasonably expect to sell to legal purchasers, defendants, and  
12 each of them, knowingly participate in and facilitate the illegitimate secondary market for handguns.

13 **B. Defendants' Over-Saturate Weak Gun Control Jurisdictions**

14 94. Handguns move from jurisdictions with relatively weak gun control laws to  
15 jurisdictions with stronger gun control laws. Defendants, and each of them, knew of, or should have  
16 known of, for at least four years from the filing of this Complaint, this illegal trafficking movement, yet  
17 did nothing to control or monitor sales in weak gun control jurisdictions to restrict illegal trafficking of  
18 guns from those jurisdictions into more heavily regulated jurisdictions. To the contrary, Defendants, and  
19 each of them, eagerly sell as many handguns as are necessary to meet the demands of the illegitimate  
20 secondary market in weak gun control jurisdictions. As an example of this problem, Arizona and Nevada  
21 both border California and have weaker gun control laws than this State. According to ATF statistics,  
22 approximately 30% of the firearms traced in Southern California were originally sold at retail locations  
23 outside of California, principally Nevada and Arizona. Although this movement of handguns across state  
24 lines contravenes federal law as well as reduces the efficacy of California and local law, Defendants, and  
25 each of them, continue to facilitate and encourage this movement of handguns.

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27 ///

28 **C. Defendants' Distribute Handguns Without Exercising Adequate Control**

1           95. Defendants' employment of two-tier distribution system maximizes their sales  
2 without any check or precaution, and without placing effective controls on their distributors or dealers,  
3 which include disreputable gun shops, pawnshops, gun shows, and telemarketers. Although Defendants'  
4 distribution practices increase sales volumes and hence profits, they minimize contacts between Defendant  
5 Manufacturers, Defendant Distributors and Defendant Dealers, thereby precluding any meaningful  
6 monitoring of compliance with federal, state and local laws.

7           96. Defendant Manufacturers, and each of them, do not monitor or supervise their  
8 distributors or dealers, except in ways aimed at maximizing profits. Certain Defendants have distribution  
9 agreements that provide for the right of termination, and on occasion, have terminated or warned  
10 distributors or dealers. The reasons contemplated for termination are not maintaining minimum prices,  
11 advertising the price that the distributor pays to the manufacturer, or, in some instances, selling to law  
12 enforcement or making foreign sales. However, engaging in a dangerous sales practice that makes  
13 handguns easily available for potential criminal use has not been the basis for termination and is not  
14 included in the terms of the distribution agreements. There is no sanction, such as termination, specified  
15 within the distribution agreements for the act of selling to or facilitating the illegitimate secondary  
16 market.

17           97. Defendant Manufacturers, and each of them, do not require that their dealers and  
18 retailers be trained or instructed to: (1) detect illegal and straw purchasers; (2) educate or require any  
19 training or instruction of purchasers about the safe and proper possession, use and storage of handguns;  
20 or (3) inquire or investigate purchasers' level of knowledge or skill or purposes for buying handguns.  
21 Defendant Manufacturers, and each of them, do not train, monitor or supervise their distributors and  
22 dealers to insure that handguns are sold to authorized users, and possessed, used and stored in a safe  
23 manner.

24           98. Defendant Manufacturers, and each of them, purposely avoid any connection to or  
25 vertical integration with the distributors and dealers that sell their products. They offer high volume  
26 monetary incentives and generally refuse to accept returns, and they contractually attempt to shift all  
27 liability and responsibility for the harm done by their products to the distributors and dealers.  
28

1           99. Defendants, and each of them, do not use available computerized inventory and sales  
2 tracking systems that are commonly and inexpensively used throughout American industry, particularly  
3 in industries that produce dangerous or harmful products. Such systems are utilized, in part, for the  
4 purpose of limiting and screening customers.

5           100. Unlike other manufacturers of dangerous or harmful products, including  
6 manufacturers of chemicals and paints, Defendants Manufacturers, and each of them, have completely  
7 failed and refused to adopt any limits in the distribution of their handguns or to engage in even minimal  
8 monitoring or supervision of their distributors and dealers, to avoid the known and foreseeable detrimental  
9 consequences arising from the possession, use and storage of handguns.

10           **D. Defendants' Practices Facilitate "Straw Purchases" and Multiple Sales**

11           101. Defendants Manufacturers, and each of them, do not require or encourage their  
12 distributors and dealers to limit the number, purpose or frequency of handgun purchases, nor do they  
13 monitor or supervise their distributors or dealers to encourage practices or policies that limit access to  
14 handguns for criminal purposes. As a direct, foreseeable and known result of defendants' aforesaid  
15 conduct, a large number of handguns are regularly diverted to the illegitimate secondary market through  
16 "straw purchases."

17           102. A "straw purchase" occurs where the lawful purchaser of the handgun, as reflected  
18 in the governmental application forms, is a "dummy" purchaser for someone else, most often a person who  
19 is not qualified to purchase the handgun under the applicable federal, state and local laws. In some  
20 situations, the real purchaser will be present during the sale of the handgun. He or she may select the  
21 handgun, handle it and even provide the cash for the purchase. In other situations, for example in a straw  
22 purchase for gang members, the straw purchaser will purchase a number of handguns within a short period  
23 of time. In this situation, a straw purchaser may engage in repeated multiple handgun purchases.

24           103. Straw purchases account for a substantial percentage of handguns diverted into the  
25 illegitimate secondary market. According to a recent study, more than one-half of the firearms subject  
26 to firearm trafficking investigations were initially acquired as part of a straw purchase. Another study,  
27 this one involving firearms seized by law enforcement officials in Southern California, revealed that more

28 ///

1 than 80% of the guns retrieved by law enforcement were in the possession of a person other than the  
2 original purchaser.

3 104. Similarly, the level of multiple sales in California is substantial. One recent law  
4 enforcement study of Southern California analyzed 5,743 instances of multiple sales over a nine-month  
5 period involving the purchase of 13,181 guns. A significant percentage of these transactions involved the  
6 purchase of three or more guns at a time. The report concluded that "[m]ultiple purchases seem relatively  
7 common in California, where there has been no set limit to the number of guns that a private person can  
8 purchase." More recent data indicates that as many as 22% of all handguns purchased in California in  
9 1998 were part of multiple sales.

10 105. Although straw purchases often occur under circumstances that indicate, or should  
11 indicate, that a straw purchase is being made, Defendants, and each of them, take no steps to prevent these  
12 straw purchases from occurring or to limit the number of straw purchases that occur. For example,  
13 Defendants Manufacturers, and each of them, offer no training or guidance to enable a retail store clerk  
14 to recognize when a straw purchase is occurring. Similarly, Defendants, and each of them, undertake no  
15 remedial actions to prevent a known straw purchaser from continuing to make purchases. Defendant  
16 Manufacturers, and each of them, fail to adequately supervise and monitor both their distributors and  
17 dealers with respect to straw purchases. Additionally, Defendant Manufacturers, and each of them, do  
18 not investigate their distributors and dealers or review their records to determine whether straw purchases  
19 are occurring or the extent to which they are. Finally, Defendant Manufacturers, and each of them, fail  
20 to impose any sanctions against distributors and dealers, including possible termination of the relationship,  
21 upon learning that a straw purchase or a series of straw purchases has occurred.

22 **E. Defendants' Allow Sales to "Kitchen Table" Dealers Which Supply the**  
23 **Criminal Market**

24 106. "Kitchen table" dealers are handgun dealers who do not sell handguns from an  
25 established retail store but rather sell handguns in informal settings, including, but not limited to, a house,  
26 car, flea market, gun show, or even on the street. Many of these kitchen table dealers operate illegally,  
27 in violation of state and local licensing and zoning laws. Many of these dealers also engage in other  
28 corrupt practices, including, but not limited to, selling handguns without completing the appropriate and

1 necessary background checks on the purchaser, failing to report sales, failing to keep records of sales,  
2 falsifying records of sales, obliterating serial numbers on firearms, and falsely claiming that sold guns were  
3 stolen.

4 107. Defendants, and each of them, knew, or should have known, about the practices of  
5 kitchen table dealers set forth herein. Defendants, and each of them, have nevertheless marketed,  
6 distributed and sold thousands of guns to kitchen table dealers, without taking appropriate steps to  
7 prevent unlawful sales of handguns by such dealers. Such steps include, but are not limited to, supervising  
8 and monitoring such dealers, tracking crime gun trace requests relating to such dealers, reviewing dealer  
9 records for inaccuracies and falsified information, requiring distributors to sell guns only to dealers with  
10 a permanent store location, and requiring all dealers to maintain a permanent store location.

11 **F. Defendants' Design Weapons Without Features to Discourage Unauthorized**  
12 **Use**

13 108. Handgun trafficking depends upon the ability of unauthorized users to operate  
14 weapons obtained from traffickers and the inability to trace handguns. Designs and features that promote  
15 these factors, such as those that prevent unauthorized use or facilitate tracking of handguns, would  
16 discourage trafficking and reduce the flow of weapons to the illegitimate secondary market.  
17 Notwithstanding the availability and feasibility of incorporating such designs and features into hand guns,  
18 Defendants, and each of them, have continued to manufacture, distribute and sell handguns that do not  
19 include a design or feature preventing unauthorized use.

20 109. Thousands of handguns diverted to crime also have had their serial numbers  
21 obliterated to prevent tracing of the firearm by law enforcement. Such handguns are more useful to  
22 criminals who seek to eliminate the tracks of their crimes. Defendants, and each of them, are aware of  
23 this problem, and the ease with which serial numbers can be obliterated, but have taken no initiative to  
24 make their serial numbers tamper-proof. The recent ATF study of 27 cities found, on average, that more  
25 than 11% of the guns traced to crime had obliterated serial numbers. In Los Angeles, another study  
26 identified a single corrupt dealer in Southern California who obliterated the serial numbers on a major  
27 portion of 1,200 guns the dealer diverted to the criminal marketplace.

28 **IV.**

**DEFENDANTS HAVE DESIGNED HANDGUNS TO APPEAL TO CRIMINALS  
AND HAVE INCREASED PRODUCTION TO MEET DEMAND  
FROM THE ILLEGAL MARKET**

110. Over the last 20 years, Defendants, and each of them, have changed certain design features of handguns to appeal to the illegitimate secondary market. Previously, most handguns produced were revolvers, with six bullets stored in a rotating cylinder that could not be reloaded quickly. Now most handguns are semi-automatic with bullets stored in magazines. These handguns fire at a faster rate, and their magazines typically can be detached and replaced very quickly, allowing for sustained firing against multiple targets.

111. Handguns, currently manufactured, are increasingly smaller, easier to conceal, more powerful and, hence more lethal and rapid-firing. Many are also considerably cheaper than in the past. All of these factors make contemporary handguns appealing to the criminal.

112. The production of cheap handguns has been especially prevalent among Defendants AMT, Lorcin, Bryco, Davis, Phoenix Arms, and Sundance. This group of California manufacturers are all within 45 miles of the City of Los Angeles and has been dubbed by a well-known researcher as the "Ring of Fire." Older, established companies, such as Defendants Smith & Wesson, Sturm, Ruger & Co., and Colt, have followed the lead of the "Ring of Fire" companies, producing lines of similar inexpensive handguns.

113. Defendants Manufacturers, and each of them, have increased the production of particular handguns that are popular for use by criminals. For example, over the past decade, Defendants, and each of them, increased their production of 9-millimeter handguns although their own market research showed that the market for 9 millimeters handguns among law-abiding purchasers was already saturated. Nine-millimeter handguns are popular in the illicit drug trade and, according to most national studies, are among the handguns used most frequently in crime. A recent study concluded that 9 millimeter handguns are the weapons of choice for criminals, accounting for almost a third of all homicides.

///

114. Defendants, and each of them, knew, or should have known, that they manufacture,

1 market and design handguns which emphasize concealability, lethality, and other design features that make  
2 these handguns attractive to criminals. Defendants' emphasis on concealability is particularly problematic  
3 in California, where state law bans possession of a concealed weapon without a concealed-carry permit,  
4 of which few have been issued.

5  
6 **V.**

7 **DEFENDANTS' CONDUCT UNDERMINES THE PUBLIC POLICY**  
8 **EMBODIED IN LOCAL, STATE AND FEDERAL LAWS**

9 115. Federal, state and local firearm laws have been enacted in an effort to curb the abuses  
10 of gun violence and to protect the general public's health and safety. Despite the fact that all levels of  
11 government have implemented statutes and ordinances to lessen the incidences of gun violence,  
12 Defendants, and each of them, have manufactured, designed, distributed, marketed and sold handguns in  
13 ways that undermine and impede the public policies embodied in both state and local law. The conduct  
14 and practices of Defendants, as set forth herein, have undermined and impeded the restrictions,  
15 prohibitions, and public policies set forth in local, state and federal laws and regulations including, but not  
16 limited to: Title 18, United States Code Sections 921 – 930 *et seq.* (Chapter 44 – Firearms); California  
17 Penal Code Sections 12020-12040 *et seq.* (Chap. 1, Article 2 – Unlawful Carrying and Possession of  
18 Weapons); 12050 - 12054 *et seq.* (Chap. 1, Article 3- Licenses to Carry Pistols and Revolvers); 12070 -  
19 12085 *et seq.* (Chap. 1, Article 4 – Licenses to Sell Firearms); 12200 –12250 *et seq.* (Chap. 2 - Machine  
20 Guns); 12270 -12290 *et seq.* (Roberti-Roos Assault Weapons Control Act of 1989); 12100 *et seq.* (  
21 Chap.1, Article 7 – Juveniles - Prohibition of Sale or Transfer of Concealable Firearm to Minors); 12500  
22 -12520 *et seq.* (Chap. 5, Articles 1 and 2 - Unlawful Possession of Firearm Silencers/Misc.); 12800 -  
23 12809 *et seq.* (Chap. 6, Article 8 - Basic Firearms Safety Instruction and Certificate); Los Angeles  
24 Municipal Code (“LAMC”) Chapter V, Section 45.01 (Prohibition of Sale to Minors); LAMC Chapter  
25 V, Section 55.00 (Guns - Permits); LAMC Chapter V, Section 55.01, (Concealed Weapons - Permit);  
26 LAMC Chapter V Section 55.05 (Assault Weapons - Sale or Possession Prohibited); LAMC Chapter V  
27 Section 55.13(a)(Prohibition on Sale of Large Ammunition Magazines); LAMC Section  
28 103.314(o)(Requirement of Sale of Trigger Locks with Sale of a Firearm); LAMC Section 55.14



(Limitation of Purchase of a Handgun to One within a 30-day period). Compton Municipal Code Section 7-4.4 (Prohibition on Sale to Minors); Compton Municipal Code Section 7-4.5 (Prohibition of Possession of Firearms by Minors). Inglewood Municipal Code Section 5-19.1 (Prohibition on Sale of Firearms to Minors); Inglewood Municipal Code Section 5-19.2 (Prohibition of Possession of Firearms by Minors); Inglewood Municipal Code Section 5-19.4.1 (Ban on Large Ammunition Magazines); Inglewood Municipal Code Section 5-19.4.2 (Requirement of Sale of a Trigger Lock with Sale of a Firearm). West Hollywood Municipal Code Section 4123(a) (Prohibition on Sale of Large Ammunition Magazines); West Hollywood Municipal Code Section 4124 (Limitation of Purchase of Handguns to One within a 30 day period).

116. For example, the California Roberti-Roos Assault Weapons Control Act of 1989, California Penal Code sections 12275 –12290, and the United States 1968 Gun Control Act, as amended, 18 U.S.C. 925 *et seq.*, ban the importation, manufacture, sale, and possession of "assault weapons," including handguns. As the California legislature found and declared, this ban is based on the conclusion that such assault weapons "are particularly dangerous in the hands of criminals and serve no necessary hunting or sporting purpose for honest citizens." The ban enacted by the California legislature explicitly applies to both listed weapons and "any other models which are only variations of those weapons with minor differences, regardless of manufacturer."

117. Despite the enactment of the California Roberti-Roos Assault Weapons Control Act of 1989, Defendant Navegar has marketed and sold in California assault weapon handguns substantially similar to or identical to the one banned by the statutes. In fact, Defendant Navegar has made only minor modifications to the banned assault weapon handguns or renamed the ones enumerated in the above-referenced statutes in order to avoid these laws. For example, after the California legislature banned the TEC-9 assault weapon, Defendant Navegar continued to distribute and sell the identical assault weapon handgun in California under the name "TEC-DC9." Navegar later distributed and sold a handgun under the name "TEC-DC9" that was the same design as the banned TEC-9, with only cosmetic modifications. At all relevant times, Defendant Navegar has been on notice of the lethal consequences of this practice. Navegar's assault weapon handguns have frequently been used in multiple homicides, including the 101 California Street massacre in which a gun man killed eight and injured six law firm employees at a San

1 Francisco office building.

2 118. Additionally, numerous local ordinances prohibit the sale of "junk guns" or "Saturday  
3 Night Specials," including but not limited to ordinances adopted by the City of Los Angeles, Los Angeles  
4 Municipal Code Chapter X, Article 3, Section 103.314, Compton Municipal Code Section 7-4.8,  
5 Inglewood Municipal Code Section 5-19.5, and West Hollywood Municipal Code Section 4122. The  
6 "Saturday Night Special" ("SNS") ordinances enacted in over 40 jurisdictions throughout California were  
7 designed to protect the public from poorly made, easily concealable handguns. These handguns have  
8 been, and continue to be, frequently used in the commission of crimes. Notwithstanding these ordinances,  
9 certain Defendants unlawfully market, distribute or sell prohibited "Saturday Night Specials" adjacent to  
10 jurisdictions banning such sales.

11  
12 **VI.**

13 **DEFENDANTS HAVE FAILED TO INCORPORATE FEASIBLE AND**  
14 **EXISTING SAFETY TECHNOLOGY INTO THE DESIGN AND**  
15 **DISTRIBUTION OF FIREARMS**

16 **A. Adequate Warning and Safety Features Would Prevent Many Unintentional**  
17 **Shootings**

18 119. Defendants, and each of them, contribute to the serious harm inflicted on residents  
19 of Los Angeles, Compton, Inglewood, and West Hollywood and citizens throughout the State, by failing  
20 to adequately warn users and to incorporate feasible and existing safety technology into the design of  
21 handguns, that would prevent shootings and their unauthorized possession and use. Defendants, and each  
22 of them, have designed, manufactured, made or sold handguns that are unreasonably dangerous because  
23 they lack basic safety features and contain inadequate warnings, all of which results in unintentional  
24 shootings. Defendants, and each of them, over-promote the purported self-defense and home protection  
25 benefits of their guns, in a manner that undercuts any warnings or instructions regarding safe storage of  
26 guns, and results, not only in irresponsible people possessing guns, but in the irresponsible storage and  
27 handling of guns. Defendants, and each of them, market and promote their handguns in a manner that  
28 ignores or understates the risks that such handguns pose to their owners and to other members of the

1 household. Defendants' marketing and promotional practices encourage unsafe storage practices and  
2 unsafe use of their products.

3 120. Defendants, and each of them, knew, or should have known, that approximately half  
4 of California residents who keep a firearm at home, a substantial percentage that includes children, store  
5 their guns in an unsafe manner, and yet continued to distribute their handguns without adequate warnings  
6 and instructions that inform the users of the risks of guns, including proper storage and use of the  
7 weapons.

8 121. Defendants, and each of them, manufacture, distribute and sell handguns that are  
9 unreasonably dangerous in that their design lacks safety features or contains inadequate safety features.  
10 Defendants, and each of them, knew, or should have known, that users of semi-automatic handguns would  
11 not understand or appreciate that an undetectable round of ammunition may be housed in the firing  
12 chamber of a semi-automatic gun even though the ammunition magazine had been removed or emptied.  
13 Consequently, it was, and continues to be, reasonably foreseeable that this hazardous design would result  
14 in preventable, unintentional shootings. This hazardous design could be easily corrected through the use  
15 of a "magazine-disconnect safety" that would prevent the gun from firing with the magazine removed.  
16 These tragic, foreseeable shootings could also be prevented by use of "chamber loaded indicator" that  
17 would warn a user when a bullet was in the firing chamber. Defendant Manufacturers, and each of them,  
18 have failed to incorporate such devices into their firearms.

19 122. Defendants' failure to incorporate adequate warnings and feasible safety designs into  
20 firearms results in 1,400-1,500 unintentional shooting deaths and over 18,000 non-fatal injuries from  
21 unintentional shootings every year. The U.S. General Accounting Office estimates that each year, 23%  
22 of the unintentional shooting deaths occur because the user of the gun was not aware that a round of  
23 ammunition had been loaded into the gun's firing chamber. This results in as many as 320 to 345 deaths  
24 nationwide each year. For each of these deaths, there are countless other unintentional shooting injuries  
25 that are not fatal.

26 123. Unintentional shootings with Defendants' unsafe handguns often involve adolescents.  
27 Adolescents are foreseeably attracted to guns and typically do not understanding the risks associated with  
28 handling a handgun. According to the U.S. General Accounting Office, approximately 35% of all

1 unintentional shooting deaths involve users of guns who were between the ages of 13 and 16. Many such  
2 shootings have occurred in the State of California.

3 124. A number of these preventable shootings have occurred in Los Angeles. For  
4 example:

- 5
- 6 ● August 1998 – A 23-year-old man in Pacoima was shot and killed by his 4-year-old
- 7 neighbor who found the gun under a bed and thought it was a toy.
- 8 ● February 1998 – A 12-year-old girl in Wilmington committed suicide with a handgun
- 9 she obtained from an unknown source.
- 10 ● July 1997 – A 3-year-old boy in Southwest Los Angeles accidentally shot himself
- 11 with a handgun he found in his home.
- 12 ● December 1995 – A 13-year-old Rowland Heights girl was severely injured by her
- 13 14-year-old brother when accidentally shot with a handgun he was playing with.
- 14 ● September 1994 – A 14-year-old was shot in the head by a 12-year-old friend in Van
- 15 Nuys. The shooter found the .38 caliber revolver and believed the gun to be
- 16 unloaded when he fired it.
- 17 ● January 1993 – A 15-year-old student at Fairfax High School was playing with a gun
- 18 in his backpack when it fired, injuring one classmate and killing another. The gun
- 19 was taken from the shooter's home where his grandfather kept it for protection.
- 20 ● January 1990 – A 15-year-old Pacoima boy accidentally shot and killed his neighbor
- 21 while handling a 9mm semi-automatic pistol he believed to be unloaded.
- 22

23 125. Defendants, and each of them, have failed to take reasonable steps to guard against  
24 foreseeable unintentional shootings. Such reasonable steps include, but are not limited to, designing their  
25 handguns with basic safety features and giving adequate warnings that would prevent or reduce such  
26 unintentional shootings. Defendants, and each of them, were aware of, and had available to them,  
27 devices, features, warnings, and other measures, which would prevent and decrease the dangers of their  
28 products. Defendant Manufacturers, and each of them, have failed to adequately warn customers of the

1 dangers associated with handguns, failed to inform distributors, dealers and buyers of available devices  
2 and measures that could prevent or decrease these dangers, failed to incorporate safety devices and  
3 features into their handguns and impeded the development and implementation of safety devices and  
4 features into their handguns. Defendant Trade Associations, and each of them, failed to adopt adequate  
5 guidelines or standards relating to the development and inclusion of such features in handguns.  
6 Defendants, and each of them, knew, or should have known, that as a consequence of their actions,  
7 California residents have been, and will continue to be killed or seriously injured.

8 **B. Personalized Safety Technology Would Prevent Access to Firearms by**  
9 **Unauthorized Users**

10 126. The unsafe and unreasonably dangerous design of Defendants' handguns results in  
11 thousands of shootings each year by persons who are not authorized by law to possess a handgun, or who,  
12 by reason of immaturity or other disability, do not appreciate the risks involved with handguns. Such  
13 shootings often occur when an adolescent or a criminal improperly obtains possession of a handgun.

14 127. Adolescent homicides and suicides are usually committed with a handgun that the  
15 adolescent has obtained from his or her home. In California, millions of minors live in homes where  
16 handguns are present. Studies have indicated that the odds that potentially suicidal minors will kill  
17 themselves double when a gun is kept in the home. Moreover, nationwide for many years, a youth aged  
18 10-19 has committed suicide with a firearm at a rate of about once every six hours. Firearms are used in  
19 65% of male teen suicides and 47% of female teen suicides. Among 15-19 year-olds, firearm-related  
20 suicides have been estimated to account for 81% of the increase in the overall rate of suicide from 1980-  
21 1992. In California, in 1996, there were 107 suicides of youth aged 19 and below.

22 128. At all pertinent times, it was reasonably foreseeable that Defendants' handguns would  
23 fall into the hands of unauthorized users. There are guns in approximately one-half of the homes in this  
24 country. One survey reports that 30% of gun-owners who have minors in the home keep their guns  
25 loaded. Another survey reports that 36% of gun owners with minors in the home keep their guns

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28 unlocked. The Federal Centers for Disease Control and Prevention estimates that 1.2 million elementary-

1 aged, latchkey children have access to guns in their homes. Moreover, nearly 60% of juveniles between  
2 the ages of 10 and 19 have responded in surveys that they can acquire a handgun should they want one.

3 129. At all pertinent times, Defendants, and each of them, knew, or should have been  
4 known, that when unauthorized users gained access to Defendants' handguns, tragic and preventable  
5 shootings would result. Many teen suicides and shootings by minors and other unauthorized users could  
6 be prevented had Defendants implemented safer handgun designs, including personalized handgun  
7 technology that would prevent an unauthorized user from being able to fire the handgun. Further,  
8 Defendants, and each of them, knew, or should have known, that by failing to make and sell handguns  
9 with the means to prevent their firing by unauthorized users, it was reasonably foreseeable that handguns  
10 stolen from private residences, gun stores and other locations could be employed by unauthorized users  
11 in violent criminal acts.

12 130. A study by the Johns Hopkins University School of Hygiene and Public Health's  
13 Center for Gun Policy and Research concluded that "[p]ersonalized handguns can eliminate many deaths  
14 and injuries by preventing the unauthorized firing of the firearm. . . . [and] can be especially effective in  
15 preventing teenage [deaths], unintentional deaths and injuries of children, and shootings of police officers."

16 131. Defendants' dangerous and unsafe products have repeatedly victimized California  
17 residents. At all pertinent times the Defendants manufactured, distributed, marketed, designed, promoted  
18 and sold their handguns, Defendants, and each of them, knew, or should have known, of the dangers of  
19 their handguns, including those described herein. Defendants, and each of them, knew of, or should have  
20 known of, and had available to them, personalized safety features, warnings, and other measures, that  
21 would prevent and decrease the dangers of their products. Defendant Manufacturers, and each of them,  
22 nevertheless failed to remedy the deficiencies in their handguns. Defendant Manufacturers, and each of  
23 them, further failed to incorporate personalized safety features into their handguns and impeded the  
24 development and implementation of personalized safety features. Defendant Trade Associations, and  
25 each of them, similarly failed to adopt adequate guidelines or standards relating to the development and  
26 inclusion of such personalized safety features in handguns. Defendants, and each of them, knew, or  
27 should have known that, as a consequence of their aforementioned conduct, California residents would  
28 be killed or seriously injured.

1                   **C. Defendants Have Failed to Compete in the Marketplace to Develop Firearms**  
2 **with Personalized Safety Technology**

3                   132. A handgun with personalized safety features sufficient to prevent, or significantly  
4 reduce, the risk of unauthorized use would have the potential to appeal to a large segment of the  
5 legitimate handgun market. Despite this market appeal, Defendant Manufacturers, and each of them, have  
6 failed to compete in the marketplace to develop and market handguns with such safety features.

7                   133. Defendant Trade Associations, and each of them, have likewise discouraged the  
8 development of such safety features. For example, Defendant SAAMI holds itself out to the public as  
9 having been, since 1926, "the principal organization in the United States actively engaging in the  
10 development and promulgation of product standards for firearms and ammunition." Although SAAMI  
11 has promulgated numerous product standards for the firearms industry, it has failed to develop any  
12 standards relating to personalized safety devices.

13                  134. Instead of encouraging Defendant Manufacturers to develop safer products and  
14 distribution practices, Defendant Trade Associations, and each of them, have sought to discipline industry  
15 members who attempted to address safety issues. For example, when Defendant Smith & Wesson was  
16 faced in 1976 with a public outcry that might have resulted in a ban of most handguns in Massachusetts,  
17 Smith & Wesson announced that, as an alternative, it would support screening and registration of handgun  
18 owners. For this breach of industry policy, Smith & Wesson faced censure or ouster from SAAMI. To  
19 avoid possible action by SAAMI, Smith & Wesson for a time withdrew from SAAMI, then conformed  
20 its proposals and positions to industry policies.

21                   **VII.**

22                   **DEFENDANTS' UNFAIR, FALSE, DECEPTIVE**

23                   **AND MISLEADING STATEMENTS UNDERMINE**

24                   **MINIMUM WARNINGS ON PROPER STORAGE OF HANDGUNS**

25                  135. For at least four years preceding the filing of this Complaint, and continuing to date,  
26 Defendants, and each of them, have misled, deceived and confused members of the general public in  
27 California regarding the safety of handguns and the need for handguns within the home. To increase sales  
28 and profits, Defendants, and each of them, have falsely and deceptively claimed through advertising and

1 promotion of their handguns that the ownership and possession of handguns in the home increases one's  
2 security. For example, certain Defendant Manufacturers have promoted handguns with slogans such as  
3 "homeowner's insurance," "tip the odds in your favor," and "your safest choice for personal protection."  
4 Research demonstrates that, to the contrary, handguns actually increase the risk and incidence of  
5 homicide, suicide and intentional and unintentional injuries to gun owners and their families and friends.  
6 Defendants' over-promotional efforts have negated and undercut any warnings they have provided  
7 regarding the risks of handguns in the home.

8 136. Defendants, and each of them, have made these false and deceptive statements even  
9 though they knew or should have known, that studies and statistics demonstrate that the presence of  
10 handguns in the home increase the risk of harm to firearm owners and their families, as set forth in the  
11 following statistics:

- 12
- 13 a. One out of three handguns is kept loaded and unlocked in the home;
  - 14 b. Studies that control for the relevant variables have demonstrated that the homicide  
15 of a household member is almost three times more likely in homes with guns than in homes without them,  
16 suicide is five times more likely; and for homes with teenagers, a suicide is ten times more likely;
  - 17 c. Studies have also shown that a gun in the home is at least 22 times more likely to  
18 kill or injure a household member than it is to kill or injure an intruder in self defense;
  - 19 d. A firearm is used for protection in fewer than two percent of home invasion ~~cases~~ ~~cases~~
  - 20 e. For every time a gun in the home was used for self-defense or a legally justifiable  
21 shooting, there were four unintentional shootings, seven criminal assaults or homicides, and eleven  
22 attempted or completed suicides.

23 137. Defendants' advertising and promotion activities deceptively convey the message that  
24 possession of a handgun, along with the enhanced lethality of particular handguns, will increase the  
25 personal safety of the owner and owner's household. Defendants, and each of them, fail to include any  
26 information or warning about the relative risk of keeping a handgun in the home. By failing to disclose  
27 such risks, the advertisements and promotions fail to correct a material misrepresentation in the minds of  
28 many consumers.



1 138. The U.S. Commission on the Causes and Prevention of Violence in a 1968 article  
2 entitled "Handguns and Violence in American Life," noted an increasing number of firearm deaths and  
3 injuries and concluded:

4 [Americans] may seriously overrate the effectiveness of guns in  
5 protection of their homes. In our urbanized society the gun is rarely an  
6 effective means of protecting the home against either the burglar or the  
7 robber . . . . [A gun in the home] provides a measure of comfort to a great  
8 many Americans, but, for the homeowner, this comfort is largely an illusion  
9 bought at the high price of increased accidents, homicides, and more  
10 widespread illegal use of guns . . . . When the number of handguns  
11 increases, gun violence increases. (Pages xiii, 139.)

12 139. In California, a substantial number of deaths and injuries have occurred each year  
13 because handguns were purchased for home protection but were, thereafter, used in unintentional  
14 shootings, teen suicides, domestic disputes and other acts of violence as set forth herein. Defendants, and  
15 each of them, choose to disregard these well-known statistics and data in an effort to promote their  
16 handguns as security or "insurance" for the home, and to increase their sales and profits.

17 140. Moreover, although Defendants, and each of them, state publicly that they seek to  
18 preclude minors and criminals from possessing handguns, they, in fact, are engaging in acts and practices  
19 that facilitate the illegal possession of handguns by minors and criminals through the illegitimate secondary  
20 market. Defendants then utilize the threat posed by the criminal misuse of handguns -- a threat that their  
21 own practices have helped to create -- to market and sell more handguns to the "home protection" market.

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26 **VIII.**

27 **DEFENDANTS HAVE PROFITED FROM THEIR UNFAIR,**  
28 **UNLAWFUL OR FRAUDULENT BUSINESS PRACTICES AT**

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1 thousands of handguns that they directly or indirectly supply to the illegitimate secondary market are  
2 thereafter used and possessed in connection with criminal activity in the cities of Los Angeles, Compton,  
3 Inglewood, and West Hollywood and throughout Southern California. As a result of the continued use  
4 of many of these handguns after they enter Cities, residents of Los Angeles, Compton, Inglewood, and  
5 West Hollywood, have been, and will continue to be, killed and injured by these handguns and residents  
6 will continue to fear for their health, safety and welfare and will be subjected to conduct that creates a  
7 disturbance and reasonable apprehension of danger to their person and property.

8           145. Defendants' ongoing conduct, as set forth herein, constitutes a public nuisance in the  
9 Cities of Los Angeles, Compton, Inglewood and West Hollywood, and throughout Southern California  
10 because it is an unreasonable interference with common rights enjoyed by the general public.

11           146. Defendants' ongoing conduct, as set forth herein, is an unreasonable interference  
12 with common rights enjoyed by the general public in the Cities of Los Angeles, Compton, Inglewood and  
13 West Hollywood, and throughout Southern California because it significantly interferes with the public's  
14 health, safety, peace, comfort and convenience.

15           147. Defendants' ongoing conduct, as set forth herein, is an unreasonable interference with  
16 common rights enjoyed by the general public in the Cities of Los Angeles, Compton, Inglewood and West  
17 Hollywood, and throughout Southern California because Defendants, and each of them, knew or should  
18 have known the conduct to be of a continuous and long-lasting nature that produces a permanent and  
19 long-lasting significant negative effect on the rights of the public.

20           148. Defendants' ongoing conduct, as set forth herein, produces an ongoing public  
21 nuisance, as thousands of handguns that they directly or indirectly supply to the illegitimate secondary  
22 market, are thereafter illegally used and possessed in the Cities of Los Angeles, Compton, Inglewood and  
23 West Hollywood, and throughout Southern California, will remain in the hands of persons who will  
24 continue to use and possess them illegally for many years. As a result of the continued use and possession  
25 of many of these handguns, residents of the Cities of Los Angeles, Compton, Inglewood and West  
26 Hollywood and throughout Southern California will continue to be killed and injured by these handguns  
27 and the public will continue to fear for its health, safety and welfare and will be subjected to conduct that  
28 creates a disturbance and reasonable apprehension of danger to person and property. These cities have

1 a clearly ascertainable right to abate conduct that perpetuates this nuisance.

2 149. The presence of illegitimately possessed and used handguns in Los Angeles,  
3 Compton, Inglewood, and West Hollywood proximately results in significant costs to the Cities in order  
4 to enforce the law, arm its police force and treat the victims of handgun crime. Stemming the flow of  
5 handguns into the illegitimate secondary market will help to abate the nuisance, will save lives, prevent  
6 injuries and will make the cities of Los Angeles, Compton, Inglewood, and West Hollywood and  
7 throughout Southern California a safer place to live.

8 150. Defendants' ongoing conduct, as set forth herein, constitutes a public nuisance in Los  
9 Angeles, Compton, Inglewood, and West Hollywood, since it significantly interferes with the public's  
10 health, safety, peace, comfort and convenience. Defendants, and each of them, knew, or should have  
11 known, the conduct to be of a continuous nature that produces a permanent and significant negative effect  
12 on the rights of the public. Defendants' conduct constitutes a public nuisance within the meaning of Civil  
13 Code section 3480 and this action is brought under Civil Code section 3490, et seq., and Code of Civil  
14 Procedure section 731. These affected cities have a clearly ascertainable right to abate conduct that  
15 perpetuates this nuisance. Stemming the flow of handguns into the illegitimate secondary market will help  
16 to abate the nuisance, will save lives, prevent injuries and will make Los Angeles, Compton, Inglewood,  
17 and West Hollywood a safer place to live.

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## 26 **SECOND CAUSE OF ACTION**

### 27 **VIOLATION OF CALIFORNIA BUSINESS AND PROFESSIONS**

### 28 **CODE SECTION 17200 ET SEQ. FOR UNFAIR, UNLAWFUL AND**

**FRAUDULENT BUSINESS PRACTICES**  
**(By Plaintiff The People Against All Defendants)**

151. Paragraphs 1 through 150 are hereby incorporated as though fully set forth herein.

152. Within the four years preceding the filing of this Complaint, Defendants, and each of them, individually, and in concert, have engaged in unfair, unlawful and fraudulent business practices (collectively "Unfair Competition") within the meaning of Business and Professions Code Section 17200. These acts of unfair competition have caused handguns to be distributed to an illegal market of users and, additionally, have resulted in intentional and accidental shootings by unauthorized users.

153. In particular, these acts of unfair competition include, but are not limited to, the following:

154. Defendants, and each of them, have distributed, promoted, advertised, sold and marketed handguns using practices that encourage sales to unauthorized users, including minors and criminals without adequately screening, supervising, monitoring or regulating their employees, distributors and dealers, and without adequately training, instructing, advising or setting standards for distributors and/or dealers of handguns, regarding how to legally and responsibly sell handguns. Defendants, and each of them, have caused, permitted, and allowed their handguns to be promoted, marketed, distributed, and disseminated to unauthorized persons, including criminals and minors, and have failed or refused to take reasonable steps to ensure that their handguns were not acquired by unauthorized persons;

155. Defendants, and each of them, knew, or should have known, that their distribution practices were unsafe. Defendant Manufacturers and Distributors, and each of them, have continued to make sales to distributors and dealers, even though they knew, or should have known, that such distributors and dealers had distributed handguns to illegal purchasers and the illegitimate secondary market. Defendants, and each of them, knew, or should have known, that by distributing handguns without adequate supervision, controls and reporting, their distribution practices facilitate

1 the flow of handguns into the illegitimate secondary market. Despite this knowledge, defendants, and  
2 each of them have failed to monitor and control the distribution of handguns, failed to change their  
3 acts and practices or to adopt procedures that would deter the flow of handguns to the illegitimate  
4 secondary market, including but not limited to, Defendants' failure to implement a product marketing  
5 plan, an electronic inventory and sales tracking system, and/or customer coverage policies;

6 156. Defendant Manufacturers and Distributors, and each of them, have adopted  
7 distribution policies that allow and encourage distributors and dealers to make sales to likely straw  
8 purchasers, including sales involving large numbers of handguns in a single transaction. Certain  
9 Defendant Manufacturers and Distributors have adopted distribution policies that allow sales to  
10 dealers who do not maintain a retail place of business for the sale of their handguns;

11 157. Defendants, and each of them, produce, market and distribute substantially more  
12 handguns than they reasonably expect to sell to legitimate purchasers. In particular, Defendants, and  
13 each of them, over-saturate markets with handguns in jurisdictions with relatively weak gun control  
14 laws to meet the demand of the illegitimate secondary market in jurisdictions with more restrictive gun  
15 control laws;

16 158. Defendant Manufacturers and Distributors, and each of them, have distributed  
17 handguns to dealers without requiring dealers to ensure that purchasers' identification, documentation  
18 and address is accurate;

19 159. Defendants, and each of them, have designed their handguns to appeal to  
20 criminals and have increased production to meet this demand;

21 160. Defendant Manufacturers, and each of them, have designed and sold handguns  
22 without incorporating feasible safety features and personalized gun technology that would prevent  
23 unintentional shootings and unauthorized and unintended users from gaining access to the handguns,  
24 have impeded the development and implementation of such features and devices, and have not  
25 competed with each other in the marketplace by introducing handguns utilizing such technology.  
26 Defendant Manufacturers, and each of them, have designed and sold handguns without incorporating  
27 feasible technology that would prevent persons from unlawfully obliterating the serial numbers  
28 required by law to be placed on those guns;

1 161. Defendants, and each of them, sell their handguns without providing adequate  
2 warnings and instructions regarding the storage or use of their handguns;

3 162. Defendant Manufacturers, and each of them, have over-promoted the purported  
4 self-defense and home protection benefits of their handguns in a manner that negates or undercuts any  
5 warnings or instructions regarding safe storage of handguns, and have deceived, misled, and confused  
6 the citizens of California regarding the safety of handguns by marketing their product in a manner that  
7 promotes the belief that the use of handguns will increase home safety and security, without providing  
8 to the public the information available to Defendants which demonstrates that handguns possessed in  
9 the home actually increase the risk and incidence of homicide, suicide, and unintentional injuries to  
10 handgun owners, their families and friends.

11 163. Defendants, and each of them, have undermined the public policies embodied in  
12 local, state, and federal laws, including but not limited to California Penal Code section 12020.5,  
13 which bans any advertising in California of certain unlawful weapons, including assault weapons;

14 164. Certain Defendants have engaged in unlawful business practices by violating or  
15 aiding and abetting the violation of the California Roberti-Roos Assault Weapon Control Act of 1989,  
16 California Penal Code Sections 12275-12290.

17 165. Within the four years preceding the filing of this Complaint, Defendants, and each  
18 of them, individually and in concert, have also engaged in unfair competition within the meaning of  
19 Business and Professions Code Section 17200 by unlawfully creating and maintaining public and  
20 private nuisances as follows:

21 a. Defendants, and each of them, have unlawfully violated Penal Code section 372  
22 by creating and maintaining a public nuisance as defined by Penal Code section 370;

23 b. Defendants, and each of them, unlawfully created and maintained a public  
24 nuisance as defined by Civil Code sections 3479 and 3480;

25 c. Defendants, and each of them, unlawfully created and maintained a private  
26 nuisance as defined by Civil Code sections 3479 and 3481.

27 166. Plaintiffs, pursuant to Business and Professions Code Section 17203, seek an  
28 order of this Court: (1) enjoining defendants from continuing to undertake these unfair business

practices; (2) ordering defendants to undertake a corrective advertising campaign warning consumers of the dangers associated with owning a gun in the home and instruct hand gun owners of the proper way to store handguns in the home; (3) provide restitution to the public for all funds unfairly obtained by defendants as a result of their violation of Business and Professions Code Section 17200 et seq.; and (4) disgorge all revenues and profits acquired as a result of their unfair business practices and civil penalties.

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#### **PRAYER FOR RELIEF**

Wherefore, Plaintiff prays for relief and judgment against the Defendants jointly and severally, as follows:



1           1.    On the First Cause of Action for Public Nuisance, for preliminary and permanent  
2 injunctive relief, requiring Defendants and their respective successors, agents , servant, officers,  
3 directors, employees and all persons acting in concern with them, to cease and desist from engaging in  
4 practices that create a public nuisance.

5           2.    For injunctive and declaratory relief pursuant to Business and Professions  
6 Code Section 17203:

7               a. Declaring that Defendants have engaged in unlawful, unfair, and fraudulent  
8 business acts and practices in violation of Business and Professions Code Section sections 17200 et  
9 seq.

10              b. Permanently enjoining Defendants, and each of them, and their respective  
11 successors, agents, servants, officers, directors, employees and all persons acting in concert with them  
12 directly or indirectly from engaging in conduct in the manner alleged in the first through fourth causes  
13 of actions in the Complaint.

14           3.    For pre-judgment and post-judgment interest as provided by law.

15           4.    For civil penalties in the sum of \$2,500 for each separate act in violation of  
16 Business and Professions Code section 17200, pursuant to section 17206, according to proof.

17           5.    For restitution and/or disgorgement of wrongfully obtained monies pursuant to  
18 Business and Professions Code § 17203.

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24           6.    For costs of suit as provided by law.

25           7.    For attorneys' fees as provided by law.

26           8.    For such further relief as the Court deems equitable and just.

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28 Dated: July 16, 1999

Respectfully submitted,

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JAMES K. HAHN, City Attorney  
CARMEL SELLA, Special Assistant City Attorney  
DON KASS, Deputy City Attorney  
MARK FRANCIS BURTON, Deputy City Attorney

By \_\_\_\_\_  
JAMES K. HAHN, City Attorney  
Attorney for the PEOPLE OF  
THE STATE OF CALIFORNIA

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LEGRAND H. CLEGG II  
City Attorney of Compton

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CHARLES E. DICKERSON III  
City Attorney of Inglewood

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MICHAEL JENKINS  
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