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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA

10
11 KELLEY GAINES,
12 Plaintiff,
13 v.
14 GENERAL MOTORS, LLC,
15 Defendant.

Case No.: 17cv1351-LAB (JLB)

**ORDER DENYING MOTION FOR
LEAVE TO AMEND; AND**

ORDER OF DISMISSAL

16
17 This putative class action arises from the sale of Cadillac SRX vehicles with
18 allegedly defective sunroofs. In a substantial order (Docket no. 26), the Court
19 granted Defendant General Motors LLC's (GM's) motion to dismiss, without
20 granting Plaintiff Kelley Gaines leave to amend.

21 Ordinarily, leave to amend is granted unless the complaint cannot be saved
22 by amendment. *Kendall v. Visa U.S.A., Inc.*, 518 F.3d 1042, 1051 (9th Cir. 2008).
23 Leave to amend is properly denied where the amendment would be futile, or where
24 the amended complaint would be subject to dismissal. *Saul v. United States*, 928
25 F.2d 829, 843 (9th Cir. 1991). Gaines' untimely breach of express warranty claim
26 clearly could not be salvaged. It appeared unlikely, though not certain, that the
27 other claims could be successfully amended. The Court permitted Gaines to file a
28 motion for leave to file a second amended complaint ("SAC"), and made clear it

1 would have to correct the defects the Court had pointed out. If the proposed
2 amended complaint did not correct the identified defects, the Court would
3 understand it to mean that she could not.

4 The Court directed Gaines to consider whether a class could be certified.
5 The diversity and amount in controversy requirements under the ordinary diversity
6 statute are obviously not met. The Court has jurisdiction — if at all — only under
7 the Class Action Fairness Act (CAFA). Under Fed. R. Civ. P. 23(c)(1)(A), the Court
8 is directed to determine class certification as early as practicable. *See also China*
9 *Agritech, Inc. v. Resh*, 138 S. Ct. 1800, 1802 (2018). But more importantly,
10 certification is necessary for the Court to be able to exercise jurisdiction. The Court
11 must examine its own jurisdiction, *sua sponte* if necessary. *See Chapman v. Pier*
12 *1 Imports (U.S.) Inc.*, 631 F.3d 939, 954 (9th Cir. 2011) (en banc).

13 Because the Court pointed out particular defects, Gaines is expected to
14 remedy those, unless she shows a reason why she cannot or should not be
15 required to. Ambiguities, vagueness, or factual gaps that might be excused at an
16 earlier stage are less excusable after they have been pointed out and she has
17 been given opportunity to amend and correct them. *See Zucco Partners, LLC v.*
18 *Digimarc Corp.*, 552 F.3d 981, 1007 (9th Cir. 2009) (quoting *In re Read-Rite Corp.*
19 *Sec. Litig.*, 335 F.3d 843, 848 (9th Cir. 2003)) (“[W]here the plaintiff has previously
20 been granted leave to amend and has subsequently failed to add the requisite
21 particularity to its claims, ‘[t]he district court’s discretion to deny leave to amend is
22 particularly broad.’”)

23 **Background**

24 The following facts are taken from the proposed second amended complaint
25 (“SAC”). Gaines leased a model year 2010 Cadillac SRX around May of 2010,
26 and apparently later bought it. Her car first experienced a sunroof leak on or around
27 February 28, 2017, when she found the floorboard carpet soaked. Shortly after
28 that, she took her car to be repaired. The padding between the firewall and

1 instrument panel assembly was saturated with water. The repair shop discovered
2 that the right front sunroof drain hose was loose, and the right front sunroof drain
3 was not seated in the grommet at the firewall. The shop ran an electrical system
4 diagnostic, but Gaines does not allege any electrical repairs were made. The shop
5 replaced both sunroof drain tubes and charged her \$442.48. It also charged her
6 \$563 for removing, drying, shampooing, and cleaning the carpet. Gaines made an
7 insurance claim, but still ended up paying the \$250 deductible out of pocket.

8 Gaines seeks to represent a class of purchasers of model year 2010–2013
9 Cadillac SRX vehicles who experienced the Leaking Sunroof Defect and who were
10 required to pay for repairs.

11 **The Defect**

12 The Court pointed out that Gaines had not clearly alleged that what she calls
13 the Leaking Sunroof Defect was actually a single defect, as opposed to various
14 different defects that could cause the sunroof to leak.

15 The SAC alleges that the defect is either a design defect or a defect in the
16 manufacture of the sunroof and its component parts. (SAC, ¶ 2.) It alleges that the
17 defect stems alternatively from three other defects. (*Id.*, ¶ 3.) In support of this, it
18 attaches and cites to Exhibits 1–4, which are internal General Motors documents.
19 (*Id.* at ¶¶ 3, 23–26.) The Court can, and does, consider these exhibits as part of
20 the complaint at the pleading stage. See *Outdoor Media Grp., Inc. v. City of*
21 *Beaumont*, 506 F.3d 895, 899–900 (9th Cir. 2007). Exhibit 4 documents a customer
22 satisfaction program that was extended until February 28, 2017, but which
23 excluded vehicles in California. (SAC, ¶ 26 and Ex. 4.) The chief effect of this
24 document is to extend the program one month, from January 31, 2017 to February
25 28, 2017.

26 The Court ruled earlier on similar allegations (see Docket no. 26 at 5:12–
27 6:2), and its analysis is just as applicable here. The exhibits the SAC again relies
28 on make clear that the defect is not present in all cars, and that only some car

1 owners experience leaks. The defect (or group of defects) can have several
2 different causes, which the SAC includes in its pleading. But the exhibit it cites for
3 this proposition show that the causes are not the same in every car. The document
4 mentions only the most common causes of sunroof leaks, and they are listed in
5 the disjunctive, such that any of a number of problems can cause a leak. (See Ex.
6 1.) Some cars may have a void in the cowl seam sealer. In some, the front drain
7 hose grommet(s) may not be connected, or may not be fully seated, either in the
8 cowl panel or at the sunroof frame spigot. In some, the sunroof drain hoses are
9 misrouted, or are too short, and therefore display a higher level of tension which in
10 turn “may tend to cause a future disconnect or unseating of the grommet.” The
11 document gives different instructions for repairing the problem, depending on
12 which of the various causes are behind the leak. These all appear to have different
13 causes (e.g., too-short drain hoses used; drain hoses were misrouted when
14 installed; drain hoses may shrink due to temperature fluctuations; a gap is present
15 in the cowl seam sealer; or drain hose grommets were not properly connected or
16 seated, or have come loose.) Exhibits 3 and 4 document a subset of defects,
17 caused by drain hoses having shrunk due to temperature fluctuations.

18 The SAC summarizes this as “designed and/or manufactured with defective
19 sunroof seals and/or sunroof drains” (SAC, ¶ 17) and claims that the same
20 “component parts . . . and/or manufacturing technique” were used for all cars. (*Id.*,
21 ¶ 4.) But this is contradicted by the exhibits, which show that some hoses were too
22 short, some sealers had gaps, and other components were incorrectly assembled.
23 In Gaines’ own car, the drain hose was loose and the drain was not seated in the
24 grommet at the firewall. (SAC, ¶ 53.) It is not clear whether this is the same defect
25 documented in Exhibits 3 and 4.

26 Allegations that this constitutes a design defect are purely conclusory. It is
27 clear the flaws are all manufacturing defects, not design defects. See *McCabe v.*
28 *///*

1 *Am. Honda Motor Co.*, 100 Cal. App. 4th 1111, 1120 (Cal. App. 2 Dist. 2002)
2 (defining design defect under California law).

3 Because GM has not challenged the treatment of this group of defects as a
4 single defect, the Court will treat it as one for purposes of the complaint. But the
5 defect can take various forms and have different causes, and because it is not
6 present in all cars, or in the same form in the cars that have it. This is relevant to
7 the amount in controversy.

8 **Jurisdiction**

9 **Amount in Controversy**

10 The Court has addressed jurisdiction before, and must always do so
11 whenever it comes into question. *See Chapman.*, 631 F.3d at 954. The Court
12 explained early in this case that it was exercising jurisdiction under CAFA and that
13 it could not exercise ordinary diversity jurisdiction. (Docket no. 20, at 2:16–18;
14 Docket no. 26 at 4:21–5:4.) Although the Court already held there is no diversity
15 jurisdiction and it is still clear there is none, the SAC continues to plead diversity
16 as the sole basis for the Court’s jurisdiction (SAC ¶ 44) and to allege that General
17 Motors, LLC is a corporation. (*Id.*, ¶ 45.) It is apparent, however, that Gaines could
18 try to rely on CAFA jurisdiction if she wanted to, so this order will address it.

19 The SAC never mentions an amount in controversy, and does not even
20 include a conclusory allegation that the \$5 million amount in controversy threshold
21 for CAFA jurisdiction is met. Nor does it plead facts that could plausibly show that
22 the amount in controversy is met.

23 The Court pointed out that Gaines failed to allege how many Class Vehicles
24 were bought by putative class members, and when the alleged defects manifested
25 in those vehicles (which would affect whether they were still under warranty). The
26 SAC attempts to correct this. (Mot. for Leave to Amend, at 3:19–23.) The SAC
27 defines “Class Vehicles” as 2010-2013 model year Cadillac SRX vehicles, and
28 defines the class as everyone in California who purchased a Class Vehicle, as well

1 as everyone who purchased a Class Vehicle in California. (SAC, ¶¶ 1, 16.) But
2 the SAC continues to assert that the putative class consists of the same number
3 of people as it did when the putative class was nationwide. Based on the total
4 number of Class Vehicles sold or leased, it alleges the class consists of more than
5 222,000 people, *i.e.*, every owner of a Class Vehicle. (*Id.*, ¶¶ 40, 63.) Both based
6 on the class definition and the Court’s earlier rulings, class claims can only be
7 brought by putative class members in California, or based on cars that were
8 purchased in California. (*See generally* Docket no. 20 (denying leave to add claims
9 by named out-of-state named plaintiffs).) The class is not nationwide, and the
10 number of class members is clearly some fraction of 222,000.

11 The SAC alleges there are “tens of thousands, if not hundreds of thousands”
12 of putative class members. (SAC, ¶¶ 40, 63.) It does not allege any basis for those
13 numbers, but offers to amend after discovery; it does not seek discovery as to any
14 other facts. While the “tens of thousands” figure is possible, there obviously cannot
15 be hundreds of thousands of putative class members. Of the four versions of the
16 Class Vehicles, one — the “Base” version — did not come with a sunroof and
17 therefore could not have had the defect. More importantly, the sales figures are
18 nationwide; Gaines cited the same figure when she was attempting to bring a
19 nationwide class action. The only way the class can consist of over 220,000 people
20 is if all Class Vehicles were purchased in California, or brought into California after
21 being purchased. This allegation is unreasonable, and the Court does not accept
22 it as true. *See Sprewell v. Golden State Warriors*, 266 F.3d 979, 988, *amended on*
23 *denial of reh’g en banc*, 275 F.3d 1187 (9th Cir. 2001).

24 Of those Class Vehicles with the alleged defect, the SAC does not allege
25 how many actually experienced a leak and resulting harm. It is clear not all cars
26 actually experience a leak. (*See* Ex. 1 (“Some customers may comment on seeing
27 a water leak . . . and/or finding the front carpet wet.”)) And of those that experienced
28 a leak that caused harm, the SAC does not allege how many GM denied warranty

1 coverage or free repairs under the express warranty or a customer satisfaction
2 program. Leaks that materialized within 48 months or 50,000 miles would have
3 been covered by the express warranty. (SAC, ¶ 20.) And at least some of the Class
4 Vehicles were covered by a customer satisfaction program.¹ (*Id.*, ¶ 15 (recognizing
5 that GM initiated a limited customer satisfaction program to provide repairs to some
6 Class Vehicles).) Given that Gaines’ allegations are based in part on public filings
7 and reports (*Id.*, ¶ 13), she should have been able to base an estimate on those.

8 The SAC’s conclusory allegations that the manufacturing defect (or group of
9 defects) is present in every vehicle is not plausible in light of the document it cites
10 and attaches. Even assuming every leak resulted in repair and related costs of
11 around \$1,000, as was the case with Gaines’ car,² at least 5,000 Class Vehicles
12 in California would have had to suffer a leak requiring repairs that GM did not cover
13 before the jurisdictional threshold was met. Accepting, *arguendo*, that there are
14 tens of thousands of Class Vehicles in California with the defect, the complaint
15 does not reasonably show that the amount in controversy is met. See *Ibarra v.*
16 *Manheim Investments, Inc.*, 775 F.3d 1193, 1197 (9th Cir. 2015) (CAFA jurisdiction
17 cannot be based on “mere speculation and conjecture, with unreasonable
18 assumptions”).

19 The SAC also seeks declaratory and injunctive relief, which can contribute
20 to the amount in controversy. See *Hunt v. Wash. State Apple Adver. Comm’n*, 432
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22
23 ¹ This could include cars purchased in California, then taken to a place where one
24 of the customer satisfaction programs applied.

25 ² Gaines has not pled any facts showing the full cost was covered by warranty,
26 even though the Court pointed this out to her. For example, she does not cite
27 warranty language showing that incidental damages (such as the cost of cleaning
28 the carpet) are covered. (See Docket no. 26 at 6:18–19.) And it appears Gains is
disclaiming recovery for amounts already paid by her insurance policy. So the
\$1,000 figure is a generous estimate of the costs that a putative class member
might have incurred if the sunroof leaked.

1 U.S. 333, 347 (1977). But for reasons discussed below, neither form of relief is
2 available here. The claims for unjust enrichment and attorney’s fees are derivative
3 of other claims, which can only succeed if they do.

4 In short, the SAC does not plead the requisite amount in in controversy for
5 CAFA jurisdiction. Even looking at other allegations to reason out what the amount
6 in controversy, it is probably not met. Only with a good deal of optimistic conjecture
7 could it be met, and precedent is clear this is not enough. Gaines’ failure to invoke
8 the Court’s jurisdiction means this action cannot go forward in any event, even if
9 she could state a claim.

10 **Possibility of Class Certification**

11 The Court’s order pointed out that Gaines lacks standing to represent
12 putative class members whose cars were covered by a customer service program
13 or the “Cadillac Shield.” (Docket no. 26 at 6:7–13.) Gaines cannot represent class
14 members who might have claims arising from either type of coverage, and would
15 be forced to abandon those claims. *See Taison Comm’cns, Inc. v. Ubiquiti*
16 *Networks, Inc.*, 308 F.R.D. 630, 641–43 (N.D. Cal. 2015) (rejecting plaintiffs as
17 adequate representatives based on their willingness to forgo damages in order to
18 achieve class certification).

19 The SAC seeks to certify an “Injunctive or Declaratory Relief Class.” (SAC,
20 ¶ 61.) The Court already held that injunctive relief claims to prevent future
21 violations were moot, nor is there any reason to suppose either Gaines or the class
22 members would benefit from an injunction or declaratory relief. (Docket no. 26 at
23 10:1–10.) The SAC does not remedy this.

24 Even if some class members would benefit from either an injunction or
25 declaratory relief, Gaines has no standing to represent them because her own
26 claims for declaratory or injunctive relief are moot. *See Hodgers-Durgin v. de la*
27 *Vina*, 199 F.3d 1037, 1045 (9th Cir. 1999) (“Unless the named plaintiffs are
28 themselves entitled to seek injunctive relief, they may not represent a class

1 seeking that relief.”) Her car has already been repaired, and there is no reasonable
2 likelihood she will be again injured by the leaking sunroof defect or GM’s policies
3 regarding that defect, which was corrected in model years 2014 and later. See
4 *Lanovaz v. Twinings N. Am., Inc.*, 726 Fed. Appx. 590, 590–91 (9th Cir. 2018)
5 (holding that a plaintiff seeking injunctive relief must demonstrate a sufficient
6 likelihood that she will again be wronged in a similar way).

7 Although the Court directed Gaines to address the issue, the SAC shows no
8 reasonable likelihood this action could be certified as a class action.

9 **Discussion of SAC Claims**

10 The Court dismissed Gaines’ breach of express warranty claim with
11 prejudice, and the SAC seeks to replace it with a breach of implied warranty claim.
12 The SAC abandons the false advertising claim.

13 **Implied Warranty of Merchantability**

14 The implied warranty only requires that a product be reasonably suited for
15 its ordinary use. *Tae Hee Lee v. Toyota Motor Sales, U.S.A., Inc.*, 992 F. Supp.
16 2d 962, 980 (C.D. Cal. 2014) (“The basic inquiry . . . is whether the vehicle was fit
17 for driving.”). A product breaches this warranty only if it “did not possess even the
18 most basic degree of fitness for ordinary use.” *Mocek v. Alfa Leisure, Inc.*, 114
19 Cal. App. 4th 402, 406 (Cal. App. 4 Dist., 2003) (“[A] breach of the implied warranty
20 of merchantability means the product did not possess even the most basic degree
21 of fitness for ordinary use.”). Gaines drove her car for about seven years before
22 her sunroof began to leak, so it was obviously merchantable.

23 The statute of limitations for such a claim has also passed. See *Valencia v.*
24 *Volkswagen Grp. of Am. Inc.*, 119 F. Supp. 3d 1130, 1141 (N.D. Cal. 2015) (holding
25 that statute of limitations under Song-Beverly act requires implied warranty claims
26 to be brought within four years of tender of delivery, not from the date the defect
27 manifests). Any claim Gaines might have had for breach of implied warranty
28 expired before she filed suit.

1 **Pleading Fraud and Misrepresentation**

2 The Court held that Gaines had not met Fed. R. Civ. P. 9’s pleading
3 standards for claims sounding in fraud. These include her claim under the
4 California Consumer Legal Remedies Act (CLRA) and her claim under Cal. Bus.
5 & Prof. Code §§ 17200, *et seq.* The Court has already rejected her contention that
6 GM had an obligation to extend or expand the express warranty.

7 To state a claim for failing to disclose a defect, the plaintiff must allege the
8 existence of both a defect and an unreasonable safety hazard, and a causal
9 connection between them; and must allege that the manufacturer knew of the
10 defect at the time the sale was made. *Williams v. Yamaha Motor Co.*, 851 F.3d
11 1015, 1025–26 (9th Cir. 2017). The SAC does not show that GM either knew about
12 a defect when it leased the car to Gaines, or that it had a duty to disclose the defect
13 for some other reason. See *Wilson v. Hewlett-Packard Co.*, 668 F.3d 1136, 1141–
14 44 (9th Cir. 2012); *In re Sony Grand Wega KDF-E A10/A20 Series Rear Projection*
15 *HDTV Television Litig.*, 758 F. Supp. 2d 1077, 1094 (S.D. Cal., 2010) (identifying
16 two bases for a duty to disclose).

17 The SAC conclusorily alleges that GM must have known about the defect at
18 the time it leased the car to Gaines in May of 2010. (SAC, ¶ 29; see also ¶ 32
19 (alleging either actual *or* constructive knowledge during the warranty period).) The
20 SAC adds allegations that customer and dealer reports, and GM’s own internal
21 testing put it on notice of the defect, but these are both conclusory and devoid of
22 any time references. (See SAC, ¶13.) Given that some of the basis for these
23 allegations are public filings and records, Gaines should have been able to allege
24 some facts, if they existed. Generalized contentions that GM must have known
25 about the defect as a result of one or more of a combination of vaguely-identified
26 factors are not enough to show that GM knew when it leased the car to Gaines
27 that her car had the defect. At most, they might show GM had reason to suspect
28 that some cars were defectively manufactured, which is unremarkable. The first

1 alleged fact showing GM was on notice of a problem was its initiation of a limited
2 customer satisfaction program and issuance of internal service and repair bulletins
3 in July, 2011. (SAC, ¶ 15.) The first specifically identified document was issued
4 around August of 2013. (*Id.*, ¶ 23.)

5 The SAC's strongest argument for a duty to disclose would be if the defect
6 posed an unreasonable safety risk and GM knew about it at the time it leased the
7 car to Gaines, which the Court pointed out did not appear to be the case. (See
8 Docket no. 26 at 8:16–9:4 (identifying pleading defects).) Gaines had not alleged
9 that anyone was injured as a result of the defect, or that it was likely to create some
10 kind of unreasonable safety hazard. The SAC attempts to correct this by adding
11 numerous allegations about what could happen, and then alleging that it does
12 happen, without saying how often (if ever) it does.

13 Some safety risk is not enough to trigger a duty to disclose under the CLRA;
14 rather, the risk must be unreasonable. See *Williams*, 851 F.3d at 1029. The risk
15 need not have caused harm, as long as the nexus between the defect and the
16 alleged safety issue is close. *Id.* at 1028. But “allegations of an unreasonable
17 safety hazard must describe more than merely ‘conjectural and hypothetical’
18 injuries.” *Id.* (quoting *Birdsong v. Apple, Inc.*, 590 F.3d 955, 961 (9th Cir. 2009).

19 A water leak in a car is not itself dangerous. In other cases where similar
20 water leak defects have been accepted as unreasonable safety risks, generally the
21 leak is known to have caused a dangerous malfunction, or the complaint has
22 alleged other supporting facts showing that the risk of harm was substantial. In
23 *Cholakyan v. Mercedes-Benz USA, LLC*, for instance, the water leaks were known
24 to be capable of causing electrical faults that could cause engine failure while the
25 car was in operation. 796 F. Supp. 2d 1220, 1236 (C.D. Cal., 2011) (citing technical
26 service bulletin acknowledging that the leak in question was in some cases
27 accompanied by electrical faults, and allegations that the systems in question
28 could cause sudden and unexpected engine failure). In *Marsikian v. Mercedes*

1 *Benz USA, LLC*, “many vehicles [had] suffered substantial electrical failure due to
2 water damaging the computer, electrical system, and other components.” 2009 WL
3 8379784 at *1 (C.D. Cal., May 4, 2009). Speculative risks that depend on the
4 malfunction occurring in particular circumstances are generally not enough to
5 trigger a duty to disclose. *Smith v. Ford Motor Co.*, 749 F. Supp. 2d 980, 990–91
6 (N.D. Cal., 2010). See also *In re Ford Tailgate Litigation*, 2015 WL 751772, at *11
7 (N.D. Cal., Nov. 25, 2015) (holding that an attenuated chain of causation did not
8 demonstrate an unreasonable safety hazard). This is particularly true if the only
9 known injuries are minor. *Avedisian v. Mercedes-Benz USA, LLC*, 43 F. Supp. 3d
10 1071, 1078–79 (C.D. Cal., 2014). Here, there are no known injuries.

11 The SAC alleges that water intrusion into electronic components could cause
12 the car’s rear hatch to malfunction such that it could open or close unexpectedly;
13 could cause windshield wipers to fail; and could cause the dashboard to either
14 display false warning signals, flash on and off, or display the car’s speed as zero.
15 (SAC, ¶¶ 7, 13.) It alleges that the cars may lose power and not start, leaving
16 drivers stranded; or that the cars may not be able to be turned off. (*Id.*, ¶¶ 8, 9.) It
17 also alleges that water leakage promotes the growth of mold, mildew, bacteria, and
18 other organisms that could pose a respiratory hazard. (*Id.*, ¶ 10.) The SAC avoids
19 saying how often any of these things might be expected to happen. It never alleges
20 any of these things have happened, either to Gaines or anyone else. Nor does it
21 allege any other facts suggesting they are anything other than speculative.

22 Beginning in January of 2015, well after Gaines leased her car, the bulletins
23 the SAC cites and relies on mention the possibility that various interior components
24 could be damaged by water, two of which are wiring and electronics. But, unlike
25 the bulletin in *Cholakyan*, they do not say this has happened or that the risk is
26 substantial.

27 Bearing in mind that Gaines cites public filings, reports, and other data she
28 says put GM on notice of the risk (SAC, ¶ 13), she should have been able to allege

1 some of these facts, if they existed. See *Williams*, 851 F.3d at 1028–28 (failure to
2 allege that any customer experienced a fire was “notable,” in light of the large
3 number of products alleged to have the safety hazard). Furthermore, the various
4 malfunctions alleged here, while potentially dangerous under the wrong
5 circumstances, are not comparable to sudden engine failure while driving or other
6 similarly catastrophic malfunctions. See, e.g., *Smith v. Ford Motor Co.*, 749 F.
7 Supp. 2d 980, 990–91 (N.D. Cal., 2010) (contrasting hazards posed by defective
8 ignition lock with hazards caused by sudden loss of steering, and wheel failures).

9 Gaines was not injured and never experienced a safety problem. She was
10 prompted to bring her car in for inspection when she found the carpet was soaked.
11 When the shop inspected her car, they found the padding between the firewall and
12 instrument panel assembly was wet or water-saturated. Although the shop ran an
13 electrical system diagnostic, nothing seems to have been wrong with her car’s
14 electrical system. Nor does the SAC allege anyone else was injured, or that any of
15 these things actually happened to anyone else — or that even if they did, GM knew
16 about it. Assuming they did happen, the SAC is devoid of any allegations showing
17 how often they happen, or what the risk is of any of them happening.

18 The chain of events required before a safety risk materializes is too
19 attenuated here. Not only would the defect have to cause a leak, but the leak would
20 have to cause wiring or electronics to fail, which in turn would have to cause a
21 serious malfunction, which would have to occur suddenly and under the wrong
22 circumstances. This is not to say the alleged defect did not pose a risk at all; rather,
23 the risk shown is too speculative to amount to an unreasonable safety risk requiring
24 disclosure. The SAC again fails to show that GM knew of and failed to disclose an
25 unreasonable risk. The SAC also fails to plead enough other facts with particularity
26 to satisfy Rule 9’s pleading standard.

27 ///

28 ///

1 **Unjust Enrichment and Attorney’s Fees**

2 The SAC contends that GM unjustly enriched itself by concealing and failing
3 to disclose the defect, thereby preventing owners from taking their cars in for
4 inspection or repairs. The Court’s earlier order pointed out that this claim is
5 derivative of the SAC’s other claims, and could only succeed if they do. The
6 request for an award of attorney’s fees under state statutes is also derivative of
7 other claims.

8 Furthermore, unjust enrichment is a quasi-contract claim that depends on
9 the absence of an express written contract covering the same subject matter.
10 *Lance Camper Mfg. Corp. v. Republic Indemnity Co.*, 44 Cal. App. 4th 194, 203
11 (Cal. App. 2 Dist. 1996). Because there was a written contract covering the same
12 subject matter (*i.e.*, the express warranty), this claim fails.

13 **Declaratory Relief**

14 The Court also pointed out that Gaines had not shown how declaring her
15 rights concerning her car’s formerly leaking sunroof would provide any meaningful
16 relief. The SAC contends that a declaration will be useful because GM continues
17 to deny payment for the cost of inspection and repairs, forcing class members to
18 bear them. This claim is derivative of the SAC’s other claims, and fails for the same
19 reasons.

20 Furthermore, while a damages award would provide meaningful relief to
21 Gaines, a declaration that GM should have paid for repairs (or should pay for them
22 in future) would add nothing to this because this dispute will not recur. See
23 *Campbell v. Murrietta*, 2015 WL 5997169, at *4 (C.D. Cal, May 22, 2015) (noting
24 that declaratory relief is generally prospective, and should not merely duplicate a
25 monetary damages award predicated on the same liability).

26 **New Allegations**

27 In addition to the new allegations already discussed, the SAC argues that
28 the newly-discovered Exhibit 4 is significant in that it extended the customer

1 satisfaction program to February 28, 2017. Had she been living in one of the places
2 where the program was in effect, she might have benefited from it — assuming
3 that the leak occurred by February 28 and assuming it was caused by the drain
4 hose having shrunk. But the program was in question was not a warranty, and did
5 not cover Gaines' car. Even if GM voluntarily repaired other cars that experienced
6 sunroof leaks around the same time, Gaines has never shown why it would have
7 been obligated to expand the program to cover her car or other cars in California,
8 or why the voluntary program should have been mandatory.

9 **Other Defects**

10 Earlier versions of the complaint have included vague or ambiguous
11 allegations and theories, and Gaines was directed to address those. To the extent
12 the SAC is still vague or ambiguous, the natural conclusion is that Gaines has not
13 corrected those defects because she cannot. In other words, failure to amend
14 appears to stem, not from neglect, but from the fact that the claim cannot be
15 successfully pled.

16 The Court's previous order pointed out other defects in addition to the major
17 ones this order has discussed. The Court has reviewed the SAC in light of its
18 previous order, and has determined that the proposed amendments would not
19 salvage it.

20 **Conclusion and Order**

21 Because the proposed SAC would again be subject to dismissal for reasons
22 pointed out in this order and in GM's opposition, Gaines' motion for leave to amend
23 is **DENIED**. Because the defects have already been pointed out to her, the Court
24 concludes that further opportunities to amend would be futile. Furthermore, Gaines
25 has failed to invoke the Court's jurisdiction; and the allegations strongly suggest
26 she cannot do so, and that no class could be certified.

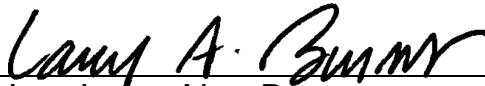
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1 The SAC is therefore **DISMISSED WITHOUT LEAVE TO AMEND**. Gaines'
2 claims are **DISMISSED WITH PREJUDICE** and the putative class's claims are
3 **DISMISSED WITHOUT PREJUDICE**.

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5 **IT IS SO ORDERED.**

6 Dated: March 17, 2020

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8 _____
9 Hon. Larry Alan Burns
United States District Judge

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