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Exempt from filing fees per Gov't Code § 6103*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

THE PEOPLE OF THE STATE OF
CALIFORNIA,

Plaintiff,

v.

COAST RUNNER INDUSTRIES, INC.,
GHOST GUNNER, INC., and DEFENSE
DISTRIBUTED,

Defendants.

) Case No. 37-2024-00020896-CU-MC-CTL
) Action Filed: May 3, 2024

) **PLAINTIFF'S MEMORANDUM OF**
) **POINTS AND AUTHORITIES IN SUPPORT**
) **OF MOTION FOR PRELIMINARY**
) **INJUNCTION**

) [Filed Concurrently Herewith:
) 1) Notice of Motion and Motion
) 2) Declaration of John P. Cooley;
) 3) Declaration of Brent Jordan;
) 4) Declaration of William Brown; and
) 5) [Proposed] Order Granting Preliminary
) Injunction]

) Date: March 28, 2025
) Time: 10:30 A.M.
) Dept.: C-64
) Judge: Hon. Loren G. Freestone
) Trial: None Set

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. PRELIMINARY STATEMENT**

3 In flagrant violation of California law, Defendants Defense Distributed, Ghost Gunner,
4 Inc., and Coast Runner Industries, Inc. have designed, marketed, and offered for sale a computer
5 numerical control (“CNC”) milling machine that allows consumers to self-manufacture
6 unserialized “ghost guns.” Section 3273.62(a) of the California Civil Code states that a “person
7 shall not sell, offer to sell, transfer, advertise, or market a CNC milling machine” in a manner
8 that knowingly or recklessly causes another person to engage in conduct prohibited by
9 Assembly Bill 1621 (“AB 1621”). That Assembly Bill, codified as Cal. Pen. Code § 29185(a)-
10 (c), prohibits anyone other than a state-licensed manufacturer from selling, offering to sell,
11 transferring or using “a computer numerical control (CNC) milling machine or three-
12 dimensional printer to manufacture a firearm.” Defendants have resisted AB 1621 at every turn,
13 and when resistance failed, opted to flout it. They first unsuccessfully challenged AB 1621
14 when it was enacted, claiming it would prohibit the sale of their CNC milling machine, the
15 “Ghost Gunner.” Having lost that challenge, Defendants contrived a new plan to sell their now-
16 illegal machine to the California market. In October 2022, the same month that a federal court
17 rejected their challenge to AB 1621, Defendants began touting the “Coast Runner.” Every
18 indication shows that the Ghost Gunner and Coast Runner are the same: the machines share the
19 same design, internal mechanisms, and user manual. Like the Ghost Gunner, the Coast
20 Runner’s primary function is to manufacture ghost guns. And Defendants have targeted the
21 Coast Runner at the California market, including featuring their product at an event in California
22 to be held on October 18-20, 2024. This Court should enjoin Defendants’ obvious attempt to
23 thumb their nose at California’s gun safety laws.

24 Plaintiff respectfully requests a preliminary injunction because (i) Plaintiff is likely to
25 prevail on the merits; and (ii) the balance of harms decidedly favors Plaintiff.

26 **II. PROCEDURAL HISTORY**

27 The People initiated the above-captioned action on May 3 2024. The complaint alleges
28 that Defendants are selling and marketing a CNC milling machine called the “Coast Runner” in

violation of Section 3273.62 and that their conduct constitutes unfair and unlawful business practices under the Unfair Competition Law (“UCL”). (ROA No. 1 at ¶¶ 64-86.) On June 3, 2024, Defendants removed the action to federal court on the purported basis of diversity jurisdiction, asserting that the real party in interest is not the People, but instead one of Plaintiff’s co-counsel, Giffords Law Center to Prevent Gun Violence. (*People v. Coast Runner Indus., Inc., et al.*, No. 3:24-CV-00971-AJB-SBC (S.D. Cal. June 3, 2024) (ECF No. 1.)) On October 4, 2024, the federal court rejected Defendants’ basis for diversity jurisdiction and entered an order remanding the action back to this Court. (*Id.* (ECF No. 21 at 8.)) The People, not their counsel, is the real party in interest because it “has concrete interests in this litigation and will substantially benefit from the remedy” in its efforts to “prevent the proliferation of ghost guns and mitigate the unique public health and safety risks posed by them.” (*See id.* at 8.)

III. STATEMENT OF FACTS

A. Defense Distributed and Ghost Gunner, Inc. Develop the Coast Runner to Sell Their Illegal Machine to the California Market.

1. Defendants’ Primary Goal Is to Profit from Illegal Ghost Guns in California.

Defense Distributed and Ghost Gunner, Inc. are Texas-based companies founded by Cody Wilson, who is credited with creating the first 3-D printed firearm. (Cooley Decl. ¶ 3.) For several years, Defendants have sold and marketed products and software designed to allow their users to evade state and federal firearms laws and to create ghost guns. (*Id.*) Defendants have made clear that their ultimate goal is to create firearms machines that evade California gun safety regulations. Indeed, on its website, Ghost Gunner, Inc. describes the purpose of the Ghost Gunner in simple terms: “to allow individuals to manufacture their own un-serialized firearms. Un-serialized firearms are un-traceable [by law enforcement]. Hence, the ‘ghost gun’ name.” (*Id.* at ¶ 4.) The mechanism is simple: a customer buys a CNC milling machine, and with a few clicks can easily obtain digital files that allow the machine to manufacture gun parts and guns. (*See id.* at ¶ 5.)

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2. Defendants Unsuccessfully Challenge AB 1621.

On June 30, 2022, California enacted AB 1621 to curb the proliferation of ghost guns by revising regulations on firearm precursor parts, prohibiting non-licensed entities from selling or marketing CNC milling machines primarily used for manufacturing firearms. (*Id.* at ¶ 6.) In August 2022, Defense Distributed filed a federal lawsuit challenging AB 1621, claiming that the law violated Defense Distributed’s purported Second Amendment right to sell its Ghost Gunner product. (*Id.*) In its lawsuit, Defense Distributed explained that it “sells products and software that allow consumers to self-manufacture some of the most popular firearms in the United States.” (*Id.*) It described its Ghost Gunner product as a CNC milling machine “that gives purchasers the ability to complete unfinished frames and receivers for various types of firearms, including the AR-15, AR-308, M1911, and AK-47.” (*Id.*)

According to Defense Distributed, “[b]ecause the materials provided by Defense Distributed often do not have serial numbers and are not licensed with the federal government, they may be used to make what are popularly known by the moniker ‘ghost guns.’” (*Id.*) Defense Distributed subsequently moved for a preliminary injunction seeking to prevent enforcement of AB 1621 in federal court. (*Id.* at ¶ 7.) The federal district court denied Defense Distributed’s motion for a preliminary injunction because it failed to demonstrate “either a ‘likelihood’ of prevailing on the merits or even a ‘reasonable probability of success’ in connection with its case against AB 1621.” (*Id.*) In November 2022, Defense Distributed agreed to dismiss its claims, including dismissal with prejudice of its claim that AB 1621 violated its Second Amendment right to sell its Ghost Gunner products. (*Id.* at ¶ 8.)

3. Defendants Market the Coast Runner, a Machine Identical to the Ghost Gunner.

Shortly after Defense Distributed’s constitutional challenge failed, Defendants advertised a “new” CNC milling machine: the “Coast Runner.” (*Id.* at ¶ 9.) The “Coast Runner” and the “Ghost Gunner” not only share similar names, but also have identical internal designs and features. (Cooley Decl. ¶¶ 10-11.) The “Coast Runner” is essentially a repackaged Ghost Gunner, specifically marketed to California for the illegal production of untraceable ghost guns.

1 On its now-closed Kickstarter page, Coast Runner stated that it conceived of the device in
2 October 2022 (the same month the federal court rejected Defense Distributed’s challenge) and
3 developed the first prototype by February 2023. (*Id.* at ¶ 12.) By February 7, 2023, Coast
4 Runner had launched its website and begun advertising and marketing its product. (*Id.* at ¶ 9.)
5 In early 2024, Defendants continued their aggressive marketing campaign for the Coast Runner.
6 The device had its own booth at “the largest and most comprehensive trade show” for the
7 firearms industry, known as the Shooting, Hunting, and Outdoor Trade—or SHOT—Show, held
8 in Las Vegas, Nevada, where it was promoted as one of the hottest new products in the firearms
9 industry. (*Id.* at ¶ 13.) Marketing materials for SHOT Show 2024 identified the true purpose
10 and design of the Coast Runner as a mill that “empowers small manufacturers and gunsmiths
11 with advanced capabilities.” (*Id.*)

12 The Coast Runner is nearly identical to the Ghost Gunner, which is obvious from even a
13 cursory review of the devices’ internal designs. (*See id.* at ¶¶ 10-11.) The user manuals for the
14 Ghost Gunner and Coast Runner have identical technical diagrams demonstrating the lack of
15 any differences between the two devices. (*Compare* Cooley Decl. ¶ 10 *with* ¶ 11.) The devices
16 share the same components, parts, and identical specifications, including identical weight, total
17 cutting volume, total working volume, max acceleration, operating temperature, storage
18 temperature, spindle cutting power, and spindle rotations-per-minute (RPM). (*Id.*)

19 In perhaps the most revealing oversight, one description in the Coast Runner’s Physical
20 Overview diagram refers to the Coast Runner *as the Ghost Gunner*, using the initials “GG.”
21 (*Id.* at ¶ 11.) When describing the Emergency Stop Switch, the Coast Runner manual states:
22 “Emergency Stop Switch (E-stop) Immediately halts all motion when engaged. Engage the E-
23 stop if you sense danger. **GG doesn’t have a brain... but you do.**” (emphasis added). (*Id.*) It
24 appears that in preparing the Coast Runner Operator’s Manual, Defendants simply used a global
25 find-and-replace function to replace “Ghost Gunner” with “Coast Runner”—but failed to catch
26 this use of the initials “GG” for “Ghost Gunner.” (*See id.*)

27 Not only are the Coast Runner and Ghost Gunner machines nearly identical, the products
28 for sale on the Coast Runner and Ghost Gunner websites are also strikingly similar. (*Compare*

Cooley Decl. ¶ 14 with ¶ 15.) As just one example, Coast Runner’s website has for sale a product called the “Collet 1/4 in.” (*Id.* at ¶ 16.) The Ghost Gunner website also has for sale a “1/4” Collet” that is “used to secure tooling in Ghost Gunner CNC machines. For use with AR-15, AR-308, and M1911 milling programs.” (*Id.* at ¶ 17.) The collets sold on both websites are exactly the same size and weight, and both websites appear to use the same photograph to represent the for-sale item, as shown below. (*Id.* at ¶¶ 16-17.)



Figure 1: Ghost Gunner, “1/4 Collet”



Figure 2: Coast Runner Inc., “Collet 1/4in”

(*Id.*)

Public records also show that Coast Runner Industries, Inc. is closely linked to Ghost Gunner, Inc. and Defense Distributed. Garret Walliman, a senior employee at Defense Distributed and lead product designer for Ghost Gunner, is Chief Technology Officer of Coast Runner and was a Director until October 1, 2024. (*See id.* at ¶¶ 18-21.) Additionally, the certificate of formation for Coast Runner Industries, Inc. lists “CR Wilson” as the organizer, with an address matching Cody Wilson’s address in Texas corporate filings for Defense Distributed. (*Id.* at ¶ 18.) Cody Wilson replaced Garret Walliman as director on October 1, 2024. (*Id.* at ¶ 21.)

4. Defendants Target the California Market for Selling the Coast Runner.

From its inception, the Coast Runner was designed and marketed specifically for the California market. By February 14, 2023, Ghost Gunner’s website informed California residents that ordering a Ghost Gunner CNC machine meant consenting to receive a Coast Runner machine instead. This notice remained online until at least August 2023. (*Id.* at ¶ 22.) By early 2024, references to the Coast Runner were removed from Ghost Gunners’s website, but similar notices still appear on other sites operated by Defendants, such as Zero Percent Arms and “officialghostguns.com,” where users can place a nonrefundable deposit for a Ghost Gunner 3. (*Id.* at ¶¶ 23-24.)

To fund the production of the Coast Runner, Defendants used Kickstarter, offering discounted pre-orders. (*Id.* at ¶¶ 25-26.) Kickstarter suspended the campaign in March 2024

1 due to rule violations. (*Id.* at ¶ 26.) Defendants then relaunched the Coast Runner on another
2 crowdfunding website, IndieGoGo, which was also suspended. (*Id.* at ¶ 27.) When Coast
3 Runner launched its Kickstarter campaign, its website outlined terms and conditions governed
4 by California law, provisions mandating San Diego as the forum for arbitration, and specific
5 rights for California users. (*Id.* at ¶ 42.) Additionally, Coast Runner’s Website Terms of Use
6 indicates that Defendants understand they are selling a firearm-related product. The “Terms of
7 Use” state that, by using the website, users agree to conditions that exactly match the list of
8 persons prohibited from possessing firearms under the federal Gun Control Act, as set forth in
9 18 U.S.C. § 922(g). (*Id.* at ¶ 28.)

10 Alarmingly, Defendants also plan to market the Coast Runner at a “Maker Faire” robotics
11 and engineering event in Mare Island, California on October 18-20, 2024. (*Id.* at ¶ 29.) At that
12 event, Coast Runner, Inc. will bring the at-issue CNC milling machine into California,
13 marketing and selling it to California consumers, in a blatant violation of California law. (*Id.*)
14 Tellingly, the website for the Maker Faire event states that Coast Runner “has a ten-year history
15 in 3D printing and desktop CNC technology.” (*Id.*) Given that Coast Runner and Coast Runner,
16 Inc. were only established in the last two years, it is obvious that what is really being sold at the
17 Maker Faire event, in California, is a relabeled version of the unlawful Ghost Gunner machine.
18 (*Id.* at ¶ 18.)

19 **B. Ghost Guns Present a Serious Danger to the People of California.**

20 Defendants have already started their sales of the Coast Runner. Right now, Defendants
21 are selling the Coast Runner online, accepting 10% of the full purchase price as “deposits.” (*Id.*
22 at ¶¶ 30-31.) The Coast Runner website states that the “official ship date” for the Coast Runner
23 machines is September 2024. (*Id.* at ¶ 31.) However, the Coast Runner website indicates that
24 they planned to ship certain “early access” machines in April 2024. (*Id.*) If true, Coast Runner
25 machines may already be in the hands of California consumers. This is further evidenced by the
26 fact that Coast Runner Inc. plans to market and sell these machines in just a few days at the
27 Maker Faire event in California. (*Id.* at ¶ 29.) Unless enjoined, Defendants will continue to take

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1 deposits for Coast Runner devices and ship these devices out to customers across the world,
2 including in California.¹

3 Ghost guns such as the ones that can be manufactured using the Coast Runner are fueling
4 an epidemic of gun violence across the country. (*Id.* at ¶ 32.) Indeed, the ghost gun market is
5 increasingly shifting toward CNC milling machines. (*Id.* at ¶ 33.) Nationwide, the number of
6 ghost guns recovered at crime scenes has increased more than elevenfold in just five years, from
7 1,758 in 2016 to 19,344 in 2021. (*Id.* at ¶ 34.) And in California, while 26 ghost guns were
8 recovered in connection with criminal activity in 2015, by 2022 that number had risen to 12,894.
9 (*Id.* at ¶ 35.) In fact, California has seen a significant increase in the number of unserialized
10 firearms recovered by law enforcement, with most of those recovered having been manufactured
11 by unlicensed manufacturers. (*Id.* at ¶ 32.) The California Department of Justice reported that
12 in the counties of Alameda, Contra Costa, Los Angeles, Marin, Orange, San Bernardino, San
13 Diego, San Francisco, Santa Cruz, Sonoma, Stanislaus, and Ventura, ghost guns accounted for
14 more than 20 percent of firearms recovered at crime scenes in 2021. (*Id.* at ¶ 33). From 2019 to
15 2021, the number of ghost guns recovered from crime in California increased by 592%. (*Id.*)
16 San Diego remains third among the top five cities in California with the highest number of ghost
17 guns collected in connection with a crime. (*Id.* at ¶ 32.) In 2020, San Diego County authorities
18 recovered 126 ghost guns. (Jordan Decl. ¶ 5.) That number more than doubled in 2021,
19 reaching 265. (*Id.*) Recoveries remained alarmingly high in 2022 and 2023, with the recovery
20 of over 200 ghost guns each year. (*Id.*) These numbers likely significantly undercount the
21 number of ghost guns that are actually in circulation—including many which likely have been
22 used in crimes—because they only represent the number of guns recovered at crime scenes and
23 accurately logged by law enforcement. (Cooley Decl. ¶ 36.) The San Diego Police Department
24 (“SDPD”) also continues to recover a growing number of privately made firearms each year.
25 (Brown Decl. ¶ 6.) In 2023 alone, SDPD recovered 1,457 handguns, including 276 ghost guns.

26 ¹ Before this action was remanded to this Court, Defendants stated in federal court that they are not selling in the
27 *Southern District* of California, but conspicuously did not comment on whether they were selling within the State of California.
28 *See People v. Coast Runner Indus., Inc., et al.* No. 3:24-CV-00971-AJB-SBC (S.D. Cal. June 3, 2024) (ECF No. 6-1) (“not
one unit of Coast Runner’s product has ever been sold into the territory of the United States District Court for the Southern
District of California”).

(*Id.*) In February 2023, SDPD launched a three-month project in collaboration with the Bureau of Alcohol, Tobacco, Firearms and Explosives labeled “The Privately Made Firearm Crime Reduction Project.” (*Id.* at ¶ 5.) The project was initiated to address gun violence and the proliferation of ghost guns in San Diego. (*Id.*) During the project, SDPD recovered 165 firearms, including 82 ghost guns. (*Id.*)

There are numerous examples of the violence perpetrated in Southern California using ghost guns. In 2013, for instance, a gunman murdered five people in Santa Monica, California with an unserialized assault rifle he assembled from gun parts purchased online. (Cooley Decl. ¶ 37.) According to news reports, before building his do-it-yourself assault rifle, the gunman had failed a background check attempting to purchase a firearm from a licensed dealer in California. (*Id.* at ¶ 38.) And in 2019, a 16-year-old—who would have been too young to purchase a gun legally—used a ghost gun to kill two students and injure three others at Saugus High School in Santa Clarita, California. (*Id.* at ¶ 39.) In 2023, federal authorities arrested a man in San Francisco for manufacturing ghost guns with a milling machine and selling them to clients, including local drug dealers. (*Id.* at ¶ 40.)

In addition, on December 31, 2023, SDPD officers responded to a call for a violation of a domestic violence restraining order by a 28-year-old male near Pacific Beach. (Brown Decl. ¶ 8.) The officers recovered a number of firearms from the suspect, including a loaded ghost gun and ghost gun manufacturing equipment, two AR-15 ghost gun rifles, a so-called Glock switch,² three firearm suppressors, a derringer firearm, and additional firearm manufacturing equipment. (*Id.*) The suspect was not permitted to legally own firearms at this time due to the restraining order against him. (*Id.*) More recently, in May of 2024, a man in San Diego County was arrested on charges of assault with a deadly weapon after chasing locals with a gun throughout the county. (Cooley Decl. ¶ 41.) Sheriff’s deputies found an arsenal of weapons at the man’s residence, including untraceable ghost guns. (*Id.*) In July 2024, the San Diego County Sheriff’s

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² “Glock switch” is a colloquial term for a device known as an “auto-sear” that converts a firearm—in the case of a so-called Glock switch, a Glock pistol—into an illegal, fully automatic machine gun.

Office arrested a 25-year-old felon during a traffic stop and recovered a self-made “ghost gun” in his vehicle. (Jordan Decl. ¶ 7.)

According to the California Department of Justice Office of Gun Violence Protection, “[g]host guns have been used to kill and maim Californians in mass shootings, domestic violence shootings, shootings at schools, restaurants, and movie theaters, in deadly armed robberies, gang and community violence shootings, hate crime shootings and attacks by violent extremists, in shootings targeting law enforcement officers and other emergency responders, and in unintentional shootings by children.” (Cooley Decl. ¶ 33.) California has more ghost gun recoveries than any other state. (*Id.*)

The Coast Runner—an illegal device designed, marketed, and sold to enable its users to make untraceable firearms and to violate California’s gun violence prevention laws—presents a grave harm to the people of California.

IV. SUMMARY OF THE ARGUMENT

Plaintiff is entitled to a preliminary injunction because: (i) it is likely to prevail on the merits with respect to its two causes of action under Section 3273.62 and the UCL, and (ii) the balancing of harms favors issuing a preliminary injunction.

Merits. By selling and marketing the Coast Runner online and directly towards the California market, Defendants are actively violating California Civil Code § 3273.62(a). Section 3273.62(a) states that a “person shall not sell, offer to sell, transfer, advertise, or market a CNC milling machine” in a manner that knowingly or recklessly causes another person to engage in conduct prohibited by Section 29185 of the Penal Code, which prohibits anyone, other than a state-licensed manufacturer, from “us[ing] a computer numerical control (CNC) milling machine or three-dimensional printer to manufacture a firearm.” Despite this clear text, Defendants sell, offer to sell, transfer, advertise, and market the Coast Runner, the functional equivalent of an identical machine already banned in California,³ without verifying that its Coast Runner customers are state-licensed manufacturers. Given the extensive evidence of

³ See *Def. Distributed v. Bonta*, 2022 WL 15524977, at *5 (C.D. Cal Oct. 21, 2022) (order rejecting Defense Distributed’s challenge of AB 1621 as applied against its identical Ghost Gunner).

Defendants’ solicitations and marketing of the Coast Runner, Plaintiff has met its burden that it is likely to prevail on the merits of this first cause of action.

Defendants’ willful disregard for California’s gun safety laws and deliberate attempt to circumvent a California federal court’s prior ruling rejecting Defense Distributed’s attempt to sell its identical Ghost Gunner machine is both unlawful and unfair within the meaning of the UCL. *See Cel-Tech Commc’ns, Inc. v. L.A. Cellular Tel. Co.*, 20 Cal. 4th 163, 181 (1999) (citations omitted) (noting that the Legislature recognized that “unfair or fraudulent business practices may run the gamut of human ingenuity and chicanery” and sought to account for “the creative nature of the scheming mind.”) Defendants’ illegal and deceptive practice violates the UCL, and Plaintiff has also met its burden that it is likely to prevail on the merits of its second cause of action.

Balancing of Harms. The balancing of harms favors issuing an injunction as the People face imminent and irreparable harm from the sale of Coast Runner machines into California. The untraceable nature of unserialized ghost guns that the Coast Runner is capable of producing makes the Coast Runner especially attractive for purposes of carrying out criminal activity. Without a serial number, state law enforcement will be unable to run a trace search on recovered ghost guns. Defendants’ stated plans are to begin shipping the Coast Runner machine imminently—if not already. If Plaintiff’s motion for a preliminary injunction is denied, the citizens of California will be exposed to a substantially greater threat of gun violence and the potential loss of human life in their communities. A preliminary injunction is necessary to protect public safety. Meanwhile, Defendants will not suffer any cognizable harm by being required to comply with the law. *Anderson v. Cnty. of Santa Barbara*, 94 Cal. App. 5th 554, 562 (2023) (citation omitted).

V. THE LEGAL STANDARD

In deciding whether to issue a preliminary injunction, the court evaluates two interrelated factors: (i) the likelihood that the plaintiff will prevail on the merits at trial, and (ii) the interim harm that the plaintiff is likely to sustain if the injunction were denied as compared to the harm

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1 that the defendant is likely to suffer if the preliminary injunction were issued. *See* Cal. Code
2 Civ. Proc. § 526; *IT Corp. v. Cnty. of Imperial*, 35 Cal. 3d 63, 69 (1983).

3 **VI. ARGUMENT**

4 **A. Plaintiff Is Likely to Prevail on the Merits with Respect to Both California** 5 **Civil Code § 3273.62 and the UCL.**

6 **1. Defendants Have Violated California Civil Code § 3273.62.**

7 Under Section 3273.62(a), a “person shall not sell, offer to sell, transfer, advertise, or
8 market a CNC milling machine or three-dimensional printer in a manner that knowingly or
9 recklessly causes another person in this state to engage in conduct prohibited by Section 29185
10 of the Penal Code, or in a manner that otherwise knowingly or recklessly aids, abets, promotes,
11 or facilitates conduct prohibited by that section.” California Penal Code § 29185 makes it
12 unlawful for anyone, other than a state-licensed manufacturer, to “use a computer numerical
13 control (CNC) milling machine or three-dimensional printer to manufacture a firearm.” Under
14 Section 3273.62(b), there is a rebuttable presumption that a person has violated Section
15 3273.62(a) if “(1) [t]he person offers to sell, advertises, or markets a CNC milling machine or
16 three-dimensional printer in a manner that, under the totality of the circumstances, is targeted at
17 purchasers seeking to manufacture firearms or that otherwise affirmatively promotes the
18 machine or printer’s utility in manufacturing firearms, regardless of whether the machine or
19 printer is otherwise described or classified as having any other capabilities” and “(2) [t]he
20 person sells or transfers the CNC milling machine or three-dimensional printer . . . without
21 verifying that a purchaser or transferee in this state is a federally licensed firearms manufacturer
22 or not otherwise prohibited from purchasing or using the machine or printer to manufacture
23 firearms.” Both conditions are met, entitling Plaintiff to a rebuttable presumption that
24 Defendants have violated Section 3273.62(a).

25 *First*, Defendants are selling, offering to sell, advertising, and marketing the Coast
26 Runner to the California market on Coast Runner’s website. Coast Runner, Inc. is currently
27 accepting deposits, and its website states that the “official ship date” for the Coast Runner

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1 machines is September 2024, although certain “early access” machines may have been shipped
2 as early as April. (Cooley Decl. ¶ 31.)

3 Defendants have directly marketed the Coast Runner to California purchasers seeking to
4 manufacture firearms and have otherwise affirmatively promoted the Coast Runner’s utility in
5 manufacturing firearms. From its inception, the Coast Runner was designed and marketed
6 specifically for California purchasers seeking to manufacture firearms who may have otherwise
7 been prohibited under California Penal Code § 29185 from purchasing Defendants’ Ghost
8 Gunner. Aside from its name and a new coat of paint, the Coast Runner is identical to the Ghost
9 Gunner, a CNC milling machine designed specifically to allow users to manufacture their own
10 ghost guns. Not only do the Coast Runner and the Ghost Gunner share the exact same technical
11 specifications, but the Coast Runner’s Operator’s Manual refers to the Coast Runner as the
12 Ghost Gunner, using the initials “GG.” In addition, Defendants state, in a separately operated
13 website for the Ghost Gunner, that “California residents ordering a GG CNC machine consent to
14 receiving a Coast Runner CNC machine in lieu of a GG.” (*Id.* at ¶ 22.) Thus, Defendants have
15 treated the Coast Runner and the Ghost Gunner as one and the same—products capable of
16 manufacturing untraceable ghost gun firearms. Despite Defendants’ effort to differentiate the
17 Coast Runner and avoid any overt description of the Coast Runner’s firearm-manufacturing
18 capabilities, in early 2024, Defendants exhibited the Coast Runner in its own booth at the SHOT
19 Show and promoted it as one of the hottest new products in the firearms industry. (*Id.* at ¶ 13.)
20 Further, Defendants plan to market the Coast Runner, in person, at an event in California on
21 October 18-20. (*Id.* at ¶ 29.) Under the totality of the circumstances, Defendants, in the course
22 of selling, advertising, and marketing the Coast Runner, have both targeted purchasers seeking
23 to manufacture firearms and have affirmatively promoted the Coast Runner’s utility in
24 manufacturing firearms.

25 *Second*, Defendants sell the Coast Runner without verifying that purchasers are federally
26 licensed firearms dealers or are not otherwise prohibited from purchasing or using the Coast
27 Runner to manufacture firearms. Based on the purchasing procedure set out in Defendants’
28 Coast Runner website, to receive the Coast Runner, customers need only pay 10% of the full

price of the machine “to secure their spot in line” and make a “final balance payment” before shipment. (*Id.* at ¶ 31.) Defendants neither require customers to submit any documentation to verify that they are federally or state-licensed firearms manufacturers nor require customers to certify that they are permitted to use the Coast Runner machine to manufacture firearms. (*Id.*) Having satisfied both conditions set out under Section 3273.62(b), Plaintiff is entitled to a rebuttable presumption that Defendants have violated Section 3273.62(a). Given the extensive evidence outlined above, Defendants cannot rebut that presumption.

2. Defendants Also Have Violated California’s Unfair Competition Law.

The UCL prohibits, “any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising.” Cal. Bus. & Prof. Code § 17200. “The UCL’s purpose is to protect both consumers and competitors by promoting fair competition in commercial markets for goods and services” and its scope “is broad.” *People v. Ashford Univ., LLC*, 100 Cal. App. 5th 485, 506-07 (2024) (citations omitted).

The unlawful prong of the UCL “embrac[es] anything that can properly be called a business practice and that at the same time is forbidden by law.” *Rubin v. Green*, 4 Cal. 4th 1187, 1200 (1993) (citation omitted). “By proscribing ‘any unlawful’ business practice, ‘section 17200 borrows violations of other laws and treats them as unlawful practices’ that the unfair competition law makes independently actionable.” *Abbott Lab’ys v. Superior Ct. of Orange Cnty.*, 9 Cal. 5th 642, 651 (2020) (internal quotation marks and citation omitted). Thus, the unlawful practices prohibited by the UCL include any business practice “forbidden by law, be it civil or criminal, federal, state, or municipal, statutory, regulatory, or court-made.” *Saunders v. Superior Ct.*, 27 Cal. App. 4th 832, 838-39 (1994). Defendants have committed and are continuing to commit an unlawful act in violation of Section 3273.62 by selling and marketing the Coast Runner to California consumers on their website and other public spaces without verifying that the purchasers are licensed manufacturers.

As for the unfair prong, the UCL prohibits any business practice that “offends an established public policy or when the practice is immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers.” *Smith v. State Farm Mut. Auto. Ins. Co.*, 93 Cal. App. 4th

1 700, 719, *as modified* (Nov. 20, 2001) (citation omitted). The test of whether a business practice
2 is unfair “involves an examination of [that practice’s] impact on its alleged victim, balanced
3 against the reasons, justifications and motives of the alleged wrongdoer.” *Searle v. Wyndham*
4 *Int’l., Inc.*, 102 Cal. App. 4th 1327, 1334 (2002) (internal citations and quotations omitted).
5 “[T]he public policy triggering the violation must be tethered to a constitutional or statutory
6 provision or a regulation carrying out statutory policy.” *Cel-Tech Commc’ns, Inc.*, 20 Cal. 4th at
7 185 (citation omitted).

8 Defendants’ conduct offends the established public policy promulgated by California’s
9 legislature, as reflected in Section 3273.62, which establishes a civil cause of action against
10 those who unlawfully sell, offer to sell, advertise, and market CNC milling machines—like the
11 Coast Runner—to those without a federal or state manufacturer’s license. Defendants’ sale and
12 marketing of the Coast Runner is inherently immoral, unethical, and unscrupulous because the
13 product itself was designed to circumvent California’s laws, like Section 3273.62. Acting in bad
14 faith, Defendants’ scheme to simply rebrand the Ghost Gunner as the Coast Runner for the
15 California market, which will inevitably exacerbate the current gun violence epidemic, is a
16 brazen attempt to subvert California’s laws to the detriment of California consumers without any
17 countervailing consumer benefit. Imposing on California consumers the increased danger that
18 comes with the proliferation of unserialized ghost guns because of Defendants’ illegal
19 misconduct is fundamentally unfair under the UCL.

20 **B. Balancing of Harms Favors Issuing a Preliminary Injunction.**

21 **1. Defendants’ Actions Require Court Intervention.**

22 Issuing a preliminary injunction is also warranted because the balance of harms tips
23 decidedly in Plaintiff’s favor. When a governmental entity seeks to enjoin illegal activity, “a
24 rebuttable presumption arises that the potential harm to the public outweighs the potential harm
25 to the defendant.” *IT Corp.*, 35 Cal. 3d 63, 72 (1983). The rationale underlying this
26 presumption of harm is rooted in the understanding that, by specifically authorizing injunctive
27 relief against the violation of a law that proscribes certain conduct, a legislative body “has
28 already determined (1) that significant public harm will result from the proscribed activity, and

(2) that injunctive relief may be the most appropriate way to protect against that harm.” *Id.* at 70 (citation omitted).

Thus, where a preliminary injunction is sought and an injunction is already specifically authorized by statute, “a violation thereof is good and sufficient cause for its issuance.” *Paul v. Wadler*, 209 Cal. App. 2d 615, 625 (1962) (“[I]rreparable injury attends the violation of the statute.”); *People ex rel. Gascon v. HomeAdvisor, Inc.*, 49 Cal. App. 5th 1073, 1088, *as modified* (June 5, 2020) (“The court [is] not required to consider evidence of actual consumer harm.”).

2. Because California’s Legislature Has Already Authorized Injunctive Relief, Harm to the Public Is Presumed.

California Civil Code § 3273.62(d) expressly authorizes injunctive relief to prevent any defendant “from further violating the law.” Because the California legislature “has already determined (1) that significant public harm will result from the proscribed activity, and (2) that injunctive relief may be the most appropriate way to protect against that harm,” *IT Corp.*, 35 Cal. 3d 63, 70 (1983), and having demonstrated a reasonable probability of success on the merits, Plaintiff is entitled to a rebuttable presumption that the potential harm to the public outweighs the potential harm to the Defendants.

Defendants can rebut the presumption of harm only if they “show[] that [they] would suffer grave or irreparable harm from the issuance of the preliminary injunction.” *IT Corp.*, 35 Cal. 3d at 72. But, as here, where any alleged harm would stem from having to refrain from illegal conduct, courts have clearly stated that any such “cost of ceasing illegal conduct is not a cognizable injury.” *BBBB Bonding Corp. v. Caldwell*, 73 Cal. App. 5th 349, 378 (2021); *see also Anderson*, 94 Cal. App. 5th 554, 562 (2023) (“[A] party suffers no grave or irreparable harm by being prohibited from violating the law.”) (citation omitted). Any purported harm Defendants may claim to suffer is attributable to their own failure to comply with the law and is, therefore, “self-inflicted.” *Tulare Lake Canal Co. v. Stratford Pub. Util. Dist.*, 92 Cal. App. 5th 380, 404 (2023) (finding that a self-inflicted injury from failing to comply with the law cannot be used to show irreparable harm) (citation omitted). Defendants can suffer no cognizable

1 harm—much less irreparable harm—from having to comply with the law. Therefore, Defendants
2 cannot rebut the presumption of harm to which Plaintiff is entitled.

3 **3. Even Without a Rebuttable Presumption of Harm, Plaintiff Prevails**
4 **Because the Harm to the People of California Is Profound.**

5 Even assuming *arguendo* that Plaintiff is not entitled to a rebuttable presumption of harm,
6 the court can nevertheless determine whether the issuance of a preliminary injunction is proper
7 based on: “(1) the degree of certainty of the outcome on the merits, and (2) the consequences to
8 each of the parties of granting or denying interim relief.” *People v. Uber Techs., Inc.*, 56 Cal.
9 App. 5th 266, 283-84, *as modified on denial of reh’g* (Nov. 20, 2020) (citation omitted). The
10 court has discretion to issue a preliminary injunction where a plaintiff demonstrates a high
11 likelihood of success on the merits even if the plaintiff is unable to show that the balance of
12 harm tips in their favor. *See IT Corp.*, 35 Cal. 3d at 72-73; *Butt v. State of California*, 4 Cal. 4th
13 668, 678 (1992).

14 With or without a rebuttable presumption of harm, Plaintiff prevails because the harm to
15 the People is profound if a preliminary injunction to enjoin the sale of the Coast Runner were to
16 be denied. Defendants’ own filings in federal court recognize that the Coast Runner is a
17 firearm-producing CNC milling machine, stating that “[t]he unregulated self-manufacture of
18 firearms was common in the American colonies” and that “CNC milling machines in particular
19 are the modern-day manifestation of firearm milling technology.” (*People v. Coast Runner*
20 *Indus., Inc.*, (ECF No. 6-1, at 13, 15.)) There is no dispute that Coast Runner is a device
21 designed, marketed, and sold to enable its users to produce unserialized ghost guns. The Coast
22 Runner presents a grave harm to the People because it enables its users to engage in gun
23 violence-related crimes using firearms that are untraceable by law enforcement.

24 As demonstrated, unregulated, unserialized firearms have had tragic consequences in
25 California. In just the last few years, ghost guns have been used in assaults, murders, school
26 shootings, domestic violence encounters, and illegal gun distribution in California. California
27 has more ghost guns recovered each year than any other state, and the proliferation of ghost
28 guns in San Diego has become increasingly apparent, with a significant rise in recoveries.

Specifically designed to produce unserialized and untraceable ghost guns, the Coast Runner will severely undercut law enforcement's ability to address gun-related crimes. The sale and marketing of the Coast Runner will therefore irreparably harm the People by subjecting them to an increased threat of future gun violence. *IT Corp.*, 35 Cal. 3d 63, 73 (1983) ("The ultimate goal of any test to be used in deciding whether a preliminary injunction should issue is to minimize the harm which an erroneous interim decision may cause."); *Tracy Rifle & Pistol LLC v. Harris*, 118 F. Supp. 3d 1182, 1193 (E.D. Cal. 2015), *aff'd*, 637 F. App'x 401 (9th Cir. 2016) (finding that "[t]he costs of being mistaken, on the issue of whether the injunction would have a detrimental effect on handgun crime, violence, and suicide, would be grave"). The Coast Runner will fuel an already growing footprint of ghost gun-related violence across California.

VII. CONCLUSION

For all the foregoing reasons, Plaintiff respectfully asks this Court to enter the requested injunction order enjoining Defendants and their employees, agents, attorneys, experts, assigns, and all those acting in concert with them from: selling, offering to sell, transferring, advertising, or marketing the Coast Runner, and any other CNC milling machine, in California.

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