

Vape Purchasers Say MDL Complaint Shows Price-Fix Scheme

By **Mike Curley**

Law360 (September 22, 2026, 1:21 PM EDT) -- Direct purchasers of vaping products are defending their amended complaint in multidistrict litigation alleging that a Chinese vape company conspired with its distributors to fix prices, saying new allegations in their latest complaint show there was more at work in the arrangement than "ordinary" business dealings.

In a **response brief** filed Friday, Meridian Partners II LLC and Redbud Roots Inc. said the complaint shows that Shenzhen Smoore Technology Co. Ltd. and its four domestic distributors worked together, pointing to communications in which they urged one another to "play by the rules" and abide by agreed-upon minimum pricing for the CCell vape parts that Smoore made.

While the prior complaint's claims of a per se horizontal agreement were dismissed, Meridian and Redbud told the court that additional discovery has yielded facts that bolster their claim that Smoore conspired with the four distributors in a "horizontal agreement" in which they would set minimum prices, refrain from pursuing one another's customers and avoid undercutting one another on price.

Earlier in **September**, Smoore and its co-defendants argued that the complaint doesn't describe a horizontal agreement, but instead ordinary business dealings and separate agreements between Smoore and each distributor.

In Friday's filing, however, the plaintiffs argue that they have sufficiently alleged a "horizontal cartel" starting at the wholesale level, with the manufacturer enforcing restraints on competition and minimum pricing.

According to the brief, the distributors worked with Smoore to protect themselves from competition, even though increased competition was in Smoore's economic self-interest, with the arrangement reflected in an "Annex" of written and signed contracts that bound the distributors to identical anticompetitive deals.

The text of those contracts showed that each of the distributors agreed to identical terms and that Smoore would enforce those terms, the plaintiffs argue.

The brief also points to circumstantial evidence supporting the claim of a horizontal agreement, including references in communications to a need to "follow the rules," parallel conduct, written minimum-price policies, a concentrated market and allegations that the pricing arrangement ran counter to each alleged conspirator's economic self-interest.

The plaintiffs further argue that Smoore's motion to dismiss aims to insert new facts absent from the complaint and asks the court to make inferences in Smoore's favor, rather than drawing them in the plaintiffs' favor, as required at the pleading stage.

Smoore's motion also incorporates documents cited in the complaint but takes them out of context or mischaracterizes them, the plaintiffs argue, such as one distributor advertising a CCell product below the alleged price minimum.

While Smoore argues that this shows there was competition, the plaintiffs counter that another document shows that the distributor was chastised for selling below the minimum and told Smoore "it will not happen again."

A jury should decide what to make of those documents and how to interpret them, the plaintiffs argue, saying Smoore and the distributors can't rely on disputed documents and ask the court for favorable inferences at this stage.

Representatives for the parties could not immediately be reached for comment Tuesday.

Meridian and Redbud are represented by Christopher L. Lebsock, Ida Abhari, Nathaniel C. Giddings, Sean H. Zehmer and Casey L. Danoff of Hausfeld LLP, Joshua H. Grabar of Grabar Law Office and Michelle J. Looby, Dennis Stewart, Daniel C. Hedlund and Bailey Twyman-Metzger of Gustafson Gluek PLLC.

Smoore is represented by Kevin Teruya, William Sears, Lynette Lim and Yixuan Zhu of Quinn Emanuel Urquhart & Sullivan LLP.

The case is In re: CCell Closed Cannabis Oil Vaporization Systems and Components Products Antitrust Litigation, case number 3:25-md-03161, in the U.S. District Court for the Northern District of California.

--Additional reporting by Jonathan Capriel. Editing by Rich Mills.