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**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

DEANNA DORNAUS, individually and on  
behalf of all others similarly situated,

Plaintiff,

v.

BEST BUY CO., INC.,

Defendant.

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

1 **CLASS ACTION COMPLAINT**

2 Plaintiff Deanna Dornaus, on behalf of herself and all others similarly situated, brings  
3 this class action against Defendant Best Buy. Plaintiff bases the allegations set forth herein upon  
4 personal knowledge as to her own experiences and upon information and belief as to the acts or  
5 omissions of Best Buy.

6 **INTRODUCTION**

7 1. Under the guise of “0% interest” or “no interest” promotions, and in its quest to  
8 sell big-ticket items, such as electronics or appliances, Defendant Best Buy tricks consumers into  
9 applying for, accepting, and utilizing what is, in reality, deferred-interest financing that is  
10 confusing, misleading, and deceptive, and that ultimately results in the consumer being subjected  
11 to the punitive imposition of significant and previously undisclosed retroactive interest charges.

12 2. As a sophisticated retailer, Best Buy knows that “the availability of promotional  
13 financing is important to the consumer’s decision to make purchases of ‘big-ticket’ items,” and  
14 that it is “a driver of retailer selection.”<sup>1</sup> In other words, Best Buy knows that its purported “0%  
15 interest” or “no interest” promotions “help sway consumer behavior.”<sup>2</sup>

16 3. As Plaintiff Dornaus recently learned, however, Best Buy’s purported “0%  
17 interest” or “no interest” promotions are in fact nothing of the sort. Instead, they are a deferred-  
18 interest scheme, and as such, they are “a trap for the unwary.”<sup>3</sup> Indeed, by use of such  
19 promotions, Best Buy lures consumers, including Plaintiff, with deceptive promises of “no  
20 interest” or “0% interest” for the duration of a promotional period (e.g., 18 months), “but there is  
21 a debt time bomb at the end: Consumers who don’t pay off the entire balance before the  
22 promotional period ends will be charged interest retroactively back to the date that they bought  
23 the item[.]”<sup>4</sup>

24 <sup>1</sup> Victoria Finkle, *Deferred-Interest Promotions Are Back Under Scrutiny*, New York Times (May 3,  
25 2016); available at <https://www.nytimes.com/2016/05/04/business/dealbook/deferred-interest-promotions-are-back-under-scrutiny.html>

26 <sup>2</sup> *Id.*

27 <sup>3</sup> Chi Chi Wu, *Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards*  
(National Consumer Law Center 2015) at pg. 1.

28 <sup>4</sup> *Id.*

1           4.       By way of illustration, consider a consumer who buys a \$2,500 computer from  
2 Best Buy on January 2, 2016 in connection with an offer touting “0% interest for 12 months.”  
3 Further assume she pays off all but \$100 of the total purchase price by the end of the  
4 promotional period (i.e., January 1, 2017). Despite owing only \$100, she will nevertheless be  
5 charged interest on much of the \$2,500, dating back a full year to January 2, 2016, the date of  
6 her initial purchase.

7           5.       Application of this undisclosed deferred interest results in the outstanding balance  
8 on the credit account increasing dramatically. Indeed, assuming an interest rate of 24% (which is  
9 typical for store-branded credit accounts), up to \$400 in retroactive interest will be assessed and  
10 added to the consumer’s balance. If she cannot pay that new balance off immediately, she then  
11 starts paying interest on top of the back interest.

12           6.       This is exactly what happened to Plaintiff, who fell victim to Best Buy’s  
13 deception in March 2015, when she made a \$1,515 supposed 0% interest purchase, only to be  
14 shocked with the imposition of a \$609 lump-sum, retroactive interest charge at the end of the 18  
15 month promotional period amount.

16           7.       Best Buy’s promotions are “inherently unfair,” as their profits depend on  
17 “trapping consumers” by “confusion,” thereby “imposing a huge lump sum retroactive interest  
18 charge on those least able to handle it.”<sup>5</sup>

19           8.       Specifically, Best Buy misleads and deceives consumers by using high pressure  
20 sales tactics, including: (a) aggressive salespeople, who receive additional compensation based  
21 on the number of customers they convince to sign up for Best Buy’s store-branded credit  
22 accounts; (b) prominent in-store advertisements that tout “0% interest” while omitting reference  
23 to the assessment of retroactive interest back to the date of initial purchase, even on amounts  
24 already paid off; and (c) a virtually instantaneous credit application and approval process, which  
25 Best Buy designed to ensure deception by providing consumers with little or no opportunity to  
26 review and consider the true credit terms.

27 \_\_\_\_\_  
28 <sup>5</sup> *Id.* at 2.

1           9.       In addition to the foregoing, Best Buy knows: (a) that consumers are regularly  
2 exposed to true 0% interest promotions in the stream of commerce (which do not include  
3 retroactive assessments of interest like Best Buy’s promotion); (b) that consumers do not  
4 understand that Best Buy’s purported “0% interest” or “no interest” promotion is actually a  
5 deferred-interest scheme; (c) that consumers do not understand how deferred-interest works  
6 generally, or that they will be charged interest retroactive to the date of purchase on more than  
7 the balance remaining at the end of the promotional period; and (d) that consumers cannot or  
8 will not pay their balance in full by the end of the promotional period, thus becoming subject to  
9 the foregoing punitive terms requiring them to pay significant amounts of deferred or retroactive  
10 interest.

11           10.       In reliance on Best Buy’s deceptive misrepresentations or omissions, including  
12 the fact that Best Buy omits or disguises the true terms of its so-called “0% interest” or “no  
13 interest” promotions, consumers are convinced to make purchases they otherwise would not  
14 make had they known the truth. Indeed, had Best Buy told her the truth about its so-called “0%  
15 interest” or “no interest” promotion, Plaintiff never would have made the subject purchases  
16 and/or would not have enrolled in the “0% interest or “no interest” promotion.

17           11.       On behalf of herself and all others similarly situated, Plaintiff brings this putative  
18 class action seeking monetary damages, restitution, declaratory relief, and injunctive relief  
19 against Defendant Best Buy for the misleading, deceptive, and ultimately false representations  
20 and omissions made with respect its so-called “0% interest” or “no interest” promotions, and the  
21 purchases made pursuant to those promotions with its store-branded credit at its retail locations.

#### **JURISDICTION AND VENUE**

22  
23           12.       This Court has original jurisdiction of this action under the Class Action Fairness  
24 Act of 2005. Pursuant to 28 U.S.C. §§ 1332(d)(2) and (6), this Court has original jurisdiction  
25 because the aggregate claims of the putative Class exceed \$5 million, exclusive of interest and  
26 costs, and at least one of the members of the proposed classes is a citizen of a different state than  
27 Best Buy.

1 13. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because Best Buy is  
2 subject to personal jurisdiction here, regularly conducts business in this District, and because a  
3 substantial part of the events or omissions giving rise to the claims asserted herein occurred in  
4 this District.

5 **THE PARTIES**

6 14. Plaintiff Deanna Dornaus resides in Crescent City, California and is a citizen of  
7 the State of California.

8 15. At all times material herein, Defendant Best Buy was and is a nationwide retailer  
9 of appliances, electronics, and other consumer goods with its principal place of business and  
10 headquarters located in Minnesota. It regularly conducts business in California and elsewhere.

11 16. Best Buy markets and sells appliances, electronics, and other consumer goods  
12 through a nationwide network of stores, including the one at which Plaintiff Dornaus shopped  
13 and made the purchases described herein.

14 **FACTUAL ALLEGATIONS**

15 17. Best Buy encourages consumers to make expensive purchases with promises of  
16 “0% interest” or “no interest,” but only if those purchases are paid back in full within a specified  
17 period of time (usually 12 to 18 months)—a material term intentionally omitted by Best Buy’s  
18 employees and in-store advertisements.

19 18. If consumers fail to pay off their entire purchase balance by the end of the  
20 promotional period, and leave a small remaining balance, they are retroactively charged interest  
21 from the date of the initial purchase on more than that small remaining balance—another  
22 material term intentionally omitted by Best Buy.

23 19. For example, if a consumer makes a \$1,000 purchase from Best Buy under a 12-  
24 month “0% interest” promotion, and then pays back \$900 of that purchase by the end of the 12-  
25 month period, Best Buy doesn’t simply begin assessing interest on the remaining \$100 balance  
26 at that point. Instead, it charges interest on a larger amount of the whole purchase price  
27 retroactive to the initial date of purchase.

1           20.     Thus, Best Buy’s purported “0% interest” or “no interest” promotion is really  
 2 nothing of the sort. Under true 0% interest promotions, “consumers are not assessed interest  
 3 retroactively if the promotional balance is not paid in full by the end of the promotional period.”<sup>6</sup>  
 4 Instead, following the promotional period, “the interest rate converts to the regular rate, and the  
 5 interest begins to accrue only on remaining balances.”<sup>7</sup>

6           21.     In contrast, under Best Buy’s deferred-interest scheme:

7           [I]nterest actually starts accruing from the date of purchase and will be added back on  
 8 top of the remaining principal balance if the promotional balance is not paid in full by  
 9 the deadline at the end of the promotional period. Given that the non-promotional  
 10 interest rate on these offers is generally around 25%, the interest charge imposed as a  
 11 lump sum on affected consumers can be substantial. Those who fail to pay off the  
 balance in full, for example those with even a very small balance carried past the  
 promotional expiration date, can end up owing much more interest than the remaining  
 balance due.<sup>8</sup>

12          22.     Per the Consumer Financial Protection Bureau (CFPB):

13           Deferred interest is a form of promotional financing typically linked to private  
 14 label credit cards that consumers can use for large purchases. These offers  
 15 retroactively assess and charge interest if the balance is not paid in fully by a specific  
 16 date. The interest rate on these cards is often substantially higher than the rate on  
 17 standard general purpose credit cards. As a result, for consumers who have available  
 18 credit on a general purpose credit card and who cannot repay the entire balance  
 during the deferred interest period, deferred interest promotions can sometimes be  
 more expensive than revolving the same balance on their existing card.

19           [...]

20           . . . In contrast to the promotional rates found in the general-purpose credit  
 21 card market – which often provide an interest-free period with no potential retroactive  
 22 assessment of interest – deferred interest products can end up costing a significant  
 23 segment of vulnerable consumers a sizable amount of money.<sup>9</sup>

24          23.     As one of, if not the, largest retailers of consumer electronics in the United States,  
 25 Best Buy knows the difference between a true “0% interest” promotion and a deferred-interest

26 \_\_\_\_\_  
 27 <sup>6</sup> June 1, 2017 correspondence from CFPB Director Richard Cordray, available at  
 28 <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-encourages-retail-credit-card-companies-consider-more-transparent-promotions/>

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Consumer Financial Protection Bureau, *CARD Act Report: A review of the impact of the CARD Act on the consumer credit card market* (Oct. 1, 2013) at pgs. 78, 81.

1 promotion. Most reasonable consumers, however, do not. Indeed, per CFPB Director Richard  
 2 Cordray, most consumers “do not fully understand how deferred-interest promotions operate and  
 3 the manner in which interest is assessed” on purchases made in connection with such  
 4 promotions,<sup>10</sup> including the high interest rate risk that might occur at the end of the promotional  
 5 period.”<sup>11</sup>

6 24. A consumer survey conducted of 1,000 American adults during the 2017 holiday  
 7 shopping season confirms the foregoing facts, noting that fully “72% of Americans considering  
 8 using financing this holiday are not aware there is a costly catch to ‘deferred interest’  
 9 promotions on store credit cards.”<sup>12</sup> The same survey revealed that “[o]nly 28% of consumers  
 10 correctly answered a question about how interest would be charged when presented with basic  
 11 “no interest if paid in full store credit card terms.”<sup>13</sup>

12 25. Best Buy knows this, and exploits it by utilizing a deferred-interest scheme that is  
 13 characterized by “a lack of transparency,” and that “can harm consumers.”<sup>14</sup> Indeed, it has been  
 14 described by the National Consumer Law Center as “one of the biggest abuses that remain after  
 15 the passage of the Credit Card Accountability Responsibility and Disclosures (CARD) Act of  
 16 2009.”<sup>15</sup>

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 20 <sup>10</sup> June 1, 2017 correspondence from CFPB Director Richard Cordray, available at  
 21 <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-encourages-retail-credit-card-companies-consider-more-transparent-promotions/>

22 <sup>11</sup> Consumer Financial Protection Bureau, *CARD Act Report: A review of the impact of the CARD*  
 23 *Act on the consumer credit card market* (Oct. 1, 2013) at pg. 81.

24 <sup>12</sup> Kira Brecht, *72% of people considering a no interest deal for holiday shopping don't understand*  
 25 *how deferred interest works* (Nov. 16, 2017). Available at

26 <http://www.comparecards.com/blog/survey-holiday-shoppers-dont-understand-store-card-trap/>

27 <sup>13</sup> *Id.*

28 <sup>14</sup> June 1, 2017 correspondence from CFPB Director Richard Cordray, available at  
<https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-encourages-retail-credit-card-companies-consider-more-transparent-promotions/>

<sup>15</sup> Chi Chi Wu, *Deceptive Bargain: The Hidden Time Bomb of Deferred Interest Credit Cards*  
 (National Consumer Law Center 2015) at pg. 2.

1           26. Reasonable consumers like Plaintiff are routinely deceived by Best Buy’s  
2 misleading, deceptive, unfair and unconscionable representations and omissions relative to its  
3 purported “0% interest” or “no interest” promotions.

4           27. Best Buy knows that reasonable consumers do not appreciate the difference  
5 between true “0% interest” promotions and deferred-interest promotions, and it also knows that  
6 many consumers will not pay off the entire balance of their deferred-interest purchases before  
7 the end of the promotional period, thereby becoming subject to retroactive interest assessments.  
8 Indeed, according to the CFPP, “only 56.9% of consumers with [credit] scores below 660  
9 successfully paid off their balance at the end of the promotional period,”<sup>16</sup> and “more than a  
10 third of people with both promotional and other types of purchases who are assessed deferred  
11 interest pay in excess of 150% of their promotional balance during that period.”<sup>17</sup>

12           28. Best Buy exploits the foregoing lack of transparency and consumers’  
13 corresponding lack of understanding by advertising and marketing its promotions using the  
14 phrases “0% interest” or “no interest” to mislead, confuse, and deceive consumers into believing  
15 they are signing up for a true “0% interest” offer, which they are not. Best Buy then rushes  
16 consumers through a virtually instantaneous credit application and approval process, which has  
17 been designed to ensure they do not discover the true terms of the promotion; i.e., that should  
18 they fail to pay off the entire balance of the purchase price by the end of the promotional period,  
19 interest will be retroactively applied on more than the balance remaining at the end of the  
20 promotional period.

21           29. In its retail stores, Best Buy provides written and verbal assurances that purchases  
22 made in connection with its promotions will be subject to “NO INTEREST IF PAID IN FULL  
23 WITHIN 12 MONTHS.” While some of Best Buy’s in-store displays note (in smaller print) that  
24 “interest will be charged to your account from the purchase date if the purchase price is not paid  
25 in full in 12 months,” they do not inform consumers that interest will be retroactively applied on

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27 <sup>16</sup> Consumer Financial Protection Bureau, *CARD Act Report: A review of the impact of the CARD Act on the consumer credit card market* (Oct. 1, 2013) at pg. 80.

28 <sup>17</sup> June 1, 2017 correspondence from CFPB Director Richard Cordray, *supra*, note 14.



1 more than the balance remaining at the end of the promotional period. By reason of the  
2 foregoing representations or omissions, Best Buy’s disclosures are incomplete, confusing,  
3 misleading, deceptive, and ultimately false. Indeed, the most reasonable way to read Best Buy’s  
4 fine print disclosure (which itself conflicts with the prominent “no interest” disclosure) is that  
5 interest is not imposed during the promotional period, and that upon the expiration thereof, it is  
6 retroactively imposed only on the remaining unpaid balance. For example, if a consumer makes  
7 a \$1,000 purchase and pays off \$800, that the accrued deferred interest would apply only for the  
8 remaining \$200.

9         30. Having piqued consumers’ interest with displays prominently touting “0%  
10 interest” or “no interest,” Best Buy then subjects consumers to sales associates who, upon  
11 information and belief, receive additional compensation for convincing them to sign up for its  
12 promotional credit offers, and who thus pressure them to do so. Best Buy associates do not  
13 inform consumers they are signing up for a deferred-interest promotion – as opposed to the true  
14 “0% interest” promotion Best Buy has promised – and they rush consumers through an  
15 application process that takes mere minutes and is designed to ensure they have no meaningful  
16 opportunity to review or understand the written terms of the promotion, which likewise fail to  
17 inform consumers that interest will be retroactively applied on more than the balance remaining  
18 at the end of the promotional period if the balance is not paid off before the end of the  
19 promotional period.

20         31. The applications are almost always instantly approved, whereupon purchases are  
21 immediately added to the balance of the newly-opened account. Best Buy designed this  
22 simultaneous application/approval/purchase sequence to ensure that consumers rely on its  
23 misleading promises of “0% interest” or “no interest,” and to further ensure that they have no  
24 meaningful opportunity to review or understand the terms of the credit for which they are  
25 signing up.

26                   **PLAINTIFF’S DISCOVERY OF BEST BUY’S SCHEME**

1           32. Plaintiff first heard about Best Buy’s purported “0% interest” promotion from a  
2 Best Buy sales person when she was shopping at a Best Buy store in California on March 16,  
3 2015.

4           33. The Best Buy salesperson informed Plaintiff that if she qualified, she would  
5 receive 18 months with no interest on her purchase. She believed this was true. The Best Buy  
6 salesperson never informed Plaintiff that if she failed to pay off the entire balance of the account  
7 before the end of the 18 month promotional period she would: (a) be required to pay interest  
8 retroactive to the initial date of purchase; and (b) that retroactive interest would be assessed on  
9 more than the balance outstanding at the end of the promotional period.

10           34. On that same visit, at the urging of the Best Buy salesperson, and in reliance on  
11 Best Buy’s representation that she would be charged no interest on her purchase for a period of  
12 18 months, Plaintiff applied for the store branded-offered credit.

13           35. The application process took approximately 5 minutes, and Plaintiff’s application  
14 was approved within seconds, whereupon she made a purchase in the amount of \$1,515.

15           36. At no time prior to the sale being finalized and the purchase being price added to  
16 her newly-opened account did the Best Buy salesperson: (a) explain the difference between a  
17 true “0% interest” or “no interest” promotion and a deferred-interest promotion; (b) inform  
18 Plaintiff that Best Buy’s promotion was not a true “0% interest” or “no interest” promotion; (c)  
19 inform Plaintiff she would be required to pay interest retroactive to the initial date of purchase;  
20 and d) inform Plaintiff that retroactive interest would be assessed on more than the balance  
21 outstanding at the end of the promotional period.

22           37. Had Best Buy informed her about the true nature of its purported “0% interest” or  
23 “no interest” promotion, Plaintiff would not have made the subject purchase and/or would not  
24 have enrolled in the “0% interest” promotion.

25           38. Despite making timely payments and paying off a significant portion of the initial  
26 purchase price during the promotional period, Plaintiff was unable to pay off the entire balance,  
27 and was hit with \$606 dollars in retroactive interest when it expired.

1 **CLASS ALLEGATIONS**

2 39. Plaintiff brings this action on behalf of herself and all others similarly situated  
3 pursuant to Fed. R. Civ. P. 23(a), (b)(2), and (b)(3). This action satisfies the numerosity,  
4 commonality, typicality, adequacy, predominance, and superiority requirements of Rule 23.

5 40. The proposed Class is defined as:

6 All persons in the State of California who, within the applicable statute of  
7 limitations preceding the filing of this action through class certification, made  
8 purchases on store-issued credit and were later charged retroactive, lump-sum  
9 interest on an amount greater than the balance remaining at the end of the  
10 promotional period.

11 41. Plaintiff reserves the right to modify or amend the definition of the proposed  
12 Class before the Court determines whether certification is appropriate.

13 42. Excluded from the Class are Best Buy, its parents, subsidiaries, affiliates, officers  
14 and directors, any entity in which Best Buy has a controlling interest, all customers who make a  
15 timely election to be excluded, governmental entities, and all judges assigned to hear any aspect  
16 of this litigation, as well as their immediate family members.

17 43. Certification of Plaintiff's claims for class-wide treatment is appropriate because  
18 Plaintiff can prove the elements of her claims on a class-wide basis using the same evidence as  
19 individual Class members would use to prove those elements in individual actions alleging the  
20 same claims.

21 44. Numerosity; Rule 23(a)(1): The members of the Class are so numerous that  
22 joinder is impractical. The Class consist of many thousands of members, the identities of whom  
23 are within the knowledge of and can be ascertained only by resort to Best Buy's records.

24 45. The claims of the representative Plaintiff are typical of the claims of the Class in  
25 that the representative Plaintiff, like all Class members, received store credit and has been  
26 damaged by Best Buy's misconduct in that they have been harmed by the same deceptive,  
27 misleading, and/or fraudulent representations, omissions, pretenses, and practices. Furthermore,  
28 the factual basis of Best Buy's misconduct is common to all Class members, and represents a

1 common thread of unfair and unconscionable conduct resulting in injury to all members of the  
2 Class.

3 46. Predominance; Rule 23(a)(2): There are numerous questions of law and fact  
4 common to the Class and those common questions predominate over any questions affecting  
5 only individual Class members.

- 6 47. Among the questions of law and fact common to the Class are whether Best Buy:
- 7 a. Unlawfully, falsely, deceptively, or misleadingly represented that
  - 8 purchases would be under a 0% interest promotion, when that was not
  - 9 actually the case;
  - 10 b. Unlawfully, falsely, deceptively, or misleadingly induced Class members
  - 11 into making purchases on store credit based on misrepresentations,
  - 12 omissions, or false promises;
  - 13 c. Wrongfully omitted that the 0% promotion would result in the assessment
  - 14 of significant amounts of retroactive interest;
  - 15 d. To the extent applicable, whether and how long Best Buy fraudulently
  - 16 concealed its past and ongoing wrongful conduct from Plaintiff and other
  - 17 members of the Class;
  - 18 e. Was unjustly enriched through its conduct; and
  - 19 f. Violated consumer protection and other state laws.

20 48. Other questions of law and fact common to the Class include:

- 21 a. The proper method or methods by which to measure damages; and
- 22 b. The declaratory and injunctive relief to which the Class are entitled.

23 49. Typicality; Rule 23(a)(3): Plaintiff's claims are typical of the claims of other  
24 Class members, in that they arise out of the same wrongful conduct and the same or substantially  
25 similar unconscionable conduct by Best Buy. Plaintiff has suffered the harm alleged and has no  
26 interests antagonistic to the interests of any other Class member.

27 50. There are no defenses available to Defendant that are unique to Plaintiff.

1           51.     Adequacy of Representation; Rule 23(a)(4): Plaintiff is committed to the vigorous  
2 prosecution of this action and has retained competent counsel experienced in the prosecution of  
3 class actions generally, and, in particular, class actions on behalf of consumers. Accordingly,  
4 Plaintiff is an adequate representative and will fairly and adequately protect the interests of the  
5 Class.

6           52.     Injunctive or Declaratory Relief; Rule 23(b)(2): The requirements for maintaining  
7 a class action pursuant to Rule 23(b)(2) are met as Defendant has acted or refused to act on  
8 grounds generally applicable to the Class, thereby making appropriate final injunctive relief or  
9 corresponding declaratory relief with respect to the Class as a whole.

10          53.     Superiority; Rule 23(b)(3): A class action is superior to other available methods  
11 for the fair and efficient adjudication of this controversy. Since the amount of each individual  
12 Class member's claim is small relative to the complexity of the litigation, and due to the  
13 financial resources of Best Buy, no Class member could afford to seek legal redress individually  
14 for the claims alleged herein. Therefore, absent a class action, the Class members will continue  
15 to suffer losses and Best Buy's misconduct will proceed without remedy.

16          54.     Even if Class members themselves could afford such individual litigation, the  
17 court system could not. Individualized litigation would significantly increase the delay and  
18 expense to all parties and to the Court. Individualized litigation would also create the potential  
19 for inconsistent or contradictory rulings. By contrast, a class action presents far fewer  
20 management difficulties, allows claims to be heard which might otherwise go unheard because  
21 of the relative expense of bringing individual lawsuits, and provides the benefits of adjudication,  
22 economies of scale and comprehensive supervision by a single court.

23  
24                                   **FIRST CLAIM FOR RELIEF**  
25                                   **Fraud and Fraudulent Inducement**  
26                                   **(On Behalf of the Class)**

27          55.     Plaintiff repeats the preceding paragraphs as if set forth fully herein.  
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**Negligent Misrepresentation or Omission**  
**(On Behalf of the Class)**

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63. Plaintiff repeats the preceding paragraphs as if set forth fully herein.

64. Best Buy had or undertook a duty to accurately and truthfully represent to consumers the truth regarding Best Buy’s statements about its purported “0% interest” or “no interest” promotions.

65. Best Buy failed to exercise ordinary care in making representations concerning its “0% interest” or “no interest” promotions.

66. Best Buy negligently misrepresented or omitted the true facts of its “0% interest” or “no interest” promotions.

67. Best Buy’s statements were false at the time the misrepresentations were made, or the omissions were not made.

68. Best Buy knew, or reasonably should have known, that its representations alleged herein were materially false or misleading, or that its omission of material facts rendered such representations false or misleading. Best Buy also knew, or had reason to know, that its misrepresentations and omissions would induce Class members to use store credit to make purchases they otherwise would not make.

69. As a direct and proximate result of Best Buy’s acts and omissions described herein, Plaintiff and the Class members have suffered harm, and will continue to do so.

70. Best Buy’s misrepresentations or omissions were material and were a substantial factor in Plaintiff and the Class members using store credit to make purchases they otherwise would not make.

71. Best Buy induced Plaintiff and the Class members to use store credit to make purchases they otherwise would not make, or had reckless disregard for same.

72. But for these misrepresentations or omissions, Plaintiff and the Class members would not have used store credit to make purchases they otherwise would not make.

1 73. Plaintiff and the Class members were justified in relying on Best Buy’s  
2 misrepresentations and omissions. The same or substantively identical misrepresentations were  
3 communicated, and/or the same or substantively identical omissions were not communicated, to  
4 each Class member, including through promotional materials prepared and disseminated by Best  
5 Buy.

6 74. Plaintiff and Class members were damaged as a direct and proximate result of  
7 Best Buy’s misrepresentations or omissions alleged herein.

8  
9 **THIRD CLAIM FOR RELIEF**  
10 **Consumers Legal Remedies Act (CLRA) Cal. Civ. Code § 1750 et seq.**  
11 **(On Behalf of the Class)**

12 75. Plaintiff repeats the preceding paragraphs as if set forth fully herein.

13 76. Plaintiff and each of the Class members are “consumers” within the meaning of  
14 Civil Code § 1761(d).

15 77. Plaintiff and Class members made “transactions” with Defendant within the  
16 meaning of Civil Code § 1761(e).

17 78. Plaintiff and the Class purchased “goods” from Defendant within the meaning of  
18 §§ 1761(a).

19 79. Defendant’s actions, representations, and conduct have violated, and continue to  
20 violate, the CLRA because they extend to transactions that are intended to result, or that have  
21 resulted, in the sale of goods or services to any consumer.

22 80. Specifically, Best Buy’s conduct in making confusing, misleading, deceptive or  
23 false representations or omissions with respect to its purported “0% interest” or “no interest”  
24 promotions, as set forth at length in the preceding paragraphs, constitutes the use of unfair,  
25 unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce in  
26 violation of the CLRA.



1 81. As detailed at length in the preceding paragraphs, Plaintiff and members of the  
2 Class relied, or may be presumed to have relied, upon Best Buy's representations or omissions  
3 with respect to its purported "0% interest" or "no interest" promotions.

4 82. As set forth at length in the preceding paragraphs, Best Buy intended that  
5 Plaintiff and the members of the Class would rely on its representations or omissions with  
6 respect to its purported "0% interest" or "no interest" promotions.

7 83. Plaintiff and members of the Class were entitled to know that Best Buy's  
8 purported "0% interest" or "no interest" promotion was a sham.

9 84. Had Best Buy told the truth about its so-called "0% interest" or "no interest"  
10 promotion, Plaintiff and the members of the Class never would have made the purchases they  
11 made in connection with those promotions and/or would not have enrolled in the "0% interest"  
12 promotion.

13 85. Plaintiff and members of the Class have been injured and have suffered loss of  
14 money or property as a direct and proximate result of Best Buy's utilization of unfair,  
15 unconscionable, or deceptive methods, acts, or practices in violation of the CLRA as detailed at  
16 length in the preceding paragraphs.

17 86. Plaintiff and the Class seek declaratory relief, injunctive relief, and other relief  
18 allowable under Bus. & Prof. Code § 17203, including but not limited to enjoining Defendant  
19 from continuing to engage in the unfair, unlawful, and fraudulent conduct alleged herein.

20 87. Pursuant to Section 1782(d) of the CLRA, Plaintiff reserves the right to amend  
21 this Complaint to include a request for damages under the CLRA pursuant to Section 1782(a) of  
22 the CLRA within thirty (30) days of providing the required notice.

23 88. Plaintiff's affidavit stating facts showing that venue in this District is proper  
24 pursuant to Cal. Civ. Code § 1780(c) is attached hereto.

25  
26 **FOURTH CLAIM FOR RELIEF**  
27 **Violation of California Unfair Competition Law**  
28 **Business and Professions Code § 17200**  
**(On Behalf of the Class)**

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89. Plaintiff repeats the preceding paragraphs as if set forth fully herein.

90. Defendant’s conduct described herein violates the Unfair Competition Law (the “UCL”), codified at California Business and Professions Code section 17200, *et seq.*

91. The UCL prohibits, and provides civil remedies for, unfair competition. Its purpose is to protect both consumers and competitors by promoting fair competition in commercial markets for goods and services. In service of that purpose, the Legislature framed the UCL’s substantive provisions in broad, sweeping language.

92. By defining unfair competition to include any “any unlawful, unfair or fraudulent business act or practice,” the UCL permits violations of other laws to be treated as unfair competition that is independently actionable, and sweeps within its scope acts and practices not specifically proscribed by any other law.

93. As further explained herein, Defendant’s conduct violates the UCL’s “unfair” prong insofar as Defendant charges undisclosed retroactive interest.

94. Defendant’s conduct was not motivated by any business or economic need or rationale. The harm and adverse impact of Defendant’s conduct on members of the general public was neither outweighed nor justified by any legitimate reasons, justifications, or motives.

95. The harm to Plaintiff and Class Members arising from Defendant’s unfair practices relating to the imposition of the improper fees outweighs the utility, if any, of those practices.

96. Defendant’s unfair business practices as alleged herein are immoral, unethical, oppressive, unscrupulous, unconscionable and/or substantially injurious to Plaintiff and members of the Class.

97. Defendant’s conduct was substantially injurious to consumers in that they have been forced to pay improper, abusive, and/or unconscionable interest payments.

98. Moreover, Defendant committed fraudulent business acts and practices in violation of Cal. Bus. & Prof. Code § 17200, *et seq.*, when it affirmatively and knowingly

1 misrepresented its “0% interest” and “No interest” promotions, and failed to disclose the  
2 potential for retroactive interest.

3 99. Plaintiff relied on Defendant’s misrepresentations and omissions. Had Best Buy  
4 told the truth about its so-called “0% interest” or “no interest” promotion, Plaintiff and the  
5 members of the Class never would have made the purchases they made in connection with those  
6 promotions and/or would not have enrolled in the “0% interest” promotion.

7 100. Moreover, Defendant committed unlawful business acts and practices in violation  
8 of Cal. Bus. & Prof. Code § 17200, *et seq.*, when it violated the CLRA, as alleged herein.

9 101. As a result of Defendant’s violations of the UCL, Plaintiff and members of the  
10 Class have have suffered and will continue to suffer actual damages in the form of retroactive  
11 interest.

12  
13 **FIFTH CLAIM FOR RELIEF**

14 **Unjust Enrichment**  
15 **(On Behalf of the Class)**

16 102. Plaintiff repeats the preceding paragraphs as if set forth fully herein.

17 103. By means of Best Buy’s wrongful conduct as detailed at length in the preceding  
18 paragraphs, Best Buy knowingly induced Plaintiff and members of the Class to apply for and use  
19 its purported “0% interest” or “no interest” credit offer by fraudulent, unfair, deceptive,  
20 unconscionable, and/or oppressive means.

21 104. Best Buy knowingly and wrongfully received and retained benefits from Plaintiff  
22 and members of the Class. In so doing, Best Buy acted intentionally or with conscious disregard  
23 for the rights of Plaintiff and members of the Class.

24 105. As a direct and proximate result of Best Buy’s wrongful conduct as detailed at  
25 length in the preceding paragraphs, Best Buy has been unjustly enriched at the expense, and to  
26 the detriment, of Plaintiff and members of the Class.

27 106. Best Buy’s unjust enrichment is traceable to, and resulted directly and  
28 proximately from, its wrongful conduct detailed at length in the preceding paragraphs.

1 107. It is unfair and inequitable for Best Buy to be permitted to retain the benefits it  
2 received, and is still receiving, without justification, from the wrongful conduct alleged herein.  
3 Best Buy's retention of such benefits under the circumstances is inequitable.

4 108. The financial benefits derived by Best Buy rightfully belong to Plaintiff and  
5 members of the Class, in whole or in part. Best Buy should be compelled to account for and  
6 disgorge in a common fund for the benefit of Plaintiff and members of the Class all wrongful or  
7 inequitable proceeds received from them. A constructive trust should be imposed upon all  
8 wrongful or inequitable sums received by Best Buy traceable to Plaintiff and the members of the  
9 Class.

10 109. Plaintiff and members of the Class have no adequate remedy at law.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiff and the Class demand a jury trial on all claims so triable and  
13 judgment as follows:

- 14 1. Declaring Best Buy's conduct alleged herein to be fraudulent, deceptive,  
15 wrongful, unfair, inequitable, and unconscionable;
- 16 2. Restitution owing to Plaintiff and the Class as a result of the wrongs alleged  
17 herein in an amount to be determined at trial;
- 18 3. An accounting and disgorgement of the ill-gotten gains derived by Best Buy's  
19 misconduct;
- 20 4. Actual damages in an amount according to proof;
- 21 5. An injunction enjoining Best Buy from engaging in the same wrongful conduct  
22 going forward including requiring Best Buy to adequately disclose facts to render truthful its  
23 representations;
- 24 6. Punitive and exemplary damages;
- 25 7. Pre-judgment and post-judgment interest at the maximum rate permitted by  
26 applicable law;

1 8. Costs and disbursements assessed by Plaintiff in connection with this action,  
2 including reasonable attorneys' fees; and

3 9. Such other relief as this Court deems just and proper.

4 **DEMAND FOR JURY TRIAL**

5 Plaintiff and all others similarly situated hereby demand trial by jury on all issues in this  
6 complaint that are so triable as a matter of right.

7 Dated: July 9, 2018

Respectfully submitted,

8 **KALIEL PLLC**

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CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

Del Norte County

(c) Attorneys (Firm Name, Address, and Telephone Number)

DEFENDANTS

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party)
2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)

Table with columns PTF, DEF and rows for Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation-Transfer 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE

DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE

SIGNATURE OF ATTORNEY OF RECORD

## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

**Authority For Civil Cover Sheet.** The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
  - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
  - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
  - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
  - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
  - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.