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FILED
Superior Court Of California
County Of Los Angeles
DEC 12 2014
Sherri K. Young, Executive Officer/Clerk
By Judi Lara, Deputy

Attorneys for Plaintiff
and the Putative Class

BC 5 66 6 9 8

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES - CENTRAL DISTRICT

M. GEORGE HANSEN, individually and on
behalf of all other similarly situated
Californians,

Case No: **BC 5 66 6 9 8 BY FAX**

Plaintiff,

CLASS ACTION COMPLAINT FOR:

v.

NEWEGG.COM AMERICAS, INC., a
Delaware Corporation, and DOES 1 through
50 inclusive,

Defendants.

1. VIOLATION OF CAL. BUS. & PROF. CODE §§ 17500, *et seq.*;
2. VIOLATION OF CAL. CIV. CODE §§ 1750, *et seq.*
3. VIOLATION OF CAL. BUS. & PROF. CODE §§ 17200, *et seq.* FOR "UNLAWFUL" BUSINESS PRACTICES;
4. VIOLATION OF CAL. BUS. & PROF. CODE §§ 17200, *et seq.* FOR "UNFAIR" BUSINESS PRACTICES;
5. VIOLATION OF CAL. BUS. & PROF. CODE §§ 17200, *et seq.* FOR "FRAUDULENT" BUSINESS PRACTICES;

JURY TRIAL DEMANDED

CIT/CASE: BC566698
LEA/DEF#: _____
RECEIPT #: CCH520872143
DATE PAID: 12/12/14 04:14 PM
PAYMENT: \$1,435.00 310
RECEIVED:
CHECK: \$1,435.00
CASH: \$0.00
CHANGE: \$0.00
CARD: \$0.00

RECEIVED

1 M. George Hansen ("Plaintiff"), individually and on behalf of all others similarly situated,
2 based on the investigation of counsel as to the actions and omissions of defendant herein, and by
3 his own individual knowledge as to those averments pertaining to named Plaintiff's own
4 circumstances, hereby complains against defendant Newegg.com Americas, Inc ("Defendant" or
5 "Newegg") as follows:

6 **I. INTRODUCTION**

7 1. This consumer class action seeks to remedy Newegg's false advertising of purported
8 discounts, which violated California statutes and federal regulations, and is likely to deceive
9 reasonable consumers.

10 2. Newegg operates a retail website, Newegg.com, which primarily caters to
11 consumers whose interests include computer hardware, software and other electronics. However,
12 Newegg also offers products ranging from apparel and jewelry to patio furniture and home
13 appliances. Newegg.com has become one of the largest online retailers in the United States, with
14 annual revenues over one billion dollars.

15 3. When advertising products on its website, Newegg displays the price at which it
16 offers the product (*i.e.* the retail price) as well as a "list" price. This "list" price is displayed in gray
17 struck-through typeface (*e.g.* "\$2,099.99") directly above Defendant's offer price. Such
18 presentation is highly suggestive that the "list" price represents either the product's normal price on
19 Defendant's website and/or the prevailing price in the market. Defendant further advertises that the
20 difference between this "list" price and the offer price is some form of discount or purported
21 savings (*e.g.* "Save: \$200.00 (29%)"). However, these advertised "discounts" are completely
22 illusory or grossly overstated.

23 4. This is because the "list" price used to calculate the quantum of reported "savings"
24 is not the prevailing market price for obtaining the same product from one of Newegg's
25 competitors or the price charged by Newegg for the subject item in the normal course of its
26 business. Rather, the "list" price is the highest price the product has ever been listed for, regardless
27 of when that price was advertised, or is a simply a work of fiction. Simply stated, Defendant
28 cherry-picks the highest price it can find for the item and uses it to create a significant price

1 discrepancy and the impression of considerable savings for its customers.

2 5. The reality is that the Newegg's prices are no different than the prices of
3 competitors, and no discount is provided over Newegg's everyday pricing. Its customers are not
4 realizing the savings portrayed or expected by purchasing these advertised "discounted" products
5 from Newegg. In fact, all other factors being equal, a customer may incur higher costs by
6 purchasing a product through Newegg.com (due to shipping and handling fees), costs not incurred
7 when shopping at traditional brick-and-mortar retailers. Additionally, had Plaintiffs and members
8 of the Class known that the discounts on Newegg.com were illusory as overstated and
9 manipulative, they would not have purchased their products from Newegg and/or would have
10 purchased them elsewhere.

11 6. Such misleading business practices are strictly prohibited by California law.
12 California Business & Professions Code, Section 17501, specifically states that:

13 No price shall be advertised as a former price of any advertised thing, unless the
14 alleged former price was the prevailing market price... within three months next
15 immediately preceding the publication of the advertisement or unless the date when
the alleged former price did prevail is clearly, exactly and conspicuously stated in
the advertisement.

16 Despite these clear edict, Newegg's markets that its products are "discounted" when it is simply
17 charging its regular prices.

18 7. Accordingly, Newegg's business practice is a *per se* violation of the California
19 False Advertising Law ("FAL"), CAL. BUS. & PROF. CODE § 17501. If a retailer advertises price
20 reductions, the FAL requires a retailer to determine the "list" price based on data for the prevailing
21 market price retrieved for over the immediately prior three months (or, alternatively state the date
22 on which the list price was established). Additionally, Defendant's conduct also violates the
23 California Consumer Legal Remedies Act ("CLRA"), CAL. CIV. CODE §§ 1770, *et seq.*, and
24 California Unfair Competition Law ("UCL"), CAL. BUS. & PROF. CODE §§ 17000, *et seq.* Plaintiff
25 thus seeks restitution, injunctive, declaratory, and other equitable relief as may be deemed proper
26 by the Court.

27 II. JURISDICTION AND VENUE

28 8. This Court has jurisdiction over this action pursuant to Article 6, § 10 of the

1 California Constitution, California Business & Professions Code § 17203, Civil Code § 1780(d)
2 and Code of Civil Procedure §§ 382 and 410.10.

3 9. This Court has jurisdiction over Defendant because it is registered to conduct, and
4 does conduct, substantial business within California. Additionally, Defendant expressly consents to
5 the jurisdiction of this Court within its website's Policy & Agreement.

6 10. Venue is proper in this Court pursuant to Code of Civil Procedure § 395 because
7 Plaintiff contracted with the Defendant and a substantial or significant portion of the conduct
8 complained of herein occurred and continues to occur within this County.

9 **III. PARTIES**

10 11. Plaintiff M. George Hansen is a resident of San Diego, California, and a citizen of
11 California. Plaintiff Hansen has made several purchases on Newegg.com over the past four (4)
12 years. On or about January 9, 2012, Hansen purchased a Corsair 850-watt Power Supply (Item No.
13 17-139-011), a Gigabyte GA-Z68XP-UD3 Motherboard (Item No. 13-128-512), in addition to
14 other items, from Newegg.com. The Corsair 850-watt Power Supply was "listed" on Newegg's
15 website for \$189.99, but Newegg touted its price as \$169.99. Newegg expressly represented to
16 Hansen, and the public at large, that he would save "\$20.00" by purchasing the Corsair Power
17 Supply on its website. Newegg also advertised that the Gigabyte Motherboard was "listed" at
18 \$159.99, but only cost \$152.99. Thus customers, including Hansen, "save: \$7.00." Both these
19 representation was demonstrably false.

20 12. The discount advertised by Newegg on Plaintiff's Corsair 850-watt Power Supply
21 was false and misleading because Defendant's genuine price for the product was, and had been,
22 \$169 and not the "list" price displayed on Defendant's website. Indeed, the last point at which
23 Defendant ever sold the Corsair 850-watt Power Supply at the full "list" price was late 2009, over
24 two years before Plaintiff's purchase. Instead, Defendant had been selling the Corsair 850-watt
25 Power Supply for \$169.99, the "discounted" price at which Hansen purchased it, for at least a year.
26 Defendant's "list" price was simply a fiction used to create the appearance of a discount.

27 13. Similarly, Hansen did not receive any discount on this Gigabyte GA-Z68XP-UD3
28 Motherboard. The Gigabyte GA-Z68XP-UD3 Motherboard was listed at \$159.99, however during

1 the three months preceding Hansen's purchase, the same Motherboard was actually being
2 advertised and sold on Defendant's website for \$144.99 to \$149.99, less than the price paid by
3 Hansen ("152.99"). Accordingly, the price paid by Hansen was not a "discount" but was in-fact
4 greater than Newegg's average price over the three months preceding Hansen's purchase.

5 14. Similar misleading business practices are evident throughout Hansen's transactional
6 history with Defendant, which spans from 2008 to 2014.

7 15. Defendant Newegg.com Americas, Inc., is a Delaware Corporation headquartered in
8 City of Industry, California. Newegg is the large online retailer of computer hardware, software
9 and electronic goods in the United States. Since its inception, Newegg has expanded its selection to
10 include cell phones, sporting goods, watches & jewelry and other non-computer related products.
11 Newegg does not operate any traditional, brick-and-mortar stores and only offers its products
12 online.

13 16. The unlawful and deceptive business practices alleged herein were conceived,
14 reviewed, approved and otherwise controlled from Defendant's headquarters in City of Industry,
15 California. Furthermore, the misrepresentations and omissions alleged herein were contained on
16 Defendant's website which are maintained in and/or operated from California. When Plaintiff and
17 class members purchase products from Defendants website, these transactions, including the
18 billing and payment for said products, were processed by Defendant from its California offices.
19 Accordingly, the misrepresentations and omissions alleged herein are made and/or disseminated, or
20 have been caused to be made or disseminated, from California and are directed at the general
21 public.

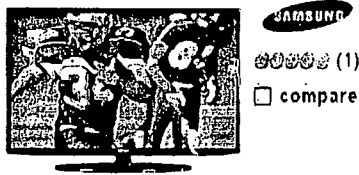
22 17. Plaintiff does not know the true names of defendants DOES 1 through 50 inclusive,
23 and therefore sues them by those fictitious names. Plaintiff is informed and believes, and on the
24 basis of that information and belief, alleges, that each of the doe defendants are in some manner
25 proximately responsible for the events and happenings alleged in this complaint and for Plaintiff's
26 injuries, damages, restitution and equitable remedies prayed for herein.

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1 **IV. SUBSTANTIVE ALLEGATIONS**

2 **A. Newegg's Advertising Practices**

3 18. Newegg, like many of its contemporaries, allows its customers to either use a key-
 4 word search to find the specific product they wish to purchase or browse products grouped by
 5 category into "shops" and numerous sub-categories (e.g., "Computer Hardware" "Computers and
 6 Tablets," etc). Regardless of which method is used, consumers are presented with pages of
 7 "results" germane to their request. These "result pages" provide a picture of the products being sold
 8 and a short description of multiple products fitting the description of the sought after product, so
 9 that a consumer might quickly find the item they wish to purchase. (see below)

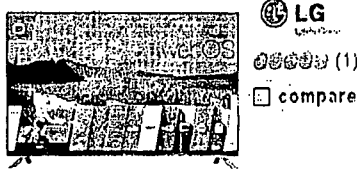


14
15 Samsung UN40H5203 40" Class
16 1080p 60Hz Smart LED HDTV

- 17
18 • Smart TV
• Wi-Fi Built In
• Clear Motion 120

19 ~~\$529.99~~
\$347.99
Save: 34%

20 Free Shipping

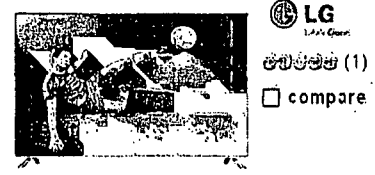


14
15 LG 65LB6300 65" Class 1080p
16 Smart w/webOS LED HDTV

- 17
18 • Full HD 1080p
• Motion Clarity Index 600...
• IPS Panel

19 ~~\$1,799.99~~
\$1,499.99
Save: 29%

20 Free Shipping



14
15 LG 47LB6300 47" Class 1080p
16 Smart w/webOS LED HDTV

- 17
18 • Full HD 1080p
• Motion Clarity Index 600...
• IPS Panel

19 from **\$749.00**

20 Free Shipping


21 Newegg chooses to display only a limited amount of information on its results pages, i.e., the
 22 information Defendant believes is most material to prospective customers. Among the most
 23 prominent information provided is the products' title, a short list of pertinent product details and its
 24 price. It is clear by the font and space dedicated to each element that Newegg understands that its
 25 customers are highly influenced by the price of the product when deciding to purchase from its
 26 website.


27 19. When displaying pricing information on its "results pages," Defendant has a policy
 28 of advertising its offer price as well as a reference or "list" price for a large number of its product.


1 This "list price" is displayed in gray struck-through typeface (e.g. "\$2,099.99") and impliedly
 2 represents either the product's normal price on Defendant's website and/or the pricing of its
 3 competitors. Immediately below the "list" price is Newegg's advertised price, which is naturally
 4 lower than the "list" price. Using the list price, Defendant creates the impression that their products
 5 are discounted from its normal pricing, and/or less are expensive than its competitors. To further
 6 impress on the consuming public the purported superiority of Newegg's pricing, Defendant also
 7 advertises percentage "saved" by purchasing a product from its website.

8 20. When a customer selects a product from the results page, they are directed to a web-
 9 page which contains additional detailed information about that product. Again, among the first and
 10 certainly the most prominently displayed information presented by Defendant on each product page
 11 is Newegg's discount pricing:


12

13  **LG**
Life's Good

14 

15 


13 **LG 65LB6300 65" Class 1080p Smart
w/webOS LED HDTV**

14  (1) | Write a Review

15 In stock. Limit 5 per customer.

- Full HD 1080p
- Motion Clarity Index 600
- IPS Panel
- LG Smart TV
- Premium Content
- webOS
- Wi-Fi Built In
- 3 HDMI Inputs, 3 USB Inputs

18 [Ask Or Answer A Question](#)
See 1 question | 1 answer

13 

14 **\$1,499.99**
Save: \$600.00 (29%)

15 Sold and Shipped by
Newegg

16 Screen Size: 65"

17 3 Years for the Price of 2 Years \$150.00
(more options)

18 **ADD TO CART**

20 As with its results page, Newegg uniformly present a "list" pricing of the product and the amount
 21 saved in red font (displayed both as a total amount saved and as a percentage), as well as the offer
 22 price.

23 21. As Newegg advertises the amount of the discount as both a total dollar number and
 24 as a percentage of the "list" price displayed, it behooves Newegg to make the "list" price as large
 25 as possible to create the appearance of vast savings. Accordingly, when determining its "list" price,
 26 Defendant consistently uses the highest price at which a product has ever been "listed" on its
 27 website, regardless of when the price was established or if it represents the price at which the
 28 product would be normally sold by Defendant, or completely fabricates a price. Consequently,

1 Defendant regularly misinforms its consumers regarding the most material disclosure regarding
2 their transaction.

3 22. Defendant utilizes these exaggerated list prices because it has no independent policy
4 or system to ensure that the "list" price reflects the prevailing market price at a given time. This is
5 not a simple oversight. Defendant resorts to the artificially inflated "list" prices which mislead the
6 general public about the true nature of its discounts to maintain the illusion that Newegg pricing is
7 consistently lower than available through other sources. If Newegg actually included a valid "list"
8 price reflecting the immediate retail market price for a product, reasonable consumers would learn
9 that Newegg does not provide the deals it purports to offer.

10 23. For example, the LG Electronics 65LB6300 65-Inch 1080p LED TV listed on
11 Newegg.com, as depicted in the above screenshots, was also listed on Best Buy's website, Dell's
12 website, and Newegg.com for the same price, if not less, during the same period.¹ Thus, no basis
13 for Defendant to assert that the customer is receiving a substantial discount (\$600.00 or 29%),
14 when the customer are paying Newegg for the average market price.

15 24. Defendant's illusory "discounts" are particularly misleading because consumers
16 often make purchasing decisions based on a reference price - that is, customers will often make
17 purchasing decision when they believe products to be less expensive than the perceived "normal"
18 price for a given item. By advertising "discounts" derived from inaccurate "list" pricing, Defendant
19 takes advantage of such well documented consumer behavior in order to influence consumers into
20 immediately purchasing an item. Additionally, Defendant's practices mollify consumers' concerns
21 about missing the "better deal", and serves to discourage comparison shopping. Finally, such
22 discounts additionally create a false sense of urgency, contributing to the impression that a

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¹ See http://www.bestbuy.com/site/lg-65-class-64-1-2-diag--led-1080p-hdtv/9200114.p?id=1219398339445&skuId=9200114&ref=06&loc=01&ci_src=14110944&ci_sku=9200114&extensionType=pla:g&s_kwid=PTC!pla!!!83478471671!g!!49385275271&kpid=9200114&k_clickid=5733d3c6-7670-37e8-ebbf-0000756d77e1&kpid=9200114&lsft=ref:212,loc:1&ksid=5733d3c6-7670-37e8-ebbf-0000756d77e1&ksprof_id=16&ksaffcode=3261&ksdevice=c&gclid=COykrfjtucICFU9sfgodbgQAsg (the same TV was priced for \$899.99); <http://www.dell.com/us/p/lg-47lb5800-hdtv/pd?oc=lg65lb5200&ST=pla&dgc=ST&cid=262077&lid=4742363&acd=1230980731501410> (the same TV was priced for \$899.99); and <http://www.amazon.com/LG-Electronics-65LB5200-65-Inch-1080p/dp/B00O1830SG> (the same TV was priced for \$868.97). All websites were last accessed on December 9, 2014.

1 consumer should act quickly or lose a significant savings.²

2 25. Defendant uses these ersatz illusory discounts to create the impression that online
3 retailers have efficiencies in their operations, can offer more competitive prices and are worth the
4 inconvenience of purchasing the same product at a local retailer. Thus, Defendant's actions
5 harmed, and continue to harm, Plaintiff, members of the Class, and market competitors.

6 **B. California False Advertising Law**

7 26. By marketing a product's "list" price at an artificially high level - a level which
8 would not be competitive in the current prevailing market or a price at which it no longer intends to
9 sell the product - Defendant concocts a discount that does not exist. This method of advertising is
10 materially misleading to the average consumer, who is often swayed into purchasing a product by
11 the prospect of a large discount.

12 27. But, such practice is not novel or unique. Historically, unscrupulous retailers have
13 frequently used the same misleading tactic - overstating or manufacturing a "discount" to help sell
14 products. Accordingly, both California lawmakers and federal regulators have sought to prohibit
15 this injurious conduct. California Business & Professions Code, Section 17501, specifically states
16 that:

17 *No price shall be advertised as a former price of any advertised thing, unless the*
18 *alleged former price was the prevailing market price as above defined within three*
19 *months next immediately preceding the publication of the advertisement or unless*
the date when the alleged former price did prevail is clearly, exactly and
conspicuously stated in the advertisement.

20 (Emphasis added). The provision of Section 17501 differentiates subjective uncertainty from clear
21 illegality. The market price at the time of publication of such an advertisement is the price charged
22 in the locality where the advertisement is published. Accordingly, Defendant can only properly
23 include a "list" price for comparative purposes in its advertisements if (1) the prevailing market
24 price has been researched (in each relevant market) and the list price is the average retail market
25 price within the past three months, or (2) it advertises the date on which the published "list" price

26 _____
27 ² See generally, Grewal, Krishnan, Baker & Norm, "The Effect of Store Name, Brand Name
28 and Price Discounts On Consumers' Evaluations And Purchase Intentions" 74 Journal of Retailing
3, p. 331 (1998).

1 was in effect. However, Defendant does neither.

2 28. Defendant's practices are also cited with disapproval by certain federal regulations
3 intended to protect consumers:

4 One of the most commonly used forms of bargain advertising is to offer a reduction
5 from the advertiser's own former price for an article. If the former price is the actual,
6 bona fide price at which the article was offered to the public on a regular basis for a
7 reasonably substantial period of time, it provides a legitimate basis for the
8 advertising of a price comparison. Where the former price is genuine, the bargain
9 being advertised is a true one. If, on the other hand, the former price being
10 advertised is not bona fide but fictitious--for example, where an artificial, inflated
11 price was established for the purpose of enabling the subsequent offer of a large
12 reduction--the "bargain" being advertised is a false one; the purchaser is not
13 receiving the unusual value he expects. In such a case, the "reduced" price is, in
14 reality, probably just the seller's regular price.

15 16 C.F.R. § 233.1(a).

16 29. The law thus confirms what is painfully apparent to a shopper: a business acts
17 improperly when it completely manufactures or exaggerates a discount intended to make products
18 appear more attractive.

19 V. CLASS ALLEGATIONS

20 30. Plaintiff brings this action as a class action pursuant to Cal. Civ. Proc. Code 382 for
21 the following Classes of persons:

22 All persons residing in United States who, within four (4) years of the filing of
23 this Complaint, according to Defendant's records, purchased a product for which
24 Defendant advertise both a "list" price and its retail price.

25 Excluded from the Class are all legal entities, Defendant herein and any person, firm, trust,
26 corporation, or other entity related to or affiliated with Defendant, any entities that purchased the
27 Class Products for resale, as well as any judge, justice or judicial officer presiding over this matter
28 and members of their immediate families and judicial staff.

31. Defendant maintains accurate records of all transactions occurring on its website,
including the name, mailing address, email and billing information of each of the Class members.

While the exact number of Class members is unknown to Plaintiff at this time, Plaintiff is informed
and believes that there are tens of thousands of members in the proposed Class, if not more, and
can be ascertained through discovery. The number of individuals who comprise the Class are so
numerous that joinder of all such persons is impracticable and the disposition of their claims in a

1 class action, rather than in individual actions, will benefit both the parties and the courts.

2 32. Defendant has acted with respect to the Class in a manner generally applicable to
3 each Class member, making class-wide injunctive and declaratory relief proper.

4 33. There is a well-defined community of interest in the questions of law and fact
5 involved in the action, which affect all Class members. Among the questions of law and fact
6 common to the Class are, *inter alia*:

7 (a) Whether Defendant advertises its "discounted" products in a deceptive,
8 false, or misleading manner;

9 (b) Whether Defendant's advertised "list" price is determined by averaging the
10 price of said product in the prevailing market over the previous three months;

11 (c) Whether Defendant's advertised the date on which the "list" price of a
12 product is determined if it is not calculated by the average over the previous three months;

13 (d) Whether Defendant's alleged business practices constitutes unfair methods
14 of competition and unfair or deceptive acts or practices in violation of, *inter alia*, CAL. BUS.
15 & PROF. CODE §§ 1770, *et seq.*, by making false or misleading statements of fact
16 concerning reasons for, existence of, or amounts of price reductions.

17 (e) Whether Defendant's business practices, alleged herein, constitutes
18 misleading and deceptive advertising under, *inter alia*, CAL. BUS. & PROF. CODE §§ 17500-
19 01.

20 (f) Whether Defendant's business practices, alleged herein, constitutes
21 "unlawful," "unfair," or "fraudulent" business acts or practices under, *inter alia*, CAL. BUS.
22 & PROF. CODE §§ 17200, including:

23 (i) Whether Defendant's advertisement of illusory discounts constitutes
24 "unlawful" or "unfair" business practices by violating the public policies set out in
25 CAL. CIV. CODE §§ 1770(a)(13), CAL. BUS. & PROF. CODE §§ 17500-01, 16 C.F.R. §
26 233.1, and other California and federal statutes and regulations;

27 (ii) Whether Defendant's advertisement of illusory discounts is
28 immoral, unethical, oppressive, unscrupulous or substantially injurious to

1 consumers;

2 (iii) Whether Defendant's advertisement of illusory discounts constitutes
3 an "unfair" business practice because consumer injury outweighs any countervailing
4 benefits to consumers or competition, and because such injury could not be
5 reasonably avoided by consumers; and

6 (iv) Whether Defendant's advertisement of illusory discounts constitutes
7 a "fraudulent" business practice because members of the public are likely to be
8 deceived;

9 (h) The nature and extent of equitable remedies, including restitution of
10 shipping costs; and declaratory and injunctive relief to which Plaintiff and the Class are
11 entitled; and

12 (i) Whether Plaintiff and the Class should be awarded attorneys' fees and the
13 costs of suit for Defendant's violations of the UCL, FAL, and CLRA.

14 34. Plaintiff's claims are typical of the claims of the other members of the Class. All
15 members of the Class have been and/or continue to be similarly affected by Defendant's wrongful
16 conduct as complained of herein, in violation of California law. Plaintiff is unaware of any
17 interests that conflict with or are antagonistic to the interests of the Class.

18 35. Plaintiff will fairly and adequately protect the Class members' interests and have
19 retained counsel competent and experienced in consumer class action lawsuits and complex
20 litigation. Plaintiff and his counsel have the necessary financial resources to adequately and
21 vigorously litigate this class action, and Plaintiff is aware of her duties and responsibilities to the
22 Class.

23 36. A class action is superior to all other available methods for the fair and efficient
24 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
25 damages suffered by individual Class members may be relatively small, the expense and burden of
26 individual litigation make it virtually impossible for Class members to individually redress the
27 wrongs done to them. There will be no difficulty in managing this action as a class action.

28 37. Defendant has acted on grounds generally applicable to the entire Class with respect

1 to the matters complained of herein, thereby making appropriate the relief sought herein with
2 respect to the Class as a whole.

3 **FIRST CAUSE OF ACTION**

4 **Violation of CAL. BUS. & PROF. CODE §§ 17500, *et seq.* -**
5 **Untrue, Misleading and Deceptive Advertising**

6 38. Plaintiff hereby incorporates by reference each of the allegations contained in the
7 preceding paragraphs of this Complaint.

8 39. Defendant required that all its customers agree to its Policy & Agreement before
9 purchasing products from its website, Newegg.com. California law applies to all transactions
10 entered into between Defendant and members of the Class pursuant to the express language of
11 Defendant's Policy & Agreement.

12 40. California Business and Professional Code, Section 17501, states that:

13 No price shall be advertised as a former price of any advertised thing, unless the
14 alleged former price was the prevailing market price as above defined within three
15 months next immediately preceding the publication of the advertisement or unless
the date when the alleged former price did prevail is clearly, exactly and
conspicuously stated in the advertisement.

16 For the purpose of Section 17501, the retail market price at the time of publication of such
17 advertisement is the retail price in locality wherein the advertisement is published.

18 41. At all material times, Defendant engaged in a scheme of advertising that its products
19 were subject to a discount when such discounts were illusory and did not reflect the "prevailing
20 marketing price" of the item for a particular time period in a particular location or even the price at
21 which the product was recently sold on Defendant's website.

22 42. At all material times, Defendant did not include the date on which its "list" price
23 was established.

24 43. Defendant's advertisement of an inflated list price misrepresented and/or omitted
25 the true nature of Defendant's pricing. Said advertisements were made to consumers located within
26 the State of California, and emanated from Defendant's California headquarters and come within
27 the definition of advertising as contained in CAL. BUS. & PROF. CODE §§ 17500, *et seq.*, in that
28 such promotional materials were intended as inducements to purchase products on Newegg.com

1 and are statements disseminated by Defendant to Plaintiff and other members of the Class. In the
2 exercise of reasonable care, Defendant should have known, that the statements regarding its pricing
3 were false, misleading, deceptive and violated California law.

4 44. Defendant has prepared and distributed within the United States, *via* its retail
5 website, Newegg.com, advertising that its products were subject to substantial discounts. Plaintiff,
6 necessarily and reasonably relied on Defendant's statements regarding the pricing of its products,
7 and all members of the Class were exposed to such statements. Consumers, including Plaintiff and
8 members of the Class, were among the intended targets of such representations.

9 45. The above acts of Defendant, in disseminating said misleading and deceptive
10 statements throughout the United States, including Plaintiff and members of the Class, were and
11 are likely to deceive reasonable consumers by obfuscating the true nature of Defendant's discounts,
12 thus were violations of CAL. BUS. & PROF. CODE §§ 17500, *et seq.*

13 46. Plaintiff and other members of the Class who purchased products from Defendant's
14 website suffered a substantial injury. Had Plaintiff and members of the Class known that
15 Defendant's materials, advertisements and other inducements misrepresented and/or omitted the
16 true nature of Defendant's discounts, they would not have purchased products from Newegg.com,
17 or would have paid less for them.

18 47. Plaintiff, on behalf of himself and all other similarly situated consumers, and as
19 appropriate, on behalf of the general public, seeks injunctive relief prohibiting Defendant from
20 continuing the unlawful practices alleged herein, directing Defendant to make corrective notices
21 both on its website and in other appropriate media, allowing Class members to return any products
22 purchased on Defendant's website, at Defendant's expense, that were subject to Defendant's
23 unlawful pricing policy or, alternatively, requiring Defendant to price match any competitor's
24 advertised price for the same product, the refund of any shipping and handling fees for any
25 products purchased on Defendant's website subject to Defendant's unlawful pricing policy, and
26 any other relief deemed improper by the Court.

1 SECOND CAUSE OF ACTION

2 **Violation of CAL. CIV. CODE §§ 1750, et seq.-**
3 **Misrepresentation of the Existence of a Discount**

4 48. Plaintiff hereby incorporates by reference each of the allegations contained in the
5 preceding paragraphs of this Complaint.

6 49. Defendant required that all its customers agree to its Policy & Agreement before
7 purchasing products from its website, Newegg.com. California law applies to all transactions
8 entered into between Defendant and members of the Class pursuant to the express language of
9 Defendant's Policy & Agreement.

10 50. Defendant sells "goods" and "services" as defined by California Civil Code §1761.

11 51. Defendant is a "person" as defined by California Civil Code §1761(c).

12 52. Plaintiff and Class members are "consumers" within the meaning of California Civil
13 Code §1761(d) because they purchased the products from Newegg.com for personal, family or
14 household use.

15 53. The sale of the products to Plaintiff and Class members *via* Defendant's website is a
16 "transaction" as defined by California Civil Code §1761(e).

17 54. By misrepresenting the "list" price of its products, and thus any discounts derived
18 therefrom, Defendant made false or misleading statements of fact concerning reasons for, existence
19 of, or amounts of price reductions, in violation of California Civil Code §1770(a)(13).

20 55. Plaintiff and Class members were harmed as a result of Defendant's unfair
21 competition and deceptive acts and practices. Had Defendant disclosed the true nature of its
22 discounts, Plaintiff and the Class would not have been misled into purchasing products from
23 Defendant's website, or, alternatively, would have paid less for them.

24 56. Plaintiff, on behalf of himself and all other similarly situated consumers, and as
25 appropriate, on behalf of the general public, seeks injunctive relief prohibiting Defendant from
26 continuing the unlawful practices alleged herein, directing Defendant to make corrective notices
27 both on its website and in other appropriate media, allowing Class members to return any products
28 purchased on Defendant's website, at Defendant's expense, that were subject to Defendant's

1 unlawful pricing policy or, alternatively, requiring Defendant to price match any competitor's
2 advertised price for the same product, the refund of any shipping and handling fees for any
3 products purchased on Defendant's website subject to Defendant's unlawful pricing policy, and
4 any other relief deemed proper by the Court.

5 **THIRD CAUSE OF ACTION**

6 **Violation of CAL. BUS. & PROF. CODE §§ 17200, et seq. -**
7 **Unlawful Business Acts and Practices**

8 57. Plaintiff hereby incorporates by reference each of the allegations contained in the
9 preceding paragraphs of this Complaint.

10 58. Defendant required that all its customers agree to its Policy & Agreement before
11 purchasing products from its website, Newegg.com. California law applies to all transactions
12 entered into between Defendant and members of the Class pursuant to the express language of
13 Defendant's Policy & Agreement.

14 59. California Business and Professional Code, Section 17501, states:

15 No price shall be advertised as a former price of any advertised thing, unless the
16 alleged former price was the prevailing market price as above defined within three
17 months next immediately preceding the publication of the advertisement or unless
the date when the alleged former price did prevail is clearly, exactly and
conspicuously stated in the advertisement.

18 60. Federal regulations also prohibit the use of deceive and illusory discounts:

19 One of the most commonly used forms of bargain advertising is to offer a reduction
20 from the advertiser's own former price for an article. If the former price is the actual,
21 bona fide price at which the article was offered to the public on a regular basis for a
22 reasonably substantial period of time, it provides a legitimate basis for the
23 advertising of a price comparison. Where the former price is genuine, the bargain
24 being advertised is a true one. If, on the other hand, the former price being
advertised is not bona fide but fictitious--for example, where an artificial, inflated
price was established for the purpose of enabling the subsequent offer of a large
reduction--the "bargain" being advertised is a false one; the purchaser is not
receiving the unusual value he expects. In such a case, the "reduced" price is, in
reality, probably just the seller's regular price.

25 16 C.F.R. § 233.1(a).

26 61. California Civil Code §1770(a)(13) prohibits making false or misleading statements
27 of fact concerning reasons for or the existence or amounts of price reductions.

28 62. The business practices alleged above are unlawful under California Business &

1 Professional Code §§ 17500, *et seq.*, California Civil Code §1770(a)(13) and federal regulations,
2 each of which forbids Defendant's untrue, fraudulent, deceptive, and/or misleading marketing and
3 advertisements.

4 63. Plaintiff and Class members were harmed as a result of Defendant's unfair
5 competition and deceptive acts and practices. Had Defendant disclosed the true nature of its
6 "discounts," Plaintiff and the Class would not have been misled into purchasing products from
7 Defendant's website, or, alternatively, would have paid less for them.

8 64. Plaintiff, on behalf of himself and all other similarly situated consumers, and as
9 appropriate, on behalf of the general public, seeks injunctive relief prohibiting Defendant from
10 continuing the unlawful practices alleged herein, directing Defendant to make corrective notices
11 both on its website and in other appropriate media, allowing Class members to return any products
12 purchased on Defendant's website, at Defendant's expense, that were subject to Defendant's
13 unlawful pricing policy or, alternatively, requiring Defendant to price match any competitor's
14 advertised price for the same product, the refund of any shipping and handling fees for any product
15 purchased on Defendant's website subject to Defendant's unlawful pricing policy, and any other
16 relief deemed improper by the Court.

17 **FOURTH CAUSE OF ACTION**

18 **Violation of CAL. BUS. & PROF. CODE §§ 17200, *et seq.* -**
19 **Unfair Business Acts and Practices**

20 65. Plaintiff hereby incorporate by reference each of the allegations contained in the
21 preceding paragraphs of this Complaint.

22 66. Defendant required that all its customers agree to its Policy & Agreement before
23 purchasing products from its website Newegg.com. California law applies to all transactions
24 entered into between Defendant and members of the Class, pursuant to the express language of
25 Defendant's Policy & Agreement.

26 67. Plaintiff and other members of the Class suffered a substantial injury by virtue of
27 Defendant's unlawful scheme of advertising that its products were subject to a discount when such
28 discounts were illusory and did not reflect the "prevailing market price" of the item during any

1 particular time period at a particular location or even the price at which the product was previously
2 sold on Defendant's website.

3 68. Defendant's actions alleged herein violate the laws and public policies of California
4 and the federal government as set out in preceding paragraphs of this Complaint.

5 69. There is no benefit to consumers or competition by allowing Defendant to
6 deceptively market and advertise nonexistent discounts in violation of California Law.

7 70. Plaintiff and Class members who purchased products from Defendant's website had
8 no way of reasonably knowing that the "list" price was artificially inflated and did not reflect the
9 true nature of the discount offered on Defendant's products. Thus, Plaintiff and Class members
10 could not have reasonably avoided the injury they suffered.

11 71. The gravity of the harm visited upon Plaintiff and Class members outweighs any
12 legitimate justification, motive or reason for marketing and advertising discounted products in a
13 deceptive and misleading manner which violates California law. Accordingly, Defendant's actions
14 are immoral, unethical, unscrupulous and offend the established California public policies causing
15 substantially injury to Plaintiff and members of the Class.

16 72. The above acts of Defendant, in disseminating said misleading and deceptive
17 statements throughout the United States to consumers, including Plaintiff and members of the
18 Class, were and are likely to deceive reasonable consumers by obfuscating the true nature and
19 amount of the "discount" and the existence of the "discounted" product in violation of CAL. BUS. &
20 PROF. CODE §§ 17500, *et seq.*, and California Civil Code §1770(a)(13).

21 73. Plaintiff and Class members were harmed and suffered actual damages as a result of
22 Defendant's unfair competition and deceptive acts and practices. Had Defendant disclosed the true
23 nature of their discounts, Plaintiffs and the Class would not have purchased products from
24 Defendant's website or, alternatively, would have paid significantly less for them.

25 74. Plaintiff, on behalf of himself and all other similarly situated consumers, and as
26 appropriate, on behalf of the general public, seeks injunctive relief prohibiting Defendant from
27 continuing the unlawful practices alleged herein, directing Defendant to make corrective notices
28 both on its website and in other appropriate media, allowing Class members to return any products

1 purchased on Defendant's website, at Defendant's expense, that were subject to Defendant's
2 unlawful pricing policy or alternatively requiring Defendant to price match any competitor's
3 advertised price for the same product, the refund of any shipping and handling fees for any product
4 purchased on Defendant's website subject to Defendant's unlawful pricing policy and any other
5 relief deemed improper by the Court.

6 **FIFTH CAUSE OF ACTION**

7 **Violation of CAL. BUS. & PROF. CODE §§ 17200, *et seq.* -**
8 **Fraudulent Business Acts and Practices**

9 75. Plaintiff hereby incorporates by reference each of the allegations contained in the
10 preceding paragraphs of this Complaint.

11 76. Defendant required that all its customers agree to its Policy & Agreement before
12 purchasing products from its website Newegg.com. California law applies to all transactions
13 entered into between Defendant and members of the Class, pursuant to the express language of
14 Defendant's Policy & Agreement.

15 77. Such acts of Defendant as described above constitute a fraudulent business practice
16 under CAL. BUS. & PROF. CODE §§ 17200, *et seq.*

17 78. As more fully described above, Defendant misleadingly markets and advertises its
18 products as discounted from a "list" price, when such discounts are illusory and/or overstated.
19 Defendant's misleading marketing and advertisements are likely to, and do, deceive reasonable
20 consumers. Indeed, Plaintiff and other members of the Class were unquestionably deceived about
21 the nature of Defendant's pricing, as Defendant prominently displayed its products as discounted
22 on its website that consumers must use to purchase Newegg's offerings.

23 79. Defendant's misleading and deceptive practices caused Plaintiff and other members
24 of the Class to purchase the products and/or pay more than they would have otherwise had they
25 known the true nature of Defendant's advertisements.

26 80. Plaintiff and Class members were harmed as a result of Defendant's unfair
27 competition and deceptive acts and practices.

28 81. Plaintiff, on behalf of himself and all other similarly situated consumers, and as

1 appropriate, on behalf of the general public, seeks injunctive relief prohibiting Defendant from
2 continuing the unlawful practices alleged herein, directing Defendant to make corrective notices
3 both on its website and in other appropriate media, allowing Class members to return any products
4 purchased on Defendant's website, at Defendant's expense, that were subject to Defendant's
5 unlawful pricing policy or alternatively requiring Defendant to price match any competitor's
6 advertised price for the same product, the refund of any shipping and handling fees for any
7 products purchased on Defendant's website subject to Defendant's unlawful pricing policy and any
8 other relief deemed improper by the Court.

9 **VI. PRAY FOR RELIEF**

10 WHEREFORE, Plaintiff and the Class pray for relief and judgment as follows:

11 A. For an order declaring that this action is properly maintained as a class action and
12 appointing Plaintiff as representative for the Class, and appointing Plaintiff's counsel as Class
13 counsel;

14 B. For an order enjoining Defendant from continuing to engage in the unlawful and
15 unfair business acts and practices as alleged herein;

16 C. For an order directing Defendant to make corrective notices on its website and in
17 other appropriate publications.

18 D. For an order directing Defendant to allow its customers to return any products
19 purchased on Defendant's website, at Defendant's expense, that were subject Defendant's unlawful
20 pricing policy, within twelve (12) months of filing this complaint.

21 E. For an order requiring Defendant to price match any competitor's advertised price
22 for the same product purchased from Newegg.com that were subject Defendant's unlawful pricing
23 policy within twelve (12) months of filing this complaint;

24 F. For restitution of all shipping and handling fees charged for products purchased
25 from Newegg.com subject to Defendant's unlawful advertising;

26 F. For an order awarding attorneys' fees and costs of suit, including expert witness
27 fees, as permitted by law; and

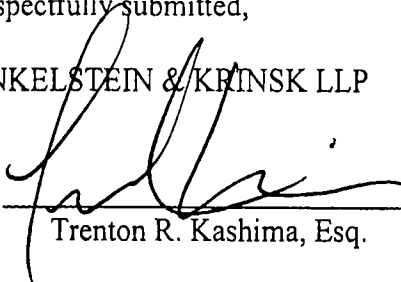
28 G. Such other and further relief as this Court may deem just and proper.

VII. JURY TRIAL

Plaintiff demands a trial by jury for all of the claims asserted in this Complaint so triable.

Respectfully submitted,

FINKELSTEIN & KRINSK LLP

By: 
Trenton R. Kashima, Esq.

Dated: December 12, 2014

Jeffrey R. Krinsk, Esq.
Mark L. Knutson, Esq.
William R. Restis, Esq.

Attorneys for Plaintiff
and the Class

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2 **AFFIDAVIT OF TRENTON R. KASHIMA**

3 I, Trenton R. Kashima, declare as follows:

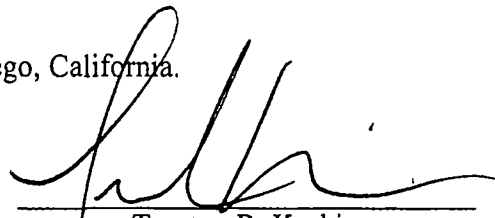
4 1. I am an attorney duly licensed and entitled to practice law in the state of California.
5 I am an attorney of the law firm Finkelstein & Krinsk LLP, attorneys for Plaintiff M. George
6 Hansen in above-captioned action. I have personal knowledge of the facts stated herein, and if
7 called to do so, could and would competently testify thereto.

8 2. Based on information from Defendant's website and the California Secretary of
9 State, Defendant Newegg.com Americas, Inc. resides, has its principal place of business, is
10 registered to do business and/or is in-fact doing business at 16839 E. Gale Avenue, City of
11 Industry, California, 91724, located within the County of Los Angeles. Additionally, Defendant's
12 Policy & Agreement, which governs transactions conducted on Defendant's website, Newegg.com,
13 expressly provides that any action stemming from a sales transaction between Newegg.com and a
14 customer "shall be governed by the laws of the State of California" and that "Newegg.com and
15 Customer consent to the exclusive jurisdiction and the exclusive venue of the State Courts of the
16 State of California, Los Angeles County, to resolve any dispute between them." See
17 <http://kb.newegg.com/Policies/Article/1165>.

18 3. Accordingly, pursuant to California Code of Civil Procedure, section 1780, the
19 California Superior Court of Los Angeles County is the proper venue for Plaintiff's California
20 Consumer Legal Remedies Act claims.

21 I declare under penalty of perjury under the laws of the State of California that the
22 foregoing is true and correct.

23 Executed on December 12, 2014 in San Diego, California.

24
25 
26 Trenton R. Kashima

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):
 Jeffrey R. Krinsk (SBN 109234); Trenton R. Kashima (SBN 291405)
 FINKELSTEIN & KRINSK LLP
 501 West Broadway, Suite 1250
 San Diego, CA 92101
 TELEPHONE NO.: 619-238-1333 FAX NO.: 619-238-5425
 ATTORNEY FOR (Name): Plaintiff

FOR COURT USE ONLY

FILED
 Superior Court Of California
 County Of Los Angeles

DEC 12 2014

Sherri [Signature] Executive Officer/Clerk
 By [Signature] Deputy
 Judi Lara

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
 STREET ADDRESS: 111 North Hill Street
 MAILING ADDRESS:
 CITY AND ZIP CODE: Los Angeles, CA 90012
 BRANCH NAME: CENTRAL DISTRICT

CASE NAME:
 HANSEN v. NEWEGG.COM AMERICAS, INC.

CIVIL CASE COVER SHEET		Complex Case Designation		CASE NUMBER:
<input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)	<input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	<input type="checkbox"/> Counter	<input type="checkbox"/> Joinder	BC 5 66 6 9 8
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)				JUDGE:
				DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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BY FAX

2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

a. Large number of separately represented parties d. Large number of witnesses
 b. Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
 c. Substantial amount of documentary evidence f. Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive

4. Number of causes of action (specify):

5. This case is is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: December 12, 2014
 Trenton R. Kashima

[Signature]
 (SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

- Auto (22)–Personal Injury/Property Damage/Wrongful Death
- Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

Other PII/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

- Asbestos (04)
 - Asbestos Property Damage
 - Asbestos Personal Injury/Wrongful Death
- Product Liability (not asbestos or toxic/environmental) (24)
- Medical Malpractice (45)
 - Medical Malpractice–Physicians & Surgeons
 - Other Professional Health Care Malpractice
- Other PII/PD/WD (23)
 - Premises Liability (e.g., slip and fall)
 - Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
 - Intentional Infliction of Emotional Distress
 - Negligent Infliction of Emotional Distress
 - Other PII/PD/WD

Non-PII/PD/WD (Other) Tort

- Business Tort/Unfair Business Practice (07)
- Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)
- Defamation (e.g., slander, libel) (13)
- Fraud (16)
- Intellectual Property (19)
- Professional Negligence (25)
 - Legal Malpractice
 - Other Professional Malpractice (not medical or legal)
- Other Non-PII/PD/WD Tort (35)

Employment

- Wrongful Termination (36)
- Other Employment (15)

Contract

- Breach of Contract/Warranty (06)
 - Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction)
 - Contract/Warranty Breach–Seller Plaintiff (not fraud or negligence)
 - Negligent Breach of Contract/Warranty
 - Other Breach of Contract/Warranty
- Collections (e.g., money owed, open book accounts) (09)
 - Collection Case–Seller Plaintiff
 - Other Promissory Note/Collections Case
- Insurance Coverage (not provisionally complex) (18)
 - Auto Subrogation
 - Other Coverage
- Other Contract (37)
 - Contractual Fraud
 - Other Contract Dispute

Real Property

- Eminent Domain/Inverse Condemnation (14)
- Wrongful Eviction (33)
- Other Real Property (e.g., quiet title) (26)
 - Writ of Possession of Real Property
 - Mortgage Foreclosure
 - Quiet Title
 - Other Real Property (not eminent domain, landlord/tenant, or foreclosure)

Unlawful Detainer

- Commercial (31)
- Residential (32)
- Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)

Judicial Review

- Asset Forfeiture (05)
- Petition Re: Arbitration Award (11)
- Writ of Mandate (02)
 - Writ–Administrative Mandamus
 - Writ–Mandamus on Limited Court Case Matter
 - Writ–Other Limited Court Case Review
- Other Judicial Review (39)
 - Review of Health Officer Order
 - Notice of Appeal–Labor Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

- Antitrust/Trade Regulation (03)
- Construction Defect (10)
- Claims Involving Mass Tort (40)
- Securities Litigation (28)
- Environmental/Toxic Tort (30)
- Insurance Coverage Claims (arising from provisionally complex case type listed above) (41)

Enforcement of Judgment

- Enforcement of Judgment (20)
 - Abstract of Judgment (Out of County)
 - Confession of Judgment (non-domestic relations)
 - Sister State Judgment
 - Administrative Agency Award (not unpaid taxes)
 - Petition/Certification of Entry of Judgment on Unpaid Taxes
 - Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

- RICO (27)
- Other Complaint (not specified above) (42)
 - Declaratory Relief Only
 - Injunctive Relief Only (non-harassment)
 - Mechanics Lien
 - Other Commercial Complaint Case (non-tort/non-complex)
 - Other Civil Complaint (non-tort/non-complex)

Miscellaneous Civil Petition

- Partnership and Corporate Governance (21)
- Other Petition (not specified above) (43)
 - Civil Harassment
 - Workplace Violence
 - Elder/Dependent Adult Abuse
 - Election Contest
 - Petition for Name Change
 - Petition for Relief From Late Claim
 - Other Civil Petition

SHORT TITLE: HANSEN v. NEWEGG.COM AMERICAS, INC.	CASE NUMBER BC 5 6 6 6 9 8
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**CIVIL CASE COVER SHEET ADDENDUM AND
STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

BY FAX

This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? YES CLASS ACTION? YES LIMITED CASE? YES TIME ESTIMATED FOR TRIAL ³⁻⁴ HOURS/ DAYS

Item II. Indicate the correct district and courthouse location (4 steps - If you checked "Limited Case", skip to Item III, Pg. 4):

Step 1: After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column A, the Civil Case Cover Sheet case type you selected.

Step 2: Check one Superior Court type of action in Column B below which best describes the nature of this case.

Step 3: In Column C, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

- | | |
|--|--|
| 1. Class actions must be filed in the Stanley Mosk Courthouse, central district. | 6. Location of property or permanently garaged vehicle. |
| 2. May be filed in central (other county, or no bodily injury/property damage). | 7. Location where petitioner resides. |
| 3. Location where cause of action arose. | 8. Location wherein defendant/respondent functions wholly. |
| 4. Location where bodily injury, death or damage occurred. | 9. Location where one or more of the parties reside. |
| 5. Location where performance required or defendant resides. | 10. Location of Labor Commissioner Office |

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death - Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage	2.
		<input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1., 4.
		<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4.
Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 4.	
	<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 4.	
	<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1., 3.	
	<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 4.	

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CASE NUMBER

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons See Step 3 Above
Business Tort (07)	<input checked="" type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1, 3.
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warrant - (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warrant Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warrant (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warrant (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Propert (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

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CASE NUMBER

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons See Step 3 Above
Judicial Review	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
Provisionally Complex Litigation	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Enforcement of Judgment	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment	2., 9.
		<input type="checkbox"/> A6160 Abstract of Judgment	2., 6.
		<input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations)	2., 9.
		<input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes)	2., 8.
		<input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax	2., 8.
<input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 8., 9.		
Miscellaneous Civil Complaints	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only	1., 2., 8.
		<input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment)	2., 8.
		<input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 1., 2., 8.
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.	
Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment	2., 3., 9.
		<input type="checkbox"/> A6123 Workplace Harassment	2., 3., 9.
		<input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case	2., 3., 9.
		<input type="checkbox"/> A6190 Election Contest	2.
		<input type="checkbox"/> A6110 Petition for Change of Name	2., 7.
		<input type="checkbox"/> A6170 Petition for Relief from Late Claim Law	2., 3., 4., 8.
		<input type="checkbox"/> A6100 Other Civil Petition	2., 9.

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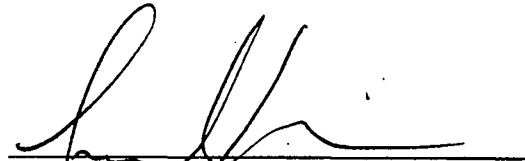
CASE NUMBER

Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case. <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.			ADDRESS: Newegg.com Americas, Inc. 16839 E. Gale Ave. City of Industry, CA 91724		
CITY: City of Industry	STATE: CA	ZIP CODE: 91724			

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Los Angeles District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subs. (b), (c) and (d)].

Dated: December 12, 2014



(SIGNATURE OF ATTORNEY/FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.