CLASS ACTION COMPLAINT

INTRODUCTION

- 1. Plaintiffs Amanda Ruiz and Marisela Arreola ("Plaintiffs") bring this action for themselves and on behalf of all persons in the United States who, at any time in the last four years prior to the filing of this complaint, purchased an Owlet Smart Sock or Owlet Smart Sock 2 baby monitor ("Owlet Smart Sock" or "Smart Sock") designed, manufactured, marketed, distributed, sold, and warranted by Owlet Baby Care, Inc., a Delaware corporation ("Owlet" or "Defendant").
- 2. This case arises out of the unlawful, false, misleading, and deceptive marketing and advertising practices used by Owlet in selling, directly and indirectly, Smart Sock baby monitors to consumers.
- 3. The Smart Sock gives false alarms and causes parents to rush their babies to the hospital, believing them to be grievously ill. Owlet has had knowledge about this defect and has referred to it as "false alarm fatigue." Conversely, the Smart Sock also regularly fails to detect abnormal oxygen levels and heart rates--the exact purpose for which it was designed and advertised. Owlet failed to disclose this material information to consumers prior to sale and actively concealed its knowledge of these defects to the purchasing public.
- 4. Released in October 2015, Owlet's Smart Sock differs greatly from traditional baby monitors available to consumers. Rather than providing a simple visual and audio system for parents to monitor their babies from another room, the Smart Sock "is designed to provide continuous monitoring of vital signs [oxygen saturation and heart rate] in newborns via a sensor-embedded sock during their sleep in home settings." Notably, the Smart Sock has no visual or audio capabilities, so parents must also purchase a *traditional* baby monitor to actually

¹ "Initial Experience and Usage Patterns With the Owlet Smart Sock Monitor in 47,495 Newborns," *Global Pediatric Health Journal*, Dec. 4, 2017, *available at* https://journals.sagepub.com/doi/full/10.1177/2333794X17742751 (last visited Jan. 24, 2019).

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see and hear their baby.² At a staggering price of \$299, the Smart Sock "includes a base station, pulse oximeter, charging cords, and socks in 3 sizes (designed to fit newborns to children 15 to 18 months of age)."³

- According to Owlet, "[t]he Owlet Smart Sock uses pulse oximetry 5. technology to track a baby's heart rate and oxygen levels, designed to notify parents if those levels fall outside the preset zone. This technology has been miniaturized and made wireless, worn as a "sock" on a baby's foot while sleeping. The Smart Sock sends the information via Bluetooth Low Energy to a nearby Base Station, which shares status update with parents with colored lights and audible notifications. The information can then be sent from the Base Station, via Wi-Fi to the cloud, so parents can view live readings and receive notifications from their smartphone, whether they're down the hall, across town or around the world."⁴
- 6. Owlet touts: "Babies don't come with an instruction manual, so Owlet will make you this promise—we promise to give you peace of mind."⁵ "[C]reating accurate and reliable products empower parents with insights into the health and well-being of their infant in the home." These are just a few of Owlet's marketing mantras that successfully lure young parents into reasonably believing that the Smart Sock "provide[s] superior technology and peace of mind for parents" and, most importantly, will perform as advertised.⁶ Owlet's own study

² In January 2019, Owlet released the Smart Sock-compatible Owlet Cam that can be purchased separately for \$149 or with the Smart Sock for \$449. https://owletcare.com/products/sock-cam.

³ See Footnote 1.

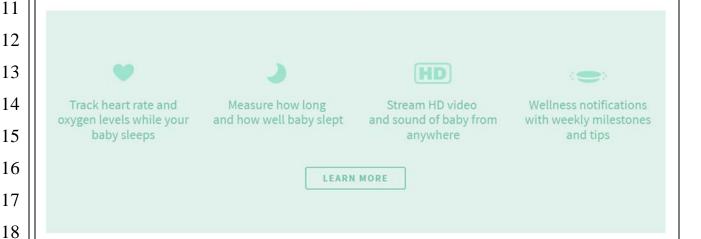
⁴ Owlet Press Release, Dec. 4, 2017, "New Findings: Superior Home-Monitoring Technology Improves Usability, Care Access, and Reduces Parental Anxiety in Newborns," available at https://owletcare.com/blogs/press/newfindings-superior-home-monitoring-technology-improves-usability-care-accessand-reduces-parental-anxiety-in-newborns (last visited Jan. 24, 2019).

⁵ Owlet Official Facebook, June 29, 2016, available at https://www.facebook.com/OwletBabyMonitors/ (last visited Jan. 24, 2019).

⁶ www.owletcare.com

published in December 2017 found that "a parental desire to know more about their child as well as a feeling of peace of mind accounted for 75% of the reasons to own the [Owlet Smart Sock]." Specifically, the Owlet Smart Sock was, and is, advertised with the following features:

We build products to tell parents what their babies can't.



7. Thus, Owlet is fully aware that consumers rely on the representations of Owlet when deciding to purchase, for a hefty premium, the Owlet Smart Sock over other baby monitors. Owlet has certainly capitalized on that reliance; or as one Forbes journalist described, in an Oct. 2017 article aptly titled *Owlet's Smart Sock Makes Millions Selling Parents Peace of Mind*, by "[t]argeting anxious, techsavvy Millennial parents, Owlet has sold almost 150,000 Smart Socks, now priced

⁷ See Footnote 1.

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at \$299, producing \$19 million in revenue last year, and it's projecting as much as \$30 million this year."8

- 8. However, the Owlet Smart Sock's high sales volume can arguably be equally attributed to the information it advertises as well as the information it does not disclose to consumers; i.e., the Smart Sock's frequent and unnerving false alarms, inaccurate readings, and complete failure to detect and alert to abnormal oxygen levels and heart rates, the exact purpose for which it was designed and advertised. Early adopters took to Owlet's website to voice their disappointment and frustration, as detailed below.
- On information and belief, through its exclusive and superior 9. knowledge of non-public internal data, Owlet has been aware of the Smart Sock's frequent inaccuracies, including what it has coined "false alarm fatigue" that results in Smart Sock owners discontinuing use after a few months because of the regularity in which the Smart Sock signals false alarms throughout the night; yet, Owlet refuses to disclose this information to unknowing consumers. Instead of addressing the reality of consumers' experiences and managing consumers' expectations accordingly, which may require lowering the price to match the monitor's actual value and thus eroding profits, Owlet uses every opportunity to justify the Smart Sock's high price point and deny the monitor's propensity to inaccurately detect oxygen saturation and heart rate levels. For example, in

⁸ "Owlet's Smart Sock Makes Millions Selling Parents Peace of Mind – But Doctors Are Unconvinced," Forbes Magazine, Oct. 3, 2017, available at https://www.forbes.com/sites/nataliesportelli/2017/10/03/owlets-infant-healthmonitor-is-winning-over-millennial-parents-doctors-are-anothermatter/#77871fb37646.

⁹ Including, without limitation, early consumer complaints made directly to Owlet, direct messages to Owlet's social media accounts that are actively monitored and responded to by Owlet, warranty and return data, customer service complaints, and internal testing results.

¹⁰ See Footnote 1.

response to a January 2017 article in The Journal of the American Medical Association (JAMA) critiquing the "safety, accuracy, and effectiveness" of Owlet Smart Socks and similar baby monitors, "Owlet said that the company has performed 'extensive product safety testing' and noted that its products are compliant with CPSC standards." This statement is grossly misleading to consumers who are completely unaware that the CPSC has no established standards for baby monitors.

- 10. Then, in response to a second JAMA article published in August 2018 "regarding a study testing consumer pulse oximeter baby monitors' accuracy," Owlet's CEO, Kurt Workman, flatly rejected the article's findings and affirmed that "[t]he accuracy and performance of the Owlet Smart Sock is something we take very seriously. It is important to note that our product is designed for in-home use, with healthy babies while they sleep, to provide parents with information about their child's wellbeing."
- 11. If Plaintiffs and Class Members had known about the device's inaccuracy and probability of occasional, and sometimes frequent, inaccurate readings, false alarms, and/or complete failure to detect and alert to abnormal vital signs at the time of purchase, Plaintiffs and Class Members would not have purchased the Owlet Smart Sock or would have paid less for it.

abstract/2598780 (last visited Jan. 25, 2019).

¹² "Pediatricians question the safety of high-tech baby monitors," Consumer Affairs, Jan. 26, 2017, *available at* https://www.consumeraffairs.com/news/pediatricians-question-the-safety-of-high-tech-baby-monitors-012617.html.

¹³ Owlet Press Release, Aug. 21, 2018, "Owlet Baby Care Responds to CHOP Study's Accuracy Claims, *available at* https://owletcare.com/blogs/press/owlet-baby-care-responds-to-chop-studys-accuracy-claims (last visited Jan. 25, 2019).

12. As a result of their reliance on Defendant's omissions, consumers, including Plaintiffs, have suffered an ascertainable loss of money, including, but not limited to, out of pocket costs incurred in purchasing the overvalued Owlet Smart Sock. Further, as a result of its deceptive marketing and unfair competition with other similar manufacturers and brands, Owlet realized sizable profits.

PARTIES

PLAINTIFF Amanda Ruiz

- 13. Plaintiff Amanda Ruiz ("Plaintiff Ruiz") is a California citizen who resides in Running Springs, California. In November 2018, Plaintiff Ruiz purchased an Owlet Smart Sock 2 from a Target store in San Dimas, California, an Owlet-authorized retailer.
- 14. Prior to purchasing the Owlet Smart Sock 2 in November, Plaintiff Ruiz received a new Owlet Smart Sock 2 ("First Smart Sock 2") as a baby gift around August 2018. Plaintiff Ruiz always followed Owlet's instructions for use. However, within the first two weeks of use, the First Smart Sock 2 gave two "red" alerts, the most critical and immediate of the Smart Sock alarms. On the first occasion, the Smart Sock alerted Plaintiff that her baby had low oxygen. On the second occasion, the Smart Sock alerted Plaintiff that her baby had low oxygen and abnormal heart rate. On both occasions, Plaintiff physically checked on her baby and proceeded to call 911 based on the Smart Sock alerts. When the paramedics examined her baby, they found both the oxygen and heart rate within normal range both times. Following the First Smart Sock 2's false alerts, Plaintiff conducted significant research regarding the product's accuracy, including information provided on Owlet's official website.
- 15. Accuracy and reliability were incredibly important to Plaintiff in deciding to purchase the Owlet Smart Sock. Based on Owlet's representations and assurances regarding the Smart Sock's accuracy, including those made in response to the non-public August 2018 JAMA article questioning the Smart

- Sock's reliability, Plaintiff expected the Smart Sock to accurately track her baby's oxygen saturation and heart rate levels and believed she simply had a defective unit. Thus, in November, Plaintiff returned the First Smart Sock 2 and subsequently purchased a new Smart Sock 2. Again, Plaintiff always followed Owlet's instructions for use with her new Smart Sock 2. However, within the first week, the Smart Sock alerted Plaintiff to issues with her baby's vital signs on two occasions. Both times she immediately brought her baby to a pediatrician who confirmed that the Smart Sock readings were inaccurate, and her baby's vital signs were all normal.
- 16. Plaintiff then contacted Owlet regarding the false alerts and an Owlet representative told her that the alerts may be inaccurate during feedings or while the baby is being held. However, Plaintiff's baby was not being fed or held immediately before or during any of the false alerts. Because of the frequency of Owlet Smart Sock's false alerts, Plaintiff can no longer rely on its accuracy and has stopped using the Smart Sock altogether.
- 17. Plaintiff purchased her Owlet Smart Sock 2 primarily for personal, family, or household use. Owlet manufactured, distributed, advertised, marketed, and warranted the Smart Sock.
- 18. If Defendant had disclosed its knowledge of the true functionality of the Owlet Smart Sock, Plaintiff would have seen or heard such disclosures and been aware of them prior to purchase. Indeed, Owlet's omissions were material to Plaintiff. If Plaintiff had known at the time of purchase that the Smart Sock contains inherent design flaws that cause, among other problems, frequent and unnerving false alarms throughout the night, inaccurate readings, and failure to detect and alert to abnormal oxygen levels and heart rates, she would not have purchased the Smart Sock.

19. Plaintiff would consider purchasing an Owlet Smart Sock in the future without the price premium or if it no longer exhibited the significant reliability issues described herein.

PLAINTIFF Marisela Arreola

- 20. Plaintiff Marisela Arreola ("Plaintiff Arreola") is a California citizen who resides in Bakersfield, California. On or around October 20, 2016, Plaintiff Arreola purchased a new Owlet Smart Sock 1 baby monitor directly from Owlet's official website.
- 21. Prior to her purchase, Plaintiff Arreola thoroughly researched the Smart Sock's reliability and functionality online and specifically on Owlet's website, and compared it to other baby monitors, particularly those that monitored oxygen levels.
- 22. Accuracy and reliability were incredibly important to Plaintiff in deciding to purchase the Owlet Smart Sock. Based on Owlet's representations and assurances regarding the Smart Sock's functionality and reliability, Plaintiff expected the Smart Sock to accurately track her baby's oxygen saturation and heart rate levels. Plaintiff strictly followed Owlet's instructions for use at all times.
- 23. In or around November 2016, while wearing the Owlet Smart Sock, Plaintiff Arreola checked on her daughter and noticed her turning purple due to very low oxygen levels. The Owlet Smart Sock never alerted Plaintiff Arreola that her daughter's oxygen levels were low, as confirmed by the pediatrician immediately thereafter. Then, in December 2016, while wearing the Owlet Smart Sock, Ms. Arreola again noticed her daughter turning purple and her daughter was immediately admitted to the ICU due to low oxygen levels. Again, the Owlet Smart Sock never alerted Ms. Arreola to her daughter's low oxygen level at the time. When Plaintiff brought this issue to Owlet's attention, Owlet sent her a new "beacon," which is the part of the Smart Sock responsible for monitoring and

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alerting when vitals are abnormal. Plaintiff Arreola used the new beacon as directed and, shortly thereafter, while wearing the Smart Sock, Plaintiff Arreola's daughter was admitted to the hospital for low oxygen, which the Smart Sock again failed to detect and alert her to. Plaintiff Arreola stopped using the Owlet Smart Sock after the replacement beacon failed to detect her daughter's low oxygen in early 2017.

- Plaintiff purchased her Owlet Smart Sock primarily for personal, 24. family, or household use. Owlet manufactured, distributed, advertised, marketed, and warranted the Smart Sock.
- 25. If Defendant had disclosed its knowledge of the true functionality of the Owlet Smart Sock, Plaintiff would have seen or heard such disclosures and been aware of them prior to purchase. Indeed, Owlet's omissions were material to Plaintiff. If Plaintiff had known at the time of purchase that the Smart Sock contains inherent design flaws that cause, among other problems, frequent and unnerving false alarms throughout the night, inaccurate readings, and failure to detect and alert to abnormal oxygen levels and heart rates, she would not have purchased the Smart Sock.
- Plaintiff would consider purchasing an Owlet Smart Sock in the 26. future without the price premium or if it no longer exhibited the significant reliability issues described herein.

DEFENDANT

27. Defendant Owlet Baby Care, Inc. is a corporation organized and in existence under the laws of the State of Delaware and conducts business in the State of California. Owlet Baby Care, Inc.'s corporate headquarters and principal place of business are located at 2500 Executive Parkway, Suite 300, Lehi, Utah 84043. Owlet designs, produces, manufactures, markets, distributes, and sells Smart Socks nationwide and throughout California.

28. At all relevant times, Defendant was and is engaged in the business of marketing, distributing, and selling Owlet Smart Socks in San Bernardino County, and throughout the United States of America.

JURISDICTION

- 29. This is a class action.
- 30. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. § 1331 because this action arises under the Constitution or laws of the United States and the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2) and (6), in that, as to each Class defined herein:
 - a. the matter in controversy exceeds \$5,000,000.00, exclusive of interest and costs;
 - b. this is a class action involving 100 or more class members; and
 - c. this is a class action in which at least one member of the Plaintiff class is a citizen of a State different from at least one Defendant.
- 31. The Court has personal jurisdiction over Defendant, which has at least minimum contacts with the State of California because it has conducted business there and has availed itself of California's markets through the marketing, distributing, and selling of Owlet Smart Socks.

VENUE

- 32. Owlet, through its business of advertising, distributing, and selling Owlet Smart Socks, has established sufficient contacts in this district such that personal jurisdiction is appropriate. Defendant is deemed to reside in this district pursuant to 28 U.S.C. § 1391(a).
- 33. In addition, a substantial part of the events or omissions giving rise to these claims and a substantial part of the property that is the subject of this action are in this district. In addition, Plaintiff Ruiz's Declaration, as required under California Civil Code § 1780(d) (but not pursuant to *Erie* and federal procedural rules), reflects that a substantial part of the events or omissions giving

rise to the claims alleged herein occurred, or a substantial part of property that is the subject of this action, is situated in San Bernardino, California. It is attached as **Exhibit 1.**

34. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(a).

FACTUAL ALLEGATIONS

- 35. Since 2015, Owlet has designed, manufactured, distributed, and sold the Owlet Smart Socks. Owlet has sold, directly or indirectly, through its website and other retail outlets, hundreds of thousands of Owlet Smart Socks in California and nationwide.
- 36. Plaintiffs are informed and believe, and based thereon allege, that the Smart Socks contain serious design flaws that cause, among other problems, frequent and unnerving false alarms throughout the night, inaccurate readings, and complete failure to detect and alert to abnormal oxygen levels and heart rates—the exact purpose for which it was designed and advertised. As a result, "[r]ather than reassuring parents, these experiences may generate anxiety and a false assumption that their infant is at risk of dying. These considerations introduce the prospect that using a monitor could indirectly result in harm to infants and their families."¹⁴
- 37. Because Owlet's marketing campaign has avoided making "direct statements that their products diagnose, treat, or prevent disease," regulation of its representations and omissions regarding accuracy and reliability fall outside of the FDA's jurisdiction. However, the company's social media pages frequently endorse articles by parents who state that they specifically purchased the Smart Sock to ease the anxiety of Sudden Infant Death Syndrome (SIDS) and make no effort to correct consumers' public comments on Owlet's Facebook regarding the

¹⁴ The Emerging Market of Smartphone-Integrated Infant Physiologic Monitors, C.P. Bonafide, M.D., Journal of the American Medical Association, January 2017, available at https://jamanetwork.com/journals/jama/article-abstract/2598780 (last visited Jan. 25, 2019).

same. Owlet's response to the questionable legality of these endorsements in light of its disclaimer: "The FTC rules are that you're not lying about your product and we're making sure we're not lying about the product." Yet it is clear that consumers rely on these endorsements when deciding to purchase the Smart Sock.

- 38. On information and belief, the Owlet Smart Socks have the same or substantially identical design and construction, and the omissions are the same for all Smart Socks.
- 39. Owlet had superior and exclusive knowledge of the Owlet Smart Sock's performance deficiencies and was aware or should have been aware that those deficiencies were not known or reasonably discoverable by Plaintiffs and Class Members before they purchased the Smart Socks.
- 40. Complaints posted to Owlet's website and social media, as well as elsewhere online, demonstrate that reasonable consumers have been, and continue to be, deceived by Owlet's advertising regarding the Smart Socks. The complaints also indicate Defendant's awareness of the problems with the Owlet Smart Sock's performance and accuracy, and how potentially dangerous the issues are for consumers. The following are some of the publicly available complaints relating to the Owlet Smart Sock's performance, accuracy, and reliability (spelling and grammar mistakes remain as found in the original):

Reviews "submitted 3 years ago" to OwletCare.com (exact dates known to Owlet but not publicly available)

a. Owlet is a wonderful concept "up all night so you don't have to be". Unfortunately, you ARE up all night because of the plethora of false red alarms. Owlet is a highly marketed "tested and development by medical professionals" device, but it should be clearly stated that it is NOT a medical device. We have been Owlet users for over six months. We have probably had 10 false red alarms in those six

¹⁵ "Owlet's Smart Sock Makes Millions Selling Parents Peace of Mind – But Doctors Are Unconvinced," Forbes Magazine, Oct. 3, 2017, a*vailable at* https://www.forbes.com/sites/nataliesportelli/2017/10/03/owlets-infant-health-monitor-is-winning-over-millennial-parents-doctors-are-another-matter/#77871fb37646.

months. We have taken our baby to the doctor, called medical professionals in the middle of the night, and begun to think something was seriously medically wrong with our child. There isn't. Anytime customer service was contacted over false alarms, their go to question was "well is the device placed properly?" Yes, always yes. We have gotten reading of low heart rate, when in fact, he's been in his bed, perfectly still, awake and healthy. Also low oxygen (less than 80%). We were told by our doctor if that were true, our baby would have been blue. He wasn't, and his pulse oximetry was reading in upper 90s at Doctor. Owlet is a great concept, but has many bugs to be fixed over the years. A lot more work to do. So for now, I say this device is not worth the money, and most definitely not worth the stress, worry, and fear that it incites.

- b. I would hope they improve on features and reliability of the product. For the price there are better monitoring system out there, that are more reliable and not prone to false alarm.
- c. My husband and I were so excited about purchasing the Owlet! The reviews online were great, we were confident that we picked the best option for our needs. Now that we have the Owlet and have used it nightly on our 2 month old, it is not near as awesome as everyone says. The range is only 10 feet from the docking station. At night if we take the baby into the kitchen to make a bottle, it goes off. While sleeping at night, the Owlet constantly goes off with false readings. It also goes off at night saying that the sock has been disconnected, but it is still perfectly secured onto our sons foot. It is very frustrating that this device is so expensive and is not near as accurate as it should be for the price. The Owlet is supposed to give you peace of mind, but in reality it just freaks my husband and I out. We jump up to check on our baby, and he is sound asleep. This is not something that has happened a couple of time here and there, the Owlet goes off several times a night at our house. Some people love it, but unfortunately for us it has been a waste of money and we are very unsatisfied with this product.
- d. Loved the idea. Worked great for two nights and then the false alarms started. Would have false alarms or disconnections more often than not. Scary and anxiety provoking to see an alarm that says "low pulse" only to find your baby ticking away at 130 beats/min. I called and discovered the false alarms were due to too much movement. That's fine, except when it happens over and over again. They sent me a replacement monitor for the issue (as well as other issues we were having). This also did not solve the problem. Pulse oximeters in the hospital also have false alarms all the time, not sure why I thought this would be any different.
- e. I was getting low heart rate false alarms so I changed sock sizes. Now we get up to 5 alarms a night that the sock can't get a reading or is disconnected. I have followed all the directions and tried troubleshooting. I've done research and changed the sock sizes. I've reached out to customer support but have yet to resolve the issue.

Unfortunately I can't use this great product because the false alarms wake my baby and family up throughout the night.

f. My monitor only worked for 1 month, and during that time it seemed to disconnect often sounding false alarm. I-phone app never seemed to function properly. After 1 month of use, monitor would disconnect from base every 15-30 minutes waking my son when alert played. After sever back and forth conversations with tech support I was mailed a new foot monitor, not base. I followed all instructions tech support gave me. New monitor still will not connect to base. I was told I needed to deal with master tech support. I waited several weeks, sent several emails and told master techs were very busy. After more than 2 weeks I get an email that says I just need to unplug it and wait a minute before rep lugging it in. Seriously? Like that was not the first thing we had tried? I was so excited about this product and hoped it would amazing- but it ended up being a lot of hassle and a big waste of time and money:(

Reviews "submitted 2 years ago" to OwletCare.com (exact dates known to Owlet but not publicly available)

- g. I purchased the owlet because my daughter came 6 weeks early, spending quite some time in the NICU. Within the first 2 months, the alarm went off frequently. Frantically jumping up to check on the baby. It would alternate from high heart rate to low heart rate. So I began personally checking her pulse. It was normal. I notified owlet and they say "it can be common for newborns to have some false alarms." Yet that's when most parents are concerned. Relying on accuracy. Then my owlet suddenly stopped working. I spent an hour 'troubleshooting with a tech. Of which no resolution, had to send another monitor. Now, 2 months later, my base keeps 'losing connection or asks me to reposition sock'. Again false alarms. By now, I feel this product is faulty and more hassle than good. I wouldn't recommend unless they can fix all "bugs".
- h. Decent for a quick spot check but that's about it. The connection can't travel through the walls like other security devices can. The hub needs turned off if you leave the room. Can't adjust the alarm bands to make them narrower. Needs trending capability. The music it plays can't ever be turned off without hitting a button (like an alarm that never ends) and only if you leave the room and don't turn off the hub. The wiggling notification takes way too long to stabilize. The scan rate should be at least every second whereas it appears that it's every 10 seconds or so (way too slow).
- i. I was very disappointed in the Owlet. I (thought I had) upgraded from the Snuza Hero to the Owlet, however, quickly realized that for the three weeks I had the Owlet I would get a false notification every. single. night. I looked at the website to ensure proper placement, I adjusted and readjusted, I switched from the "old" sock to the new one, I made it tight, I made it loose, I tried left foot and then right

foot, etc. I chatted online with people, and on the app and on the phone. I watched videos, I emailed with customer service. I did EVERYTHING! Once the sock sort of started working the terrible Beta version of the Android App stopped working. What's the point of the sock without the app? I finally decided to box it up and return it and go back to the Snuza. Haven't had a false alarm since. That is true peace of mind. Once I returned it I realized there was a new version coming out, so that means that even Owlet knows their product needs work.

- j. I bought this about a week after my daughter was born. I bought it mostly because she was so calm and quiet and different from my first that I thought something must be wrong. I wasn't sleeping well at night because I was constantly checking on her. The sock allowed me to sleep between alerts but because I slept with her in the side sleeper in the room when the alarms went off (mostly because the sock moved on her foot or it lost wifi connection the alarm would wake her up) I used it probably for only 2 weeks.
- k. I really like the idea behind this, but I could never get it to work. The sock is constantly falling off, which causes the alarm to go off and wakes my baby up. Very counterproductive. If the sock isn't falling off then the base station won't stay connected, or the sock won't stay charged. I have had the alarm go off multiple times, (almost every time I used it) but never because my baby was in any sort of danger. The owlet has caused more stress then it has peace of mind. I have really tried to make it work because it is such a pricey product, but I wish I had never received one. Again, I love the idea, but unfortunately the owlet did not meet my expectations.
- 1. We have been unable to set it up so that it doesn't give false alarms. We finally gave up.
- m. We bought this product with high hopes, tried it for several weeks, and were finally forced to give up on it. We were awake so much during the night responding to false alarms, hearts racing thinking our baby was dying, just to find out that he was still breathing and things were fine. The alarms were all due to loss of connectivity. The first night we had a couple of alarms reading low oxygen, but we found out how to better put the sock on and ended the false low-oxygen readings. However, were were up 5-10 times per night cancelling connectivity alarms. Talk about causing anxiety. We eventually decided that the alarm was an electronic version of the boy who cried wolf, and boxed it up to be returned. We have since found much cheaper options that give us peace of mind without false alarms and anxiety riddled nights. Sorry Owlet, I hate to write such a response because your product is the best in theory, but your deliverance of a functional product is lacking.
- n. Extremely unhappy. Constantly says "baby is wiggling" however, my daughter was sound asleep in her crib next to me, and not moving. Constantly in and out of wifi. When I try to add my wife's phone, we

- always encounter a problem with the device. Would not recommend. Tried contacting customer support, who were unable to help me correct the issue(s).
- o. It won't connect to my house wifi and after three hours on tech support they finally said "what router do you have? Oh sorry we don't work with that ITS TOO ADVANCED" I've never heard anything like that. Ever. "But don't worry you'll still get peace of mind, you don't need the app." Bull. Without the app I have NO idea what readings are happening just a green light and then false alarms. Three false red alarms. The first I almost had a heart attack. After that twice I've been sitting there watching him and all of a sudden the alarm goes off red. He is breathing normal and his pulse is fine. If I get false alarms how the heck am I supposed to have peace of mind that I don't have a false green light? Total. Junk.
- p. This product just did not work well for us. Too many inaccurate O2 readings. Our pediatrician recommended returning it.
- q. I was unable to get this product to take one reading, mine was likely defective
- r. We used the owlet monitor with out second baby because coming home from the hospital he did not sleep on his back, did not like to be swaddled, and spit up with milk coming out of his nose. I work in medical settings and am very familiar with pulse oxygen machines. Unfortunately, we never had any luck getting the monitor in the correct spot in his foot using any socks sent with it, placing it tightly or loose on his foot. It went off constantly and being an infant he slept in footed pj's. We would end up waking him up anyway to check placement of the monitor. We actually got less sleep than without it. We were very disappointed that it didn't work for us. Hopefully some adjustments can be made to make this monitor more efficient to use.
- s. We paid over \$200 for peace of mind with our baby, born in Feb. 2016. Since we bought the Owlet just after birth, we've had multiple failures to connect to our system, constant problems with the smart phone app, and one false red alert that scared us half to death. If I could go back in time, I would not buy this product.
- t. My device stopped working at the 50 day mark, it made it just long enough to go past the 45 day money back 45 day money back guarantee. Before that we constantly had problems. It easily slipped off setting of the alarm and waking up the baby. The device can only be ten feet away from the base station and the app sucks. A lot of things wrong with this and not a lot of things right. There are a lot of better monitors out there for cheaper. Additionally, the first time I posted this, they didn't even put it on the site. Had to call customer service (which is bad by the way) and ask why it had not been posted. If they don't post it this time I will report them to the BBB. I'll bet there are many more negative post that they are not posting. Bottom

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line, I recommend that YOU DO NOT BUY THIS PRODUCT. You will be sorry if you do.

- u. I'm very disappointed with the Owlet. I was so excited for this product after bringing home my first baby. I set it up as directed, using the step by step instructions provided by the app. When I used it on my baby, it was cool when it actually worked, but typically it had connectivity issues. I started with the base station in my room. I thought it might be too far from the baby, so I started putting it directly next to the baby's crib. Every 15 minutes or so, the blue light would flash and the very loud musical alarm would sound, waking up my baby. This alarm indicates a connection issue but my wifi was working perfectly as usual. As a new first time mom, my sleep is precious. I was awoken half of the nights I used this product, terrified my baby wasn't breathing, for no reason. Complete waste of money and ended up causing MORE anxiety, not a peace of mind as promised. If my friends ask, I will most certainly advise them against this product.
- v. I really wanted to like this product. We have been trying to make it work for 5 months and last night was the last night I will use it. Despite trying everything recommended by the company, we still get almost night "yellow" alerts which wake both us and baby up. Baby gets woken up because the base station has to stay in her room because the range on the base station is more like 2ft, not 10 ft as claimed by Owlet. It would be really nice if the base station could stay in our room so at least she wouldn't be woken up by false alarms. The app is very unreliable and every time I open it I have to close it again in order for it to work. Last night, although I had disabled monitoring after a yellow alert at 3am, the app continued to give yellow alerts and woke me up two more times. At that point I deleted the app and have decided that was the last night I will use Owlet. I believe the yellow alerts are because baby's feet are cold. We have tried putting her in footie PJs with a sock over the Owlet and even this does not help. We have literally tried everything and I've been in touch with customer service multiple times and they couldn't offer a solution.
- w. I love the idea of this product, but it doesn't work very well. I get a yellow alert at least once a night which wakes my baby. It means the sock isn't on correctly, which means it moves it my baby's sleep. It's very touchy. The app also takes forever to open. And most of the time I have to open the app, force close it and then open it again and wait up to a minute for it to work. It's a hassle.
- x. App says our sock is not connected to the bay station so we can't monitor vitals even though the sock is connected. It's been over 3 weeks since this has occurred. We contacted customer service who told us there was an issue with the app and engineers were working on it. It's quite frustrating paying good money for this product and not being able to use all the features.

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- y. Was very disappointed that it didnt work correctly. Kept it for 2 weeks and it gave false alarms multiple times a night
- z. I was really excited about this product. Unfortunately it does not work for my family and I regret buying it. The alarm goes off all night, saying that it is disconnected. I have stopped using it because we can't get any sleep.
- aa. The product is nice in theory, but really needed more beta testing and re-design before bringing it to market. When the product is working, it's nice - Eliminates some of the worry when you fall asleep at night, knowing if baby's heart rate or oxygen level is low, you will receive a wake-up alarm. The problem though is that it is frustratingly difficult to put on, and frequently (sometimes multiple times per hour) gives off a "difficulty getting reading" alarm, which basically means the product is not working correctly multiple times per hour. Difficulty Putting Sock On: *Velcro on strap is placed too close to loop that holds end of velcro strap in place, thus when baby is kicking legs (which he does when you are trying to put something uncomfortable like the Owlet sock on his foot), it may take five minutes (sometimes more) to get the sock on his foot. *Pattern design for the sock fabric was poorly designed - seam across toe on size 2 and up socks places the sensor mechanism too close to the baby's toes, so monitor doesn't pick up. I finally solved the problem by cutting a hole across the seam that runs across the edge of the toes, thus making it possible for the monitor to actually rest on top of the foot instead of on top of the toes. Difficulty Reading Alarm *Likely caused by poor sock design (as described above), which places sensor on top of toes instead of on top of foot, or *Clear plastic piece inside sock frequently bunches up (has happened on multiple socks); Once this happens, the difficulty reading alarm starts sounding. This becomes a major pain, especially if you have already put the baby in a one piece pajama sleeper or a swaddle, because to adjust the sock, you have to take off the swaddle (wakes the baby up and triggers him to want to feed again, and to cry), or take off the pajamas (which also wakes the baby up and triggers him to want to feed again and to cry). Overall: Good in theory, but sock needs lots of re-design.
- bb. The owlet monitor and base never worked the way they were supposed to. My son has slept through the night since he was a week old (my first didn't STTN until he was 4 years old so this wasn't something I expected). The fact that he sleeps so deeply has always been a major concern so my boyfriend and I get up and check on him constantly. When we read about the Owlet we HAD to get it since it pretty much guarantees peace of mind. Unfortunately the first night we used it we got 6 yellow alarms in a 3 hour span. It's been the same thing every night since. We even lowered to sensitivity and the alarms don't stop. We ended up turning it off and going back to carefully checking on our son throughout the night (for free!).
- cc. I really like the thought of this monitor and in theory it should help you rest easy, but I find myself getting more yellow alerts and adjust

sock notifications then I do actual readings. Which causes me to worry more, I find myself waking up to make sure the sock is reading correctly. I follow the directions and sock placement for the newborn sock and it doesn't seem to hekp anything. Fidgeting with the foot of a newborn can only last so long before you disturb them. I want to really like this, I'm hoping the different size socks get better readings, but if not the it would be a waste of money. Unfortunately we won't know until my baby grows into the size 1 sock.

- dd.I returned my owlet because i had to many false red alarms causing me more anxiety. Also returned because my son has gerd where he chokes on his spit up at night and the owlet stops working when baby moves so if he was actually in distress and choking he would kick his legs initially making the owlet inactive which defeated the purpose i bought it for.
- ee. I wanted to love this product, but for the price it's a rip off. It's really buggy and still needs to be refined. The sock has to be perfectly placed or it'll stop working. Also if your baby moves slightly, it'll say they are wiggling and won't give a reading. Finally the range from the base is TERRIBLE, and disconnects when venturing slightly away. But when it does work, we feel immensely safer. Owlet still has a ton of work to do before charging that much.

Reviews on Amazon.com, an authorized retailer for the Smart Sock:

- ff. 12/1/2015 My friend bought this yesterday and it's not working as we expected. FALSE ALERT is ringing all the time.
- gg.3/22/2016 This product is not ready for market. Obviously rushed into production. Socks are designed poorly. We tried all the sizes and tried putting other socks over and anything and everything to try to get the monitor to stay on. The sock came off every night. Set up is a pain. Very difficult to use. Lots of false alarms. I would have returned it quietly but then they make you jump through hoops to try and return it. They make it very difficult to return. Don't bother even trying this product. It'll take you a month to get your money back.
- hh.5/21/2016 I bought the item a little over two weeks ago. The item was a waste of \$300.00 Kept giving false alarms everyone the baby kicked or moved his feet or all you'd get is a baby kicking message... As a nurse who works in pediatrics.... I know they make better disposable O2 sensors that wrap around the baby's toe and don't have problems disconnecting every time a baby moves it's foot..... So by comparison this is a poorly made concept when you can get better disposable sensors that don't disconnect.... If my wife hand not thrown the box away.... I would've returned it and got my \$300.00 back. We bought the snuza breathing monitor for only \$99.00 and its 100% more reliable.
- ii. 7/14/2016 Overall, as many have said, this seems like a prototype. Great idea, terrible execution, rushed to market at an unjustifiable

- price because investors were starting to get nervous. I don't want to pay \$250 to be their beta tester.
- jj. 9/1/2016 I REALLY needed peace of mind and for this to work. It didn't. Not only did the blue alert (not monitoring) went off every half hour, the most important alert, red alarm, went off all the time. Mind you, my son was in the PICU so his oxygen levels were 100%. This freaked me out so I went back to the doctor. We had the owlet on his foot and he was monitored on the H20 levels in the hospital and sure enough, the owlet kept showing 82, 84, and then red alert while the machine with the doctor was 100% to sometimes hitting 99%. Sooooooo mad and I'm so completely exhausted right now from the lack of sleep this owlet has caused not just me who hasn't slept, but my entire family with these damn FALSE alerts. I've been to the live chat for help on three occasions and each time it was another waist of time and no help. I've never written a review and I hope to never again. This is how upset and angry I am with this device. My poor son
- kk.9/13/2016 If I could give this item a 0 star I would. Does not connect to wifi, terrible customer service, was difficult to return. Also, after ordering it i was told by many medical experts that devices such as these are dangerous since they cause unnecessary panic and anxiety since they go off on false alarms
- 11. 10/9/2016 Missing some major features that are obvious. Multiple false positives... and our pediatrician informed us after buying the product that the red alert is not configured to standards and cannot be changed. Therefore it will keep you up all night and your child is ok.
- mm. 10/10/2016 After all, this product made us more paranoid than necessary, in the critical time of raising a child. It gave multiple false alarms at 3 am in the morning.
- nn. Now we're tainted forever that our child MIGHT go out of Oxygen or have high heart rate.
- oo. 10/14/2016 I really wanted to like this unit, their customer service is great. But we had false alarms at least once a night. Owlet tried everything to replace but still had the same issues.
- pp.11/18/2016 By the time I got the Owlet working after 15 or so errors saying the base station was disconnected, the sock wasn't getting a reading or simply failing to try to take a reading at all (corrected by unplugging the base station and plugging it back in), my baby was awake and all I got was "<your child>'s wigging." Awful setup, confusing readout, horrible bluetooth range, and buggy product. With these errors, how can I trust the readout whenever it does give one?
- qq.12/26/2016 Ordered for our preemie to use when we brought her home a month early, but was too small. Bought every sock they offered and got false alarms way too often and didn't end up using

this at all. Careful, they offer a 45 day guarantee, which means it's out of warranty a week after you bring her home. Expensive paper weight

- rr. 1/2/2017 I wanted this sock to work so bad. The first red false alarm we had, my husband woke up and ran to the room bawling, thinking our baby was dead. Then, it worked for a while. Lately, we have gotten 3-4 red alarms each night. I keep repositioning the sock and always have another sock on top of it to keep it in place. Last night I was so frustrated that I turned the sock off and then couldn't sleep at all worried about my baby. It causes so much anxiety.
- ss. 1/14/2017 We also get those two alarms on a fairly regular basis and they seem to be false alarms. So that's annoying. At the end of the day, I guess I'm glad we have it, but I don't actually trust that the pulse of alarm is accurate or that I would get the alert in a timely fashion. I wouldn't recommend people spend this much money on a piece of technology that still needs A LOT of work.
- tt. 1/23/2017 If you want to be awoken multiple times a night by false alarms, feel free to buy this product.
- uu. 1/28/2017 The yellow alert (meaning that the sock is experiencing difficulty getting a good read of your baby's vitals) goes off every single night! We've had this for 6 months now, they've sent us 3 new sock electronics, one new base station, and 2 new fabric socks and the thing still goes off every single night. When we contact customer service, they are always super nice, but this is a lousy product. We even had a "sock fitting expert" take a look at how we are putting this on our baby, and nothing prevents this alert from going off. Our baby sleeps through the night, so we would be getting a full night's sleep if it weren't for this product jolting us awake at night, practically giving us a heart attack. Don't waste your money.
- vv.3/4/2017 They won't be in business long so what goes around.... Look at all the bad reviews in the App Store and other places plus it false alarms all the time.
- ww. 3/16/2017 I only get two messages from this contraption: the baby is wiggling or improper sock placement. My preconceived notion of gimmickry is confirmed. Great idea, not great product.
- xx.5/28/2017 Oxygen levels were always in the low 80s. Our baby is healthy, the readings were wrong. After several false alarms we stopped using this \$ 300,- junk and returned it. When we made a Google search for "Owlet reviews" almost all of them were from the Owlet website (of course, all of them in the 5 star range....) no Amazon reviews would show up. We are pretty sure that this company knows how to hide the problems of this product. When we called we were asked if we had the "old design" or the "new design" socks. What we understand is that the manufacturer redesigned the socks for some reason....

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yy.9/28/2017 I really wanted to love this monitor. The first one they sent had a faulty wifi chip. The second one the sent, the sensor died. I have spent over 3 hours on the phone with tech support since I've purchased this, and am now waiting on back order for a new sensor. Too many technical issues to be reliable.

- zz. 10/7/2017 If the sock moves even slightly, it continues measuring the pulse, but the O2 readings drop, leading to a red alert. This happened twice on two different nights. We're already sleep-deprived. We don't need false alarms waking us up even more. One thing that seems to have helped is placing a regular sock on top of the Owlet sock to keep it in place. I'm sorry, but for \$300, the sock ought to stay in place.
- 10/7/2017 I really wanted to like this product. I read a lot about aaa. it before I purchased it for my 2 week old baby. The first night I put it on my baby's foot, I received a red alert for oxygen levels 5 minutes after laying her down. She sleeps in her bassinet next to my bed, but I was still having problems sleeping because I felt the need to check on her every little while to make sure she was breathing. Obviously this did not ease my anxiety at all... which is the only reason I bought this monitor in the first place. I messed with the sock for about a week, made sure I was using the correct size, etc and never got an alert for the sock falling off or being out of position. I put the sock on her when she was awake and alert, and it would still alert for low oxygen levels after just a few minutes. I spoke with my pediatrician and she is perfectly healthy and her oxygen levels are not even below 97% when being tested with equipment at the hospital. Needless to say, my pediatrician is not a fan of these monitors because they can alert you of a problem when there isn't one. I would be ok of it was once in awhile, I would rather it alert me of a problem that isn't there than the alternative, but every 5-10 minutes just wasn't going to work for me. I returned this item and I will have to continue checking on her. I will probably stick with an audio/video monitor in the future.
- bbb. 10/23/2017 I bought my Owlet when my son was 6 months old and was its biggest fan. It worked great and I got few alarms for poor foot contact. One day while plugging it in, the pins bent. I called the company and they shipped me a replacement unit, which within 2 weeks was giving yellow alerts CONSTANTLY. I harangued customer service, they would not repair my original unit ("that won't be an option") or tell me any companies that could repair it. They would not exchange my replacement unit for another because "it is not defective." They stated that my son's foot was too long, asked for pictures, then stated that it was because his foot was too fat, but the foot being too fat should not cause alarms (what?!) and they were "sad with me" that my baby "has outgrown Owlet" at ten months of age. Since then my son has suffered a seizure and I suffer extreme anxiety that he will have another one during the night. I try to use the Owlet but within 2 minutes of being switched on, it will give a yellow alarm for poor foot contact, even if I have made it exceedingly tight. When it works, it's wonderful - but it doesn't work. I am

frustrated, stressed, anxious, the mother of a child with a health condition and the owner of this extremely expensive monitor that I can't even use to keep watch over him. I wish I could recommend this product, I cannot.

- ccc. 11/7/2017 Gave us false readings and cost a night in the hospital.
- ddd. 11/10/2017 The idea is good, but ours must have had a glitch. Every single night without fail at 2am, the alarm would start going off and we would panic and run to our baby and he was fine. After 6 nights of this, and making sure we 100% had the sock on the right way, we determined that we don't want a product that cried wolf. We talked to our doctor and he said that these products aren't very accurate anyway and it is best if we got rid of it.
- eee. 3/12/2018 This was an expensive device and would be worth the money if it worked reliably. When we first tried using it we got disconnect notices all the time despite our internet seeming to be working fine. If the base was upstairs and I took baby down stairs, it definitely wasn't going to work. When baby started sleeping in her room instead of ours we tried it again, with the base next to our bed, but being down the hall about half the distance it's suppose to cover, it would constantly go off. Now that we have the base in her room, the app keeps saying it's unable to connect to the base... so I can't get a reading, which means I can't get the promised reassurance. It's been doing this for a week and they keep telling me they are aware of the app issue and working on it but don't have an expected fix date. It's besn one frustration after another. I'd rather have my money for something else.
- fff. 10/16/2017 The charge/sensor on this product stopped working for the 2nd time. This already happened once and it was a 2 week ordeal to get a new replacement part. Now, the exact same thing happened again a couple of months later and they want to waste our time "troubleshooting" what is clearly a cheaply made piece of junk before yet again sending another replacement part (which will no doubt stop working again). Extremely frustrating experience.
- ggg. 3/24/2018 Great idea but way too many issues. We had to get a replacement after the first one had issues. The second one continued to have the same issues. Sock displacement would go off three times in the middle of the night, app disconnected from base station would appear, and the WiFi would disconnect. These issues would continuously wake us up and our baby. We checked our router and the placement of the sock; everything was fine. Customer service was nice but gave no solution other than their engineers are working on the problem. I would highly recommend going with another product.
- hhh. 4/7/2018 We had high hopes for this product. Unfortunately frequent false alarms don't allow quality sleep. When we contacted customer service about getting a replacement we were told since 45

days had passed, we were out of luck. I would not recommend this product. In theory it is great, in reality it is useless.

- 41. Despite these numerous complaints, Owlet has actively misrepresented the accuracy and performance capabilities of the Smart Sock to Plaintiffs and Class Members prior to the time of purchase to deceive its customers into believing the Smart Socks will perform reliably and are worth the high cost for the product.
- 42. Plaintiffs are informed and believe, and based thereon allege, that before Plaintiffs purchased their Owlet Smart Socks, Owlet knew about the performance and accuracy issues through sources not available to consumers, including pre-release testing data, early consumer complaints, high failure rates and replacement part sales data, and other internal sources, including warranty data and private messages via social media and calls placed to customer support.
- 43. If Plaintiffs and Class Members knew about Owlet's misrepresentations and omissions regarding the accuracy and performance capabilities of the Smart Socks, facts that are material to consumers, Plaintiffs and Class Members would not have purchased the Smart Socks or would have paid much less for them.
- 44. Because of their reliance on Owlet's deceptive marketing and labeling practices, purchasers of the Owlet Smart Socks suffered an ascertainable loss of money, property, and/or value of their monitors, including, but not limited to, out-of-pocket costs incurred in purchasing the overvalued monitors in addition to a traditional baby monitor. Additionally, because of Owlet's deceptive marketing and labeling practices, Plaintiffs and Class Members were harmed and suffered actual damages in that their Owlet Smart Sock is substantially certain to malfunction before its expected useful life has run.
- 45. As the intended, direct, and proximate result of Owlet's false, misleading, and deceptive representations and omissions, Owlet has been unjustly

enriched through more sales of Smart Socks and higher profits at the expense of Plaintiffs and the Class Members.

CLASS ALLEGATIONS

- 46. Plaintiffs bring this lawsuit as a class action on behalf of themselves and all others similarly situated as members of the proposed Class pursuant to pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), 23(b)(3), and 23(c)(4). This action satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority requirements of those provisions.
 - 47. The Class and Sub-Class are defined as:

<u>Nationwide Class</u>: All individuals in the United States who purchased an Owlet Smart Sock (the "Nationwide Class" or "Class").

<u>California Sub-Class</u>: All members of the Nationwide Class who purchased an Owlet Smart Sock in the State of California.

<u>CLRA Sub-Class</u>: All members of the California Sub-Class who are "consumers" within the meaning of California Civil Code § 1761(d).

<u>Implied Warranty Sub-Class</u>: All members of the Nationwide Class who purchased their Ninja Stacked Blade Blender in the State of California.

48. Excluded from the Class and Sub-Classes are: (1) Defendant, any entity or division in which Defendant has a controlling interest, and their legal representatives, officers, directors, assigns, and successors; (2) the Judge to whom this case is assigned and the Judge's staff; (3) any Judge sitting in the presiding state and/or federal court system who may hear an appeal of any judgment entered; and (4) those persons who have suffered personal injuries as a result of the facts alleged herein. Plaintiffs reserve the right to amend the Class and Sub-Class definitions if discovery and further investigation reveal that the Class and Sub-Class should be expanded or otherwise modified.

- 49. <u>Numerosity</u>: Although the exact number of Class Members is uncertain and can only be ascertained through appropriate discovery, the number is great enough such that joinder is impracticable. The disposition of the claims of these Class Members in a single action will provide substantial benefits to all parties and to the Court. The Class Members are readily identifiable from information and records in Defendant's possession, custody, or control.
- 50. Typicality: Plaintiffs' claims are typical of the claims of the Class in that Plaintiffs, like all Class Members, was deceived by Owlet's omissions regarding the Smart Sock's accuracy and reliability and experienced issues relating to the Smart Sock's inaccuracies and design flaws after purchase. The representative Plaintiffs, like all Class Members, have been damaged by Defendant's misconduct in that they have incurred the over-valued costs of purchasing an Owlet Smart Sock for a premium price in reliance on Owlet's omissions. Furthermore, the factual bases of Owlet's misconduct are common to all Class Members and represent a common thread resulting in injury to all Class Members.
- 51. <u>Commonality</u>: There are numerous questions of law and fact common to Plaintiffs and the Class that predominate over any question affecting only individual Class Members. These common legal and factual issues include the following:
 - a. Whether Owlet misrepresented and/or failed to disclose material facts concerning its Owlet Smart Sock;
 - b. Whether Owlet's conduct was unlawful, unfair and/or deceptive;
 - c. Whether Owlet has a duty to disclose the true nature of the Owlet Smart Sock;
 - d. Whether Plaintiffs and other Class Members are entitled to equitable relief, including but not limited to a preliminary and/or permanent injunction;

- e. Whether Plaintiffs and other Class Members are entitled to damages;
- f. Whether Defendant knew or reasonably should have known of its deceptive omissions relating to the Smart Sock; and
- g. Whether Defendant is obligated to inform Class Members of their right to seek reimbursement for having paid for the Owlet Smart Sock in reliance on Defendant's misrepresentations and omissions.
- 52. <u>Adequate Representation</u>: Plaintiffs will fairly and adequately protect the interests of the Class Members. Plaintiffs have retained attorneys experienced in the prosecution of class actions, including consumer and deceptive advertising class actions, and Plaintiffs intends to prosecute this action vigorously.
- all suffered and will continue to suffer harm and damages as a result of Defendant's unlawful and wrongful conduct. A class action is superior to other available methods for the fair and efficient adjudication of the controversy. Absent a class action, most Class Members would likely find the cost of litigating their claims prohibitively high and would therefore have no effective remedy at law. Because of the relatively small size of the individual Class Members' claims, it is likely that only a few Class Members could afford to seek legal redress for Defendant's misconduct. Absent a class action, Class Members will continue to incur damages, and Defendant's misconduct will continue without remedy. Class treatment of common questions of law and fact would also be a superior method to multiple individual actions or piecemeal litigation in that class treatment will conserve the resources of the courts and the litigants and will promote consistency and efficiency of adjudication.

FIRST CAUSE OF ACTION

(Violation of California's Consumers Legal Remedies Act, California Civil Code § 1750, et seq.)

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- Plaintiffs incorporate by reference the allegations contained in each 54. and every paragraph of this Complaint.
- Plaintiffs bring this cause of action on behalf of themselves and on 55. behalf of the members of the CLRA Sub-Class.
- 56. Defendant is a "person" as defined by California Civil Code § 1761(c).
- Plaintiffs and CLRA Sub-Class Members are "consumers" within the 57. meaning of California Civil Code § 1761(d) because they bought the Owlet Smart Sock for personal use.
- By failing to disclose to Plaintiffs and prospective Class Members 58. and concealing the true and actual nature, quality, and characteristics of the Owlet Smart Sock, Defendant violated California Civil Code § 1770(a), as it represented that Owlet Smart Socks had characteristics and benefits that they do not have, represented that Owlet Smart Socks were of a particular standard, quality, or grade when they were of another, and advertised Owlet Smart Socks with the intent not to sell them as advertised. See Cal. Civ. Code §§ 1770(a)(5)(7) & (9).
- 59. Defendant's unfair and deceptive acts or practices occurred repeatedly in Defendant's trade or business and were capable of deceiving a substantial portion of the purchasing public.
- 60. Defendant knew the Owlet Smart Socks did not possess the characteristics and benefits as represented and were not of the particular standard, quality or grade as represented.
- As a result of their reliance on Defendant's representations and omissions, Class Members suffered an ascertainable loss of money, property, and/or value of their Owlet Smart Socks.
- 62. Defendant was under a duty to Plaintiffs and Class Members to disclose the true and actual nature of the Owlet Smart Socks because:

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- a. Defendant was in a superior position to know the true nature of the Owlet Smart Socks;
- b. Plaintiffs and Class Members could not reasonably have been expected to know about the accuracy and reliability issues inherent in the Owlet Smart Socks; and
- c. Defendant knew that Plaintiffs and Class Members could not reasonably have been expected to know about the accuracy and reliability issues inherent in the Owlet Smart Socks.
- 63. In failing to disclose the true nature of the Owlet Smart Socks, Defendant knowingly and intentionally concealed material facts and breached its duty not to do so.
- The facts Defendant concealed from or misrepresented to Plaintiffs 64. and Class Members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase the Owlet Smart Socks or pay less. If Plaintiffs and Class Members had known about the accuracy and reliability issues described herein, they would not have purchased the Owlet Smart Socks or would have paid less for them.
- 65. Plaintiffs and Class Members are reasonable consumers who expect manufacturers, like Owlet, to provide accurate and truthful representations regarding the safety, accuracy, and design features of their products. Further, reasonable consumers, like Plaintiffs, rely on the representations made by manufacturers regarding the safety, accuracy, and design features in determining whether to purchase and consider that information important to their purchase decision.
- As a direct and proximate result of Defendant's unfair methods of 66. competition and/or unfair and deceptive practices, Plaintiffs and the Class have suffered and will continue to suffer actual damages.
 - Plaintiffs and the Class are entitled to equitable relief. 67.

68. Plaintiffs provided Defendant with notice of its violations of the CLRA pursuant to California Civil Code § 1782(a). Because Defendant failed to provide appropriate relief for their violations of the CLRA within 30 days, Plaintiffs seek monetary, compensatory, and punitive damages, in addition to injunctive and equitable relief.

SECOND CAUSE OF ACTION

(Violation of California Business & Professions Code § 17200 et seq.)

- 69. Plaintiffs incorporate by reference the allegations contained in each and every paragraph of this Complaint.
- 70. Plaintiffs bring this cause of action on behalf of themselves and on behalf of the Nationwide Class, or in the alternative, on behalf of themselves and on behalf of the California Sub-Class.
- 71. As a result of their reliance on Defendant's misrepresentations and omissions, Class Members suffered an ascertainable loss of money, property, and/or value of their Owlet Smart Socks.
- 72. California Business & Professions Code § 17200 prohibits acts of "unfair competition," including any "unlawful, unfair or fraudulent business act or practice" and "unfair, deceptive, untrue or misleading advertising."
- 73. Plaintiffs and Class Members are reasonable consumers who expect manufacturers, like Owlet, to provide accurate and truthful representations regarding the safety, accuracy, and design features of their products. Further, reasonable consumers, like Plaintiffs, rely on the representations made by manufacturers regarding the safety, accuracy, and design features in determining whether to purchase and consider that information important to their purchase decision.
- 74. In failing to disclose and actively misrepresenting the true nature of the Owlet Smart Socks, Defendant has knowingly and intentionally concealed material facts and breached its duty not to do so.

- 75. Defendant was under a duty to Plaintiffs and Class Members to disclose the true and actual nature of the Owlet Smart Socks because:
 - a. Defendant was in a superior position to know the true nature of the Owlet Smart Socks;
 - b. Defendant made partial representations about the Owlet Smart Socks without revealing the material information needed to determine whether to purchase; and
 - c. Defendant actively concealed the true nature of the Owlet Smart Socks from Plaintiffs and the Class.
- 76. The facts Defendant concealed from or misrepresented to Plaintiffs and Class Members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase Owlet Smart Socks or pay less. If Plaintiffs and Class Members had known about the accuracy and reliability issues described herein, they would not have purchased the Owlet Smart Socks or would have paid less for them.
 - 77. Defendant's conduct was and is likely to deceive consumers.
- 78. Defendant's acts, conduct and practices were unlawful, in that they constituted:
 - a. Violations of California's Consumers Legal Remedies Act;
 - b. Violations of California's False Advertising Law;
 - c. Violations of the Song-Beverly Consumer Warranty Act; and
 - d. Violations of the Magnuson-Moss Warranty Act.
- 79. By its conduct, Defendant has engaged in unfair competition and unlawful, unfair, and fraudulent business practices.
- 80. Defendant's unfair or deceptive acts or practices occurred repeatedly in Defendant's trade or business and were capable of deceiving a substantial portion of the purchasing public.

- 81. As a direct and proximate result of Defendant's unfair and deceptive practices, Plaintiffs and the Class have suffered and will continue to suffer actual damages.
- 82. Defendant has been unjustly enriched and should be required to make restitution to Plaintiffs and the Class pursuant to §§ 17203 and 17204 of the Business & Professions Code.

THIRD CAUSE OF ACTION

(Breach of Implied Warranty Pursuant to Song-Beverly Consumer Warranty Act, California Civil Code §§ 1792 and 1791.1, et seq.)

- 83. Plaintiffs incorporate by reference the allegations contained in each and every paragraph of this Complaint.
- 84. Plaintiffs bring this cause of action against Defendant on behalf of themselves and on behalf of the members of the Implied Warranty Sub-Class.
- 85. Defendant was at all relevant times the manufacturer, distributor, warrantor, and/or seller of the Owlet Smart Sock. Defendant knew or had reason to know of the specific use for which the Owlet Smart Sock were purchased.
- 86. Defendant provided Plaintiff and Class Members with an implied warranty that the Owlet Smart Socks are merchantable and fit for the ordinary purposes for which they were sold. However, the Owlet Smart Socks are not fit for their ordinary purpose in that they suffer from design flaws that cause, among other problems, frequent and unnerving false alarms throughout the night, inaccurate readings, and complete failure to detect and alert to abnormal oxygen levels and heart rates.
- 87. Defendant impliedly warranted that the Owlet Smart Socks were of merchantable quality and fit for such use. This implied warranty included, among other things: (i) a warranty that the Owlet Smart Socks were manufactured, supplied, distributed, and/or sold by Owlet were safe and reliable; and (ii) a warranty that the Owlet Smart Socks would be fit for their intended use

during operation.

- 88. Contrary to the applicable implied warranties, the Owlet Smart Socks, at the time of sale and thereafter, were not fit for their ordinary and intended purpose of providing Plaintiffs and Class Members with a reliable and accurate baby monitor that tracks oxygen saturation and heart rate levels and alerts parents to any abnormalities. Instead, the Owlet Smart Socks do not operate as advertised, including, without limitation, the frequent and unnerving false alarms throughout the night, inaccurate readings, and complete failure to detect and alert to abnormal oxygen levels and heart rates.
- 89. The alleged accuracy and reliability issues are inherent in Owlet Smart Sock and was present in each Smart Sock at the time of sale.
- 90. As a result of Defendant's breach of the applicable implied warranties, purchasers of the Owlet Smart Sock suffered an ascertainable loss of money, property, and/or value of their baby monitors, including, but not limited to, the out-of-pocket costs incurred in purchasing the overvalued and ineffective Owlet Smart Sock.
- 91. Additionally, as a result of Owlet's deceptive marketing and labeling practices, Plaintiffs and Class Members were harmed and suffered actual damages in that their Owlet Smart Sock are substantially certain to fail and consistently malfunction before the expected useful life has run.
- 92. Defendant's actions, as complained of herein, breached the implied warranty that the Owlet Smart Socks were of merchantable quality and fit for such use in violation of California Civil Code §§ 1792 and 1791.1.

FOURTH CAUSE OF ACTION

(Breach of Implied Warranty under the Magnuson-Moss Warranty Act, 15 U.S.C. § 2303 et seq.)

93. Plaintiffs incorporate by reference the allegations contained in each and every paragraph of this Complaint.

- 94. Plaintiffs bring this cause of action on behalf of themselves and on behalf of the Nationwide Class, or, in the alternative, on behalf of the Implied Warranty Sub-Class, against Defendant.
- 95. The Owlet Smart Socks are a "consumer product" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(1).
- 96. Plaintiffs and Class Members are "consumers" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(3).
- 97. Defendant is a "supplier" and "warrantor" within the meaning of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301(4)-(5).
- 98. Owlet impliedly warranted that the Owlet Smart Socks were of merchantable quality and fit for such use. This implied warranty included, among other things: (i) a warranty that the Owlet Smart Socks were manufactured, supplied, distributed, and/or sold by Owlet were safe and reliable; and (ii) a warranty that the Owlet Smart Socks would be fit for their intended use during operation.
- 99. Contrary to the applicable implied warranties, the Owlet Smart Socks, at the time of sale and thereafter, were not fit for their ordinary and intended purpose of providing Plaintiffs and Class Members with a reliable and accurate baby monitor that tracks oxygen saturation and heart rate levels and alerts parents to any abnormalities. Instead, the Owlet Smart Socks do not operate as advertised, including, without limitation, the frequent and unnerving false alarms throughout the night, inaccurate readings, and complete failure to detect and alert to abnormal oxygen levels and heart rates.
- 100. Defendant's breach of implied warranties has deprived Plaintiffs and Class Members of the benefit of their bargain.
- 101. The amount in controversy of Plaintiff's individual claims meets or exceeds the sum or value of \$25,000. In addition, the amount in controversy meets or exceeds the sum or value of \$50,000 (exclusive of interests and costs)

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computed on the basis of all claims to be determined in this suit.

- 102. Defendant has been afforded a reasonable opportunity to cure its breach, including customer complaints posted online and submitted to Defendant by Class Members since 2015.
- 103. As a direct and proximate cause of Defendant's breach of implied warranties, Plaintiffs and Class Members sustained damages and other losses in an amount to be determined at trial. Defendant's conduct damaged Plaintiffs and Class Members, who are entitled to recover actual damages, consequential damages, specific performance, diminution in value, costs, attorneys' fees, and/or other relief as appropriate.
- 104. As a result of Defendant's violations of the Magnuson-Moss Warranty Act as alleged herein, Plaintiffs and Class Members have incurred damages.

FIFTH CAUSE OF ACTION

(For Unjust Enrichment)

- 105. Plaintiffs incorporate by reference the allegations contained in each and every paragraph of this Complaint.
- 106. Plaintiffs bring this cause of action on behalf of themselves and on behalf of the Nationwide Class, or, in the alternative, on behalf of the California Sub-Class, against Defendant.
- 107. As a direct and proximate result of Defendant's failure to disclose known design flaws, Defendant has profited through the sale of said baby monitors. Although these baby monitors can be purchased through Defendant's agents, the money from the sales flows directly back to Defendant.
- 108. Defendant has therefore been unjustly enriched due to the known performance and accuracy deficiencies in the Owlet Smart Sock through the use of funds that earned interest or otherwise added to Defendant's profits when said money should have remained with Plaintiffs and Class Members.

109. As a result of the Defendant's unjust enrichment, Plaintiffs and Class Members have suffered damages.

RELIEF REQUESTED

- 110. Plaintiffs, on behalf of themselves, and all others similarly situated, request the Court to enter judgment against Defendant, as follows:
 - a. An order certifying the proposed Class and Sub-Classes, designating Plaintiffs as named representatives of the Class, and designating the undersigned as Class Counsel;
 - b. An order enjoining Defendant from further deceptive advertising, sales, and other business practices with respect to its omissions regarding the Owlet Smart Socks;
 - c. A declaration requiring Defendant to comply with the various provisions of the Song-Beverly Act alleged herein and to make all the required representations;
 - d. An award to Plaintiffs and the Class for compensatory, exemplary, and statutory damages, including interest, in an amount to be proven at trial;
 - e. Any and all remedies provided pursuant to the Song-Beverly Act, including California Civil Code § 1794;
 - f. Any and all remedies provided pursuant to the Magnuson-Moss Warranty Act;
 - g. A declaration that Defendant must disgorge, for the benefit of the Class, all or part of the ill-gotten profits it received from the sale of Owlet Smart Socks, or make full restitution to Plaintiffs and Class Members;
 - h. An award of attorneys' fees and costs, as allowed by law;
 - i. An award of attorneys' fees and costs pursuant to California Code of Civil Procedure § 1021.5;

CLASS ACTION COMPLAINT

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EXHIBIT 1

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8	Attorneys for Plaintiffs Amanda Ruiz and Marisela Arreola	
9	Amanda Ruiz and Mariseia Arreola	
10	UNITED STATES DISTRICT COURT	
11	CENTRAL DISTRICT OF CALIFORNIA	
12		
13	AMANDA RUIZ and MARISELA ARREOLA, individually, and on	Case No.:
14	behalf of a class of similarly situated individuals,	DECLARATION OF AMANDA
15	Plaintiffs,	RUIZ IN SUPPORT OF VENUE FOR CLASS ACTION COMPLAINT PURSUANT TO CIVIL CODE §
16	V.	1780(d)
17	OWLET BABY CARE, INC., a Delaware corporation,	
18	Defendant.	
19	Detendant.	
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DECL. OF AMANDA RUIZ IN SUPPORT OF PLAINTIFF'S SELECTION OF VENUE FOR TRIAL

DECLARATION OF AMANDA RUIZ

- I, AMANDA RUIZ, declare under penalty of perjury as follows:
- 1. I make this declaration based upon my personal knowledge except as to those matters stated herein that are based upon information and belief, and as to those matters I believe them to be true. I am over the age of eighteen, a citizen of the State of California, and a Plaintiff in this action.
- 2. Pursuant to California Civil Code § 1780(d), this Declaration is submitted in support of Plaintiff's Selection of Venue for the Trial of Plaintiffs' Cause of Action alleging violation of California's Consumers Legal Remedies Act.
- 3. I reside in Running Springs, California, which is in the County of San Bernardino. I purchased the Owlet Smart Sock that is the subject of this lawsuit in the County of San Bernardino.
- 4. I am informed and believe that Defendant Owlet Baby Care, Inc. is a corporation organized and in existence under the laws of the State of Delaware and conducts business throughout the State of California and in San Bernardino County.
- 5. Based on the facts set forth herein, this Court is a proper venue for the prosecution of Plaintiffs' Cause of Action alleging violation of California's Consumers Legal Remedies Act because the Owlet Smart Sock that is the subject of this lawsuit are situated here, and a substantial portion of the events giving rise to the claims occurred here.
- 6. I declare under penalty of perjury under the laws of California and the United States of America that the foregoing is true and correct.

Executed on January 28, 2019, in Running Springs, California.

