

**LYNCH CARPENTER LLP**  
Todd D. Carpenter (CA 234464)  
todd@lcllp.com  
Scott G. Braden (CA 305051)  
scott@lcllp.com  
1350 Columbia Street, Ste. 603  
San Diego, California 92101  
Telephone: 619.762.1910  
Facsimile: 619.756.6991

*Attorneys for Plaintiff and  
Proposed Class Counsel*

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA**

JANE VILLALPANDO, on behalf of  
herself and all others similarly situated,

Plaintiff,

vs.

ZALE CORPORATION, a Delaware  
corporation, and DOES 1- 50, inclusive,

Defendants.

Case No.

**CLASS ACTION COMPLAINT**

**Violations of:**

- 1. California’s Unfair Competition Laws (“UCL”),  
CAL. BUS. & PROF. CODE §§ 17200, et seq.;**
- 2. California’s False Advertising Laws (“FAL”),  
CAL. BUS. & PROF. CODE §§ 17500, et seq.;**
- 3. California Consumer Legal Remedies Act (“CLRA”),  
CAL. CIV. CODE §§ 1750, et seq.;**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Jane Villalpando (“Plaintiff”) brings this action on behalf of herself and all  
2 others similarly situated against Defendant Zale Corporation (“Defendant” or “Zales”), and  
3 states:

4 **I. NATURE OF THE ACTION**

5 1. Discounts of products benefit both sellers and their customers—when they are  
6 legitimate. To the detriment of consumers, as announced by the Ninth Circuit, sellers are  
7 “well aware of consumers’ susceptibility to a bargain, [and] therefore have an incentive to  
8 lie to their customers.” *Hinojos v. Kohl’s Corp.*, 718 F.3d 1098, 1101 (9th Cir. 2013).  
9 Products perceived by consumers as discounted are thus not always actual bargains, and  
10 consumers’ perceptions can stem directly from sellers’ deceptions. This class action seeks  
11 monetary damages, restitution, declaratory, and injunctive relief from Defendant arising  
12 from its own deceptive business practice of advertising fictitious “original” prices and  
13 corresponding phantom discounts on its e-commerce website, zalesoutlet.com, where it  
14 sells engagement rings and other jewelry items.

15 2. False reference pricing occurs when a seller fabricates a false “original” price  
16 for a product and then offers that product at a substantially lower price under the guise of a  
17 sale. The resulting artificial price disparity misleads consumers into believing the product  
18 they are buying has a higher market value, and it induces them into purchasing the product.  
19 This practice artificially inflates the true market price for these products by raising  
20 consumers’ internal reference price and in turn the value consumers ascribe to these  
21 products (i.e., demand). Consequently, this reference pricing schemes enable retailers, like  
22 Defendant, to sell products above their true market price and value—and consumers are left  
23 to pay the price.

24 3. The following example of a hypothetical DVD seller, which is parallel to  
25 Defendant’s deceptive business practice, illustrates the illegal false reference pricing  
26 scheme and its attendant harm to consumers. A seller knows it can sell a particular DVD at  
27 \$5.00, which represents both the market price and the price at which the seller could  
28 regularly offer the DVD and make a profit. Instead, however, the seller creates an inflated

1 “original” price for the DVD of \$100.00 and advertises the DVD as “on sale” at **90% off**  
2 rendering the “**sale**” price of the DVD \$10.00. When a consumer purchases the DVD, he  
3 presumes he got a “good deal” on a DVD previously sold—i.e., valued by others in the  
4 market—at an “original” price of \$100.00. The consumer’s presumption and purchase stem  
5 directly from the seller’s purposeful deception. For example, if the seller tried to sell that  
6 same DVD for \$10.00 **without** referencing a false original price of \$100.00, and the  
7 attendant 90% off discount, that seller would not be able to sell any DVDs at \$10.00 because  
8 the true, original market price of the DVD is \$5.00. In contrast, by presenting consumers  
9 with a false “original” price of \$100.00, consumers will purchase the DVD at \$10.00; the  
10 seller thus has fabricated an increase in demand for the DVD through the **perceived value**  
11 of both the DVD itself and the substantial discount of \$90.00. Consumers’ increased  
12 willingness and demand to pay \$10.00 for the DVD will in turn impact the overall market  
13 price of the DVD. Therefore, the seller can create a false market price for the DVD at \$10.00  
14 by advertising a false “original” price and a corresponding phantom discount of 90% off.  
15 Plaintiff’s case seeks to remedy this deception, its attendant harm to consumers, and that  
16 disparity—the impact on the increase in market price through the Defendant’s application  
17 of an illegal discounting scheme.

18 4. It is well-established that false reference pricing violates federal law and  
19 various state consumer protection statutes. Even so, sellers, including Defendant, continue  
20 to use the tactic because they know they will be able to increase sales and profits by tricking  
21 consumers into making purchasing decisions based on the advertised reference prices. The  
22 information available to consumers varies for different types of products; nonetheless,  
23 consumers frequently lack full information about products and as a result often use  
24 information from sellers to make purchase decisions.

25 5. Through its false and misleading marketing, advertising, and pricing scheme  
26 alleged herein, Defendant violated, and continues to violate, federal law and various state  
27 consumer protection laws, which prohibit the advertisement of goods for sale discounted  
28 from false former prices. These laws also prohibit the dissemination of misleading

1 statements about the existence and amount of price reductions. Specifically, Defendant  
2 violated and continues to violate:

3 a. California’s Unfair Competition Law (“UCL”), CAL. BUS. & PROF.  
4 CODE §§ 17200, *et seq.*;

5 b. California’s False Advertising Law (“FAL”), CAL. BUS. & PROF. CODE  
6 §§ 17500, *et seq.*; and

7 c. California Consumer Legal Remedies Act (“CLRA”), CAL. CIV. CODE  
8 §§ 1750, *et seq.*

9 6. Plaintiff brings this action on behalf of herself and other similarly situated  
10 consumers who have purchased one or more products through zalesoutlet.com that were  
11 deceptively represented as discounted from a false reference price. Plaintiff seeks to halt the  
12 dissemination of this false, misleading, and deceptive pricing scheme, to correct the false  
13 and misleading perception it has created in the minds of consumers, and to obtain redress  
14 for those who have purchased products tainted by this deceptive pricing scheme. Plaintiff  
15 also seeks to enjoin Defendant from using misrepresentations regarding former price  
16 comparisons in its labeling, marketing, and advertising permanently. Furthermore, Plaintiff  
17 seeks to obtain actual, statutory, and punitive damages, restitution, injunctive relief,  
18 reasonable costs and attorneys’ fees, and other appropriate relief in the amount by which  
19 Defendant was unjustly enriched as a result of its sales offered at a false discount.

20 **II. JURISDICTION AND VENUE**

21 7. This Court has original jurisdiction of this action pursuant to the Class Action  
22 Fairness Act, 28 U.S.C. § 1332(d)(2). The matter in controversy, exclusive of interest and  
23 costs, exceeds the sum or value of \$5,000,000 and at least some members of the proposed  
24 Class (defined below) have a different citizenship from Defendant.

25 8. The Eastern District of California has personal jurisdiction over Defendant and  
26 is the proper venue for this action pursuant to 28 U.S.C. § 1391(b)(1) in that Plaintiff resides  
27 and was injured in this district wherein a substantial part of the events or omissions giving  
28 rise to her claims occurred. Further, Defendant is a corporation or other business entity that

1 conducts substantial business in this district and has sufficient minimum contacts in  
2 California, and/or otherwise intentionally avails itself to the California market through the  
3 operation of its e-commerce website.

### 4 III. GENERAL ALLEGATIONS

#### 5 A. Retailers Benefit from False Reference Pricing Schemes.

6 9. Defendant engages in a false and misleading reference price scheme in the  
7 marketing and selling of its products on its Zales e-commerce websites: zales.com and  
8 zalesoutlet.com.

9 10. Sellers substantially benefit from employing false reference pricing schemes  
10 and experience increased sales because consumers use advertised reference prices to make  
11 purchase decisions. The information available to consumers can vary significantly amongst  
12 different types of products.<sup>1</sup> Nonetheless, consumers frequently lack fundamental  
13 information about products and as a result often rely on information from sellers to make  
14 purchase decisions, especially when a product's value or quality is otherwise difficult to  
15 discern.<sup>2</sup>

16 11. Consumers incorporate Defendant's deceptive advertised reference prices into  
17 their decision processes for a few reasons. First, a product's "price is also used as an  
18 indicator of product quality."<sup>3</sup> In other words, consumers view Defendant's deceptive  
19

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20 <sup>1</sup> Even within a product, consumers may have imperfect information on the individual  
21 attributes. Economists describe "search goods" as those whose attributes "can be  
22 ascertained in the search process prior to purchase" (e.g., style of a shirt), "experience  
23 goods" as those whose attributes "can be discovered only after purchase as the product is  
24 used" (e.g., longevity of a shirt), and "credence goods" as those whose attributes "cannot  
25 be evaluated in normal use" (e.g., whether the shirt's cotton was produced using organic  
26 farming methods). Darby, Michael R., and Edi Karni. "Free Competition and the Optimal  
27 Amount of Fraud." *The Journal of Law and Economics* 16 no. 1 (1973): 67-88, pp. 68-69.

28 <sup>2</sup> "Not only do consumers lack full information about the prices of goods, but their  
information is probably even poorer about the quality variation of products simply because  
the latter information is more difficult to obtain". Nelson, Phillip. "Information and  
Consumer Behavior." *Journal of Political Economy* 78, no. 2 (1970): 311-329, pp. 311-  
312. *See also* David Adam Friedman, *Reconsidering Fictitious Pricing*, 100 Minn. L. Rev.  
921, 935 (2016).

<sup>3</sup> Grewal, Dhruv, and Larry D. Compeau. "Comparative price advertising: Informative or  
deceptive?" *Journal of Public Policy & Marketing* (1992): 52-62, p. 54. *Also see* Thaler,  
Richard. "Mental Accounting and Consumer Choice." *Marketing Science* 4, no. 3 (1985):  
199-214, p. 212 ("The [reference price] will be more successful as a reference price the less

1 advertised reference prices as a proxy for product quality. Second, reference prices  
 2 “appeal[] to consumers’ desire for bargains or deals.”<sup>4</sup> Academic researchers note how  
 3 consumers “sometimes expend more time and energy to get a discount than seems  
 4 reasonable given the financial gain involved,” and “often derive more satisfaction from  
 5 finding a sale price than might be expected on the basis of the amount of money they  
 6 actually save.”<sup>5</sup> Under this concept, coined “transaction utility” by Noble Prize-winning  
 7 economist Richard Thaler, consumers place some value on the psychological experience of  
 8 obtaining a product at a perceived bargain.<sup>6</sup>

9 12. Research in marketing and economics has long recognized that consumer  
 10 demand can be influenced by “internal” and “external” reference prices.<sup>7</sup> Internal reference  
 11 prices are “prices stored in memory” (*e.g.*, a consumer’s price expectations adapted from  
 12 past experience) while external reference prices are “provided by observed stimuli in the  
 13 purchase environment” (*e.g.*, a “suggested retail price,” or other comparative sale price).<sup>8</sup>  
 14 Researchers report that consumer’s internal reference prices adjust toward external  
 15 reference prices when valuing a product.<sup>9</sup> For products purchased infrequently, external

16 \_\_\_\_\_  
 17 often the good is purchased. The [reference price] is most likely to serve as a proxy for  
 18 quality when the consumer has trouble determining quality in other ways (such as by  
 inspection”).

19 <sup>4</sup> Grewal, Dhruv, and Larry D. Compeau. “Comparative price advertising: Informative or  
 20 deceptive?” *Journal of Public Policy & Marketing* (1992): 52-62, p. 52.

21 <sup>5</sup> Darke, Peter and Darren Dahl. “Fairness and Discounts: The Subjective Value of a  
 22 Bargain.” *Journal of Consumer Psychology* 13, no 3 (2003): 328-338, p. 328.

23 <sup>6</sup> “To incorporate ... the psychology of buying into the model, two kinds of utility are  
 24 postulated: *acquisition utility* and *transaction utility*. The former depends on the value of  
 25 the good received compared to the outlay, the latter depends solely on the perceived merits  
 26 of the ‘deal’”. Thaler, Richard. “Mental Accounting and Consumer Choice.” *Marketing  
 Science* 4, no. 3 (1985): 199-214, p. 205.

27 <sup>7</sup> Empirical results “suggest that internal reference prices are a significant factor in purchase  
 28 decisions. The results also add empirical evidence that external reference prices  
 significantly enter the brand-choice decision.” Mayhew, Glenn E. and Russell S. Winer.  
 “An Empirical Analysis of Internal and External Reference Prices using Scanner Data.”  
*Journal of Consumer Research* 19, no. 1 (1992): 62-70, p. 68.

<sup>8</sup> Mayhew, Glenn E. and Russell S. Winer. “An Empirical Analysis of Internal and External  
 Reference Prices using Scanner Data.” *Journal of Consumer Research* 19, no. 1 (1992): 62-  
 70, p. 62.

<sup>9</sup> “Buyers’ internal reference prices adapt to the stimuli prices presented in the  
 advertisement. That is, buyers either adjust their internal reference price or accept the



1 reference prices can be particularly influential because consumers have little or no prior  
 2 internal reference.<sup>10</sup> In other words, “[t]he deceptive potential of such advertised reference  
 3 prices are likely to be considerably higher for buyers with less experience or knowledge of  
 4 the product and product category.”<sup>11</sup> Academic literature further reports that “there is ample  
 5 evidence that consumers use reference prices in making brand choices”<sup>12</sup> and publications  
 6 have summarized the empirical data as follows:

7 Inflated reference prices can have multiple effects on consumers. They can  
 8 increase consumers’ value perceptions (transaction value and acquisition  
 9 value), reduce their search intentions for lower prices, increase their purchase  
 10 intentions, and reduce their purchase intentions for competing products ...  
 11 Inflated and/or false advertised reference prices enhance consumers’ internal  
 12 reference price estimates and, ultimately, increase their perceptions of value  
 13 and likelihood to purchase[.]<sup>13</sup>

14 13. Sellers, including Defendant, understand consumers are vulnerable to  
 15 perceived bargains. Thus, Defendant has a substantial financial interest in exploiting  
 16 consumers’ well-known behavioral tendencies by inducing consumers into believing they  
 17 are receiving a bargain—even when they are not. The phenomena of people  
 18 disproportionately relying on an initial piece of information when making a decision, known  
 19 as “anchoring,”<sup>14</sup> is especially relevant in this context.<sup>15</sup> Reference prices are often the *first*,

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20 advertised reference price to make judgments about the product’s value and the value of the  
 21 deal.” Grewal, Dhruv, Kent B. Monroe, and Ramayya Krishnan. “The Effects of Price-  
 22 Comparison Advertising on Buyers’ Perceptions of Acquisition Value, Transaction Value,  
 23 and Behavioral Intentions.” *The Journal of Marketing* 62 (1998): 46-59, p. 48.

24 <sup>10</sup> As Thalen notes, “the [suggested retail price] will be more successful as a reference price  
 25 the less often the good is purchased.” Thaler, Richard. “Mental Accounting and Consumer  
 26 Choice.” *Marketing Science* 4, no. 3 (1985): 199-214, p. 212.

27 <sup>11</sup> Grewal, Dhruv, and Larry D. Compeau. “Pricing and public policy: A research agenda  
 28 and an overview of the special issue.” *Journal of Public Policy & Marketing* 18, no. 1  
 (1999): 3-10, p. 7.

<sup>12</sup> Kalyanaram, Gurusurthy, and Russell S. Winer. “Empirical Generalizations from  
 Reference Price Research.” *Marketing Science* 14, no. 3 (1995): G161-G169, p. G161.

<sup>13</sup> Grewal, Dhruv, and Larry D. Compeau. “Pricing and public policy: A research agenda  
 and an overview of the special issue.” *Journal of Public Policy & Marketing* 18, no. 1  
 (1999): 3-10, p. 7.

<sup>14</sup> See Program on Negotiation, *Anchoring Effect*, HARV. L. SCH., <http://www.pon.harvard.edu/tag/anchoring-effect> (“[T]he anchoring effect, [is] the tendency for the first offer to  
 “anchor” the bargaining that follows in its direction, even if the offer recipient thinks the  
 offer is out of line.”).

<sup>15</sup> Friedman, *supra* note 2, at 933.

1 if not the *only*, insight into a product besides the sale price itself. Thus, consumers use the  
2 reference price as a baseline upon which to perceive a product's value.

3 **B. State and Federal Pricing Regulations Prohibit False “Original price”**  
4 **references and Out-Dated “Original price” references.**

5 14. Under California law, for instance, a seller may only discount an item from its  
6 own *original price* for up to 90 days, or, in the alternative, a seller may offer a discount  
7 from the original price of an item being offered by a competitor, within the relevant market,  
8 for up to 90 days. In either scenario, a seller can only offer a “sale” from an original price  
9 for 90 days. At that point, on day 91, the seller has two options: the product must either  
10 return to its full original price or the seller may continue to sell the product at the discounted  
11 price as long as it discloses to the consumer the date on which the product was last offered  
12 for sale at its alleged former price. See BUS. & PROF. CODE § 17501. Under California law,  
13 a seller cannot use an old, outdated, “original price” as the basis for a sale or discount, unless  
14 it discloses to the consumer the date on which the prior original price was offered in the  
15 market. *Id.*

16 15. Finally, under the FTCA, when a seller offers a discount from *its own*, former  
17 *original price*, the original price is required to have been a price at which the seller held  
18 that item out for sale on a regular basis, for a commercially reasonable period of time. See  
19 16 C.F.R. § 233.1(a) and (b).

20 **C. Defendant’s Fraudulent Price Discounting Scheme Violates California**  
21 **and Other State Laws and Federal Regulations.**

22 16. Defendant engages in a false and misleading reference price scheme in the  
23 marketing and selling of the products offered on its e-commerce website. Defendant  
24 advertises engagement rings and other jewelry for sale by listing them with a fictitious  
25 original price and a corresponding sale price. The original price communicates “the  
26 product’s worth and the prestige that ownership of the product conveys.” *Hinojos*, 718 F.3d  
27 at 1106 (*citing* Dhruv Grewal & Larry D. Compeau, Comparative Price Advertising:  
28 Informative or Deceptive?, 11 J. Pub. Pol’y & Mktg. 52, 55 (Spring 1992) (“By creating an



1 impression of savings, the presence of a higher reference price enhances subjects' perceived  
2 value and willingness to buy the product.”). “Misinformation about a product’s ‘normal’  
3 price is . . . significant to many consumers in the same way as a false product label would  
4 be.” *Hinojos*, 718 F.3d at 1106.

5 17. Defendant consistently advertises its products on its e-commerce website  
6 alongside an “original” price and the corresponding sale price, with a calculation of the  
7 discount percentage in parenthesis next to the sale price or, in the alternative offers an  
8 automated “discount code” that auto-populates the customers’ purchase transaction and  
9 discounts the “original” price by ten (10%) to fifty (50%) percent off. Defendant advertises  
10 a seemingly original price, in truth a false reference price, with a strikethrough or the  
11 automated discount code. The false references prices are demarcated and listed as “Orig.  
12 Price” on Defendant’s e-commerce website’s product listing pages, and they operate as a  
13 baseline consumers rely on to assess a product’s value. The discount percentage is often  
14 shown alongside the “original” price to communicate to consumers that Defendant is selling  
15 a product at a substantial discount, even though the product is not in fact discounted. The  
16 sale price displayed directly next to the false reference price conveys the “deep discount”  
17 at which Defendant presently offers a product, ostensibly for a limited time.

18 18. However, the products sold on Defendant’s e-commerce website are never sold  
19 at the price displayed with a strikethrough—the price consumers are led to presume is the  
20 full original price. The “deep discount” of products communicated to consumers viewing  
21 Defendant’s e-commerce website constitutes a misrepresentation by Defendant. The  
22 “original” price merely serves as a false reference price Defendant uses as part of a larger  
23 scheme to deceptively manufacture false discounts to incentivize consumers to make  
24 purchases.

25 19. To reiterate, the engagement rings and jewelry sold on [zalesoutlet.com](http://zalesoutlet.com) show  
26 the “original” price with a strikethrough alongside the corresponding sale price immediately  
27 next to a picture of the product. For example, as seen in Exhibit A, a necklace entitled  
28 “Enhanced Black and White Diamond Accent ‘MOM’ Infinity Pendant in Sterling Silver

1 and 10K Rose Gold” shows an “original” price—designated the “Ticketed Value”—of  
2 “\$299.00” directly above a “sale” price of “\$89.99” alongside a 70% sign. Attached hereto  
3 as Exhibit A are numerous snapshots from zalesoutlet.com depicting falsely discounted  
4 merchandise as well as snapshots of the website acquired from the Wayback Machine—a  
5 well-regarded archive of internet webpages as they existed at a singular point in time (as  
6 shown by the date atop each page)—depicting the false reference pricing scheme, including  
7 of the product used in the above-mentioned example.

8 20. Defendant’s purposeful practice operates by deceiving consumers into  
9 (1) making purchases they otherwise would not have made and (2) paying substantially  
10 more for products that consumers believed are heavily discounted and thus worth more than  
11 their actual value. The only plausible explanation for Defendant’s above illustrated practice  
12 is to drive sales, artificially inflate the perceived value of its products, and, as a result,  
13 artificially inflate the price at which consumers are willing to buy its products. Defendant  
14 has, and without intervention will continue to, increase sales by creating the illusion of  
15 short-lived bargains through purporting to offer products on sale from false original prices.

16 21. Defendant’s perpetual listings of its products as discounted on its e-commerce  
17 website constitute false, fraudulent, and deceptive advertising because the advertised  
18 reference prices it displays list substantially higher prices than those ever offered by  
19 Defendant. The reference prices only serve to deceive consumers; they function as  
20 benchmark prices from which the false discount and corresponding “sale” price are derived.  
21 Defendant’s scheme tricks consumers into justifiably believing they are getting a significant  
22 deal when in reality consumers are paying the usual retail price for products.

23 22. In sum, the false reference prices, the strikethrough of said prices, and the sale  
24 prices all displayed next to each other on product listing pages on Defendant’s e-commerce  
25 website are all part of Defendant’s purposeful, deceptive scheme. The products sold through  
26 Defendant’s e-commerce website are *never* offered for sale, nor sold, at the advertised false  
27 reference price. Defendant advertises false reference prices with a purpose to induce  
28 consumers into believing its products were once sold at said price. The strikethrough of the

1 false reference prices next to products creates a false sense of urgency in consumers.  
2 Defendant intends for consumers to be misled that Defendant will sell its products at the  
3 advertised, higher reference price “again” if they do not purchase its products soon; and  
4 consumers *are* misled. Consumers believe they are receiving a substantial bargain when  
5 they purchase products on Defendant’s e-commerce website at the “discounted” sale price.  
6 However, Defendant did not actually sell products on its e-commerce website at the  
7 advertised reference prices within 90 days of discounting them. In fact, Defendant never  
8 offered or sold products at their advertised false reference price, and consumers thus never  
9 received a true bargain. All while fully aware of its deception, Defendant has achieved, and  
10 might continue to achieve, its ultimate, continuing purpose of driving sales with sham  
11 markdowns.

12 23. Nowhere on Defendant’s e-commerce website does Defendant disclose that  
13 the reference or “original” prices used are not former price or recent, within 90 days,  
14 regularly offered former prices, or prices at which identical products are sold elsewhere in  
15 the market. The omission of these disclosures, coupled with Defendant’s use of fictitious  
16 advertised reference prices, renders Defendant’s pricing scheme inherently misleading.

17 24. Moreover, the advertised discounts were fictitious because the reference prices  
18 did not represent a *bona fide* price at which Defendant previously sold or offered to sell the  
19 products, on a regular basis, for a commercially reasonable period of time, as required by  
20 the Federal Trade Commission (“FTC”). In addition, the represented advertised reference  
21 prices were not the prevailing market retail price within the three months (90 days)  
22 immediately preceding the publication of the advertised former reference price, as required  
23 by California law.

24 25. Thus, Defendant’s scheme intends to, and does, provide misinformation to the  
25 customer. The misinformation communicates to consumers, including Plaintiff, that the  
26 products sold on Defendant’s e-commerce website have greater value than the advertised  
27 discounted price.

28

1           26. The reference prices listed and advertised on products sold through  
2 Defendant's e-commerce website are false or severely outdated reference prices, utilized  
3 only to perpetuate Defendant's false discount scheme.

4           27. Defendant knows that its reference price advertising is false, deceptive,  
5 misleading, and unlawful under state and federal law.

6           28. Defendant fraudulently concealed from and intentionally failed to disclose the  
7 truth about its advertised discount prices and former reference prices to Plaintiff and other  
8 members of the Class.

9           29. At all relevant times, Defendant has been under a duty to Plaintiff and the Class  
10 to disclose the truth about its false discounts.

11           **D. Investigation**

12           30. Products sold on Zales' e-commerce websites, zales.com and zalesoutlet.com  
13 are priced uniformly. In other words, the products sold by Defendant bear a substantially  
14 discounted sale price that appears next to both the "crossed out" or "strikethrough"  
15 "original" price, and the discount percentage, appearing in parenthesis as "\_\_\_% off." In  
16 the alternative for those items not listed in the strikethrough format, Zales offers an ever-  
17 present discount code, which auto-populates the customers' purchase transaction, reducing  
18 the "original" price by the preset discount code, frequently, 10 to 15% off. Plaintiff's  
19 counsel's investigation confirmed that the merchandise purchased by Plaintiff was priced  
20 with a false reference price and a corresponding discounted price for at least the 90-day  
21 period immediately preceding Plaintiff's purchase. The merchandise purchased by Plaintiff  
22 was not, and are not, offered for sale in any other market.

23           31. Plaintiff's counsel conducted a thorough investigation of Defendant's website.  
24 Plaintiff's counsel deployed a sophisticated software program to track each item offered for  
25 sale on the zales.com website. A sample of the items tracked are attached as Exhibit B. For  
26 the duration of the tracking period, each product remained significantly discounted from its  
27 reference price or in the alternative, there was a blanket discount code issued for the non-  
28

1 discounted items. The investigation indicated the false reference pricing scheme was  
2 uniform across Defendant's e-commerce website.

3 32. Plaintiff's counsel also researched Defendant's e-commerce website through  
4 the Wayback Machine. The website snapshots recorded by the Wayback Machine observed  
5 across the several months before and after Plaintiff's purchase indicated perpetual  
6 discounting uniformly across Defendant's products.

7 33. The false reference price and corresponding discount price scheme were both  
8 uniform and identical on almost all products sold through Defendant's e-commerce website.  
9 The only change was the requisite "\_\_\_% off" on certain products.

10 34. Thus, the fraudulent price scheme applies to all products offered for sale  
11 through Defendant's e-commerce website, including the product purchased by Plaintiff.

#### 12 **IV. PARTIES**

##### 13 **Plaintiff**

14 35. Plaintiff resides in Madera, California. Plaintiff, in reliance on Defendant's  
15 false and deceptive advertising, marketing and discounting pricing schemes, purchased "e-  
16 commerce website on or about November 8, 2021. Plaintiff examined several products on  
17 Defendant's website before deciding to purchase the Heart-Shaped Simulated Birthstone  
18 Script Name Necklace in Sterling Silver (1 Name and Stone – 16") after reviewing the  
19 item's advertised sale price. The item Plaintiff purchased was advertised as having an  
20 original price of \$49.00 that was higher than the sale price of \$41.65.

21 36. After observing the original price of the item and the accompanying the sale  
22 price, Plaintiff believed she was receiving a significant discount on the product she had  
23 chosen. Because she was interested in the necklace and felt that the discounted price would  
24 likely not last, and that she was getting a significant bargain on the product, she proceeded  
25 to finish checking out and purchased the necklace for \$41.65 plus tax for a total of \$45.09.

26 37. However, this product was never offered for sale at the original price listed on  
27 Zales' e-commerce website and certainly not within the 90 days preceding Plaintiff's  
28 purchase. Neither Plaintiff's receipt nor any other language on the website observed or

1 relied upon by Plaintiff indicated that the product was not offered previously at the  
2 advertised reference price.

3 38. Plaintiff's case is substantially predicated on Defendant's violation of CAL  
4 BUS. & PROF. CODE § 17501, an equitable claim, as Plaintiff's counsel's investigation  
5 revolved around ensuring that Defendant did not sell products at the indicated reference  
6 price within the 90 days preceding Plaintiff's purchase and, likewise, that Defendant failed  
7 to disclose to consumers the date on which products was last offered at its advertised  
8 reference price. This claim and test of liability go to the heart of Plaintiff's case and the  
9 same test is not available under a CLRA legal claim for damages. Thus, Plaintiff does *not*  
10 have an adequate remedy at law because the CLRA does not provide the same metric of  
11 liability as CAL BUS. & PROF. CODE § 17501, which is integral not only to Plaintiff's prayer  
12 for restitution, but also to Plaintiff's very theory of liability at trial.

13 39. Plaintiff reasonably relied upon Defendant's artificially inflated reference  
14 prices and false discounts when purchasing the product from Defendant's e-commerce  
15 website. Plaintiff would not have made such purchas but for Defendant's representations  
16 regarding the substantial discount being offered for the product. Plaintiff would like to  
17 continue buying from Defendant's e-commerce website in the future but cannot be certain  
18 of the veracity of Defendant's advertised bargains.

19 40. Plaintiff and the Class reasonably and justifiably acted and relied on the  
20 substantial price differences that Defendant advertised, and they made purchases believing  
21 they were receiving a substantial discount on a product of greater value than the value it had  
22 in actuality. Plaintiff, like other Class members, was lured in, relied on, and was damaged  
23 by the deceptive pricing scheme Defendant carried out.

24 41. Plaintiff was damaged in her purchase because Defendant's false reference  
25 price discounting scheme inflated the true market value of item she purchased. Plaintiff is  
26 susceptible to this reoccurring harm because she cannot be certain that Defendant has  
27 corrected this deceptive pricing scheme and she desires to shop at Zales' e-commerce  
28 website in the future. However, she currently cannot trust that Defendant will accurately



1 price its products truthfully and in a non-misleading fashion in compliance with applicable  
2 law. Plaintiff and the proposed Class do not have the resources on their own to determine  
3 whether Defendant is complying with California and Federal law with respect to its pricing  
4 practices.

5 42. Additionally, because of the wide selection of jewelry available on  
6 Defendant's website, and due to the likelihood that Defendant may yet develop and market  
7 additional falsely priced products for sale online, Plaintiff may again, though by mistake,  
8 purchase a falsely discounted product from Defendant under the impression that the  
9 advertised reference price represented a *bona fide* former price at which the item was  
10 previously offered for sale by Defendant. Indeed, Plaintiff desires to continue purchasing  
11 jewelry from zales.com and zalesoutlet.com in the future. Moreover, Class members will  
12 continue to purchase the items from Zales while reasonably but incorrectly believing that  
13 their advertised reference prices represent *bona fide* former prices at which they were  
14 previously offered for sale by Defendant.

15 43. Absent an equitable injunction enjoining Defendant from continuing in the  
16 unlawful course of conduct alleged herein, Plaintiff, Class members, and the public will be  
17 irreparably harmed and denied an effective and complete remedy because they face a real  
18 and tangible threat of future harm emanating from Defendant's ongoing conduct that cannot  
19 be remedied with monetary damages. Accordingly, Plaintiff, Class members, and the  
20 general public lack an adequate remedy at law and an injunction is the only form of relief  
21 which will guarantee Plaintiff and other consumers the appropriate assurances.

22 44. Moreover, Plaintiff and the proposed Class lack an adequate remedy at law  
23 with respect to the claim for equitable restitution because they have not yet retained an  
24 expert to determine whether an award of damages can or will adequately remedy the  
25 monetary losses caused by Defendant. Particularly, as legal damages focus on remedying  
26 the loss to the plaintiff and equitable restitution focuses wholly distinctly on restoring  
27 monies wrongly acquired by the defendant, legal damages are inadequate to remedy  
28 Plaintiff's loss because Plaintiff does not know at this juncture, and is certainly not required

1 to set forth evidence, whether a model for legal damages (as opposed to equitable  
2 restitution) will be viable or will adequately compensate Plaintiff's losses.

3 **Defendant**

4 45. Plaintiff is informed and believes, and upon such information and belief  
5 alleges, Defendant Zales is a corporation incorporated under in Delaware with its principal  
6 executive offices in Coppell, Texas. Defendant operates Zales retail stores as well as  
7 zalesoutlet.com website, and advertises, markets, distributes, and/or sells engagement rings  
8 and other jewelry products in California, and throughout the United States. Plaintiff is  
9 informed and believe and thereon alleges that Zales employs over 12,000 employees and  
10 has annual sales revenue exceeding \$1 billion. Zales was acquired by corporate-parent  
11 Signet Jewelers in 2014.

12 46. Plaintiff does not know the true names or capacities of the persons or entities  
13 sued herein as Does 1-50, inclusive, and therefore sue such defendants by such fictitious  
14 names. Plaintiff is informed and believes, and upon such information and belief alleges, that  
15 each of the Doe defendants are in some manner legally responsible for the damages suffered  
16 by Plaintiff and the Class members as alleged herein. Plaintiff will amend this Complaint  
17 to set forth the true names and capacities of these defendants when they have been  
18 ascertained, along with appropriate charging allegations, as may be necessary.

19 **v. CLASS ALLEGATIONS**

20 47. Plaintiff bring this action on behalf of herself and all other similarly situated  
21 Class members pursuant to Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil  
22 Procedure and seeks certification of the following Class against Defendant:

23 All persons, within the State of California, who, within the applicable statutory  
24 period (the "Class Period"), purchased from Zales' e-commerce websites,  
25 zales.com or zalesoutlet.com, one or more products at discounts from an  
advertised reference price and who have not received a refund or credit for  
their purchase(s).

26 Excluded from the Class are Defendant, as well as its officers, employees, agents or  
27 affiliates, parent companies and/or subsidiaries, and each of their respective officers,  
28 employees, agents or affiliates, and any judge who presides over this action. Plaintiff

1 reserves the right to expand, limit, modify, or amend this Class definition, including the  
2 addition of one or more subclasses, in connection with their motion for class certification,  
3 or at any other time, based upon, *inter alia*, changing circumstances and/or new facts  
4 obtained during discovery.

5 48. **Numerosity:** Members of the Class are so numerous that joinder of all  
6 members is impracticable. Plaintiff is informed and believe that the proposed Class contains  
7 at least thousands of individuals who have been damaged by Defendant's conduct as alleged  
8 herein. The precise number of Class members is unknown to Plaintiff at this time, but  
9 Plaintiff expects it can readily be established through Defendant's records.

10 49. **Existence and Predominance of Common Questions of Law and Fact:** This  
11 action involves common questions of law and fact, which predominate over any questions  
12 affecting individual Class members. These common legal and factual questions include, but  
13 are not limited to, the following:

14 a. whether, during the Class Period, Defendant used advertised false  
15 reference prices on products sold through its e-commerce website;

16 b. whether, during the Class Period, the original price advertised by  
17 Defendant was the prevailing market price for the products in question during the  
18 three months period preceding the dissemination and/or publication of the advertised  
19 former prices;

20 c. whether Defendant's alleged conduct constitutes violations of the laws  
21 asserted;

22 d. whether Defendant engaged in unfair, unlawful and/or fraudulent  
23 business practices under the laws asserted;

24 e. whether Defendant engaged in false or misleading advertising;

25 f. whether Plaintiff and members of the Class are entitled to damages  
26 and/or restitution and the proper measure of that loss;

27 g. whether an injunction is necessary to prevent Defendant from  
28 continuing to use false, misleading or illegal price comparison; and

1 h. whether Plaintiff and members of the Class are entitled to an award of  
2 reasonable attorneys' fees, interest, and costs of suit.

3 50. **Typicality:** Plaintiff's claims are typical of the claims of the members of the  
4 Class because, *inter alia*, all members of the Class have been deceived (or were likely to be  
5 deceived) by Defendant's false and deceptive price advertising scheme, as alleged herein.  
6 Plaintiff is advancing the same claims and legal theories on behalf of herself and all  
7 members of the Class.

8 51. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the  
9 members of the Class. Plaintiff has retained counsel experienced in complex consumer class  
10 action litigation, and Plaintiff intends to prosecute this action vigorously. Plaintiff has no  
11 antagonistic or adverse interest to those of the Class.

12 52. **Superiority:** The nature of this action and the nature of laws available to  
13 Plaintiff and the Class make the use of the class action format a particularly efficient and  
14 appropriate procedure to afford relief to her and the Class for the wrongs alleged. The  
15 damages or other financial detriment suffered by individual members of the Class is  
16 relatively modest compared to the burden and expense that would be entailed by individual  
17 litigation of their claims against Defendant. It would thus be virtually impossible for  
18 Plaintiff and members of the Class, on an individual basis, to obtain effective redress for  
19 the wrongs done to them. Absent the class action, members of the Class and the general  
20 public would not likely recover, or would not likely have the chance to recover, damages,  
21 restitution, or injunctive relief, and Defendant will be permitted to retain the proceeds of its  
22 fraudulent and deceptive misdeeds

23 53. All members of the Class, including Plaintiff, were exposed to one or more of  
24 Defendant's misrepresentations or omissions of material fact in advertising false reference  
25 prices. Due to the scope and extent of Defendant's consistent false sale prices and  
26 advertising scheme, disseminated in a constant years-long campaign to consumers, it can  
27 be reasonably inferred that such misrepresentations or omissions of material fact were  
28 uniformly made to all members of the Class. In addition, it can be reasonably presumed that

1 all members of the Class, including Plaintiff, affirmatively acted in response to the  
2 representations contained in Defendant’s false advertising scheme when purchasing  
3 products sold through Defendant’s e-commerce website.

4 54. **Ascertainability:** Defendant keeps extensive computerized records of its  
5 customers through, *inter alia*, customer loyalty programs, co-branded credit cards and  
6 general marketing programs. Defendant has one or more databases through which a  
7 significant majority of members of the Class may be identified and ascertained, and it  
8 maintains contact information, including email and home addresses, through which notice  
9 of this action could be disseminated in accordance with due process requirements.

10 **VI. CAUSES OF ACTION**

11 **FIRST CAUSE OF ACTION**

12 **Violation of California’s Unfair Competition Law (“UCL”)**  
13 **CAL. BUS. & PROF. CODE §§ 17200, *et seq.***

14 55. Plaintiff repeats and re-alleges the allegations contained in every preceding  
15 paragraph as if fully set forth herein.

16 56. Plaintiff brings this claim individually and on behalf of the members of the  
17 proposed Class against Defendant for violations of the UCL, CAL. BUS. & PROF. CODE  
18 §§ 17200, *et seq.*

19 57. The UCL defines “unfair business competition” to include any “unlawful,  
20 unfair or fraudulent” act or practice, as well as any “unfair, deceptive, untrue or misleading”  
21 advertising. CAL. BUS. PROF. CODE § 17200.

22 58. The UCL imposes strict liability. Plaintiff and members of the Class need not  
23 prove that Defendant intentionally or negligently engaged in unlawful, unfair, or fraudulent  
24 business practices—but only that such practices occurred.

25 **“Unfair” Prong**

26 59. A business act or practice is “unfair” under the UCL if it offends an established  
27 public policy or is immoral, unethical, oppressive, unscrupulous or substantially injurious  
28

1 to consumers, and that unfairness is determined by weighing the reasons, justifications and  
2 motives of the practice against the gravity of the harm to the alleged victims.

3 60. Defendant’s actions constitute “unfair” business practices because, as alleged  
4 above, Defendant engaged in misleading and deceptive price comparison advertising that  
5 represented false reference prices and corresponding deeply discounted phantom “sale”  
6 prices. Defendant’s acts and practices offended an established public policy of transparency  
7 in pricing, and constituted immoral, unethical, oppressive, and unscrupulous activities that  
8 are substantially injurious to consumers.

9 61. The harm to Plaintiff and members of the Class outweigh the utility of  
10 Defendant’s practices because Defendant’s practice of advertising false discounts provides  
11 no utility and only harms consumers. There were reasonably available alternatives to further  
12 Defendant’s legitimate business interests other than the misleading and deceptive conduct  
13 described herein.

14 ***“Fraudulent” Prong***

15 62. A business act or practice is “fraudulent” under the UCL if it is likely to  
16 deceive members of the consuming public.

17 63. Defendant’s acts and practices alleged above constitute fraudulent business  
18 acts or practices as they have deceived Plaintiff and members of the Class and are highly  
19 likely to deceive members of the consuming public. Plaintiff and members of the Class  
20 relied on Defendant’s fraudulent and deceptive representations regarding its false or  
21 outdated “original prices” for products sold by Defendant through its e-commerce website.  
22 These misrepresentations played a substantial role in Plaintiff’s and members of the Class’s  
23 decision to purchase the product at a purportedly steep discount, and Plaintiff and members  
24 of the Class would not have purchased the product without Defendant’s misrepresentations.

25 ***“Unlawful” Prong***

26 64. A business act or practice is “unlawful” under the UCL if it violates any other  
27 law or regulation.

28



1           65. Defendant’s act and practices alleged above constitute unlawful business acts  
2 or practices as it has violated state and federal law in connection with its deceptive pricing  
3 scheme. The FTCA prohibits “unfair or deceptive acts or practices in or affecting  
4 commerce” (15 U.S.C. § 45(a)(1)) and prohibits the dissemination of any false  
5 advertisements. 15 U.S.C. § 52(a). Under the FTC, false former pricing schemes, like  
6 Defendant’s, are described as deceptive practices that would violate the FTCA:

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

19           (b) A former price is not necessarily fictitious merely because no sales at the  
20 advertised price were made. The advertiser should be especially careful,  
21 however, in such a case, that the price is one at which the product was openly  
22 and actively offered for sale, for a reasonably substantial period of time, in the  
23 recent, regular course of his business, honestly and in good faith – and, of  
24 course, not for the purpose of establishing a fictitious higher price on which a  
25 deceptive comparison might be based.

26 16 C.F.R. § 233.1(a) and (b) (emphasis added).

27           66. In addition to federal law, California law also expressly prohibits false former  
28 pricing schemes. The FAL, CAL. BUS. & PROF. CODE § 17501, entitled “*Worth or value;  
statements as to former price,*” states:

For the purpose of this article the worth or value of any thing advertised is the  
prevailing market price, wholesale if the offer is at wholesale, retail if the offer  
is at retail, at the time of publication of such advertisement in the locality  
wherein the advertisement is published.

No price shall be advertised as a former price of any advertised thing, unless  
the alleged former price was the prevailing market price as above defined  
within three 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.

CAL. BUS. & PROF. CODE § 17501.

1 67. As detailed in Plaintiff’s Third Cause of Action below, the CLRA, CAL. CIV.  
2 CODE § 1770(a)(9), prohibits a business from “[a]dvertising goods or services with intent  
3 not to sell them as advertised,” and subsection (a)(13) prohibits a business from “[m]aking  
4 false or misleading statements of fact concerning reasons for, existence of, or amounts of  
5 price reductions.”

6 68. As detailed herein, the acts and practices alleged were intended to or did result  
7 in violations of the FTCA, the FAL, and the CLRA.

8 69. Defendant’s practices, as set forth above, misled Plaintiff, the proposed Class,  
9 and the public in the past and will continue to mislead in the future. Consequently,  
10 Defendant’s practices constitute an unlawful, fraudulent, and unfair business practice within  
11 the meaning of the UCL.

12 70. Defendant’s violations of the UCL, through its unlawful, unfair, and fraudulent  
13 business practices, are ongoing and present a continuing threat that members of the Class  
14 and the public will be deceived into purchasing products based on price comparisons of  
15 arbitrary and inflated “reference” prices and substantially discounted “sale” prices. These  
16 false comparisons created phantom markdowns and lead to financial damage for consumers  
17 like Plaintiff and the members of the Class.

18 71. Pursuant to the UCL, Plaintiff and members of the Class are entitled to  
19 preliminary and permanent injunctive relief enjoining Defendant from further engagement  
20 in this unfair competition, as well as disgorgement and restitution to Plaintiff and the Class  
21 of all Defendant’s revenues wrongfully obtained from them as a result of Defendant’s unfair  
22 competition, or such portion of those revenues as the Court may find equitable.

23 **SECOND CAUSE OF ACTION**

24 **Violation of California’s False Advertising Law (“FAL”)**  
25 **CAL. BUS. & PROF. CODE §§ 17500, *et seq.***

26 72. Plaintiff repeats and re-alleges the allegations contained in every preceding  
27 paragraph as if fully set forth herein.  
28

1 73. Plaintiff brings this claim individually and on behalf of the members of the  
2 proposed California class against Defendant for violations of the FAL, CAL. BUS. & PROF.  
3 CODE §§ 17500, *et seq.*

4 74. CAL. BUS. & PROF. CODE § 17500 provides:

5 It is unlawful for any . . . corporation . . . with intent directly or indirectly to  
6 dispose of . . . personal property or to perform services, professional or  
7 otherwise, or anything of any nature whatsoever or to induce the public to  
8 enter into any obligation relating thereto, to make or disseminate or cause to  
9 be made or disseminated . . . from this state before the public in any state, in  
10 any newspaper or other publication, or any advertising device, or by public  
11 outcry or proclamation, or in any other manner or means whatever, including  
12 over the Internet, any statement, concerning that . . . personal property or those  
13 services . . . which is untrue or misleading, and which is known, or which by  
14 the exercise of reasonable care should be known, to be untrue or misleading .

..

(Emphasis added).

12 75. The “intent” required by section 17500 is the intent to make or disseminate  
13 personal property (or cause such personal property to be made or disseminated), and not the  
14 intent to mislead the public in the making or dissemination of such property.

15 76. Similarly, this section provides, “[n]o price shall be advertised as a former  
16 price of any advertised thing, unless the alleged former price was the prevailing market  
17 price ... within three months next immediately preceding the publication of the  
18 advertisement or unless the date when the alleged former price did prevail is clearly, exactly,  
19 and conspicuously stated in the advertisement.” CAL BUS. & PROF. CODE § 17501.

20 77. Defendant’s routine practice of advertising discounted prices from false  
21 reference prices, which were never the prevailing market prices of those products and were  
22 materially greater than the true prevailing prices (i.e., Defendant’s actual sale price),  
23 constitutes an unfair, untrue, and misleading practice. Defendant’s deceptive marketing  
24 practice gave consumers the false impression that the products on Defendant’s e-commerce  
25 website were regularly sold on the market for a substantially higher price than the price for  
26 which they were sold in actuality. Moreover, Defendant’s deceptive marketing practice  
27 misled consumers by creating a false impression that the products sold through its e-  
28 commerce website were worth more than their actual worth.

1 78. Defendant misled consumers by making untrue and misleading statements and  
2 failing to disclose what is required as stated in the Code alleged above.

3 79. As a direct and proximate result of Defendant 's misleading and false  
4 advertisements, as well as Defendant's deceptive and unfair acts and practices made during  
5 the course of Defendant's business, Plaintiff and members of the Class suffered  
6 ascertainable loss and actual damages.

7 80. Plaintiff and members of the Class request that this Court order Defendant to  
8 restore this money to Plaintiff and all members of the Class, and to enjoin Defendant from  
9 continuing these unfair practices in violation of the FAL in the future. Otherwise, Plaintiff,  
10 members of the Class, and the broader general public, will be irreparably harmed and/or  
11 denied an effective and complete remedy.

12 **THIRD CAUSE OF ACTION**

13 **Violation of California's Consumers Legal Remedies Act ("CLRA"),**  
14 **CAL. CIV. CODE § 1750, *et seq.***

15 81. Plaintiff repeats and re-alleges the allegations contained in every preceding  
16 paragraph as if fully set forth herein.

17 82. Plaintiff brings this claim individually and on behalf of the members of the  
18 proposed California class against Defendant for violations of the CLRA, CAL. CIV. CODE  
19 § 1750, *et seq.*

20 83. Plaintiff and each member of the proposed Class are "consumers" as defined  
21 by CAL. CIV. CODE § 1761(d). Defendant's sale of products through its e-commerce  
22 website, zalesoutlet.com, were "transactions" within the meaning of CAL. CIV. CODE  
23 § 1761(e). The products purchased by Plaintiff and members of the Class are "goods" or  
24 "services" within the meaning of CAL. CIV. CODE §§ 1761(a) - (b).

25 84. Defendant violated and continues to violate the CLRA by engaging in the  
26 following practices proscribed by CAL. CIV. CODE § 1770(a) in transactions with Plaintiff  
27 and members of the Class which were intended to result in, and did result in, the sale of  
28 products sold through its website:

1 a. advertising goods or services with intent not to sell them as advertised;  
2 § 1770(a)(9); and

3 b. making false or misleading statements of fact concerning reasons for,  
4 existence of, or amounts of price reductions; § 1770(a)(13).

5 85. On April 14, 2022, Plaintiff, through counsel, sent a CLRA demand letter to  
6 Defendant that provided notice of Defendant's violation of the CLRA and demanded  
7 Defendant correct, repair, replace, or otherwise rectify the unlawful, unfair, false, and  
8 deceptive practices complained of herein. The letter also stated that if Defendant refused to  
9 do so, Plaintiff would file a complaint seeking damages in accordance with the CLRA. If  
10 Defendant does not respond to Plaintiff's letter or agree to rectify the problems associated  
11 with the actions detailed above and give notice to all affected consumers within 30 days of  
12 the date of written notice pursuant to § 1782, Plaintiff will amend his complaint to seek  
13 actual, punitive, and statutory damages, as appropriate against Defendant.

14 86. Filed concurrently herewith is a declaration of venue pursuant to CAL. CIV.  
15 CODE §1780(d).

## 16 VII. PRAYER FOR RELIEF

17 Wherefore, Plaintiff, on behalf of herself and all other members of the Class, request  
18 that this Court award relief against Defendant as follows:

19 a. an order certifying the Class and designating Plaintiff as the Class  
20 Representative and her counsel as Class Counsel;

21 b. awarding Plaintiff and members of the Class restitution and  
22 disgorgement of all profits and unjust enrichment that Defendant obtained from  
23 Plaintiff and the Class members as a result of its unlawful, unfair, and fraudulent  
24 business practices described herein;

25 c. awarding Plaintiff and members of the Class actual, statutory, and  
26 punitive damages;

27 d. awarding declaratory and injunctive relief as permitted by law or equity,  
28 including: enjoining Defendant from continuing the unlawful practices as set forth

1 herein, and directing Defendant to identify, with Court supervision, victims of its  
2 misconduct and pay them all money they are required to pay;

- 3 e. order Defendant to engage in a corrective advertising campaign;  
4 f. awarding attorneys' fees and costs; and  
5 g. for such other and further relief as the Court may deem necessary or  
6 appropriate.

7 **VIII. DEMAND FOR JURY TRIAL**

8 Plaintiff hereby demand a jury trial for all of the claims so triable.

9 Dated: April 14, 2022

**LYNCH CARPENTER, LLP**

10 By: /s/ Todd D. Carpenter

11 Todd D. Carpenter (CA 234464)  
todd@lcllp.com  
12 Scott G. Braden (CA 305051)  
scott@lcllp.com  
13 1350 Columbia Street, Ste. 603  
San Diego, California 92101  
14 Telephone: (619) 762-1910  
Facsimile: (619) 756-6991

15 *Attorneys for Plaintiff and*  
16 *Proposed Class Counsel*