

**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  
CENTRAL DISTRICT OF CALIFORNIA**

GABRIELA GONZALEZ, on behalf of  
herself and all others similarly situated,

Plaintiff,

vs.

THE CHILDREN’S PLACE, INC., a  
Delaware Corporation, and DOES 1- 50,  
inclusive,

Defendants.

Case No. 8:22-cv-816

**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 Gabriela Gonzalez (“Plaintiff”) brings this action on behalf of herself, and  
2 all others similarly situated against Defendant The Children’s Place, Inc. (“Defendant” or  
3 “Children’s Place”), and state:

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

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, false 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 Defendant’s application of an  
17 illegal discounting scheme.

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

25 5. Through its false and misleading marketing, advertising, and pricing scheme  
26 alleged herein, Children’s Place violated, and continues to violate, federal law and various  
27 state consumer protection laws, which prohibit false advertising and unfair or deceptive  
28 trade practices, the advertisement of goods for sale discounted from false former prices, and

1 the dissemination of misleading statements about the existence and amount of price  
2 reductions. Specifically, Defendant 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 *childrensplace.com* that was  
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 attorney’s 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 over this action pursuant to the Class  
22 Action Fairness Act, 28 U.S.C. § 1332(d)(2). The matter in controversy, exclusive of  
23 interest and costs, exceeds the sum or value of \$5,000,000 and at least some members of  
24 the proposed Class (defined below) have a different citizenship from Defendant.

25 8. The Central 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  
27 Gabriela Gonzalez resides and was injured in this district wherein a substantial part of the  
28 events or omissions giving rise of her claims occurred. Further, Defendant is a corporation

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

### 4 **III. GENERAL ALLEGATIONS**

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

6 9. Children's Place engages in a false and misleading reference price scheme in  
7 the marketing and selling of its products on the Children's Place e-commerce website.

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

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

---

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

27 <sup>2</sup> "Not only do consumers lack full information about the prices of goods, but their  
28 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  
often the good is purchased. The [reference price] is most likely to serve as a proxy for

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 quality when the consumer has trouble determining quality in other ways (such as by  
inspection”).

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

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

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

24 <sup>7</sup> Empirical results “suggest that internal reference prices are a significant factor in purchase  
25 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.

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

28 <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  
advertised reference price to make judgments about the product’s value and the value of 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  
 20  
 21  
 22 deal.” Grewal, Dhruv, Kent B. Monroe, and Ramayya Krishnan. “The Effects of Price-  
 Comparison Advertising on Buyers’ Perceptions of Acquisition Value, Transaction Value,  
 and Behavioral Intentions.” *The Journal of Marketing* 62 (1998): 46-59, p. 48.

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

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

27 <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.

28 <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.

1 as “anchoring,”<sup>14</sup> is especially relevant in this context.<sup>15</sup> Reference prices are often the *first*,  
 2 if not the *only*, insight into a product besides the sale price itself. Thus, consumers use the  
 3 reference price as a baseline upon which to perceive a product’s value.

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

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

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

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

23 16. Defendant engages in a false and misleading reference price scheme in the  
 24 marketing and selling of the products offered on its e-commerce website. Defendant  
 25 advertises children’s apparel and accessories for sale by listing them with a fictitious  
 26

27 <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  
 28 “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 original price and a corresponding sale price. The original price communicates “the  
2 product’s worth and the prestige that ownership of the product conveys.” *Hinojos*, 718 F.3d  
3 at 1106 (*citing* Dhruv Grewal & Larry D. Compeau, Comparative Price Advertising:  
4 Informative or Deceptive?, 11 J. Pub. Pol’y & Mktg. 52, 55 (Spring 1992) (“By creating an  
5 impression of savings, the presence of a higher reference price enhances subjects’ perceived  
6 value and willingness to buy the product.”). “Misinformation about a product’s ‘normal’  
7 price is . . . significant to many consumers in the same way as a false product label would  
8 be.” *Hinojos*, 718 F.3d at 1106.

9 17. Defendant consistently advertises its products on its e-commerce website  
10 alongside an “original” price and the corresponding sale price, sometimes with a calculation  
11 of the discount percentage. Defendant advertises a seemingly original price, in truth a false  
12 reference price, with a strikethrough. The false reference price operates as a baseline  
13 consumers rely on to assess a product’s value. The discount percentage is often shown in  
14 red alongside the “original” price to communicate to consumers that Defendant is selling a  
15 product at a substantial discount, even though the product is not in fact discounted. The sale  
16 price displayed directly next to the false reference price conveys the “deep discount” at  
17 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 products sold on *childrensplace.com* and in the Children’s  
26 Place brick and mortar stores show an “original” price with a strikethrough alongside the  
27 corresponding sale price immediately next to a picture of the product. For example, as seen  
28

1 in Exhibit A, a product entitled “Girls Trend Graphic Tee 2-Pack” shows an original price  
2 of “~~\$20.95~~” directly next to “60% off,” which both appear next to the sale price of “\$8.38.”<sup>16</sup>

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

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

18 22. In sum, the false reference prices, the strikethrough of said prices, and the sale  
19 prices all displayed next to each other on product listing pages on Defendant’s e-commerce  
20 website are all part of Defendant’s purposeful, deceptive scheme. The products sold through  
21 Defendant’s e-commerce website are *never* offered for sale, nor sold, at the advertised false  
22 reference price. Defendant advertises false reference prices with a purpose to induce  
23 consumers into believing its products were once sold at said price. The strikethrough of the  
24 false reference prices next to products creates a false sense of urgency in consumers.  
25 Defendant intends for consumers to be misled that Defendant will sell its products at the

26 \_\_\_\_\_  
27 <sup>16</sup> Attached hereto as Exhibit A are numerous current snapshots from childrensplace.com,  
28 along with snapshots of childrensplace.com acquired through the Wayback Machine—a  
well-regarded archive of internet webpages as they existed at a singular point in time—  
depicting the false reference pricing scheme, including of the product used in the above-  
mentioned example.

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

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

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

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

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

1           27. Defendant had knowledge that its false reference price advertising scheme is  
2 deceptive, misleading, and unlawful under state and Federal law. On February 11, 2016,  
3 Defendant Children’s Place was sued for precisely the same false and deceptive advertising  
4 scheme as alleged herein.<sup>17</sup> The plaintiffs in *Rael v. The Children’s Place, Inc. et al* alleged  
5 violations of the UCL, CAL. BUS. & PROF. CODE §§ 17200, *et seq.*; the FAL, CAL. BUS. &  
6 PROF. CODE §§ 17500, *et seq.*; the CLRA, CAL. CIV. CODE §§ 1750, *et seq.*; and the Federal  
7 Trade Commission Act (“FTCA”), 15 U.S.C. §§ 45(a)(1), 52(a) against Defendant  
8 Children’s Place for the same deceptive and misleading conduct as described herein,  
9 relating to Defendant’s advertisement of false price discounts for merchandise sold  
10 throughout its retail and outlet stores.<sup>18</sup> Defendant was therefore on notice that its conduct  
11 was unlawful and failed to correct its false reference price advertising scheme, rendering its  
12 continuing violations willful and intentional.

13           28. Defendant fraudulently concealed from, and intentionally failed to disclose the  
14 truth about its advertised discount prices and former reference prices to, Plaintiff and other  
15 members of the Class.

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

#### 18           **D. Investigation**

19           30. Products sold on Children’s Place’s e-commerce website are priced uniformly.  
20 In other words, the products sold by Defendant bear a substantially discounted sale price  
21 that appears next to the “crossed out” or “strikethrough” “original” price, with discounts  
22 typically ranging from 8% to 40% off. Plaintiff’s counsel’s investigation confirmed that  
23 the merchandise purchased by Plaintiff was priced with a false reference price and a  
24 corresponding discounted price for at least the 90-day period immediately preceding  
25

26  
27 \_\_\_\_\_  
28 <sup>17</sup> See *Rael v. The Children’s Place, Inc. et al*, Case No. 3:16-cv-00370-GPC-JMA (S.D. Cal. 2016).

<sup>18</sup> See generally Plaintiffs’ Second Amended Complaint, Case No. 3:16-cv-00370-GPC-JMA (S.D. Cal. 2016) at ECF No. 19.

1 Plaintiff's purchases. The merchandise purchased by Plaintiff was not, and are not, offered  
2 for sale in any other market.

3 31. Plaintiff's counsel conducted a thorough investigation of Defendant's website.  
4 Plaintiff's counsel deployed a sophisticated software program to track each item offered for  
5 sale on the childrensplace.com website. Plaintiff's counsel tracked the pricing of certain  
6 merchandise offered for sale through childrensplace.com various periods from 2020  
7 through the present. A sample of the items tracked are attached as Exhibit B. For the  
8 duration of the tracking period, each product remained significantly discounted from its  
9 reference price. The investigation indicated the false reference pricing scheme was uniform  
10 across Defendant's e-commerce website. Plaintiff has also investigated and tracked the  
11 pricing of items sold at the Children's Place brick and mortar stores and found they are  
12 priced identically to the corresponding items online.

13 32. Plaintiff's counsel also researched Defendant's e-commerce website through  
14 the Wayback Machine. The website snapshots recorded by the Wayback Machine are  
15 consistent with Plaintiff's counsel's investigation. As a result, Plaintiff's counsel's  
16 investigation has tracked nearly every item on Defendant's website from 2020 through the  
17 present.

18 33. The false reference price and corresponding discount price scheme were both  
19 uniform and identical on almost all products sold through Defendant's e-commerce website.  
20 The only change was the requisite "discount" on certain products.

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

#### 25 **IV. PARTIES**

##### 26 **Plaintiff**

27 35. Gabriela Gonzalez resides in Anaheim, California. Plaintiff Gabriela  
28 Gonzalez, in reliance on Defendant's false and deceptive advertising, marketing and

1 discounting pricing schemes, purchased the following items online from her home in  
 2 Anaheim, California on February 19, 2022:

No.	Item:	False Reference Price:	Sale Price paid by Plaintiff:
1	Boys Basic Bootcut Jeans	\$12.99	\$9.74
2	Boys Uniform Stretch Chino Pants 2 Pack	\$31.99	\$24.00
3	Boys Uniform Stretch Chino Shorts 3-Pack	\$41.97	\$31.48
4	Boys Stretch Straight Jeans Black Wash	\$15.99	\$11.99
	Tax:		\$5.98
	<b>Total:</b>		<b>\$83.19</b>

10  
 11 36. Plaintiff examined each of the above-listed products on Defendant's website  
 12 before deciding to purchase the aforementioned items after reviewing each item's  
 13 advertised sale price. The items Plaintiff purchased were advertised as having an original  
 14 price, which had a strikethrough over it on the website. Defendant advertised the item as  
 15 having a sale price at a discount for each item.

16 37. After observing the original price of the item and the accompanying sale price,  
 17 Plaintiff believed she was receiving a significant discount on the products she had chosen.  
 18 Because she was interested the products and felt that the discounted price would likely not  
 19 last, and that she was getting a significant bargain on the product, she proceeded to finish  
 20 checking out and purchased them for \$83.19.

21 38. However, the products that Plaintiff purchased were never offered for sale at  
 22 the original price listed on Defendant's e-commerce website and certainly not within the  
 23 90 days preceding Plaintiff's purchase. Neither Plaintiff's receipt nor any other language on  
 24 the website observed or relied upon by Plaintiff indicated that the product was not offered  
 25 previously at the advertised reference price.

26 39. Plaintiff's case is substantially predicated on Defendant's violation of CAL  
 27 BUS. & PROF. CODE § 17501, an equitable claim, as Plaintiff's counsel's investigation  
 28 revolved around ensuring that Defendant did not sell products at the indicated reference

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

8 40. Plaintiff reasonably relied upon Defendant's artificially inflated reference  
9 prices and false discounts when purchasing the children's apparel and retail products from  
10 Defendant's e-commerce website. Plaintiff would not have made such purchases but for  
11 Defendant's representations regarding the substantial discount being offered for the  
12 product. Plaintiff would like to continue buying from Defendant's e-commerce website in  
13 the future but cannot be certain of the veracity of Defendant's advertised bargains.

14 41. Plaintiff and the Class reasonably and justifiably acted and relied on the  
15 substantial price differences that Defendant advertised, and they made purchases believing  
16 they were receiving a substantial discount on a product of greater value than the value it had  
17 in actuality. Plaintiff, like other Class members, was lured in, relied on, and was damaged  
18 by the deceptive pricing scheme Defendant carried out.

19 42. Plaintiff was damaged in her purchases because Defendant's false reference  
20 price discounting scheme inflated the true market value of items she purchased. Plaintiff is  
21 susceptible to this reoccurring harm because she cannot be certain that Defendant has  
22 corrected this deceptive pricing scheme and she desires to shop at Defendant's e-commerce  
23 website in the future. However, she currently cannot trust that Defendant will accurately  
24 price its products truthfully and in a non-misleading fashion in compliance with applicable  
25 law. Plaintiff does not have the resources on her own to determine whether Defendant is  
26 complying with State and Federal law with respect to its pricing practices.

27 43. Additionally, because of the wide selection of children's apparel and retail  
28 products available on Defendant's website, and due to the likelihood that Defendant may

1 yet develop and market additional falsely priced products for sale online, Plaintiff may  
2 again, though by mistake, purchase a falsely discounted product from Defendant under the  
3 impression that the advertised reference price represented a *bona fide* former price at which  
4 the item was previously offered for sale by Defendant. Indeed, Plaintiff desires to continue  
5 purchasing children's apparel and retail products from Children's Place in the future.  
6 Moreover, members of the Class will continue to purchase the items from Children's Place  
7 while reasonably but incorrectly believing that their advertised reference prices represent  
8 *bona fide* former prices at which they were previously offered for sale by Defendant.

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

16 45. Moreover, Plaintiff lacks an adequate remedy at law with respect to her claim  
17 for equitable restitution because she has not yet retained an expert to determine whether an  
18 award of damages can or will adequately remedy their monetary losses caused by  
19 Defendant. Particularly, as legal damages focus on remedying the loss to the plaintiff and  
20 equitable restitution focuses wholly distinctly on restoring monies wrongly acquired by the  
21 defendant, legal damages are inadequate to remedy Plaintiff's losses because Plaintiff does  
22 not know at this juncture, and is certainly not required to set forth evidence, whether a model  
23 for legal damages (as opposed to equitable restitution) will be viable or will adequately  
24 compensate Plaintiff's losses.

#### 25 **Defendant**

26 46. Plaintiff is informed and believes, and upon such information and belief  
27 alleges, Defendant The Children's Place, Inc., is a Delaware corporation with its principal  
28 executive offices in Secaucus, New Jersey. Defendant operates The Children's Place retail



1 and outlet stores, as well as the childrensplace.com website, and advertises, markets,  
2 distributes, and/or sells children's apparel, accessories, footwear and other items in  
3 California and throughout the United States.

4 47. Plaintiff does not know the true names or capacities of the persons or entities  
5 sued herein as Does 1-50, inclusive, and therefore sues such defendants by such fictitious  
6 names. Plaintiff is informed and believes, and upon such information and belief alleges, that  
7 each of the Doe defendants are in some manner legally responsible for the damages suffered  
8 by Plaintiff and the Class members as alleged herein. Plaintiff will amend this Complaint  
9 to set forth the true names and capacities of these defendants when they have been  
10 ascertained, along with appropriate charging allegations, as may be necessary.

#### 11 **V. CLASS ALLEGATIONS**

12 48. Plaintiff brings this action on behalf of herself and all other similarly situated  
13 Class members pursuant to Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil  
14 Procedure and seeks certification of the following Classes against Defendant:

15 All persons, within the State of California, who, within the applicable statutory  
16 period (the "Class Period"), purchased from The Children's Place's e-  
17 commerce website, one or more products at discounts from an advertised  
18 reference price and who have not received a refund or credit for their  
19 purchase(s).

20 Excluded from the Class are Defendant, as well as its officers, employees, agents or  
21 affiliates, parent companies and/or subsidiaries, and each of their respective officers,  
22 employees, agents or affiliates, and any judge who presides over this action. Plaintiff  
23 reserves the right to expand, limit, modify, or amend these Class definitions, including the  
24 addition of one or more subclasses, in connection with their motion for class certification,  
25 or at any other time, based upon, *inter alia*, changing circumstances and/or new facts  
26 obtained during discovery.

27 49. **Numerosity:** Members of the Class are so numerous that joinder of all  
28 members is impracticable. Plaintiff is informed and believe that the proposed Class contains

1 at least thousands of individuals who have been damaged by Defendant's conduct as alleged  
2 herein. The precise number of Class members is unknown to Plaintiff at this time, but  
3 Plaintiff expects it can readily be established through Defendant's records.

4 50. ***Existence and Predominance of Common Questions of Law and Fact:*** This  
5 action involves common questions of law and fact, which predominate over any questions  
6 affecting individual Class members. These common legal and factual questions include, but  
7 are not limited to, the following:

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

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

14 c. whether Defendant's alleged conduct constitutes violations of the laws  
15 asserted;

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

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

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

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

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

25 51. ***Typicality:*** Plaintiff's claims are typical of the claims of the members of the  
26 Class because, *inter alia*, all members of the Class have been deceived (or were likely to be  
27 deceived) by Defendant's false and deceptive price advertising scheme, as alleged herein.  
28

1 Plaintiff is advancing the same claims and legal theories on behalf of herself and all  
2 members of the Class.

3 52. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the  
4 members of the Class. Plaintiff has retained counsel experienced in complex consumer class  
5 action litigation, and Plaintiff intends to prosecute this action vigorously. Plaintiff has no  
6 antagonistic or adverse interest to those of the Class.

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

18 54. All members of the Class, including Plaintiff, were exposed to one or more of  
19 Defendant's misrepresentations or omissions of material fact in advertising false reference  
20 prices. Due to the scope and extent of Defendant's consistent false sale prices and  
21 advertising scheme, disseminated in a constant years-long campaign to consumers, it can  
22 be reasonably inferred that such misrepresentations or omissions of material fact were  
23 uniformly made to all members of the Class. In addition, it can be reasonably presumed that  
24 all members of the Class, including Plaintiff, affirmatively acted in response to the  
25 representations contained in Defendant's false advertising scheme when purchasing  
26 products sold through Defendant's e-commerce website.

27 55. **Ascertainability:** Defendant keeps extensive computerized records of its  
28 customers through, *inter alia*, customer loyalty programs, co-branded credit cards and

1 general marketing programs. Defendant has one or more databases through which a  
2 significant majority of members of the Class may be identified and ascertained, and it  
3 maintains contact information, including email and home addresses, through which notice  
4 of this action could be disseminated in accordance with due process requirements.

5 **VI. CAUSES OF ACTION**

6 **FIRST CAUSE OF ACTION**

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

9 56. Plaintiff repeats and re-alleges the allegations contained in every preceding  
10 paragraph as if fully set forth herein.

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

14 58. The UCL imposes strict liability. Plaintiff need not prove that Defendant  
15 intentionally or negligently engaged in unlawful, unfair, or fraudulent business practices—  
16 but only that such practices occurred.

17 **“Unfair” Prong**

18 59. A business act or practice is “unfair” under the UCL if it offends an established  
19 public policy or is immoral, unethical, oppressive, unscrupulous or substantially injurious  
20 to consumers, and that unfairness is determined by weighing the reasons, justifications and  
21 motives of the practice against the gravity of the harm to the alleged victims.

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

1           61. The harm to Plaintiff and Class members outweighs the utility of Defendant’s  
2 practices because Defendant’s practice of advertising false discounts provides no utility.  
3 There were reasonably available alternatives to further Defendant’s legitimate business  
4 interests other than the misleading and deceptive conduct described herein.

5           ***“Fraudulent” Prong***

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

8           63. Defendant’s acts and practices alleged above constitute fraudulent business  
9 acts or practices as it has deceived Plaintiff and is highly likely to deceive members of the  
10 consuming public. Plaintiff relied on Defendant’s fraudulent and deceptive representations  
11 regarding its false or outdated “original prices” for products sold by Defendant through its  
12 e-commerce website. These misrepresentations played a substantial role in Plaintiff’s  
13 decision to purchase the product at a purportedly steep discount, and Plaintiff would not  
14 have purchased the product without Defendant’s misrepresentations.

15           ***“Unlawful” Prong***

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

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

24           (a) One of the most commonly used forms of bargain advertising is to offer a  
25 reduction from the advertiser’s own former price for an article. If the former  
26 priced is the actual, bona fide price at which the article was offered to the  
27 public on a regular basis for a reasonably substantial period of time, it provides  
28 a legitimate basis for the advertising of a price comparison. Where the former

1 price is genuine, the bargain being advertised is a true one. If, on the other  
2 hand, the former price being advertised is not bona fide but fictitious – for  
3 example, where an artificial, inflated price was established for the purpose  
4 of enabling the subsequent offer of a large reduction – the “bargain” being  
5 advertised is a false one; the purchaser is not receiving the unusual value he  
6 expects. In such a case, the “reduced” price is, in reality, probably just the  
7 seller’s regular price.

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

15 16 C.F.R. § 233.1(a) and (b) (emphasis added).

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

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

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

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

18 71. Pursuant to the UCL, Plaintiff is entitled to preliminary and permanent  
19 injunctive relief enjoining Defendant from further engagement in this unfair competition,  
20 as well as disgorgement and restitution to Plaintiff and the Class of all Defendant’s revenues  
21 wrongfully obtained from them as a result of Defendant’s unfair competition, or such  
22 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 73. CAL. BUS. & PROF. CODE § 17500 provides:

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

11 ..

12 (Emphasis added).

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

16 75. Similarly, this section provides, “no price shall be advertised as a former price  
17 of any advertised thing, unless the alleged former price was the prevailing market price ...  
18 within three months next immediately preceding the publication of the advertisement or  
19 unless the date when the alleged former price did prevail is clearly, exactly, and  
20 conspicuously stated in the advertisement.” CAL BUS. & PROF. CODE § 17501.

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



1 misled consumers by creating a false impression that the products sold through its e-  
2 commerce website were worth more than their actual worth.

3 77. Defendant misled consumers by making untrue and misleading statements and  
4 failing to disclose what is required as stated in the Code alleged above.

5 78. As a direct and proximate result of Defendant's misleading and false  
6 advertisements, Plaintiff and Class members have suffered injury in fact and have lost  
7 money. As such, Plaintiff requests that this Court order Defendant to restore this money to  
8 Plaintiff and all Class members, and to enjoin Defendant from continuing these unfair  
9 practices in violation of the UCL in the future. Otherwise, Plaintiff, Class members, and  
10 the broader general public, will be irreparably harmed and/or denied an effective and  
11 complete remedy.

12 79. Plaintiff and Class members request that this Court order Defendant to restore  
13 this money to Plaintiff and the Class members, and to enjoin Defendant from continuing  
14 these unfair practices in violation of the FAL in the future. Otherwise, Plaintiff, Class  
15 members, and the broader general public, will be irreparably harmed and/or denied an  
16 effective and complete remedy.

17 **THIRD CAUSE OF ACTION**

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

20 80. Plaintiff repeats and re-alleges the allegations contained in every preceding  
21 paragraph as if fully set forth herein.

22 81. This cause of action is brought pursuant to the CLRA, CAL. CIV. CODE § 1750,  
23 et seq. Plaintiff and each member of the proposed Class are "consumers" as defined by  
24 CAL. CIV. CODE § 1761(d). Defendant's sale of products through its e-commerce website,  
25 childrensplace.com, were "transactions" within the meaning of CAL. CIV. CODE § 1761(e).  
26 The products purchased by Plaintiff and the Class are "goods" or "services" within the  
27 meaning of CAL. CIV. CODE §§ 1761(a) - (b).  
28

1 82. Defendant violated and continues to violate the CLRA by engaging in the  
2 following practices proscribed by CAL. CIV. CODE § 1770(a) in transactions with Plaintiff  
3 and the Class which were intended to result in, and did result in, the sale of products sold  
4 through its website:

5 a. advertising goods or services with intent not to sell them as advertised;  
6 § 1770(a)(9); and

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

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

18 84. Filed concurrently herewith is a declaration of venue pursuant to CAL. CIV.  
19 CODE § 1780(d).

## 20 **VII. PRAYER FOR RELIEF**

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

23 a. an order certifying the Class and designating Plaintiff as the Class  
24 Representatives and their counsel as Class Counsel;

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

1 c. awarding Plaintiff and members of the Class actual, statutory, and  
2 punitive damages;

3 d. awarding declaratory and injunctive relief as permitted by law or equity,  
4 including: enjoining Defendant from continuing the unlawful practices as set forth  
5 herein, and directing Defendant to identify, with Court supervision, victims of its  
6 misconduct and pay them all money they are required to pay;

7 e. order Defendant to engage in a corrective advertising campaign;

8 f. awarding attorneys’ fees and costs; and

9 g. for such other and further relief as the Court may deem necessary or  
10 appropriate.

11 **VIII. DEMAND FOR JURY TRIAL**

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

13 Dated: April 14, 2022

**LYNCH CARPENTER, LLP**

14 By: /s/ Todd D. Carpenter

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*