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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

JESUS OSUNA and DANA FLORY, on  
behalf of themselves and all others  
similarly situated,

Plaintiffs,

vs.

SPOKEO INC., a Delaware Corporation,  
and DOES 1- 50, inclusive,

Defendants.

Case No. 2:22-cv-7310

**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 Plaintiffs Jesus Osuna and Dana Flory (collectively, “Plaintiffs”) bring this action on  
2 behalf of themselves and all others similarly situated against Defendant Spokeo, Inc.  
3 (“Defendant” or “Spokeo”), 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 website, spokeo.com, where it sells electronic reports of personal  
14 information (such as an individual’s contact information and job history) via its search and  
15 reverse lookup service.

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

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

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

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

25 5. Through its false and misleading marketing, advertising, and pricing scheme  
26 alleged herein, Spokeo violated, and continues to violate, California and Federal law, which  
27 prohibit the advertisement of goods for sale discounted from false former prices. California  
28

1 and Federal law also prohibit the dissemination of misleading statements about the existence  
2 and amount of price 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. Plaintiffs bring this action on behalf of themselves and other similarly situated  
10 consumers who have purchased one or more products through *spokeo.com* that were  
11 deceptively represented as discounted from a false reference price. Plaintiffs seek 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. Plaintiffs  
15 also seek to enjoin Defendant from using false and misleading misrepresentations regarding  
16 former price comparisons in its labeling, marketing, and advertising permanently.  
17 Furthermore, Plaintiffs seek to obtain actual, statutory, and punitive damages, restitution,  
18 injunctive relief, reasonable costs and attorneys’ fees, and other appropriate relief in the  
19 amount by which Defendant was unjustly enriched as a result of its sales offered at a false  
20 discount.

## 21 **II. JURISDICTION AND VENUE**

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

26 8. The Central District of California has personal jurisdiction over Defendant and  
27 is the proper venue for this action pursuant to 28 U.S.C. § 1391(b)(1) in which the  
28 Defendant resides. Further, Defendant is a corporation or other business entity with its

1 principal executive offices in Pasadena, California which does conduct business in the State  
2 of California. Defendant conducts substantial business in this district and has sufficient  
3 minimum contacts in California, and/or otherwise intentionally avails itself to the California  
4 market through the operation of its e-commerce website within the State of California.

### 5 III. GENERAL ALLEGATIONS

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

7 9. Spokeo engages in a false and misleading reference price scheme in the  
8 marketing and selling of its products on its e-commerce website.

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

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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  
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  
23 of the ‘deal’”. Thaler, Richard. “Mental Accounting and Consumer Choice.” *Marketing  
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.  
26 “An Empirical Analysis of Internal and External Reference Prices using Scanner Data.”  
*Journal of Consumer Research* 19, no. 1 (1992): 62-70, p. 68.

27 <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-  
28 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 these consumers have little or no  
 2 prior internal reference.<sup>10</sup> In other words, “[t]he deceptive potential of such advertised  
 3 reference prices are likely to be considerably higher for buyers with less experience or  
 4 knowledge of the product and product category.”<sup>11</sup> Academic literature further reports that  
 5 “there is ample evidence that consumers use reference prices in making brand choices”<sup>12</sup>  
 6 and publications 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 advertised reference price to make judgments about the product’s value and the value of the  
 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. California and Federal Pricing Regulations Prohibit False “Original  
 5 price” references and Out-Dated “Original price” references.**

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

17 15. Additionally, laws in the State of California expressly prohibit making false or  
 18 misleading statements of fact “concerning reasons for, existence of, or amounts of price  
 19 reductions.” See CAL. CIV. CODE § 1770(a)(13).

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

24  
 25  
 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           **C. Defendant’s Fraudulent Price Discounting Scheme Violates California**  
2           **State Law and Federal Regulations.**

3           17. Defendant engages in a false and misleading reference price scheme in the  
4 marketing and selling of the products offered on its e-commerce website. Defendant’s  
5 website *spokeo.com* has a search function in which consumers can enter a name, email,  
6 phone number, or address, and then the website generates corresponding search results from  
7 which consumers can purchase an electronic “Spokeo Report” containing information  
8 regarding the name, email, phone number, or address. Defendant advertises its electronic  
9 reports for sale by listing them with a fictitious phrase “YOU SAVED \$1.00 ON THIS  
10 ORDER!” and a corresponding sale price. The phrase “YOU SAVED \$1.00 ON THIS  
11 ORDER!” communicates that the original price of the report is \$1.00 higher than the  
12 corresponding sale price. The original price communicates “the product’s worth and the  
13 prestige that ownership of the product conveys.” *Hinojos*, 718 F.3d at 1106 (citing Dhruv  
14 Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*,  
15 11 J. PUB. POL’Y & MKTG. 52, 55 (Spring 1992) (“By creating an impression of savings, the  
16 presence of a higher reference price enhances subjects’ perceived value and willingness to  
17 buy the product.”). “Misinformation about a product’s ‘normal’ price is . . . significant to  
18 many consumers in the same way as a false product label would be.” *Hinojos*, 718 F.3d  
19 at 1106.

20           18. Defendant consistently advertises its products on its e-commerce website  
21 alongside a phrase that communicates a higher “original” price, and the corresponding sale  
22 price. Defendant advertises a seemingly original price, in truth a false reference price, with  
23 the phrase “YOU SAVED \$1.00 ON THIS ORDER!” displayed in bold, white font inside  
24 of a black oval that emphasizes this phrase on the “Order Summary” checkout purchase  
25 webpage. Before consumers can view a product’s checkout purchase webpage, they must  
26 first view a product’s initial purchase webpage; this initial purchase webpage displays  
27 product information including its sale price, which is listed above the phrase “SPECIAL  
28 PRICE”. Defendant’s representation on its website that \$1.00 is saved on an individual

1 product in addition to the representation that the sale price is a “SPECIAL PRICE,”  
2 communicates that the product has a reference price of \$1.00 higher than the current sale  
3 price. Spokeo’s reports that correspond to an individual name, phone number, email, or  
4 address are all listed with a sale, “SPECIAL PRICE,” of \$0.95. Therefore, Defendant’s  
5 website communicates that its Spokeo Report products have a sale price of 51.2% off the  
6 false reference price of \$1.95, which represents the \$1.00 “saved” on the order added to the  
7 \$0.95 sale price. The false reference price operates as a baseline consumers rely on to assess  
8 a product’s value. Moreover, the phrase “YOU SAVED \$1.00 ON THIS ORDER!” is  
9 shown alongside the sale price to communicate to consumers that Defendant is selling a  
10 product at a substantial discount, even though the product is not in fact discounted. The sale  
11 price displayed directly next to the false reference price phrase conveys the “deep discount”  
12 at which Defendant presently offers a product, ostensibly for a limited time.

13 19. However, the products sold on Defendant’s e-commerce website are never sold  
14 at the price consumers are led to presume is the full original price—the sale “total” price  
15 plus the \$1.00 “saved” on the order. The “deep discount” of products communicated to  
16 consumers viewing Defendant’s e-commerce website constitutes a misrepresentation by  
17 Defendant. The “original” price communicated by Defendant merely serves as a false  
18 reference price Defendant uses as part of a larger scheme to deceptively manufacture false  
19 discounts to incentivize consumers to make purchases.

20 20. To reiterate, the products sold on spokeo.com are displayed on an individual  
21 product’s purchase webpage, such as a purchase webpage for a “Full Name Report”  
22 corresponding to an individual person’s name. The initial product purchase webpage  
23 displays two phrases that indicate Defendant’s false pricing scheme: (1) “SPECIAL TRIAL  
24 OFFER” displayed in bold white font over a dark grey background and (2) “SPECIAL  
25 PRICE” displayed in bold bright orange font over a white background, directly above the  
26 listed price for the product. The phrase “SPECIAL PRICE” communicates that the listed  
27 price is not the prevailing market price and is not the price at which Defendant normally  
28 offers the product for sale. Both of the phrases, “SPECIAL PRICE” and “SPECIAL TRIAL

1 OFFER,” suggest to consumers that Defendant previously offered its products at the higher  
2 reference price displayed on the product’s checkout purchase webpage. The product’s  
3 purchase webpage displays a “CONTINUE” button, which, when clicked on, transitions  
4 consumers from the initial product purchase webpage to the product purchase *checkout*  
5 webpage. Consumers must view both the product’s initial purchase webpage and the  
6 product’s checkout webpage to purchase a product on *spokeo.com*. The checkout webpage  
7 for a product on *spokeo.com* displays an “Order Summary” that includes the product details  
8 of the name of the product (such as “Spokeo Report”) displayed next to the product’s sale  
9 price, and it also displays the phrase “YOU SAVED \$1.00 ON THIS ORDER!” in bold  
10 white font inside of a black oval containing only this phrase.

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

19 22. Defendant’s perpetual listings of its products as discounted on its e-commerce  
20 website constitute false, fraudulent, and deceptive advertising because the advertised  
21 reference prices—which Defendant communicates through its false representation that any  
22 given consumer will save \$1.00 on their purchase of one Spokeo Report—represents  
23 substantially higher prices than those ever offered by Defendant. The communicated  
24 reference prices only serve to deceive consumers; they function as benchmark prices from  
25 which the false discount and corresponding “sale” price are derived. Defendant’s scheme  
26 tricks consumers into justifiably believing they are getting a significant deal when in reality  
27 consumers are paying the usual retail price for products.

28

1           23. In sum, the false reference prices communicated by the phrase “YOU SAVED  
2 \$1.00 ON THIS ORDER!” and the sale price displayed next to each other on product  
3 checkout pages on Defendant’s e-commerce website are all part of Defendant’s purposeful,  
4 deceptive scheme. The products sold through Defendant’s e-commerce website are never  
5 offered for sale, nor sold, at the advertised false reference price of \$1.95 (\$1.00 more than  
6 the product’s sale price). Defendant advertises false reference prices with a purpose to  
7 induce consumers into believing its products were once sold at said price. The phrases of  
8 “SPECIAL PRICE” and “SPECIAL TRIAL OFFER” next to products on their initial  
9 product purchase webpages creates a false sense of urgency in consumers. Defendant  
10 intends for consumers to be misled that Defendant will sell its products at the advertised,  
11 higher reference price of \$1.00 more than the sale price “again” if they do not purchase its  
12 products soon; and consumers are misled. Consumers believe they are receiving a  
13 substantial bargain when they purchase products on Defendant’s e-commerce website at the  
14 “discounted” sale price. However, Defendant did not actually sell products on its e-  
15 commerce website at the advertised reference prices of \$1.00 more than the sale prices  
16 within 90 days of discounting them. In fact, Defendant never offered or sold products at  
17 their advertised false reference price, and consumers thus never received a true bargain. All  
18 while fully aware of its deception, Defendant has achieved, and might continue to achieve,  
19 its ultimate, continuing purpose of driving sales with sham markdowns.

20           24. Nowhere on Defendant’s e-commerce website does Defendant disclose that  
21 the reference or “original” prices of \$1.00 more than the sale price are not: former prices;  
22 or recent, within 90 days, regularly offered former prices; or prices at which identical  
23 products are sold elsewhere in the market. The omission of these disclosures, coupled with  
24 Defendant’s use of fictitious advertised reference prices, renders Defendant’s pricing  
25 scheme inherently misleading.

26           25. Moreover, the advertised discounts were fictitious because the reference prices  
27 did not represent a *bona fide* price at which Defendant previously sold or offered to sell the  
28 products, on a regular basis, for a commercially reasonable period of time, as required by

1 the Federal Trade Commission (“FTC”). In addition, the represented advertised reference  
2 prices were not the prevailing market retail price within the three months (90 days)  
3 immediately preceding the publication of the advertised former reference price, as required  
4 by California law.

5 26. Thus, Defendant’s scheme intends to, and does, provide misinformation to the  
6 customer. This misinformation communicates to consumers, including Plaintiffs, that the  
7 products sold on Defendant’s e-commerce website have greater value than the advertised  
8 discounted price.

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

12 28. Defendant knows that its reference price advertising is false, deceptive,  
13 misleading, and unlawful under state and federal law.

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

17 30. At all relevant times, Defendant has been under a duty to Plaintiffs and the  
18 Class to disclose the truth about its false discounts.

19 **D. Investigation**

20 31. Products sold Spokeo’s website are priced uniformly. In other words, the  
21 products sold by Defendant bear a substantially discounted sale price that appears next to  
22 the phrase “YOU SAVED \$1.00 ON THIS ORDER!”. Plaintiffs’ counsel’s investigation  
23 confirmed that all of the merchandise purchased by Plaintiffs were priced with a false  
24 reference price communicated through the phrase “YOU SAVED \$1.00 ON THIS  
25 ORDER!” and a corresponding discounted price for at least the 90-day period immediately  
26 preceding Plaintiffs’ purchases in violation of California law. The products purchased by  
27 Plaintiffs were not, and are not, offered for sale in any other market.

28

32. Plaintiffs' counsel conducted a thorough investigation of Defendant's website. Plaintiffs' counsel deployed a sophisticated software program to track each item offered for sale on the spokeo.com website. Plaintiffs' counsel tracked the pricing of certain merchandise offered for sale through spokeo.com various periods from 2021 through the present. For the duration of the tracking period, each product remained significantly discounted from its reference price. The investigation indicated the false reference pricing scheme was uniform across Defendant's e-commerce website.

33. The false reference price and corresponding discount price scheme were both uniform and identical on all products sold through Defendant's e-commerce website.

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

#### IV. PARTIES

##### **Plaintiffs**

35. Plaintiff Jesus Osuna ("Plaintiff Osuna") resides in Los Angeles County, California. Plaintiff Osuna, in reliance on Defendant's false and deceptive advertising, marketing and discounting pricing schemes, purchased the following item online from Los Angeles County, California on April 23, 2022:

Item:	Quantity:	False Reference Price:	Sale Price Paid by Plaintiff:
Single Record with 7 Days Trial Membership	1	\$1.95	\$0.95

36. Plaintiff Osuna examined the above-listed product on Defendant's website before deciding to purchase the aforementioned product after reviewing the item's advertised sale price. The item Plaintiff Osuna purchased was advertised as having an original price of \$1.00 more than the sale price displayed on the website. Defendant advertised the report as having a sale price at a discount for the report.

37. After observing that original price of the report was \$1.95 based on the communicated savings of \$1.00 plus the sale price of \$0.95, and the accompanying sale price itself of \$0.95, Plaintiff Osuna believed he was receiving a significant discount on the

1 product he had chosen. Because he was interested in the product and felt that the discounted  
2 price would likely not last, and that he was getting a significant bargain on the product,  
3 Plaintiff Osuna proceeded to finish checking out and purchased it.

4 38. However, this product was never offered for sale at the original price  
5 communicated on Defendant's e-commerce website and certainly not within the 90 days  
6 preceding Plaintiff Osuna's purchase. Neither Plaintiff Osuna's receipt nor any other  
7 language on the website observed or relied upon by Plaintiff Osuna indicated that the  
8 product was not offered previously at the reference price of \$1.95.

9 39. Plaintiff Dana Flory ("Plaintiff Flory") resides in Lee County, Illinois. Plaintiff  
10 Flory, in reliance on Defendant's false and deceptive advertising, marketing and  
11 discounting pricing schemes, purchased the following item online from Lee County, Illinois  
12 on December 12, 2021:

Item:	Quantity:	False Reference Price:	Sale Price Paid by Plaintiff:
Single Record with 7 Days Trial Membership	1	\$1.95	\$0.95

16 40. Plaintiff Flory examined the above-listed product on Defendant's website  
17 before deciding to purchase the aforementioned product after reviewing the item's  
18 advertised sale price. The item Plaintiff Flory purchased was advertised as having an  
19 original price of \$1.00 more than the sale price displayed on the website. Defendant  
20 advertised the report as having a sale price at a discount for the report.

21 41. After observing that original price of the report was \$1.95 based on the  
22 communicated savings of \$1.00 plus the sale price of \$0.95, and the accompanying sale  
23 price itself of \$0.95, Plaintiff Flory believed she was receiving a significant discount on the  
24 product she had chosen. Because she was interested in the product and felt that the  
25 discounted price would likely not last, and that she was getting a significant bargain on the  
26 product, Plaintiff Flory proceeded to finish checking out and purchased it.

27 42. However, this product was never offered for sale at the original price  
28 communicated on Defendant's e-commerce website and certainly not within the 90 days

1 preceding Plaintiff Flory's purchase. Neither Plaintiff Flory's receipt nor any other language  
2 on the website observed or relied upon by Plaintiff Flory indicated that the product was not  
3 offered previously at the reference price of \$1.95.

4 43. Plaintiffs reasonably relied upon Defendant's artificially inflated reference  
5 prices and false discounts when purchasing products from Defendant's e-commerce  
6 website. Plaintiffs would not have made such purchases but for Defendant's representations  
7 regarding the substantial discount being offered for the products. Plaintiffs would like to  
8 continue buying from Defendant's e-commerce website in the future but cannot be certain  
9 of the veracity of Defendant's advertised bargains.

10 44. Plaintiffs and the Class reasonably and justifiably acted and relied on the  
11 substantial price differences that Defendant advertised, and they made purchases believing  
12 they were receiving a substantial discount on a product of greater value than the value it had  
13 in actuality. Plaintiffs, like other Class members, were lured in, relied on, and were damaged  
14 by the deceptive pricing scheme Defendant carried out.

15 45. Plaintiffs were damaged in their purchases because Defendant's false reference  
16 price discounting scheme inflated the true market value of items they purchased. Plaintiffs  
17 are susceptible to this reoccurring harm because they cannot be certain that Defendant has  
18 corrected this deceptive pricing scheme and they desire to shop at Defendant's [spokeo.com](http://spokeo.com)  
19 website in the future. However, they currently cannot trust that Defendant will accurately  
20 price its products truthfully and in a non-misleading fashion in compliance with applicable  
21 law. Plaintiffs do not have the resources on their own to determine whether Defendant is  
22 complying with State and Federal law with respect to its pricing practices.

23 46. Additionally, because of the variety of reports available on Defendant's  
24 website, and due to the likelihood that Defendant may yet develop and market additional  
25 falsely priced items for sale online, Plaintiffs may again, though by mistake, purchase a  
26 falsely discounted item from Defendant under the impression that the advertised reference  
27 price represented a *bona fide* former price at which the item was previously offered for sale  
28 by Defendant. Indeed, Plaintiffs desire to continue purchasing reports from [spokeo.com](http://spokeo.com) in



1 the future. Moreover, Class members will continue to purchase products from spoeko.com  
2 while reasonably but incorrectly believing that their advertised reference prices represent  
3 *bona fide* former prices at which they were previously offered for sale by Defendant.

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

11 48. Moreover, Plaintiffs lack an adequate remedy at law with respect to their claim  
12 for equitable restitution because they have not yet retained an expert to determine whether  
13 an award of damages can or will adequately remedy their monetary losses caused by  
14 Defendant. Particularly, as legal damages focus on remedying the loss to the plaintiff and  
15 equitable restitution focuses wholly distinctly on restoring monies wrongly acquired by the  
16 defendant, legal damages are inadequate to remedy Plaintiffs' losses because Plaintiffs do  
17 not know at this juncture, and are certainly not required to set forth evidence, whether a  
18 model for legal damages (as opposed to equitable restitution) will be viable or will  
19 adequately compensate Plaintiffs' losses.

20 49. Finally, Plaintiffs' case is substantially predicated on Defendant's violation of  
21 CAL BUS. & PROF. CODE § 17501, an equitable claim, as Plaintiffs' counsel's investigation  
22 revolved around ensuring that Defendant did not sell products at the indicated reference  
23 price within the 90 days preceding Plaintiffs' purchases and, likewise, that Defendant failed  
24 to disclose to consumers the date on which products were last offered at their advertised  
25 reference price. This claim and test of liability go to the heart of Plaintiffs' case and the  
26 same test is not available under a CLRA legal claim for damages. Thus, Plaintiffs do *not*  
27 have an adequate remedy at law because the CLRA does not provide the same metric of  
28

1 liability as CAL BUS. & PROF. CODE § 17501, which is integral not only to Plaintiffs' prayer  
2 for restitution, but also to Plaintiffs' very theory of liability at trial.

3 **Defendant**

4 50. Defendant is incorporated in Delaware with its principal executive offices in  
5 Pasadena, California. Plaintiffs are informed and believes that Defendant operates the  
6 spokeo.com website, and advertises, markets, distributes, and/or sells electronic reports in  
7 California and throughout the United States.

8 51. Plaintiffs do not know the true names or capacities of the persons or entities  
9 sued herein as Does 1-50, inclusive, and therefore sue such defendants by such fictitious  
10 names. Plaintiffs are informed and believe, and upon such information and belief allege,  
11 that each of the Doe defendants are in some manner legally responsible for the damages  
12 suffered by Plaintiffs and the Class members as alleged herein. Plaintiffs will amend this  
13 Complaint to set forth the true names and capacities of these defendants when they have  
14 been ascertained, along with appropriate charging allegations, as may be necessary.

15 **V. CLASS ALLEGATIONS**

16 52. Plaintiffs bring this action on behalf of themselves and all other similarly  
17 situated Class members pursuant to Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of  
18 Civil Procedure and seek certification of the following Class against Defendant:

19 All persons who, within the applicable statutory period (the "Class Period"),  
20 purchased from Spokeo's e-commerce website spokeo.com one or more  
21 products at discounts from an advertised reference price and who have not  
22 received a refund or credit for their purchase(s).

23 Excluded from the Class are Defendant, as well as its officers, employees, agents or  
24 affiliates, parent companies and/or subsidiaries, and each of their respective officers,  
25 employees, agents or affiliates, and any judge who presides over this action. Plaintiffs  
26 reserve the right to expand, limit, modify, or amend this class definition, including the  
27 addition of one or more subclasses, in connection with her motion for class certification, or  
28

1 at any other time, based upon, *inter alia*, changing circumstances and/or new facts obtained  
2 during discovery.

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

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

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

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

18 c. whether Defendant's alleged conduct constitutes violations of the laws  
19 asserted;

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

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

23 f. whether Plaintiffs and Class members are entitled to damages and/or  
24 restitution and the proper measure of that loss;

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

27 h. whether Plaintiffs and the Class are entitled to an award of reasonable  
28 attorneys' fees, interest, and costs of suit.

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

5           56. **Adequacy:** Plaintiffs will fairly and adequately protect the interests of the  
6 members of the Class. Plaintiffs have retained counsel experienced in complex consumer  
7 class action litigation, and Plaintiffs intend to prosecute this action vigorously. Plaintiffs  
8 have no antagonistic or adverse interest to those of the Class.

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

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



1 represented false reference prices and corresponding deeply discounted phantom “sale”  
2 prices. Defendant’s acts and practices offended an established public policy of transparency  
3 in pricing, and constituted immoral, unethical, oppressive, and unscrupulous activities that  
4 are substantially injurious to consumers.

5 66. The harm to Plaintiffs and Class members outweighs the utility of Defendant’s  
6 practices because Defendant’s practice of advertising false discounts provides no utility and  
7 only harms consumers. There were reasonably available alternatives to further Defendant’s  
8 legitimate business interests other than the misleading and deceptive conduct described  
9 herein.

10 ***“Fraudulent” Prong***

11 67. A business act or practice is “fraudulent” under the UCL if it is likely to  
12 deceive members of the consuming public.

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

20 ***“Unlawful” Prong***

21 69. A business act or practice is “unlawful” under the UCL if it violates any other  
22 law or regulation.

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

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

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

20 16 C.F.R. § 233.1(a) and (b) (emphasis added).

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

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

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

6 CAL. BUS. & PROF. CODE § 17501 (emphasis added).

7 72. As detailed in Plaintiffs' Third Cause of Action below, the CLRA, CAL. CIV.  
8 CODE § 1770(a)(9), prohibits a business from "[a]dvertising goods or services with intent  
9 not to sell them as advertised," and subsection (a)(13) prohibits a business from "[m]aking  
10 false or misleading statements of fact concerning reasons for, existence of, or amounts of  
11 price reductions."

12 73. As detailed herein, the acts and practices alleged were intended to or did result  
13 in violations of the FTCA, the FAL, and the CLRA.

14 74. Defendant's practices, as set forth above, misled Plaintiffs, the proposed Class,  
15 and the public in the past and will continue to mislead in the future. Consequently,  
16 Defendant's practices constitute an unlawful, fraudulent, and unfair business practice within  
17 the meaning of the UCL.

18 75. Defendant's violations of the UCL, through its unlawful, unfair, and fraudulent  
19 business practices, are ongoing and present a continuing threat that Class members and the  
20 public will be deceived into purchasing products based on price comparisons of arbitrary  
21 and inflated "reference" prices and substantially discounted "sale" prices. These false  
22 comparisons created phantom markdowns and lead to financial damage for consumers like  
23 Plaintiffs and the class.

24 76. Pursuant to the UCL, Plaintiffs are entitled to preliminary and permanent  
25 injunctive relief enjoining Defendant from further engagement in this unfair competition,  
26 as well as disgorgement and restitution to Plaintiffs and the Class of all Defendant's  
27 revenues wrongfully obtained from them as a result of Defendant's unfair competition, or  
28 such portion of those revenues as the Court may find equitable.



1 **SECOND CAUSE OF ACTION**

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

4 77. Plaintiffs repeat and re-allege the allegations contained in every preceding  
5 paragraph as if fully set forth herein.

6 78. Plaintiffs bring this claim individually and on behalf of the members of the  
7 proposed Class against Defendant for violations of the FAL, CAL. BUS. & PROF. CODE  
8 §§ 17500, *et seq.*

9 79. CAL. BUS. & PROF. CODE § 17500 provides:

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

20 (Emphasis added).

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

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

1 82. Defendant's routine practice of advertising discounted prices from false  
2 reference prices, which were never the prevailing market prices of those products and were  
3 materially greater than the true prevailing prices (i.e., Defendant's actual sale price),  
4 constitutes an unfair, untrue, and misleading practice. Defendant's deceptive marketing  
5 practice gave consumers the false impression that the products on Defendant's e-commerce  
6 website were regularly sold on the market for a substantially higher price than the price for  
7 which they were sold in actuality. Moreover, Defendant's deceptive marketing practice  
8 misled consumers by creating a false impression that the products sold through its e-  
9 commerce website were worth more than their actual worth.

10 83. Defendant misled consumers by making untrue and misleading statements and  
11 failing to disclose what is required as stated in the Code alleged above.

12 84. As a direct and proximate result of Defendant's misleading and false  
13 advertisements, Plaintiffs and Class members have suffered injury in fact and have lost  
14 money. As such, Plaintiffs request that this Court order Defendant to restore this money to  
15 Plaintiffs and all Class members, and to enjoin Defendant from continuing these unfair  
16 practices in violation of the FAL in the future. Otherwise, Plaintiffs, Class members, and  
17 the broader general public, will be irreparably harmed and/or denied an effective and  
18 complete remedy.

19 **THIRD CAUSE OF ACTION**

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

22 85. Plaintiffs repeat and re-allege the allegations contained in every preceding  
23 paragraph as if fully set forth herein.

24 86. Plaintiffs bring this claim individually and on behalf of the members of the  
25 proposed Class against Defendant for violations of the CLRA, CAL. CIV. CODE § 1750, *et*  
26 *seq.*

27 87. This cause of action is brought pursuant to the CLRA, CAL. CIV. CODE § 1750,  
28 *et seq.* Plaintiffs and each member of the proposed Class are "consumers" as defined by

1 CAL. CIV. CODE § 1761(d). Defendant’s sale of products through its e-commerce website,  
2 spokeo.com, were “transactions” within the meaning of CAL. CIV. CODE § 1761(e). The  
3 products purchased by Plaintiffs and the Class are “goods” or “services” within the meaning  
4 of CAL. CIV. CODE §§ 1761(a) - (b).

5 88. Defendant violated and continues to violate the CLRA by engaging in the  
6 following practices proscribed by CAL. CIV. CODE § 1770(a) in transactions with Plaintiffs  
7 and the Class which were intended to result in, and did result in, the sale of products sold  
8 through its website:

- 9 a. advertising goods or services with intent not to sell them as advertised;  
10 § 1770(a)(9); and  
11 b. making false or misleading statements of fact concerning reasons for,  
12 existence of, or amounts of price reductions; § 1770(a)(13).

13 89. On October 6, 2022, Plaintiffs, through counsel, sent a CLRA demand letter to  
14 Defendant that provided notice of Defendant’s violation of the CLRA and demanded  
15 Defendant correct, repair, replace, or otherwise rectify the unlawful, unfair, false, and  
16 deceptive practices complained of herein. The letter also stated that if Defendant refused to  
17 do so, Plaintiffs would file a complaint seeking damages in accordance with the CLRA. If  
18 Defendant does not respond to Plaintiffs’ letter or agree to rectify the problems associated  
19 with the actions detailed above and give notice to all affected consumers within 30 days of  
20 the date of written notice pursuant to § 1782, Plaintiffs will amend their complaint to seek  
21 actual, punitive, and statutory damages, as appropriate against Defendant.

22 90. Filed concurrently herewith is a declaration of venue pursuant to CAL. CIV.  
23 CODE §1780(d).

## 24 **VII. PRAYER FOR RELIEF**

25 Wherefore, Plaintiffs, on behalf of themselves and all other members of the Class,  
26 requests that this Court award relief against Defendant as follows:

- 27 a. an order certifying the Class and designating Plaintiffs as the Class  
28 Representatives and their counsel as Class Counsel;

