

**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  
SOUTHERN DISTRICT OF CALIFORNIA**

MARIA CARRANZA, on behalf of  
herself and all others similarly situated,

Plaintiff,

vs.

OLD COPPER COMPANY, INC. f/k/a  
J. C. PENNEY COMPANY, INC., a  
Delaware Corporation, PENNEY  
OPCO LLC, a Virginia Limited Liability  
Company, and DOES 1- 50, inclusive,

Defendants.

Case No. '23CV0276L NLS

**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 Maria Carranza (“Plaintiff”) brings this action on behalf of herself and all  
2 others similarly situated against Defendant Old COPPER Company, Inc. f/k/a J. C. Penney  
3 Company, Inc. (“JC Penney”) and Defendant Penney OpCo LLC (“Penney OpCo”)  
4 (collectively, “Defendants”), and states:

5 **I. NATURE OF THE ACTION**

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

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 Defendants, to sell products above their true market price and value—and consumers are  
24 left to pay the price.

25 3. The following example of a hypothetical DVD seller, which is parallel to  
26 Defendants’ 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 Plaintiff’s case seeks to remedy this deception, its attendant harm to consumers, and that  
17 disparity—the impact on the increase in market price through Defendants’ 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 Defendants, continue to use the tactic because they know they  
21 will be able to increase sales and profits by tricking consumers into making purchasing  
22 decisions based on the advertised reference prices. The information available to consumers  
23 varies for different types of products; nonetheless, consumers frequently lack full  
24 information about products and as a result often use information from sellers to make  
25 purchase decisions.

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

1 California and Federal law also prohibit the dissemination of misleading statements about  
2 the existence and amount of price reductions. Specifically, Defendants violated and  
3 continue to violate:

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

6 b. California’s False Advertising Law (“FAL”), CAL. BUS. & PROF. CODE  
7 §§ 17500, *et seq.*; and

8 c. California Consumer Legal Remedies Act (“CLRA”), CAL. CIV. CODE  
9 §§ 1750, *et seq.*;

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

## 22 II. JURISDICTION AND VENUE

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

27 8. The Southern District of California has personal jurisdiction over Defendants  
28 and is the proper venue for this action pursuant to 28 U.S.C. § 1391(b)(1) in which the

1 Plaintiff resides. Further, Defendants conduct business in the State of California.  
 2 Defendants conduct substantial business in this district and have sufficient minimum  
 3 contacts in California, and/or otherwise intentionally avails itself to the California market  
 4 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. Defendants engage in a false and misleading reference price scheme in the  
 8 marketing and selling of their 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 Defendants' 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 Defendants' deceptive advertised  
 19

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):

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  
 16

---

17 199-214, p. 212 (“The [reference price] will be more successful as a reference price the less  
 18 often the good is purchased. The [reference price] is most likely to serve as a proxy for  
 19 quality when the consumer has trouble determining quality in other ways (such as by  
 inspection”).

20 <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.

21 <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.

22 <sup>6</sup> “To incorporate ... the psychology of buying into the model, two kinds of utility are  
 23 postulated: *acquisition utility* and *transaction utility*. The former depends on the value of  
 24 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  
 Science* 4, no. 3 (1985): 199-214, p. 205.

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

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

1 reference prices when valuing a product.<sup>9</sup> For products purchased infrequently, external  
 2 reference prices can be particularly influential because these consumers have little or no  
 3 prior internal reference.<sup>10</sup> In other words, “[t]he deceptive potential of such advertised  
 4 reference prices are likely to be considerably higher for buyers with less experience or  
 5 knowledge of the product and product category.”<sup>11</sup> Academic literature further reports that  
 6 “there is ample evidence that consumers use reference prices in making brand choices”<sup>12</sup>  
 7 and publications have summarized the empirical data as follows:

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

15       13. Sellers, including Defendants, understand consumers are vulnerable to  
 16 perceived bargains. Thus, Defendants have a substantial financial interest in exploiting  
 17 consumers’ well-known behavioral tendencies by inducing consumers into believing they  
 18 are receiving a bargain—even when they are not. The phenomena of people  
 19 disproportionately relying on an initial piece of information when making a decision, known

20 <sup>9</sup> “Buyers’ internal reference prices adapt to the stimuli prices presented in the  
 21 advertisement. That is, buyers either adjust their internal reference price or accept the  
 22 advertised reference price to make judgments about the product’s value and the value of the  
 23 deal.” Grewal, Dhruv, Kent B. Monroe, and Ramayya Krishnan. “The Effects of Price-  
 24 Comparison Advertising on Buyers’ Perceptions of Acquisition Value, Transaction Value,  
 25 and Behavioral Intentions.” *The Journal of Marketing* 62 (1998): 46-59, p. 48.

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

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

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

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

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. Defendants’ Fraudulent Price Discounting Scheme Violates California**  
2           **State Law and Federal Regulations.**

3           17. Defendants engage in a false and misleading reference price scheme in the  
4 marketing and selling of the products offered on their e-commerce website. Defendants  
5 advertise apparel, footwear, accessories, jewelry, home furnishings, beauty products, and  
6 other related items for sale by listing them with a fictitious original price and a  
7 corresponding sale price. The original price communicates “the product’s worth and the  
8 prestige that ownership of the product conveys.” *Hinojos*, 718 F.3d at 1106 (citing Dhruv  
9 Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*,  
10 11 J. PUB. POL’Y & MKTG. 52, 55 (Spring 1992) (“By creating an impression of savings, the  
11 presence of a higher reference price enhances subjects’ perceived value and willingness to  
12 buy the product.”). “Misinformation about a product’s ‘normal’ price is . . . significant to  
13 many consumers in the same way as a false product label would be.” *Hinojos*, 718 F.3d  
14 at 1106.

15           18. Defendants consistently advertise their products on their e-commerce website  
16 jcpenny.com alongside a higher “original” price, and the corresponding sale price.  
17 Defendants advertise a seemingly original price, in truth, a false reference price, with a  
18 “strikethrough,” which suggests to customers that Defendants previously offered their  
19 products at the strikethrough price. The false reference price operates as a baseline consumers  
20 rely on to assess a product’s value. Moreover, it is shown directly next to the “sale” price to  
21 communicate to consumers that Defendants are selling a product at a substantial discount,  
22 even though the product is not in fact discounted. Additionally, between the false original  
23 price and the “sale” price, the “\_\_\_% off” is displayed in italicized font. The sale price  
24 displayed with the word “sale” in red italicized font next to the false reference price conveys  
25 the “deep discount” at which Defendants presently offer a product, ostensibly for a limited  
26 time.

27           19. However, the products sold on Defendants’ e-commerce website are never sold  
28 at the price consumers are led to presume is the full original price—the price displayed with

1 a strikethrough next to the “sale” price. The “deep discount” of products communicated to  
2 consumers viewing Defendants’ e-commerce website constitutes a misrepresentation by  
3 Defendants. The “original” price communicated by Defendants merely serves as a false  
4 reference price Defendants use as part of a larger scheme to deceptively manufacture false  
5 discounts to incentivize consumers to make purchases.

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

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

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

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

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

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

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

28

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

4           27. Defendants know that their reference price advertising is false, deceptive,  
5 misleading, and unlawful under state and federal law.

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

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

11           **D. Investigation**

12           30. Products sold on Defendants' website are priced uniformly. In other words, the  
13 products sold by Defendants bear a substantially discounted sale price that appears next to  
14 the "crossed out" or "strikethrough" original price. Plaintiff's counsel's investigation  
15 confirmed that the merchandise purchased by Plaintiff was priced with a false reference  
16 price and a corresponding discounted price for at least the 90-day period immediately  
17 preceding Plaintiff's purchase in violation of California law. The product purchased by  
18 Plaintiff was not, and is not, offered for sale in any other market.

19           31. Plaintiff's counsel conducted a thorough investigation of Defendants' website.  
20 Plaintiff's counsel deployed a sophisticated software program to track each item offered for  
21 sale on the jcpenny.com website. Plaintiff's counsel tracked the pricing of certain  
22 merchandise offered for sale through jcpenny.com for various periods from 2022 through  
23 the present. A sample of the items tracked are attached as Exhibit A. For the duration of the  
24 tracking period, each product remained significantly discounted from its reference price.  
25 Plaintiff's counsel's investigation revealed that over 1,990 items on jcpenny.com were on  
26 sale for more than 100 days as of, on or around, July 30, 2022. The investigation indicated  
27 the false reference pricing scheme was uniform across Defendants' e-commerce website.  
28

1 32. The false reference price and corresponding discount price scheme were both  
2 uniform and identical on all products sold through Defendants’ e-commerce website.

3 33. Thus, the fraudulent price scheme applies to all products offered for sale  
4 through Defendants’ e-commerce website, including the product purchased by Plaintiff.

#### 5 IV. PARTIES

##### 6 Plaintiff

7 34. Plaintiff Maria Carranza resides in San Diego County, California. Plaintiff, in  
8 reliance on Defendants’ false and deceptive advertising, marketing and discounting pricing  
9 schemes, purchased the following item online from San Diego County, California on  
10 September 14, 2022:

11

Item:	Quantity:	False Reference Price:	Sale Price:
Cooks 2 Quart Air Fryer	1	\$60.00	\$39.99

12

13 35. Plaintiff examined the above-listed product on Defendants’ website before  
14 deciding to purchase the aforementioned product after reviewing the item’s advertised sale  
15 price. The item Plaintiff purchased was advertised as having an original price of \$20.01  
16 more than the sale price displayed on the website. Defendants advertised the item as having  
17 a sale price at a discount.

18 36. After observing that the original price of the “Cooks 2 Quart Air Fryer” was  
19 \$60.00, based on the number \$60.00 with a strikethrough, and the accompanying sale price  
20 itself of \$39.99, Plaintiff believed she was receiving a significant discount on the product  
21 she had chosen. Because she was interested in the product and felt that the discounted price  
22 would likely not last, and that she was getting a significant bargain on the product, Plaintiff  
23 proceeded to finish checking out and purchased it. Plaintiff also used a discount code,  
24 “SHOW25,” for a \$4.00 discount off of the item. The subtotal before the discount code of  
25 the “Cooks 2 Quart Air Fryer” Plaintiff purchased was \$39.99, and her total cost for the  
26 purchase, including “standard delivery,” “oversize item surcharge,” and tax was \$56.68.

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

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

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

10 39. Plaintiff and the Class reasonably and justifiably acted and relied on the  
11 substantial price differences that Defendants 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. Plaintiff, like other Class members, was lured in, relied on, and was damaged  
14 by the deceptive pricing scheme Defendants carried out.

15 40. Plaintiff was damaged in her purchase because Defendants' false reference  
16 price discounting scheme inflated the true market value of item she purchased. Plaintiff is  
17 susceptible to this reoccurring harm because she cannot be certain that Defendants have  
18 corrected this deceptive pricing scheme and she desires to shop at Defendants'  
19 jcpenny.com website in the future. However, she currently cannot trust that Defendants  
20 will accurately price its products truthfully and in a non-misleading fashion in compliance  
21 with applicable law. Plaintiff does not have the resources on her own to determine whether  
22 Defendants are complying with State and Federal law with respect to its pricing practices.

23 41. Additionally, because of the variety of merchandise available on Defendants'  
24 website, and due to the likelihood that Defendants may yet develop and market additional  
25 falsely priced items for sale online, Plaintiff may again, though by mistake, purchase a  
26 falsely discounted item from Defendants 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 Defendants. Indeed, Plaintiff desires to continue purchasing products from jcpenny.com

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

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

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

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

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

### 3 **Defendants**

4 45. Plaintiff is informed and believes that Defendants operate JC Penney  
5 department stores as well as their ecommerce website, jcpenny.com, and advertise, market,  
6 distribute, and/or sell apparel, footwear, accessories, jewelry, home furnishings, beauty  
7 products, and other related items throughout California and the United States.

8 46. Defendant Penney OpCo is a Virginia limited liability company with its  
9 principal place of business located in Lewisville, Texas. On May 15, 2020, JC Penney filed  
10 for Chapter 11 Bankruptcy, and on December 7, 2020, JC Penney completed the sale of  
11 substantially all of its retail and operating assets to Penney OpCo LLC—an entity formed  
12 and under the joint control of Simon Property Group, L.P. and Brookfield Asset  
13 Management Inc. Penney OpCo is a private company doing business as JCPenney outside  
14 of the Chapter 11 bankruptcy process. All retail operations of Old COPPER Company, Inc.  
15 ended effective with the sale of its operating assets.<sup>16</sup>

16 47. Defendant JC Penney is a Delaware corporation with its principal executive  
17 offices located at 6501 Legacy Drive, Plano, TX 75024-3698. JC Penney sells merchandise  
18 to consumers through department stores and its e-commerce website. JC Penney's product  
19 portfolio is mainly comprised of apparel and footwear, accessories, fine and fashion  
20 jewelry, home furnishings, and beauty products.

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

28  

---

<sup>16</sup> See *Restructuring Information*, <https://jcp restructuring.com/>



V. CLASS ALLEGATIONS

49. Plaintiff brings this action on behalf of herself and all other similarly situated Class members pursuant to Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure and seek certification of the following Class against Defendants:

All persons who, within the applicable statutory period (the “Class Period”), purchased from Defendants’ e-commerce website jcpenny.com one or more products at discounts from an advertised reference price and who have not received a refund or credit for their purchase(s).

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

50. **Numerosity:** Members of the Class are so numerous that joinder of all members is impracticable. Plaintiff is informed and believes that the proposed Class contains at least thousands of individuals who have been damaged by Defendants’ conduct as alleged herein. The precise number of Class members is unknown to Plaintiff at this time, but Plaintiff expects it can readily be established through Defendants’ records.

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

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

b. whether, during the Class Period, the original price advertised by Defendants was the prevailing market price for the products in question during the

1 three months period preceding the dissemination and/or publication of the advertised  
2 former prices;

3 c. whether Defendants' alleged conduct constitutes violations of the laws  
4 asserted;

5 d. whether Defendants engaged in unfair, unlawful and/or fraudulent  
6 business practices under the laws asserted;

7 e. whether Defendants engaged in false or misleading advertising;

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

10 g. whether an injunction is necessary to prevent Defendants from  
11 continuing to use false, misleading or illegal price comparison; and

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

14 52. **Typicality:** Plaintiff's claims are typical of the claims of the Class members  
15 because, *inter alia*, all Class members have been deceived (or were likely to be deceived)  
16 by Defendants' false and deceptive price advertising scheme, as alleged herein. Plaintiff is  
17 advancing the same claims and legal theories on behalf of herself and all Class members.

18 53. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the  
19 members of the Class. Plaintiff has retained counsel experienced in complex consumer class  
20 action litigation, and Plaintiff intends to prosecute this action vigorously. Plaintiff has no  
21 antagonistic or adverse interest to those of the Class.

22 54. **Superiority:** The nature of this action and the nature of laws available to  
23 Plaintiff and the Class make the use of the class action format a particularly efficient and  
24 appropriate procedure to afford relief to them and the Class for the wrongs alleged. The  
25 damages or other financial detriment suffered by individual Class members is relatively  
26 modest compared to the burden and expense that would be entailed by individual litigation  
27 of their claims against Defendants. It would thus be virtually impossible for Plaintiff and  
28 Class members, on an individual basis, to obtain effective redress for the wrongs done to

1 them. Absent the class action, Class members and the general public would not likely  
 2 recover, or would not likely have the chance to recover, damages, restitution, or injunctive  
 3 relief, and Defendants will be permitted to retain the proceeds of its fraudulent and deceptive  
 4 misdeeds.

5 55. All Class members, including Plaintiff, were exposed to one or more of  
 6 Defendants' misrepresentations or omissions of material fact in advertising false reference  
 7 prices. Due to the scope and extent of Defendants' consistent false sale prices, advertising  
 8 scheme, disseminated in a constant years-long campaign to consumers, it can be reasonably  
 9 inferred that such misrepresentations or omissions of material fact were uniformly made to  
 10 all members of the Class. In addition, it can be reasonably presumed that all members of  
 11 the Class, including Plaintiff, affirmatively acted in response to the representations  
 12 contained in Defendant's false advertising scheme when purchasing products sold through  
 13 Defendants' e-commerce website.

14 56. **Ascertainability:** Defendants keep extensive records of its customers through  
 15 their online sales data, as well as through, *inter alia*, general marketing programs.  
 16 Defendants have one or more databases through which all, or a significant majority of, Class  
 17 members may be identified and ascertained, and they maintain contact information,  
 18 including email and home address, through which notice of this action could be  
 19 disseminated in accordance with due process requirements

## 20 VI. CAUSES OF ACTION

### 21 FIRST CAUSE OF ACTION

#### 22 Violation of California's Unfair Competition Law ("UCL") 23 CAL. BUS. & PROF. CODE §§ 17200, *et seq.*

24 57. Plaintiff repeats and re-alleges the allegations contained in every preceding  
 25 paragraph as if fully set forth herein.

26 58. Plaintiff brings this claim individually and on behalf of the members of the  
 27 proposed Class against Defendants for violations of the UCL, CAL. BUS. & PROF. CODE  
 28 §§ 17200, *et seq.*

1           59. The UCL defines “unfair business competition” to include any “unlawful,  
2 unfair or fraudulent” act or practice, as well as any “unfair, deceptive, untrue or misleading”  
3 advertising. CAL. BUS. PROF. CODE § 17200.

4           60. The UCL imposes strict liability. Plaintiff need not prove that Defendants  
5 intentionally or negligently engaged in unlawful, unfair, or fraudulent business practices—  
6 but only that such practices occurred.

7           ***“Unfair” Prong***

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

12           62. Defendants’ actions constitute “unfair” business practices because, as alleged  
13 above, Defendants engaged in misleading and deceptive price comparison advertising that  
14 represented false reference prices and corresponding deeply discounted phantom “sale”  
15 prices. Defendants’ acts and practices offended an established public policy of transparency  
16 in pricing, and constituted immoral, unethical, oppressive, and unscrupulous activities that  
17 are substantially injurious to consumers.

18           63. The harm to Plaintiff and Class members outweighs the utility of Defendants’  
19 practices because Defendants’ practice of advertising false discounts provides no utility and  
20 only harms consumers. There were reasonably available alternatives to further Defendants’  
21 legitimate business interests other than the misleading and deceptive conduct described  
22 herein.

23           ***“Fraudulent” Prong***

24           64. A business act or practice is “fraudulent” under the UCL if it is likely to  
25 deceive members of the consuming public.

26           65. Defendants’ acts and practices alleged above constitute fraudulent business  
27 acts or practices as it has deceived Plaintiff and is highly likely to deceive members of the  
28 consuming public. Plaintiff relied on Defendants’ fraudulent and deceptive representations

1 regarding their false or outdated “original prices” for products sold by Defendants through  
 2 their e-commerce website. These misrepresentations played a substantial role in Plaintiff’s  
 3 decision to purchase a product at a purportedly steep discount, and Plaintiff would not have  
 4 purchased the product without Defendants’ misrepresentations.

5 **“Unlawful” Prong**

6 66. A business act or practice is “unlawful” under the UCL if it violates any other  
 7 law or regulation.

8 67. Defendants’ act and practices alleged above constitute unlawful business acts  
 9 or practices as they have violated state and federal law in connection with their deceptive  
 10 pricing scheme. The FTCA prohibits “unfair or deceptive acts or practices in or affecting  
 11 commerce” (15 U.S.C. § 45(a)(1)) and prohibits the dissemination of any false  
 12 advertisements. 15 U.S.C. § 52(a). Under the FTC, false former pricing schemes, like  
 13 Defendants’, are described as deceptive practices that would violate the FTCA:

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

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

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

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

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

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

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

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

16 70. As detailed herein, the acts and practices alleged were intended to or did result  
17 in violations of the FTCA, the FAL, and the CLRA.

18 71. Defendants’ practices, as set forth above, misled Plaintiff, the proposed Class,  
19 and the public in the past and will continue to mislead in the future. Consequently,  
20 Defendants’ practices constitute an unlawful, fraudulent, and unfair business practice within  
21 the meaning of the UCL.

22 72. Defendants’ violations of the UCL, through their unlawful, unfair, and  
23 fraudulent business practices, are ongoing and present a continuing threat that Class  
24 members and the public will be deceived into purchasing products based on price  
25 comparisons of arbitrary and inflated “reference” prices and substantially discounted “sale”  
26 prices. These false comparisons created phantom markdowns and lead to financial damage  
27 for consumers like Plaintiff and the Class.

28 73. Pursuant to the UCL, Plaintiff is entitled to preliminary and permanent  
injunctive relief enjoining Defendants from further engagement in this unfair competition,  
as well as disgorgement and restitution to Plaintiff and the Class of all Defendants’ revenues

1 wrongfully obtained from them as a result of Defendant’s unfair competition, or such  
2 portion of those revenues as the Court may find equitable.

3 **SECOND CAUSE OF ACTION**

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

6 74. Plaintiff repeats and re-alleges the allegations contained in every preceding  
7 paragraph as if fully set forth herein.

8 75. Plaintiff brings this claim individually and on behalf of the members of the  
9 proposed Class against Defendants for violations of the FAL, CAL. BUS. & PROF. CODE  
10 §§ 17500, *et seq.*

11 76. CAL. BUS. & PROF. CODE § 17500 provides:

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

18 (Emphasis added).

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

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

27 79. Defendants’ routine practice of advertising discounted prices from false  
28 reference prices, which were never the prevailing market prices of those products and were

1 materially greater than the true prevailing prices (i.e., Defendants’ actual sale price),  
2 constitutes an unfair, untrue, and misleading practice. Defendants’ deceptive marketing  
3 practice gave consumers the false impression that the products on Defendant’s e-commerce  
4 website were regularly sold on the market for a substantially higher price than the price for  
5 which they were sold in actuality. Moreover, Defendants’ deceptive marketing practice  
6 misled consumers by creating a false impression that the products sold through their e-  
7 commerce website were worth more than their actual worth.

8 80. Defendants misled consumers by making untrue and misleading statements  
9 and failing to disclose what is required as stated in the Code alleged above.

10 81. As a direct and proximate result of Defendants’ misleading and false  
11 advertisements, Plaintiff and Class members have suffered injury in fact and have lost  
12 money. As such, Plaintiff requests that this Court order Defendants to restore this money to  
13 Plaintiff and all Class members, and to enjoin Defendants from continuing these unfair  
14 practices in violation of the FAL in the future. Otherwise, Plaintiff, Class members, and  
15 the broader general public, will be irreparably harmed and/or denied an effective and  
16 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 82. Plaintiff repeats and re-alleges the allegations contained in every preceding  
21 paragraph as if fully set forth herein.

22 83. Plaintiff brings this claim individually and on behalf of the members of the  
23 proposed Class against Defendants for violations of the CLRA, CAL. CIV. CODE § 1750, *et*  
24 *seq.*

25 84. This cause of action is brought pursuant to the CLRA, CAL. CIV. CODE § 1750,  
26 *et seq.* Plaintiff and each member of the proposed Class are “consumers” as defined by  
27 CAL. CIV. CODE § 1761(d). Defendants’ sale of products through their e-commerce website,  
28 jcpenny.com, were “transactions” within the meaning of CAL. CIV. CODE § 1761(e). The



1 products purchased by Plaintiff and the Class are “goods” or “services” within the meaning  
2 of CAL. CIV. CODE §§ 1761(a) - (b).

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

7 a. advertising goods or services with intent not to sell them as advertised;  
8 § 1770(a)(9); and

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

11 86. On February 13, 2023, Plaintiff, through counsel, sent a CLRA demand letter  
12 to Defendants that provided notice of Defendants’ violation of the CLRA and demanded  
13 Defendants correct, repair, replace, or otherwise rectify the unlawful, unfair, false, and  
14 deceptive practices complained of herein. The letter also stated that if Defendants refused  
15 to do so, Plaintiff would file a complaint seeking damages in accordance with the CLRA.  
16 If Defendants do not respond to Plaintiff’s letter or agree to rectify the problems associated  
17 with the actions detailed above and give notice to all affected consumers within 30 days of  
18 the date of written notice pursuant to § 1782, Plaintiff will amend her complaint to seek  
19 actual, punitive, and statutory damages, as appropriate against Defendants.

20 87. Filed concurrently herewith is a declaration of venue pursuant to CAL. CIV.  
21 CODE §1780(d).

## 22 **VII. PRAYER FOR RELIEF**

23 Wherefore, Plaintiff, on behalf of herself and all other members of the Class, requests  
24 that this Court award relief against Defendants as follows:

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

1 b. awarding restitution and disgorgement of all profits and unjust  
2 enrichment that Defendants obtained from Plaintiff and the Class members as a result  
3 of their unlawful, unfair, and fraudulent business practices described herein;

4 c. awarding Plaintiff and members of the Class actual, statutory, and  
5 punitive damages;

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

10 e. order Defendants to engage in a corrective advertising campaign;

11 f. awarding attorneys' fees and costs; and

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

14 **VIII. DEMAND FOR JURY TRIAL**

15 Plaintiff hereby demands a jury trial for all of the claims so triable.

16  
17 Dated: February 13, 2023

**LYNCH CARPENTER, LLP**

18 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

19  
20  
21  
22  
23 *Attorneys for Plaintiff and  
24 Proposed Class Counsel*

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

MARIA CARRANZA, on behalf of herself and all others similarly situated,

(b) County of Residence of First Listed Plaintiff San Diego (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) LYNCH CARPENTER, LLP, Tel: 619.762.1910 1350 Columbia St., Ste. 603, San Diego, CA 92101

DEFENDANTS

OLD COPPER COMPANY, INC. f/k/a J. C. PENNEY COMPANY, INC., a Delaware Corporation, PENNEY OPCO LLC, a Virginia Limited Liability Company, and DOES 1- 50, inclusive,

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

'23CV0276 L NLS

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- PTF DEF Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes codes for various legal claims like Personal Injury, Contract, Labor, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(d)(2) and 28 U.S.C. § 1391(b)(1)

Brief description of cause: Violation of the UCL (Cal. Bus. & Prof. Code §§17200, et seq.), FAL (Cal. Bus. & Prof. Code §§17500, et seq.), & CLRA (Cal. Civ. Code §§ 1750, et seq.)

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE Feb 13, 2023 SIGNATURE OF ATTORNEY OF RECORD /s/ Todd D. Carpenter

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. **(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- I. **(b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- I. **(c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
  - United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
  - Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. **Origin.** Place an "X" in one of the seven boxes.
  - Original Proceedings. (1) Cases which originate in the United States district courts.
  - Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
  - Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
  - Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.

**PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. **Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.