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10 **UNITED STATES DISTRICT COURT**  
 11 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

12 GOLNAZ PAYA individually and on  
 13 behalf of all others similarly situated,

14 Plaintiff,

15 v.

16 MACY’S INC.,

17 Defendant.  
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**Civil Action No.: 2:24-cv-10065**

**COMPLAINT – CLASS ACTION**

1. FRAUD
2. NEGLIGENT MISREPRESENTATION
3. BREACH OF CONTRACT
4. UNJUST ENRICHMENT
5. VIOLATION OF CALIFORNIA’S CONSUMER LEGAL REMEDIES ACT
6. VIOLATION OF CALIFORNIA’S FALSE ADVERTISING LAW
7. VIOLATION OF CALIFORNIA’S FALSE ADVERTISING LAW, BUS, & PROF. CODE
8. VIOLATION OF

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**CALIFORNIA UNFAIR  
COMPETITION LAW**

**JURY TRIAL DEMANDED**

Plaintiff Golnaz Paya (“Plaintiff”), individually and on behalf of all others similarly situated, brings this action against Defendant Macy’s Inc. (“Macy’s” or “Defendant”), and alleges based upon personal knowledge with respect to herself and on information and belief derived from, among other things, investigation of counsel and review of public documents as to all other matters:

**NATURE OF THE ACTION**

1. With the sheer volume of online products being offered, consumers rely on accurate pricing to make informed decisions. Unfortunately, many retailers engage in deceptive and misleading practices by advertising products as “sales” or “markdowns” by showing significantly inflated “reference prices” or “regular prices” that are rarely, if ever, actually charged. These fake reference prices fool consumers into thinking they are getting a great deal at

1 the “sale” price, when in fact, they have merely been tricked by the retailer,  
2 and in reality the consumer is paying the same amount, or even more than,  
3 the usual price of the item. The effect of this unlawful tactic is to set  
4 consumers’ perception of the value of a product at a grossly inflated level,  
5 thereby inducing consumers to unwittingly pay more for the product than they  
6 might normally pay. Furthermore, researchers have found that when  
7 consumers believe that the supposedly reduced price will end soon, they are  
8 more likely to buy now, rather than wait or comparison shop, and buy  
9 someplace else.<sup>1</sup> But in many instances, the reference price is not a true  
10 discount.

14 2. Highlighting how these false sales have become a true problem in the  
15 marketplace, the Federal Trade Commission (“FTC”) created a rule  
16 prohibiting the practice. 16 C.F.R. § 233.1. The FTC identified this practice  
17 as a form of “deceptive pricing” that denies consumers the value of the  
18 bargain that they thought they were receiving.

21 3. Macy’s has engaged in just such a deceptive pricing scheme. Macy’s  
22 advertises perpetual or near perpetual discounts on many of its products,  
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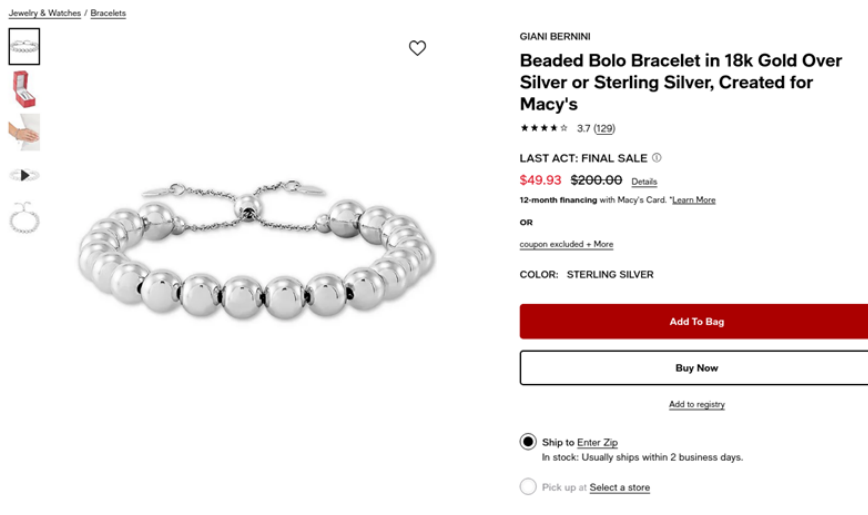
25 <sup>1</sup> Patrick Coffee, Thought You Saved \$60 on that Vacuum Cleaner? Think  
26 Again, Wall St. J. (Aug. 24, 2023), available at:  
27 [https://www.wsj.com/articles/thought-you-saved-60-on-that-vacuum-  
cleaner-think-again-c89ce344](https://www.wsj.com/articles/thought-you-saved-60-on-that-vacuum-cleaner-think-again-c89ce344) (Last accessed November 18, 2024).

1 supposedly offering discounts of up to 70% off Macy’s self-created, fictitious  
2 reference prices. Macy’s represents to consumers that its reference price is the  
3 “regular” or “normal” price of the item, which functions as a new and inflated  
4 reference point from which consumers discount their “savings” on various  
5 products.  
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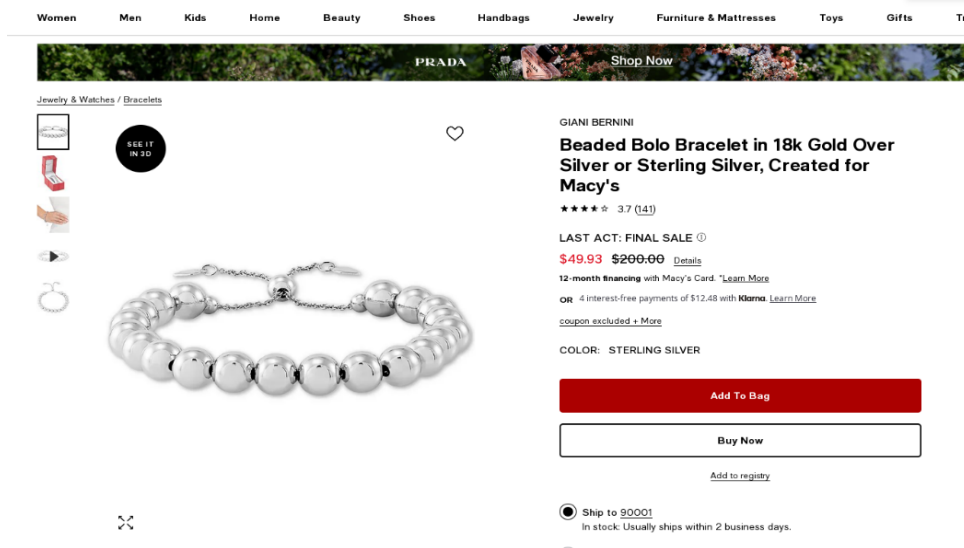
7  
8 4. Macy’s reference prices are false because Macy’s rarely, if ever, offers  
9 the products for the reference price. Instead, the inflated reference prices  
10 allow Macy’s to continually advertise “sale” events and product discounts in  
11 order to induce consumers into purchasing products. In reality, the “sale”  
12 price is the price at which Macy’s regularly sells the product, but the  
13 consumer has been tricked into thinking she found a great discount.  
14

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16 5. To illustrate, below is a February 13, 2024 screengrab from Macy’s  
17 website for Beaded Bolo Bracelet in 18k Gold listed as “on sale” for \$49.93  
18 from an original price of \$200.  
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6. Below is a screengrab of the same product, taken from Macy's website more than two months later, on April 19, 2024, which still reveals the inflated reference price of \$200 and false discount price of \$49.93



7. Macy's practice of falsely inflating reference prices in order to give the illusion of higher value, bigger discounts, and a false sense of time pressure, constitutes false advertising, and is an unfair and deceptive practice under

1 California’s Consumer Legal Remedies Act (“CLRA”) Cal. Civ. Code §§  
2 1750 *et seq.*

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4 8. Accordingly, Plaintiff, on behalf of herself and the Classes (as defined  
5 below) now seeks to hold Macy’s accountable for its unfair, deceptive, and  
6 unlawful policy of displaying false or misleading discount or “sale” prices.  
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8 Plaintiff seeks to bring claims on behalf of a Nationwide Class and a  
9 California Subclass (collectively “Classes”) of consumers who purchased  
10 falsely discounted products on Macy’s website and is seeking, among other  
11 things, to recover damages and injunctive or declaratory relief ordering  
12 Defendant to disgorge all revenues unjustly received from the proposed  
13 Classes due to its intentional and unlawful practice of using false reference  
14 prices and false discounts.  
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17 **PARTIES**

18 9. Plaintiff Golnaz Paya is an individual citizen of the State of California  
19 and a natural adult person who resides in Los Angeles County, California.

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21 10. Macy’s Inc. is a Delaware corporation with corporate offices  
22 located in New York and Ohio. In its 2023 year end results, Macy’s reported  
23 net sales of more than \$23 billion.  
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25 **JURISDICTION AND VENUE**

26 11. The Court has subject matter jurisdiction over this action under  
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1 the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2). The amount in  
2 controversy exceeds \$5 million, exclusive of interest and costs. Upon  
3 information and belief, the number of class members is over 100, many of  
4 whom have different citizenship from Defendant. Thus, minimal diversity  
5 exists under 28 U.S.C. § 1332(d)(2)(A).  
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8 12. This Court has personal jurisdiction over Defendant because it  
9 can be found in and operates in this District, and generally conducts  
10 substantial business in the State of California. Defendant has sufficient  
11 minimum contacts in California, and/or otherwise intentionally avails itself to  
12 the California market through the operation of its e-commerce website within  
13 the State of California, knowingly and intentionally shipping goods into the  
14 State of California for decades, and a substantial part of the unlawful business  
15 practices which give rise to this action occurred in this District.  
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19 13. This Court may exercise personal jurisdiction over Defendant to  
20 the fullest extent allowed under the Federal Due Process Clause. Defendant  
21 has certain minimum contacts with the State of California. Defendant has and  
22 continues to purposefully perform some acts or consummate some  
23 transactions in the State of California, and Plaintiff's claims arise from, or are  
24 connected with, Defendant's transactions. The assumption of jurisdiction by  
25 this Court does not offend traditional notions of fair play and substantial  
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1 justice, consideration being given to the quality, nature, and extent of the  
2 activity in the State of California, the relative convenience of the parties, the  
3 benefits and protection of laws of the State of California afforded the  
4 respective parties, and the basic equities of the situation.  
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6 14. Macy's operates a website, www.Macy's.com, by which Macy's  
7 advertises and sells its goods in California. The website is regularly viewed  
8 by and used to purchase products by consumers in California.  
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10 15. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)  
11 because a substantial part of the events giving rise to this action occurred in  
12 this District. For example, Plaintiff was in Los Angeles County, California  
13 when she saw the false discount representations on Macy's website and  
14 placed the order on Macy's website after relying on the deceptive advertised  
15 price displayed. Macy's shipped the goods Plaintiff purchased to Plaintiff's  
16 home in California.  
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20 **FACTUAL BACKGROUND**

21 **I. FALSE REFERENCE PRICING SCHEMES**

22 16. Consumers' reactions to sales and to false sales are well studied  
23 in academic literature. Research shows that reference prices, such as those  
24 used by Defendant, materially impact consumers' behavior. A reference price  
25 affects a consumer's perception of the value of the transaction, the consumer's  
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1 willingness to make the purchase, and the amount of money the consumer is  
2 willing to pay for the product.<sup>2</sup>  
3

4 17. This deceptive practice involves three elements, most easily  
5 shown through an example using a retailer that wants to sell a blue shirt with  
6 a market value of \$35. First, the retailer advertises an inflated “reference  
7 price” or the “strike through price” for that shirt, which the retailer wants the  
8 consumer to believe is that shirt’s normal price. For this example, that price  
9 is \$50. The problem is that the retailer has not actually sold the shirt for \$50,  
10 nor could it do so because the market will not bear such an inflated price when  
11 other similar blue shirts are sold for less. Instead that \$50 price is fictitious,  
12 created by the retailer in order to show the consumer the second element in  
13 the fraud: a supposed “discount” off that fictitious reference price. In this  
14 example, that amounts to a 30% discount. Then, in the third element, the  
15 retailer presents the consumer with the “new” discounted price of \$35 for the  
16 blue shirt, which the retailer wanted to sell the shirt for all along. As part of  
17 this scheme, the retailer wants the consumer to believe that the shirt is worth  
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24 <sup>2</sup> Urbany, Joel E., William O. Bearden and Dan Weilbaker (1988), “The  
25 Effect of Plausible and Exaggerated Reference Prices on Consumer  
26 Perceptions and Price Search,” *Journal of Consumer Research*, 15 (June), 95–  
27 110; Chandrashekar, Rajesh (2004), “The Influence of Redundant  
28 Comparison Prices and Other Price Presentation Formats on Consumers’  
Evaluations and Purchase Intentions,” *Journal of Retailing*, 80 (1), 53–66.

1 \$50 and that the consumer is getting a deal by actually paying \$15 less, which  
2 induces the consumer to make a purchase under the false belief that she is  
3 getting a bargain on a more valuable shirt (30% off a \$50 product in this  
4 example) and creates a false sense of urgency that the purported “discount”  
5 or “sale” will end and the consumer will have to pay the “reference price” for  
6 the shirt. Using this deception, retailers can even falsely induce consumers to  
7 pay prices above the market price, for example \$40 for the blue shirt, because  
8 the consumer still believes she is getting a deal, i.e., a 20% markdown.  
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12 18. Accurate reference prices play an important role in consumers’  
13 ability to compare products because they allow consumers to make informed  
14 decisions by comparing one retailer’s prices to another. This is especially true  
15 where the consumer is comparing similar, though not identical, products such  
16 as two white T-shirts. In such circumstances, reference prices increase a  
17 consumer’s interest in the product by increasing the consumer’s estimate of  
18 savings offered by one retailer.<sup>3</sup> “[A] higher plausible reference price . . .  
19 consistently makes the offer appear to be a better value than if no reference  
20 price appears.”<sup>4</sup> Therefore, when a retailer advertises its products with  
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26 <sup>3</sup> Blair, Edward A. and E. Laird Landon, Jr. (1981), "The Effects of Reference  
27 Prices in Retail Advertisements," *Journal of Marketing*, 45 (Spring), 61-69.

28 <sup>4</sup> Urbany, The Effect of Plausible and Exaggerated Reference Prices on  
Consumer Perceptions and Price Search, *supra* n. 1 at 106.

1 inflated reference prices, consumers are harmed because they are denied the  
2 ability to accurately compare prices across the market, and they imbue the  
3 advertised product with a false sense of value that they would not have  
4 developed if the inflated reference price had not been listed.  
5

6 19. Unsurprisingly, research shows that consumers prefer to get a  
7 bargain. Indeed, “shoppers sometimes expend more time and energy to get a  
8 discount than seems reasonable given the financial gain involved,” and “often  
9 derive more satisfaction from finding a sale price than might be expected on  
10 the basis of the amount of money they actually save.”<sup>5</sup> The fear of losing such  
11 a discount, because of the false impression given the retailer that the discount  
12 or sale price will not last forever, often induces the consumer to purchase  
13 quickly, without performing comparison shopping.  
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17 20. Studies also show that consumers are driven by internal and  
18 external reference prices.<sup>6</sup> Internal reference prices are a consumer’s price  
19 expectations based on past experiences, stored in their memory. External  
20 reference prices are prices encountered during the shopping experience, such  
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24 <sup>5</sup> Darke, Peter and Darren Dahl. “Fairness and Discounts: The Subjective  
25 Value of a Bargain.” *Journal of Consumer Psychology* 13, No. 3 (2003): 328–  
338, at 328.

26 <sup>6</sup> Mayhew, Glenn E. and Russell S. Winer. “An Empirical Analysis of Internal  
27 and External Reference Prices using Scanner Data.” *Journal of Consumer  
28 Research* 19, No. 1 (1992): 62-70, at 68.

1 as suggested retail prices or sale tags.<sup>7</sup> Research suggests that consumers  
2 adjust their internal value expectations (i.e., internal reference prices) to align  
3 with external reference prices they encounter.<sup>8</sup> In addition, for infrequently  
4 purchased items, or unique items, consumers may lack an actual internal  
5 reference price simply because they have not priced the product previously,  
6 and in such situations, consumers rely more heavily on the external reference  
7 prices.  
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10 21. Retailers, including Defendant, understand that consumers are  
11 vulnerable to perceived bargains. Thus, Macy's has a substantial financial  
12 interest in exploiting consumers' well-known behavioral tendencies by  
13 inducing consumers into believing they are receiving a bargain—even when  
14 they are not. The phenomena of people disproportionately relying on an initial  
15 piece of information when making a decision, known as “anchoring,”<sup>9</sup> is  
16 especially relevant in this context. Especially when shopping online,  
17 consumers often encounter reference prices as the first, if not the only, insight  
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22 <sup>7</sup> *Id.* at 62.

23 <sup>8</sup> Grewal, Dhruv, Kent B. Monroe, and Ramayya Krishnan. “The Effects of  
24 Price-Comparison Advertising on Buyers' Perceptions of Acquisition Value,  
25 Transaction Value, and Behavioral Intentions.” *The Journal of Marketing* 62  
(1998): 46-59, at 48.

26 <sup>9</sup> *See* Program on Negotiation, Anchoring Effect, HARV. L. SCH.,  
27 <http://www.pon.harvard.edu/tag/anchoring-effect> (“[T]he anchoring effect,  
28 [is] the tendency for the first offer to “anchor” the bargaining that follows in  
its direction, even if the offer recipient thinks the offer is out of line.”).

1 into a product's value besides the sale price itself. Thus, consumers use the  
2 reference price as a baseline upon which to calculate a product's true value.  
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4 22. Deceptive and misleading pricing such as that employed by  
5 Defendant causes consumers to pay more than they otherwise would have  
6 paid for products. It also misleadingly resets consumers' true value  
7 expectations by falsely representing the value of products in order to trick  
8 consumers into paying more than the products are actually worth.  
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10 23. In addition to harming consumers, employing false reference  
11 pricing disrupts the integrity and fairness that underlies retail markets. When  
12 unethical retailers use misleading reference prices, they gain an unfair  
13 advantage over honest competitors offering similar products. In the forgoing  
14 example, if the dishonest retailer is selling a blue shirt that is purportedly  
15 valued at \$50 for just \$35, and the honest retailer is selling a similar \$35 blue  
16 shirt for \$35, the online consumer, who cannot otherwise evaluate the true  
17 value of the shirt, is more likely to buy the supposedly more valuable \$50  
18 shirt, rather than the supposedly less valuable \$35 shirt. If such unlawful  
19 advertising practices remain unchecked, businesses that adhere to honest  
20 practices will continue to be unfairly disadvantaged.  
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25 24. Defendant knew or should have known that the use of false  
26 reference prices was misleading consumers to believe that they were  
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1 receiving a “sale” when, in fact, they were not. Moreover, Macy’s intended  
2 for reasonable consumers to understand the “sale” prices to be new prices that  
3 Macy’s had reduced from its “regular” or “former” prices. Defendant  
4 intentionally failed to disclose to Plaintiff and members of the Classes the  
5 truth about its reference prices, i.e. that the prices were fabricated, and  
6 Defendant never offered the items at the reference prices during the relevant  
7 period. Defendant intentionally sought to convey to consumers that they were  
8 receiving a true markdown.

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12 25. Defendant intentionally enacted a broad pricing scheme designed  
13 to mislead customers into believing that the reference prices were the prices  
14 at which the advertised product was formerly listed and the prevailing market  
15 rate of the advertised product.

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17 **II. FALSE REFERENCE PRICING VIOLATES BOTH**  
18 **FEDERAL LAW AND STATE LAW**

19 26. It is well-established that false reference pricing violates federal  
20 and state law. Even so, retailers, including Defendant, continue to use the  
21 tactic because they know they will be able to increase sales and profits by  
22 tricking consumers into making purchase decisions based on the falsely  
23 inflated reference prices. Though the information available to consumers  
24 varies between different types of products, consumers frequently lack full  
25 information about products and, as a result, often use information from  
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1 retailers to make purchase decisions.

2 27. California law prohibits false reference pricing practices like  
3 those used by Defendant. *See* Cal. Bus. & Prof. Code § 17501 (expressly  
4 prohibiting false former pricing schemes); *see also* Cal. Civ. Code §  
5 1770(a)(9) (prohibiting a business from “[a]dvertising goods or services with  
6 intent not to sell them as advertised”), and Cal. Civ. Code § 1770(a)(13)  
7 (prohibiting a business from “[m]aking false or misleading statements of fact  
8 concerning reasons for, existence of, or amounts of price reductions”).  
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12 28. The Ninth Circuit Court of Appeals recognizes the harm that can  
13 come from advertising false and deceptive reference prices. In *Hinojos v.*  
14 *Kohl’s Corp.*, 718 F.3d 1098 (9th Cir. 2013), the court found that “[m]ost  
15 consumers have, at some point, purchased merchandise that was marketed as  
16 being ‘on sale’ because the proffered discount seemed too good to pass up.  
17 Retailers, well aware of consumers’ susceptibility to a bargain, therefore have  
18 an incentive to lie to their customers by falsely claiming that their products  
19 have previously sold at a far higher ‘original’ price in order to induce  
20 customers to purchase merchandise at a purportedly marked- down ‘sale’  
21 price. Because such practices are misleading—and effective—the California  
22 legislature has prohibited them.” *Id.* at 1101.  
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26 29. The FTC also recognizes the fraudulent nature of fictitious and  
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1 artificial sale pricing. The FTC’s rules have long included “Part 233—Guides  
2 Against Deceptive Pricing” which states in relevant part:

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4 One of the most commonly used forms of bargain  
5 advertising is to offer a reduction from the  
6 advertiser’s own former price for an article. If the  
7 former price is the actual, bona fide price at which  
8 the article was offered to the public on a regular  
9 basis for a reasonably substantial period of time, it  
10 provides a legitimate basis for the advertising of a  
11 price comparison. Where the former price is  
12 genuine, the bargain being advertised is a true one.  
13 If, on the other hand, the former price being  
14 advertised is not bona fide but fictitious  
15 -- for example, where an artificial, inflated price  
16 was established for the purpose of enabling the  
17 subsequent offer of a large reduction -- the  
18 “bargain” being advertised is a false one; the  
19 purchaser is not receiving the unusual value he  
20 expects. In such cases, the “reduced price” is, in  
21 reality, probably just the seller’s regular price. 16  
22 C.F.R § 233.1(a).

23 The FTC guidance provides several useful examples of such deceptive sales:

24 An advertiser might use a price at which he never  
25 offered the article at all; he might feature a price  
26 which was not used in the regular course of  
27 business, or which was not used in the recent past  
28 but at some remote period in the past, without  
making disclosure of that fact; he might use a price  
that was not openly offered to the public, or that was  
not maintained for a reasonable length of time, but  
was immediately reduced. 16 C.F.R § 233.1(d).

29 **III. DEFENDANT USED FALSE REFERENCE PRICING TO**  
30 **DECEIVE ITS CUSTOMERS**

31 30. Using deceptive pricing tactics, Defendant lures consumers by



1 advertising its products at seemingly discounted “sale” prices compared to  
2 significantly marked-up reference prices. These fictitious reference prices are  
3 never actually charged, making the “discounts” misleading.  
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5 31. Defendant’s advertised discounts are fictitious because the  
6 reference prices do not represent a bona fide price at which Defendant  
7 previously sold, or offered to sell, the products on a regular basis, for a  
8 commercially reasonable period of time, as required by the FTC. In addition,  
9 the advertised reference prices were not the prevailing market retail price  
10 within the three months (90 days) immediately preceding the publication of  
11 the advertised former reference price, as required by California law.  
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14 32. As a direct result of Defendant’s actions, all consumers who  
15 purchased products that were advertised with false reference prices and/or  
16 misleading discounts on Defendant’s website have been deceived and have  
17 been undeniably harmed, in that they would not have purchased these  
18 products but for the misleading pricing. They have suffered an economic  
19 injury by being misled into paying more than the products were actually  
20 worth.  
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24 33. Defendant’s false pricing scheme has directly harmed all  
25 customers who were tricked into buying discounted products on its website.  
26 By creating a false perception of significant savings, Macy’s fraudulently  
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1 inflated demand for its products. This has shifted the demand curve, allowing  
2 Macy's to charge higher prices and generate more sales than would have been  
3 possible had it used honest pricing practices.  
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5 34. Consumers, like Plaintiff, were deceived by Defendant's  
6 misleading discounts. They did not receive the substantial savings that were  
7 advertised, nor were the products actually worth the inflated reference prices.  
8 Moreover, consumers would not have purchased the products at the purported  
9 "sale" price but for the misleading reference price.  
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11 35. The misleading nature of Defendant's reference prices and  
12 discounts was cleverly disguised and could not be detected by a reasonable  
13 consumer exercising due diligence, particularly because the deception was  
14 hidden over an extended period of time. The only way for a consumer to  
15 detect Defendant' deception would be if the consumer meticulously followed  
16 the price of the product every day for months, especially for retailers like  
17 Defendant, who often sells custom items (i.e., items under its own brand).  
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20 36. Defendant continues to engage in these deceptive practices on its  
21 website by advertising false reference prices and misleading discounts. There  
22 is no indication that it will voluntarily cease these tactics. Even if it were to  
23 stop temporarily, there is a high risk that it would resume these deceptive  
24 practices in the future.  
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1 37. Defendant's actions towards consumers and the general public  
 2 demonstrate malice, fraud, and/or oppression. Its deceptive practices have had  
 3 a significant negative impact on the Plaintiff, the Classes of affected  
 4 consumers, and the public at large.  
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6 38. The advertised reference prices and discounts for Defendant'  
 7 products on Defendant' website are misleading. The "sale" price is often very  
 8 close to, if not higher than, the true price for these products. The listed  
 9 reference price of Defendant' products is inflated and does not reflect the  
 10 actual selling price.  
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13 39. For example, during the 99-day period from January 1, 2024  
 14 through April 9, 2024, the following products have been offered at a  
 15 "discount," when in fact they were not sold at the reference price at any point  
 16 during that time period:  
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 18  
 19

<b>Product Name</b>	<b>Reference Price</b>	<b>Days Sold at Reference Price</b>	<b>Days "On Sale"</b>
Imitation Pearl Cubic Zirconia Butterfly Ring in Silver Plate	\$60	0	98
Women's Gold-Tone & Mother of Pearl Bracelet Watch 38 mm & Slider Bracelet Set	\$59.50	0	98

1	Horse Carriage Enamel Hinged Bangle Bracelet	\$95	0	98
2				
3	Silver-Tone Triangle Crystal Flex Bracelet	\$280	0	98
4	Men's Cubic Zirconia Curb Link Bracelet in Stainless Steel	\$350	0	98
5				
6	2 Kids Multicolor Silicone Strap Smartwatch 42 mm	\$65	0	98
7				
8	Women's Orbita Bracelet	\$165	0	98
9	Callie Siler-tone Glitter Leather Band for Apple Watch	\$28.99	0	98
10				
11	Stainless Steel Mesh Bracelet Watch 40 mm	\$140	0	98
12				
13	4 mm Pink Enamel Donut Band Ring	\$35	0	98
14	Quilted C Band Ring	\$65	0	98
15	Men's Swiss Chronograph F- 80 Black Silicone Strap Watch 44mm	\$1,845	0	98
16				
17	Men's Silver-Tone Stainless Steel Mesh Bracelet Watch 44mm	\$110	0	98
18				
19	Two-Tone 3 pc Set Crystal Bangle Bracelets	\$28	0	98
20				
21	Sterling Silver Cubic Zirconia and Blue Tennis Bracelet	\$340	0	98
22				
23	Sterling Silver Cubic Zirconia Sweet Spot Ring	\$172	0	98
24				

25 40. The reference chart above contains merely a fraction of those  
26 products listed as "discounted" on Macy's website when, in fact, they were  
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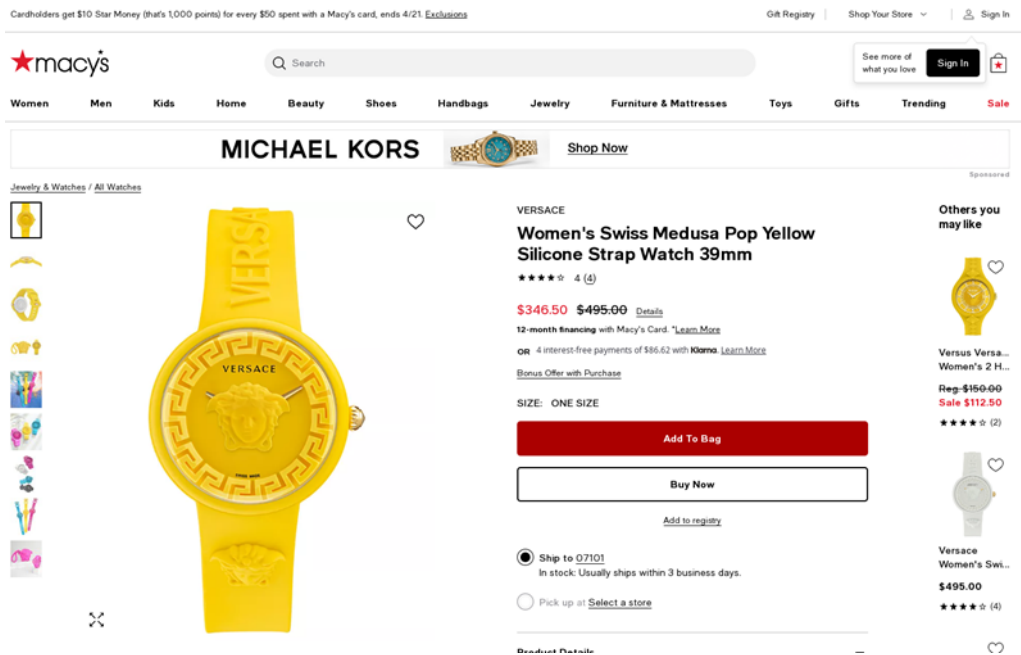
1 not listed any time for the referenced price in the preceding 90 days.

2 41. The below screen shot is an example of how Macy's presents its  
3 deceptive pricing to consumers. It shows the Women's Swiss Medusa Pop  
4 Yellow Silicone Strap Watch 39mm, listed at a discount price of \$346.50,  
5 which reflects approximately 30% savings off of the "reference" price of  
6 \$495. This screenshot is from February 16, 2024.  
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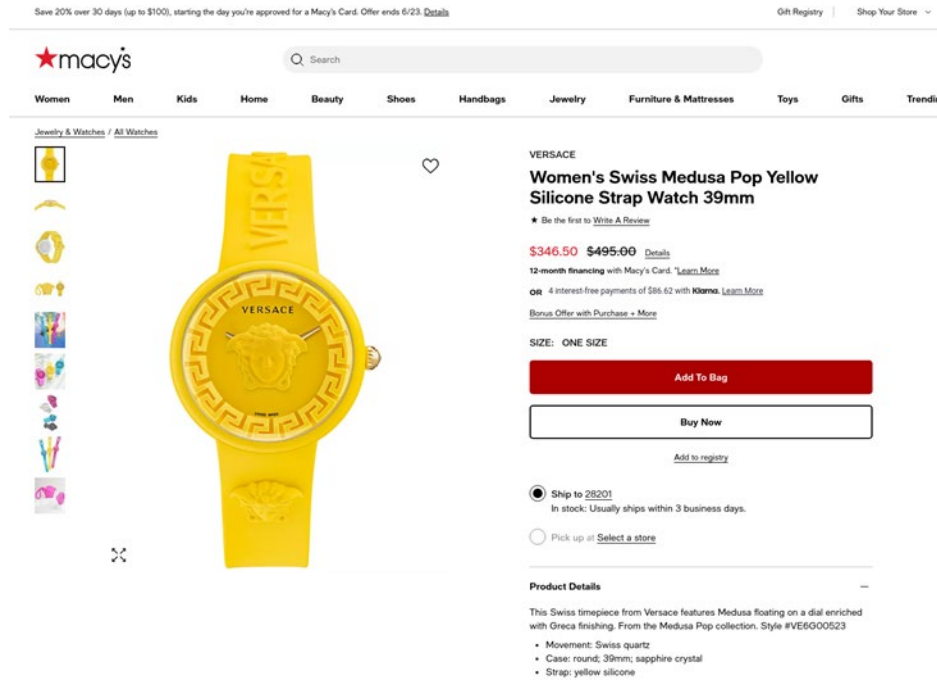
20 42. Approximately two months later, on April 19, 2024, the  
21 Women's Swiss Medusa Pop Yellow Silicone Strap Watch 39mm was still  
22 listed at a supposedly discounted price of \$346.50, reflecting approximately  
23 30% savings off of the "reference" price of \$495.  
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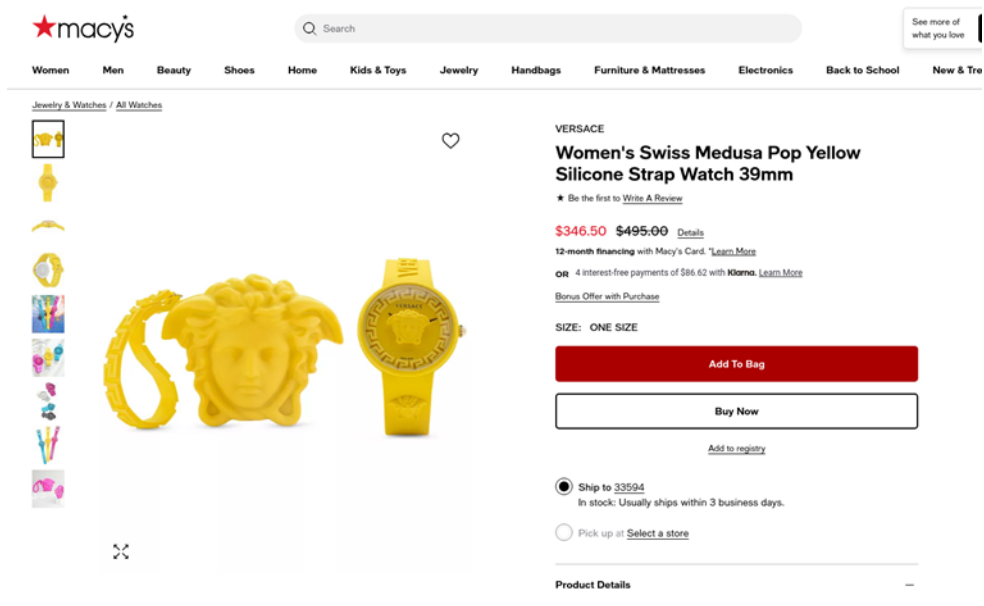


43. Approximately two months later, on June 21, 2024, the Women's Swiss Medusa Pop Yellow Silicone Strap Watch 39mm, was still listed at a supposedly discounted price of \$346.50, reflecting approximately 30% savings off of the claimed "reference" price of \$495.

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44. And approximately two more months later, on August 30, 2024, the Women's Swiss Medusa Pop Yellow Silicone Strap Watch 39mm, was still listed at a supposedly discounted price of \$346.50, reflecting approximately 30% savings off the claimed "reference" price of – still - \$495.



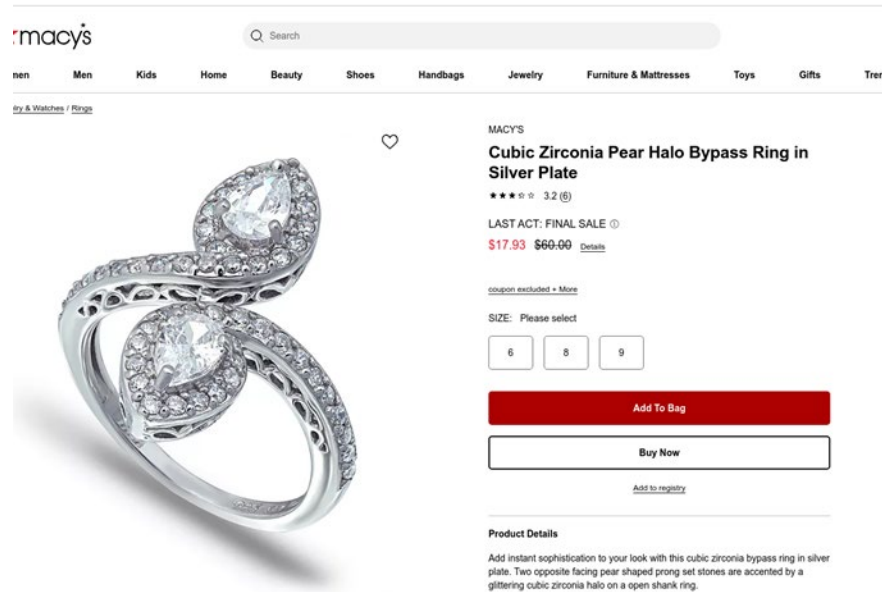
1 45. For a significant and uninterrupted period of time over several  
2 months, Macy’s ran what appeared to be sales on many of its products. These  
3 supposed discounts were often substantial, reaching up to 70%. Even though  
4 the exact discount amount might fluctuate slightly, the products were  
5 advertised as on “sale;” however, all or nearly all the advertised sale products  
6 are never actually offered for purchase or sold at the reference price.  
7  
8

9 **IV. PLAINTIFF FELL VICTIM TO DEFENDANT’S**  
10 **DECEPTIVE PRACTICES**

11 46. Plaintiff is, and at all relevant times has been, a resident and  
12 citizen of the State of California. On or around June 5, 2024, while browsing  
13 Defendant’ website, Plaintiff saw an advertisement boasting significant  
14 “savings” on various products.  
15

16 47. Defendant’s website presented an original marked-through price,  
17 which was the reference price, to the right of the lower “sale price.” The below  
18 image represents what Plaintiff saw when purchasing the ring.  
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11 48. After seeing the reference price of \$60, Plaintiff specifically  
12 chose to purchase the product because Plaintiff believed she was receiving a  
13 significant discount on the product she had chosen. Because she was  
14 interested in the product and felt that the discounted price would likely not  
15 last, and that she was getting a significant bargain on the product, Plaintiff  
16 chose to immediately move forward with purchasing it. As a reasonable  
17 consumer, she trusted that the products had a value commensurate with the  
18 reference price. Thus, the advertised “sale” appeared to be a genuine discount.

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20  
21  
22 49. Relying on the advertised savings, Plaintiff added the products  
23 to her cart and completed the purchase. A copy of the receipt is attached hereto  
24 as **Exhibit A**.

25  
26 50. Unbeknownst to Plaintiff, Macy’s rarely, if ever, offered its  
27 products at the advertised “regular” reference prices, and did not do so for the  
28

1 product Plaintiff purchased at any time in the 90 days prior to that purchase.  
2 Simply put, Defendant intentionally deceived Plaintiff. The actual value of  
3 the product purchased did not match the inflated reference price Plaintiff was  
4 led to believe was the true value of the bag. Thus, the advertised “sale” wasn't  
5 a deal, or even a sale, at all.  
6

7  
8 51. Defendant’s inflated reference prices and misleading discounts  
9 were significant and material misrepresentations that directly influenced  
10 Plaintiff’s purchase. Plaintiff relied on this false information in good faith.  
11 Had Plaintiff known the truth, she would not have bought the product for the  
12 price that she did.  
13

14 52. Defendant’s misrepresentations were material because a  
15 reasonable consumer relies on such information when making purchasing  
16 decisions.  
17

18 53. As a direct consequence of Defendant’ actions, Plaintiff was  
19 financially harmed. She would not have purchased the product at the same  
20 price absent Defendant’ misrepresentation. The advertised discounts were  
21 illusory, and the products were not worth the reference price listed by  
22 Defendant, as Plaintiff was led to believe.  
23

24 54. Moreover, Plaintiff was damaged because Defendant’ false  
25 pricing scheme inflated the true market value of the item Plaintiff purchased.  
26  
27  
28

1 Even though Defendant' false pricing scheme is pervasive on its website, not  
2 every advertised sale is in fact false, and as such, without substantial effort,  
3 Plaintiff and other consumers cannot know which sales are false and which  
4 are true. Thus, Plaintiff is susceptible to this reoccurring harm because she  
5 cannot be certain that Defendant has corrected the deceptive pricing scheme,  
6 and Plaintiff desires to shop at Defendant's website in the future. Plaintiff  
7 does not have the resources to always (or even regularly) determine whether  
8 Macy's is complying with state and federal law with respect to its pricing  
9 practices by watching the price over the course of several months.  
10  
11  
12

13 55. Plaintiff has the legal right – now and in the future – to expect  
14 truthful and accurate information from Defendant regarding advertised prices  
15 and discounts. Plaintiff, and the other members of the Classes, will be harmed  
16 if, in the future, they are left to guess as to whether Macy's is providing a  
17 legitimate sale, and whether products are actually worth the amount that  
18 Defendant is representing. If Plaintiff were to trust that Defendant has  
19 reformed its pricing practices and were to purchase again from Defendant,  
20 she would have no way of knowing if the advertised discounts were  
21 legitimate. Plaintiff continues to be interested in purchasing products that are  
22 sold by Defendant and offered at discounted prices, but she will be unable to  
23 trust and rely on Defendant's website pricing. Absent injunctive relief,  
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1 Plaintiff cannot know whether Defendant’s reference prices represent true  
2 former prices, and the true value of the item, or inflated reference prices  
3 employed in order to deceive customers into believing that a legitimate  
4 discount is being offered. Thus, Plaintiff will be harmed on an ongoing basis  
5 and/or will be harmed once or more in the future.  
6

7  
8 56. The deceptive practices described herein are not limited to the  
9 specific product Plaintiff purchased or categorical group of products. The  
10 misleading advertising and sales tactics employed by Macy’s are systematic  
11 and widespread across its entire website, impacting customers nationwide.  
12

13 **V. CLASS DEFINITION AND ALLEGATIONS**

14 57. Plaintiff brings this action pursuant to Rule 23(b)(2) and (b)(3)  
15 of the Federal Rules of Civil Procedure on behalf of herself and on behalf of  
16 all other persons similarly situated.  
17

18 58. Plaintiff proposes the following Class definitions, subject to  
19 amendment as appropriate:  
20

21 **Nationwide Class (the “Nationwide Class” or**  
22 **“Class”)**

23 All individuals who, within the applicable  
24 limitations period, purchased from the Defendant’s  
25 website one or more products that were advertised  
26 or promoted by displaying or disseminating a  
27 reference price or discount for an item that was not  
28 advertised for sale at the reference price at any point  
in the 90 days preceding their purchase.

1                   **California Subclass (“California Subclass” or**  
2                   **“Subclass”)**

3                   All individuals who, within the applicable  
4                   limitations period, purchased from the Defendant’  
5                   website one or more products that were advertised  
6                   or promoted by displaying or disseminating a  
7                   reference price or discount for an item that was not  
8                   advertised for sale at the reference price at any point  
9                   in the 90 days preceding their purchase.

10                  59.           Excluded from the Class and Subclass (collectively “Classes”)  
11                  are Defendant, their parents, subsidiaries, affiliates, officers and directors, and  
12                  judicial officers and their immediate family members and associated court  
13                  staff assigned to this case.

14                  60.           Plaintiff reserves the right to modify or amend the definitions of  
15                  the proposed Classes before the Court determines whether certification is  
16                  appropriate.

17                  61.           The proposed Classes meet the criteria for certification under  
18                  Fed. R. Civ. P. 23(a), (b)(2), and (b)(3).

19                  62.           **Numerosity:** This action is appropriately suited for a class  
20                  action. The members of the Classes are so numerous that the joinder of all  
21                  members is impracticable. Upon information and belief, the proposed Classes  
22                  contain well over 100 members, and likely thousands of individual purchasers  
23                  who have been damaged by Defendant’ conduct as alleged herein, the identity  
24                  of whom is within the knowledge of Defendant and can be easily determined  
25                  of whom is within the knowledge of Defendant and can be easily determined  
26                  of whom is within the knowledge of Defendant and can be easily determined  
27                  of whom is within the knowledge of Defendant and can be easily determined  
28                  of whom is within the knowledge of Defendant and can be easily determined

1 through Defendant' records.

2           **63. Commonality:** This action involves questions of law and fact  
3  
4 common to the Classes. The common legal and factual questions include, but  
5 are not limited to, the following:

- 6           a. Whether Defendant made false or misleading statements of fact  
7           in its advertisements;
- 8           b. Whether Defendant' policies and actions regarding its  
9           advertising were unfair, deceptive, or misleading;
- 10           c. The accuracy of Defendant' advertised reference prices and  
11           discounts;
- 12           d. Whether Defendant breached their contract with Plaintiff and the  
13           Class members;
- 14           e. Whether Defendant were unjustly enriched as a result of its  
15           actions with respect to reference pricing and discounts  
16           advertised;
- 17           f. Whether the alleged conduct of Defendant violates California  
18           Civil Code §§ 1750 *et seq.*, California Business & Professions  
19           Code §§ 17500 *et seq.*, California Business & Professions Code  
20           §§ 17501 *et seq* and/or California Business & Professions Code  
21           §§ 17200 *et seq.*
- 22           g. Whether Plaintiff and the members of the Classes have suffered  
23           injury and have lost money or property as a result of such false  
24           or misleading discounts and reference prices;
- 25           h. Whether Defendant should be enjoined from further engaging in  
26           the misconduct alleged herein.
- 27           i. Whether Plaintiff and the members of the Classes are entitled to  
28           declaratory and injunctive relief and the nature of that relief.

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64. **Typicality:** Plaintiff’s claims are typical of the claims of the members of the Classes, because, *inter alia*, Plaintiff and all members of the Classes purchased Defendant’ products advertised at a discount on Defendant’ website. Moreover, Plaintiff’s claims are typical of the Class members’ claims because Plaintiff is advancing the same claims and legal theories on behalf of herself and all members of the Classes. In addition, Plaintiff is entitled to relief under the same causes of action and upon the same facts as all other members of the proposed Classes.

65. **Adequacy:** Plaintiff will fairly and adequately represent and protect the interests of the members of the Classes and has retained competent counsel experienced in complex litigation and class action litigation. Plaintiff has no interests antagonistic to those of the members of the Classes and Defendant has no defenses that are unique to Plaintiff.

66. **Superiority:** A class action is superior to other methods for the fair and efficient adjudication of this controversy. The damages or other financial detriment suffered by individual class members is relatively small compared to the burden and expense that would be created by individual litigation of their claims against Defendant. It would be virtually impossible for a member of the Classes, on an individual basis, to obtain effective redress for the wrongs done to him or her. Further, even if the members of the Classes

1 could afford such individualized litigation, the court system could not.  
2 Individualized litigation would create the danger of inconsistent or  
3  
4 contradictory judgments arising from the same set of facts. Individualized  
5 litigation would also increase delay and expense to all parties and the court  
6 system arising from such individual claims. By contrast, the class action  
7  
8 device provides the benefits of adjudication of these issues in a single  
9 proceeding, economies of scale, and comprehensive supervision by a single  
10 court, and presents no management difficulties under the circumstances here.

11  
12 67. Plaintiff seeks monetary damages, including compensatory  
13 damages on behalf of the Classes, and other equitable relief on grounds  
14 generally applicable to the Classes as a whole and to the public. Unless a Class  
15 is certified, Macy's will be allowed to profit from its unfair and unlawful  
16 practices, while Plaintiff and the members of the Classes will have suffered  
17 damages. Unless a Class-wide injunction is issued, Macy's will likely  
18 continue to benefit from the violations alleged, and the members of the  
19 Classes and the general public will likely continue to be victimized.

20  
21  
22 68. Macy's has acted and refused to act on grounds generally  
23 applicable to the Classes, making final injunctive relief appropriate with  
24 respect to the Classes as a whole.

25  
26 69. All applicable statutes of limitations have been tolled by the  
27  
28



1 delayed discovery doctrine. Plaintiffs and members of the Classes could not  
2 have reasonably discovered Defendant’s practice of running perpetual and/or  
3 extended sales, based on deceptive reference prices and deceptive sale prices,  
4 at any time prior to commencing this class action litigation.  
5

6 70. A reasonable consumer viewing Macy’s website on multiple  
7 occasions would simply believe that a product just happens to be on sale when  
8 the consumer is on the website. Short of visiting and checking the website for  
9 months continuously or creating automated means of recording the price over  
10 a substantial period of time, a reasonable consumer would not suspect that  
11 Defendant’s sales and pricing practices were false or misleading. Nor would  
12 a reasonable consumer be able to ascertain the true value of the products being  
13 sold absent extensive investigation, which reasonable consumers would not  
14 be on notice to have to do.  
15  
16  
17

18 71. Plaintiff did not learn of Defendant’s deceptive practices alleged  
19 herein until shortly before retaining counsel in this action.  
20

21 72. As a result, any and all applicable statutes of limitations  
22 otherwise applicable to the allegations herein have been tolled.  
23

24 **CAUSES OF ACTION**

25 **COUNT I**

26 **FRAUD – INTENTIONAL MISREPRESENTATION AND**  
27 **OMISSION**

28 **(On behalf of Plaintiff and the Class)**

1  
2 73. Plaintiff repeats and realleges each and every allegation  
3 contained in paragraphs 1–72 as if fully set forth herein.

4 74. Defendant made false and misleading statements of fact and  
5 material omissions concerning the existence reference prices and the amounts  
6 of price reductions. These representations were false because the false  
7 reference prices advertised in connection with products offered on the website  
8 misled, and continue to mislead, consumers into believing the products were  
9 previously sold on the website at the higher reference prices, when in fact they  
10 were not. Defendant knew that these representations were false at the time  
11 that it made them and/or acted recklessly in making the misrepresentations.  
12  
13

14 75. Defendant had a duty to accurately disclose the truth about its  
15 pricing information, including that the reference prices advertised on the  
16 website were not truly former prices and that the “discount” price advertised  
17 was not truly a discount. Reasonable consumers were likely to be deceived,  
18 and were deceived, by Defendant’s failure to disclose material information.  
19  
20  
21

22 76. Defendant knew that the items Plaintiff and the members of the  
23 Class purchased had rarely, if ever, been offered or sold on the website at the  
24 higher reference price in the recent past.

25  
26 77. Defendant’s representations were made with the intent that  
27 Plaintiff and the members of the Class would rely on the false representations  
28

1 and spend money they otherwise would not have spent, purchase items they  
2 otherwise would not have purchased, and/or spend more money for an item  
3 than they otherwise would have absent the deceptive pricing scheme.  
4

5 78. Defendant employed this scheme in order to incentivize  
6 consumers with the sole intent of maximizing profits to the detriment of those  
7 same consumers.  
8

9 79. Defendant intended that Plaintiff, and all members of the Class,  
10 rely on its false representations. Plaintiff and all members of the Class  
11 reasonably relied on Defendant's representations. Absent Defendant's  
12 misrepresentations, Plaintiff and the members of the Class would not have  
13 purchased the items from Defendant, or, at the very least, they would not have  
14 paid as much for the items as they ultimately did. Plaintiff's and the Class  
15 members' reliance was a substantial factor in causing their harm.  
16  
17

18 80. Had the true reference price not been omitted, Plaintiff and the  
19 members of the Class reasonably would have behaved differently. Among  
20 other things, they would not have purchased the items they purchased from  
21 Defendant or, at the very least, would not have paid as much for the items as  
22 they ultimately did.  
23  
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25 81. As a direct and proximate result of the above, Plaintiff and the  
26 members of the Class have suffered damages because: (a) they would not have  
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1 purchased Defendant' products if they had known that the representations  
2 were false, and/or (b) they overpaid for the products because the products  
3 were sold at a premium price due to the misrepresentations.  
4

5 82. Plaintiff and the members of the Class are also entitled to  
6 punitive or exemplary damages. Defendant, through senior executives and  
7 officers, undertook the illegal acts intentionally or with conscious disregard  
8 of the rights of Plaintiff and the Class, and did so with fraud, malice, and/or  
9 oppression.  
10

11 83. Based on the allegations above, Defendant's actions were  
12 fraudulent because Defendant intended to and did deceive and injure Plaintiff  
13 and the members of the Class. Based on the allegations above, Defendant's  
14 conduct was made with malice because Defendant acted with the intent to  
15 cause and did cause injury to Plaintiff and all members of the Class, and  
16 because Defendant willfully and knowingly disregarded the rights of Plaintiff  
17 and all members of the Class.  
18  
19  
20

21 **COUNT II**  
22 **NEGLIGENT MISREPRESENTATION**  
23 **(On behalf of Plaintiff and the Class)**

24 84. Plaintiff repeats and realleges each and every allegation  
25 contained in paragraphs 1 – 83 as if fully set forth herein.

26 85. As alleged more fully herein, Defendant made false or  
27  
28

1 misleading statements and/or material omissions of fact concerning the  
2 existence of and the amounts of price reductions because Defendant falsely  
3 represents the products as on sale, when in truth the reference price was a  
4 fictitious price, rendering the purported “sale” a fictitious discount. When  
5 Defendant made these misrepresentations, it knew or should have known that  
6 they were false. Defendant had no reasonable grounds for believing that these  
7 representations were true when made.  
8

9  
10 86. By choosing to advertise a reference price, Defendant had a duty  
11 to accurately disclose the truth about its pricing, including the fact that the  
12 reference prices advertised and published on the website were not truly former  
13 prices and that the “discount” price advertised was not a true discount.  
14

15  
16 87. Defendant knew its sales were falsely advertised with a false  
17 reference price. Defendant also knew or should have known that the reference  
18 prices were not the prevailing market prices or true value of the products.  
19 Defendant further knew that the items Plaintiff and the Class purchased had  
20 rarely, if ever, been offered or sold on the website at the false reference price.  
21

22 88. Defendant had no good faith or reasonable basis to believe that  
23 its representations were true when made.  
24

25 89. Defendant’s representations were made with the intent that  
26 Plaintiff and the members of the Class rely on the false representations and  
27  
28

1 spend money they otherwise would not have spent, purchase items they  
2 otherwise would not have purchased, and/or spend more money for an item  
3 than they otherwise would have absent the deceptive pricing scheme.  
4

5 90. Class-wide reliance can be inferred because Defendant's  
6 misrepresentations were material, i.e. a reasonable consumer would consider  
7 them important in deciding whether to buy Defendant' products.  
8

9 91. Defendant's misrepresentations were a substantial factor and  
10 proximate cause in causing damage and losses to Plaintiff and the members  
11 of the Class.  
12

13 92. Defendant engaged in this fraud to the Plaintiff and the Class  
14 members' detriment to increase Defendant's own sales and profits.  
15

16 93. Plaintiff and the members of the Class reasonably relied on  
17 Defendant's representations. Absent Defendant's misrepresentations,  
18 Plaintiff and the members of the Class would not have purchased the items  
19 they purchased from Defendant, or, at the very least, they would not have paid  
20 as much for the items as they ultimately did. Plaintiff and the Class members'  
21 reliance was a substantial factor in causing them harm.  
22  
23

24 94. Had the omitted information been disclosed, Plaintiff and the  
25 members of the Class reasonably would have behaved differently. Among  
26 other things, they would not have purchased the items they purchased from  
27  
28

1 Defendant or, at the very least, would not have paid as much for the items as  
2 they did.

3  
4 95. As a direct and proximate result of the above, Plaintiff and the  
5 members of the Class have suffered damages because they would not have  
6 purchased Defendant's products if they had known that the representations  
7 were false, and/or they overpaid for the products because the products were  
8 sold at a price premium due to the misrepresentations.  
9

10  
11 **COUNT III**  
12 **BREACH OF CONTRACT**  
13 **(On behalf of Plaintiff and the Class)**

14 96. Plaintiff repeats and realleges each and every allegation  
15 contained in paragraphs 1–95 as if fully set forth herein.

16 97. Defendant offered products for sale to Plaintiff and the members  
17 of the Class under the terms advertised on Defendant's website.

18 98. The terms of Defendant's offer provided that Defendant would  
19 sell Plaintiff and the members of the Class products that have a market value  
20 equal to the reference prices displayed. The terms also required that  
21 Defendant provide Plaintiff and the members of the Class with the discount  
22 Defendant provide Plaintiff and the members of the Class with the discount  
23 listed on Defendant's website.  
24

25 99. The specific discount was a material term of each contract.

26 100. The terms of the offer also provided that Plaintiff and the  
27  
28

1 members of the Class would pay Defendant for the products purchased.

2 101. Plaintiff and the members of the Class accepted Defendant's  
3 offer and paid Defendant for the products they ordered, thereby satisfying all  
4 conditions of their contracts.  
5

6 102. Defendant breached the contracts with Plaintiff and the members  
7 of the Class by failing to provide products that had a market value equal to  
8 the reference price displayed on its website, and by failing to provide the  
9 promised discount.  
10

11 103. As a direct and proximate result of Defendant's breaches,  
12 Plaintiff and the members of the Class were deprived of the benefit of their  
13 bargained-for exchange, and have suffered damages in an amount to be  
14 established at trial.  
15  
16

17 **COUNT IV**  
18 **UNJUST ENRICHMENT**  
19 **(On behalf of Plaintiff and the members of the Class)**

20 104. Plaintiff repeats and realleges each and every allegation  
21 contained in paragraphs 1–103 as if fully set forth herein.  
22

23 105. Plaintiff brings this claim in the alternative to the contract-based  
24 claims, including her breach of contract claim.

25 106. Plaintiff brings this claim individually and on behalf of the  
26 members of the Class against Defendant.  
27  
28



1 107. Plaintiff and the members of the Class conferred a benefit on  
2 Defendant, which Defendant knew about, when it initiated its false pricing  
3 scheme.  
4

5 108. Plaintiff and members of the Class were, and many continue to  
6 be, consumers of Defendant’ products. They reasonably believed that  
7 Defendant would not falsely advertise discounted products. Plaintiff and  
8 members of the Class suffered financial losses when they were deceived into  
9 purchasing products that they reasonably believed to be on sale. By inflating  
10 the reference price and then offering a “sale,” Defendant creates a false sense  
11 of urgency, a misleading perception of value, and a misleading perception of  
12 savings, tricking customers into paying more than they should or would for  
13 Defendant’s product. Customers who rely on advertised sales to make  
14 informed decisions are deceived into paying a premium for the product and  
15 do not receive a product worth as much as Defendant represented the product  
16 to be worth.  
17

18 109. This deceptive practice undermines fair competition and allows  
19 Defendant to profit unfairly. Defendant has accepted and retained these  
20 benefits as a result of its sales of merchandise offered at a false discounted  
21 price, making Defendant’s retention of them unjust.  
22

23 110. By its wrongful acts and omission described herein, including  
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1 engaging in deceitful and misleading advertising practices by using false  
2 discounts to lure in consumers to purchase products they would not have  
3 otherwise purchased or for amounts they would not have otherwise paid,  
4 Defendant was unjustly enriched at the expense of Plaintiff and the members  
5 of the Class.  
6

7  
8 111. Plaintiff's and the Class members' detriment, and Defendant's  
9 enrichment, were related to and flowed from the wrongful conduct alleged in  
10 this Complaint.  
11

12 112. Defendant has profited from its unlawful, unfair, misleading, and  
13 deceptive practices at the expense of Plaintiff and the members of the Class.  
14 It would be inequitable for Defendant to retain the profits, benefits, and other  
15 compensation obtained from its wrongful conduct described herein.  
16

17 113. Plaintiff and the members of the Class have been damaged as a  
18 direct and proximate result of Defendant's unjust enrichment.  
19

20 114. Plaintiff and the members of the Class are entitled to recover  
21 from Defendant all amounts wrongfully collected and improperly retained by  
22 Defendant.  
23

24 115. As a direct and proximate result of Defendant's wrongful  
25 conduct and unjust enrichment, Plaintiff and the members of the Class are  
26 entitled to restitution of, disgorgement of, and/or imposition of a constructive  
27  
28

1 trust upon all profits, benefits, and other compensation obtained by Defendant  
2 for its inequitable and unlawful conduct.

3  
4 **COUNT V**  
5 **VIOLATION OF CALIFORNIA’S CONSUMER LEGAL REMEDIES**  
6 **ACT (“CLRA”)**  
7 **Cal. Civ. Code §§ 1750 *et seq.***  
8 **(On behalf of Plaintiff and the California Subclass)**

9 116. Plaintiff repeats and realleges each and every allegation  
10 contained in paragraphs 1–115 as if fully set forth herein.

11 117. Plaintiff brings this claim individually and on behalf of the  
12 members of the California Subclass against Defendant.

13 118. Plaintiff and all members of the California Subclass are  
14 “persons” and “consumers” as defined in Cal. Civ. Code § 1761(d).

15 119. Defendant is a “person” as defined in Cal. Civ. Code § 1761(c).

16 120. The products purchased by Plaintiff and the members of the  
17 California Subclass from Defendant are “goods” as defined by Cal. Civ. Code  
18 § 1761(a).

19 121. Plaintiff’s and the California Subclass members’ purchases from  
20 Defendant constitute “transactions,” as defined by Cal. Civ. Code § 1761(e).

21 122. The CLRA prohibits “unfair methods of competition and unfair  
22 or deceptive acts or practices undertaken by any person in a transaction  
23 intended to result or which results in the sale or lease of goods or services to  
24  
25  
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1 any consumer.” Cal. Civ. Code § 1770.

2 123. As alleged herein, Defendant engaged in unfair and deceptive  
3 acts or practices insofar as they made and disseminated false and misleading  
4 statements of facts in its advertisements to class members by using false  
5 reference prices and advertising fake discounts in violation of the CLRA. *See*  
6  
7  
8 *Id.*

9 124. Defendant’s conduct as described herein was and is in violation  
10 of the CLRA. Defendant’s conduct violates at least the following enumerated  
11 CLRA provisions:  
12

- 13 a. Cal. Civ. Code § 1770(a)(5): Representing that goods or  
14 services have characteristics, uses, benefits, or quantities  
15 that they do not have or that a person has a sponsorship,  
16 approval, status, affiliation, or connection that the person  
17 does not have;
- 18 b. Cal. Civ. Code § 1770(a)(9): Advertising goods or  
19 services with intent not to sell them as advertised; and
- 20 c. Cal. Civ. Code § 1770(a)(13): Making false or  
21 misleading statements of fact concerning reasons for,  
22 existence of, or amounts of price reductions.

23 125. Defendant has violated Section 1770(a)(5) by representing that  
24 products offered for sale on its website have characteristics or benefits that  
25 they do not have. Specifically, Defendant represents that the value of their  
26 products is greater than it actually is by advertising inflated reference prices  
27 and false discounts.  
28

1 126. Defendant has violated Section 1770(a)(9) by advertising its  
2 products as being offered at a discount, when in fact Defendant do not intend  
3 to sell the products at a discount.  
4

5 127. Defendant has violated Section 1770(a)(13) by misrepresenting  
6 the regular reference price of products on the Macy's website and by  
7 advertising false discounts and savings.  
8

9 128. Defendant's practice of misrepresenting, actively concealing,  
10 and/or failing to disclose the true prices of the products listed on its website  
11 violated and continues to violate the CLRA.  
12

13 129. Defendant's misrepresentations were likely to deceive, and did  
14 deceive, Plaintiff and reasonable consumers. Defendant knew, or should have  
15 known, that these statements were inaccurate and misleading.  
16

17 130. Defendant's misrepresentations were intended to induce  
18 reliance, and Plaintiff reasonably relied on them when making her purchase.  
19 Defendant's misrepresentations were a substantial factor in Plaintiff's  
20 purchase decision.  
21

22 131. Defendant's deceptive practices significantly impacted Plaintiff  
23 and the members of the California Subclass. The misleading information  
24 presented was material, meaning a reasonable person would consider it  
25 heavily when deciding to buy products. This false information directly caused  
26  
27  
28

1 financial harm. Plaintiff and the members of California Subclass ended up  
2 purchasing goods they otherwise would not have purchased or spending more  
3 than the products' true value.  
4

5 132. Class-wide reliance can be inferred because Defendant's  
6 misrepresentations were material, in that a reasonable consumer would  
7 consider them important when deciding whether to buy a product and how  
8 much to pay for a product.  
9

10 133. Defendant's misrepresentations were a substantial factor and  
11 proximate cause in causing damages and losses to Plaintiff and the members  
12 of the California Subclass.  
13

14 134. Plaintiff and the members of the California Subclass were injured  
15 as a direct and proximate result of Defendant's conduct because they would  
16 not have purchased the products if they had known the truth, and/or they  
17 overpaid for the products because the products were sold at a price premium  
18 due to the misrepresentation.  
19  
20

21 135. Accordingly, pursuant to Cal. Civ. Code § 1780(a)(2), Plaintiff,  
22 on behalf of herself and all other members of the California Subclass, seeks  
23 injunctive relief.  
24

25 136. The practices outlined above have caused significant harm to  
26 Plaintiff, the California Subclass, and the public at large. Plaintiff and the  
27  
28

1 California Subclass members' injuries were proximately caused by  
2 Defendant's unlawful and deceptive business practices. These unlawful and  
3 unfair practices are ongoing and will likely continue unless stopped.  
4 Therefore, Plaintiff seeks a permanent injunction to prevent Defendant from  
5 engaging in such deceptive tactics. Additionally, Plaintiff seeks compensation  
6 for attorney fees and costs incurred. Finally, under the CLRA, Plaintiff seeks  
7 a public injunction to protect the general public from Defendant' misleading  
8 advertising and omissions.  
9  
10

11  
12 137. Pursuant to Cal. Civ. Code § 1782(a), on August 1, 2024,  
13 Plaintiff's counsel served Defendant with notice of its CLRA violations by  
14 certified mail, return receipt requested. Defendant acknowledged receipt of  
15 the CLRA demand notice on August 8, 2024.  
16

17 138. Defendant has failed to provide appropriate relief for their CLRA  
18 violations within 30 days of its receipt of Plaintiff's demand notice.  
19 Accordingly, pursuant to §§ 1780 and 1782(b) of the CLRA, Plaintiff is  
20 entitled to recover actual damages, punitive damages, attorneys' fees and  
21 costs, and any other relief the Court deems proper.  
22  
23

24 **COUNT VI**  
25 **VIOLATION OF CALIFORNIA'S FALSE ADVERTISING LAW**  
26 **("FAL")**  
27 **Cal. Bus. & Prof. Code §§ 17501 *et seq.***  
28 **(On behalf of Plaintiff and the California Subclass)**

1 139. Plaintiff repeats and realleges each and every allegation  
2 contained in paragraphs 1–138 as if fully set forth herein.  
3

4 140. Plaintiff brings this claim individually, and on behalf of the  
5 members of the California Subclass against Defendant.

6 141. Defendant has violated Section 17501 of the California Business  
7 and Professions Code.  
8

9 142. Defendant has engaged in false or misleading advertising in  
10 violation of the FAL. Defendant advertised, and continues to advertise,  
11 reference prices and “sale” prices that are false, misleading and/or have the  
12 tendency and likelihood to deceive reasonable consumers. *Brady v. Bayer*  
13 *Corp.*, 26 Cal. App. 5th 1156, 1173 (2018) (“these laws prohibit ‘not only  
14 advertising which is false, but also advertising which[,] although true, is either  
15 actually misleading or which has a capacity, likelihood or tendency to deceive  
16 or confuse the public.’”). To state a claim under the FAL “‘it is necessary only  
17 to show that ‘members of the public are likely to be deceived.’” *Id.* (citations  
18 omitted).  
19  
20  
21

22 143. Defendant engaged in deceptive advertising practices within  
23 California and nationwide. These practices involved promoting its products  
24 through online platforms that contained untrue or misleading statements about  
25 the advertised goods. Notably, Defendant knew, or should have known with  
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28



1 reasonable diligence, the information they disseminated was inaccurate.

2 144. As alleged more fully above, Defendant advertises reference  
3 prices on its website along with discounts.  
4

5 145. The reference prices advertised by Defendant were not the  
6 prevailing market prices for the products within three months preceding  
7 publication of the advertisement.  
8

9 146. Defendant's reference price advertisements do not state clearly,  
10 exactly, and conspicuously when, if ever, the former reference prices  
11 prevailed. Indeed, the advertisements do not indicate whether or when the  
12 purported former reference prices were offered at all.  
13

14 147. The deceptive advertising practices employed by Defendant led  
15 Plaintiff and the members of the California Subclass to make decisions based  
16 on inaccurate information. Defendant's misrepresentations were intended to  
17 induce reliance, and Plaintiff reasonably relied on these misrepresentations  
18 when making her purchase decision.  
19

20 148. Class-wide reliance can be inferred because Defendant's  
21 misrepresentations were material.  
22

23 149. Defendant's misrepresentations were a substantial factor and  
24 proximate cause in damages to Plaintiff and the members of the California  
25 Subclass.  
26  
27

28

1 150. Plaintiff and the members of the California Subclass were injured  
2 as a direct and proximate result of Defendant’ conduct because they would  
3 not have purchased the products if they had known the truth, and/or they  
4 overpaid for the products because the products were sold at a price premium  
5 due to the misrepresentation.  
6

7  
8 **COUNT VII**  
9 **Violation of California’s False Advertising Law, Bus & Prof. Code**  
10 **§§17500 *et seq.***  
11 **(On behalf of Plaintiff and the California Subclass)**

12 151. Plaintiff repeats and realleges each and every allegation  
13 contained in paragraphs 1–150 as if fully set forth herein.

14 152. Plaintiff brings this claim individually and on behalf of the  
15 California Subclass.

16 153. Defendant has violated Section 17500 of the California Business  
17 and Professions Code.

18 154. As alleged more fully above, Defendant has made and  
19 disseminated false and misleading statements of facts in advertisements to  
20 Plaintiff and the California Subclass members by advertising false reference  
21 prices and false discounts regarding its products.

22 155. Defendant’s representations were likely to deceive, and did  
23 deceive, Plaintiff and reasonable consumers. Defendant knew, or should have  
24 known, that these statements were inaccurate and misleading.  
25  
26  
27  
28

1 156. Defendant’s misrepresentations were intended to induce  
2 reliance, and Plaintiff reasonably relied on the statements when purchasing  
3 the products. Defendant’s misrepresentations were a substantial factor in  
4 Plaintiff’s purchase decision.  
5

6 157. Class-wide reliance can be inferred because Defendant’s  
7 misrepresentations were material in that they concerned the price of the  
8 product.  
9

10 158. Defendant’s misrepresentations were a substantial factor and  
11 proximate cause in damages to Plaintiff and the members of the California  
12 Subclass.  
13

14 159. Plaintiff and the members of the California Subclass were injured  
15 as a direct and proximate result of Defendant’ conduct because they would  
16 not have purchased the products if they had known the truth, and/or they  
17 overpaid for the products because the products were sold at a price premium  
18 due to the misrepresentation.  
19  
20

21 **COUNT VIII**  
22 **VIOLATION OF CALIFORNIA UNFAIR COMPETITION LAW**  
23 **(“UCL”)**  
24 **Bus. Prof. Code §§ 17200, *et seq.***  
**(On behalf of Plaintiff and the California Subclass)**

25 160. Plaintiff repeats and realleges each and every allegation  
26 contained in paragraphs 1–159 as if fully set forth herein.  
27  
28

1 161. Plaintiff brings this claim individually and on behalf of herself  
2 and all members of the California Subclass.

3  
4 162. The UCL prohibits and provides civil remedies for unfair  
5 competition. Its purpose is to protect both consumers and competitors by  
6 promoting fair competition in commercial markets for goods and services. In  
7 service of that purpose, the California legislature framed the UCL's  
8 substantive provisions in broad, sweeping language. By defining unfair  
9 competition to include any "any unlawful, unfair or fraudulent business act or  
10 practice," the UCL permits violations of other laws to serve as the basis of an  
11 independently actionable unfair competition claim and sweeps within its  
12 scope acts and practices not specifically proscribed by any other law.  
13  
14  
15

16 163. Defendant's acts and omissions alleged herein, specifically  
17 Defendant's violations of the CLRA and FLA, constitute unfair competition  
18 and/or unlawful, unfair, or fraudulent business practices in violation of the  
19 UCL.  
20

21 164. Defendant's actions and omissions have violated, and continue  
22 to violate, the "unlawful" prong of the UCL by creating misleading  
23 advertisements with inflated reference prices and false discounts.  
24 Additionally, Defendant has engaged in deceitful practices as outlined in Cal.  
25 Civ. Code §§ 1705, 1709, and 1713. Further, Defendant engaged in unlawful  
26  
27  
28

1 conduct by violating the Federal Trade Commission Act (“FTCA”), which  
2 prohibits “unfair or deceptive acts or practices in or affecting commerce” and  
3 prohibits the dissemination of false advertisements. 15 U.S.C. § 45(a)(1), 15  
4 U.S.C. § 52(a). As the FTC’s regulations make clear, Defendant’ false pricing  
5 scheme violates the FTCA. 16 C.F.R. §§ 233.1, *et seq.*  
6

7  
8 165. As further alleged herein, Defendant’s conduct also violates the  
9 “deceptive” prong of the UCL in that Defendant’ representations that its  
10 products were on sale, that the sale was limited in time, that the products had  
11 a specific regular price, and that the customers were being offered discounts  
12 from a higher value, were false and misleading.  
13

14 166. Defendant’s material misrepresentations, omissions, and lack of  
15 disclosure are likely to mislead reasonable and potential customers, along  
16 with the general public. These practices are inherently deceptive and mislead  
17 consumers.  
18

19  
20 167. Plaintiff and the members of the California Subclass relied upon  
21 Defendant’s misrepresentations and omissions, as set forth above.  
22

23 168. Defendant’s misrepresentations and omissions are significant  
24 because a reasonable consumer would consider this information when making  
25 purchasing decisions. Plaintiff reasonably relied upon this misleading  
26 information and would have acted differently if she had been presented with  
27  
28

1 accurate details. Similarly, class-wide reliance can be inferred because  
2 Defendant's misrepresentations were material in that they concerned the price  
3 of the product.  
4

5 169. Defendant's conduct, as alleged above, was immoral, unethical,  
6 oppressive, unscrupulous, and substantially injurious to consumers.  
7

8 170. Defendant violated the "unfair" prong of the UCL by falsely  
9 representing that that its products were on sale, that the sale was limited in  
10 time, that the products had a regular reference price higher than the sale price,  
11 and that the customers were receiving discounts.  
12

13 171. Defendant violated established public policy by violating the  
14 CLA, the FAL, and the FTCA.  
15

16 172. Defendant's misrepresentations and omissions resulted in it  
17 receiving more money from Plaintiff and the members of the California  
18 Subclass than it rightfully deserved. This money is subject to restitution. As  
19 a direct consequence of Defendant's unfair, unlawful, and deceptive  
20 practices, Plaintiff and the members of the California Subclass suffered  
21 financial losses.  
22

23  
24 173. Plaintiff and the members of the California Subclass were injured  
25 as a direct and proximate result of Defendant's conduct because they would  
26 not have purchased the products if they had known the truth, and/or they  
27  
28

1 overpaid for the products because the products were not worth the “regular”  
2 reference price represented by Defendant.

3  
4 174. The harm to Plaintiff and the members of the California Subclass  
5 greatly outweighs the public utility of Defendant’s conduct. False statements  
6 in connection with the sale of consumer products harms consumers and  
7 injures competition. There is no public utility to misrepresenting the price of  
8 a consumer product. This injury was not outweighed by any countervailing  
9 benefits to consumers or competition.  
10

11  
12 175. Plaintiff and the members of the California Subclass could not  
13 have reasonably avoided the injury caused by Defendant.

14  
15 176. Without an injunction, Defendant will continue to harm Plaintiff,  
16 the members of the California Subclass, and prospective consumers at large.  
17 Defendant’s misrepresentations and omissions are ongoing, and even if it  
18 were to stop temporarily, there is a risk of it repeating these deceptive  
19 practices.  
20

21 177. Plaintiff, on behalf of herself and all members of the California  
22 Subclass, seeks public injunctive relief under the UCL to safeguard the  
23 general public from Defendant’s deceptive discount advertising and  
24 misleading omissions.  
25

26 178. Defendant’s actions have caused substantial harm to Plaintiff, the  
27  
28

1 California Subclass, and the public. These practices are ongoing and are likely  
2 to continue unless stopped.

3  
4 179. Therefore, Plaintiff seeks a permanent injunction to prevent  
5 Defendant from engaging in such unlawful, unfair, and fraudulent business  
6 practices. Additionally, Plaintiff seeks restitution for the California Subclass  
7 in an amount to be determined at trial, as well as attorney fees and costs under  
8 Cal. Code Civ. Proc. § 1021.5. Further Plaintiff, on behalf of the members of  
9 the California Subclass, requests that he be awarded all relief as may be  
10 available by law, pursuant to Cal. Bus. Prof. Code § 17203.  
11  
12

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiff respectfully requests that the Court enter  
15 judgment against Defendant as follows:  
16

17 A. Certifying this action as a class action under Rule 23(b)(2) and  
18 (b)(3) of the Federal Rules of Civil Procedure and naming Plaintiff as a  
19 representative of the Classes and Plaintiff's undersigned attorneys as Class  
20 Counsel to represent the Classes;  
21

22 B. For an Order declaring that Defendant's conduct violated the laws  
23 referenced herein;  
24

25 C. For an Order finding in favor of Plaintiff and the Classes on all  
26 counts asserted herein;  
27  
28



1 D. For an Order awarding actual, statutory, treble, and punitive  
2 damages as applicable;

3  
4 E. For an Order awarding pre-judgment and post-judgment interest  
5 on all amounts awarded;

6 F. For injunctive relief as pleaded or as the Court may deem proper;

7  
8 G. For disgorgement and restitution to Plaintiff and the members of  
9 the Classes of all monies received or collected from Plaintiff and the members  
10 of the Classes and all other forms of equitable relief;

11  
12 H. For an Order awarding reasonable attorneys' fees and expenses  
13 and costs of suit; and

14 I. For such other and further relief as the Court may deem proper.  
15

16 **DEMAND FOR JURY TRIAL**

17 Plaintiff hereby demands trial by jury as to all triable issues.  
18

19  
20 Dated: November 21, 2024 Respectfully submitted,

21 By: /s/ Kyle McLean  
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