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

MARIEE GARCIA, individually and on
behalf of all other persons similarly
situated,

Plaintiff,

v.

SIGNET JEWELERS LIMITED and
STERLING JEWELERS INC.,

Defendants.

Case No.: 2:25-cv-6358

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

1 Plaintiff Mariee Garcia (“Plaintiff”) brings this action individually and on
2 behalf of all others similarly situated against Defendant Signet Jewelers Ltd.
3 (“Signet”) and Sterling Jewelers Inc. (“Sterling”) (together with Signet,
4 “Defendants”). Plaintiff makes the following allegations pursuant to the
5 investigation of her counsel, and based upon information and belief, except as to the
6 allegations specifically pertaining to herself, which are based on personal
7 knowledge.

8 **NATURE OF THE ACTION**

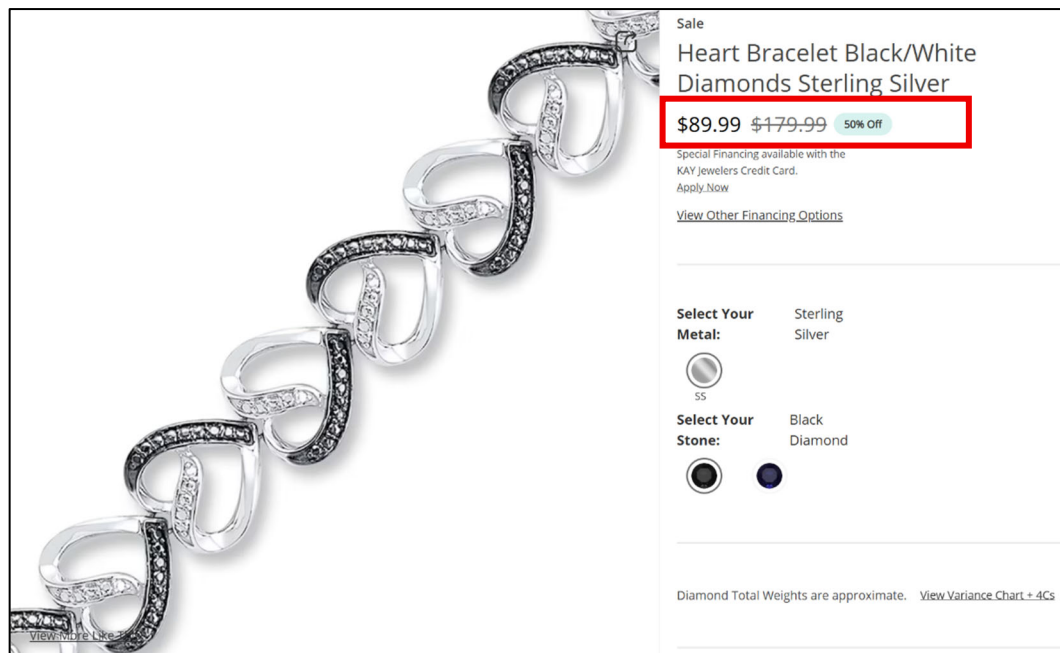
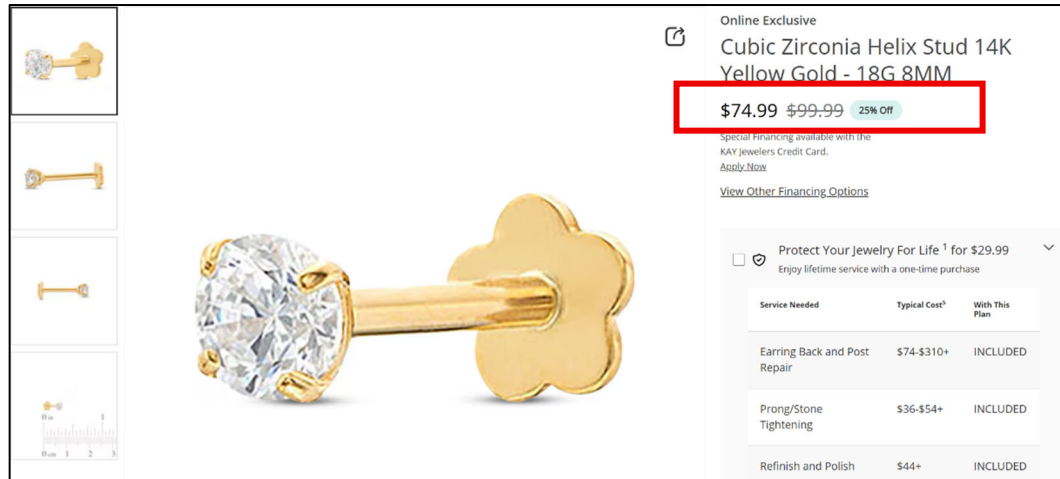
9 1. The jewelry market is booming. Last year, the revenue generated in this
10 market in the United States alone is estimated at nearly \$366.80 billion.

11 2. Defendants seek to carve out its own share of this hypercompetitive
12 market by offering perpetual “sales” and discounted prices through its online e-
13 commerce store.

14 3. It is no secret that consumers actively seek out bargains and discounted
15 items when making purchasing decisions. Retailers, including Defendants, are well
16 aware of consumers’ susceptibility to such perceived bargains. Products perceived
17 by consumers to be discounted, however, are not always actual bargains. In an effort
18 to give off the appearance of a bargain, Defendants intentionally mislead consumers
19 as to the quality and value of the merchandise available on its website (the
20 “Products”) through its deceptive sales tactics.

21 4. When consumers visit Defendants’ online store, they are shown
22 purported sale prices on Defendants’ Products:

23 **Figures 1 & 2:**



5. But Defendants' purported sales are, in reality, anything but. Defendants employ a deceptive strike-through price scheme to deceive consumers into thinking they are receiving a bargain, when they in fact are not. Such findings were confirmed through the investigation of counsel, including through historical price tracking.

6. It is well established that false "reference" pricing violates state and federal law. Nonetheless, Defendants employ inflated, fictitious reference prices for the sole purpose of increasing its sales. Defendants engage in this deceptive practice

1 to deceive consumers, including Plaintiff, into believing they are receiving a bargain
2 on their online purchases to induce them into making a purchase they otherwise
3 would not have made.

4 7. As a direct and proximate result of Defendants' false and misleading
5 sales practices, Plaintiff and members of the Class, as defined herein, were induced
6 into purchasing the Products under the false premise that they were of a higher grade,
7 quality, or value than they actually were.

8 8. Plaintiff seeks relief in this action individually, and on behalf of all
9 purchasers of the Products for violations of the California Consumers Legal
10 Remedies Act ("CLRA"), Civil Code §§ 1750, *et seq.*, Unfair Competition Law
11 ("UCL"), Bus. & Prof. Code §§ 17200, *et seq.*, False Advertising Law ("FAL"), Bus.
12 & Prof. Code §§ 17500, *et seq.*, fraud, and unjust enrichment. Through this action,
13 Plaintiff seeks to enjoin Defendants from its false and deceptive sales practices, and
14 Plaintiff seeks to obtain actual and statutory damages, restitution, injunctive relief,
15 and reasonable attorneys' costs and fees.

16 **PARTIES**

17 9. Plaintiff Mariee Garcia is an individual consumer who, at all times
18 material hereto, was a citizen of California and resident of Rancho Palos Verdes,
19 California.

20 10. Ms. Garcia made multiple purchases from Defendants' e-commerce
21 website, including a Cubic Zirconia Helix Stud 14K Yellow Gold - 18G 8MM (the
22 "Earring") and a Heart Bracelet Black/White Diamonds Sterling Silver (the
23 "Bracelet") (collectively the "Plaintiff Purchased Products"). Ms. Garcia purchased
24 the Earring on or about December 27, 2024, for a purported sale price of \$59.99.
25 The Earring Ms. Garcia purchased displayed a purportedly original, strike-through
26 price of \$99.99, representing that Plaintiff would "Save \$40.00 (40%)" versus the
27 Earring's usual cost. Ms. Garcia purchased the Bracelet on or about February 13,
28 2025, for a purported sale price of \$89.99. The Bracelet Ms. Garcia purchased

1 displayed a purportedly original, strike-through price of \$179.99, representing that
2 Plaintiff would “Save \$90.00 (50%)” versus the Bracelet’s usual cost. Before
3 purchasing the Plaintiff Purchased Products, Ms. Garcia reviewed information about
4 the Plaintiff Purchased Products, including Defendants’ representations that the
5 Plaintiff Purchased Products were being offered at a discounted sale price, including
6 but not limited to that the Plaintiff Purchased Products have a “new lower price,”
7 representing that consumers “save \$X,” “or “X%,” and displaying a strikethrough
8 reference price. When purchasing the Plaintiff Purchased Products, Ms. Garcia also
9 reviewed the accompanying labels, disclosures, warranties, and marketing materials,
10 and understood them as representation and warranties by Defendants that the
11 Plaintiff Purchased Products were ordinarily offered at a higher price.

12 11. Ms. Garcia relied on Defendants’ false, misleading, and deceptive
13 representations and warranties about the Plaintiff Purchased Products in making her
14 decision to purchase the Plaintiff Purchased Products. Accordingly, these
15 representations and warranties were part of the basis of the bargain, in that she would
16 not have purchased the Plaintiff Purchased Products, or would not have paid as much
17 for the Plaintiff Purchased Products, had she known Defendants’ representations
18 were not true. Defendants’ representations about its Products are false and
19 misleading because they induce consumers into believing that they are purchasing
20 Products of a higher value and quality than they actually are. Defendants’ Products
21 are seldom offered at the higher, strikethrough reference price, and only for the
22 purpose of establishing a fictitious higher price on which a deceptive comparison
23 might be based.

24 12. Had Ms. Garcia known the truth—that the representations she relied
25 upon in making her purchase were false, misleading, and deceptive—she would not
26 have purchased the Plaintiff Purchased Products or would have paid less for the
27 Plaintiff Purchased Products. Ms. Garcia did not receive the benefit of her bargain,
28

1 because Defendants' Plaintiff Purchased Products were not of the represented quality
2 and value.

3 13. Defendant Signet Jewelers Limited is a stock corporation organized
4 under the laws of Bermuda headquartered in Ohio. Defendant Signet is the parent
5 company of numerous jewelry companies, including Sterling Jewelers, Kay
6 Jewelers, Jared, and Zales, among others. Defendant Signet, either directly or
7 through its subsidiaries, manufactures, markets, and advertises and distributes its
8 Products throughout the United States, including California. Defendant Signet
9 manufactured, marketed, and sold the Products during the relevant Class Period. The
10 planning and execution of the advertising, marketing, labeling, packaging, testing,
11 and/or business operations concerning the Products were primarily or exclusively
12 carried out by Defendant, either directly or through its subsidiaries.

13 14. Defendant Sterling Jewelers Inc. is a Delaware corporation
14 headquartered in Akron, Ohio. Defendant Sterling is a wholly-owned subsidiary of
15 Defendant Signet. Defendant Sterling is the parent company of several jewelry
16 companies, including Kay Jewelers. Defendant Sterling, either directly or through
17 its subsidiaries, manufactures, markets, and advertises and distributes its Products
18 throughout the United States, including California. Defendant Sterling
19 manufactured, marketed, and sold the Products during the relevant Class Period. The
20 planning and execution of the advertising, marketing, labeling, packaging, testing,
21 and/or business operations concerning the Products were primarily or exclusively
22 carried out by Defendant, either directly or through its subsidiaries.

23 **JURISDICTION AND VENUE**

24 15. This Court has jurisdiction over this action pursuant to 28 U.S.C. §
25 1332(d)(2)(A), as modified by the Class Action Fairness Act of 2005, because at
26 least one member of the Class, as defined below, is a citizen of a different state than
27 the Defendants, there are more than 100 members of the Class, and the aggregate
28 amount in controversy exceeds \$5,000,000.00 exclusive of interest and costs.

1 16. This Court has personal jurisdiction over the parties because Plaintiff
2 resides in California, is a California citizen, and submits to the jurisdiction of the
3 Court. Further, Defendants have, at all times relevant hereto, systematically and
4 continually conducted business in California, including within this District, and
5 intentionally availed itself of the benefits and privileges of the California consumer
6 market through the promotion, marketing, and sale of its Products to residents within
7 this District and throughout California. Additionally, Plaintiff purchased one of
8 Defendants' Products in California.

9 17. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b) because
10 Plaintiff resides in this District and a substantial portion of the events giving rise to
11 the cause of action occurred in this District. Plaintiff purchased the Plaintiff
12 Purchased Products and suffered her primary injury in this District.

13 **FACTUAL BACKGROUND**

14 18. Defendants manufacture, market, sell, and distribute their Products
15 throughout the United States, including California, through its online e-commerce
16 store, including under the brands of popular jewelry retailers, such as Kay and Jared.

17 **State And Federal Pricing Guidelines**

18 19. California law provides clear guidelines as to permissible and unlawful
19 sales tactics:

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

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

1 stated in the advertisement.

2 Cal. Bus. & Prof. Code § 17501.

3 20. Additionally, California law expressly prohibits making false or
4 misleading statements of fact “concerning reasons for, existence of, or amounts of
5 price reductions.” *See* Cal. Civ. Code § 1770(a)(13).

6 21. The Federal Trade Commission (“FTC”) provides retailers with
7 additional guidance as to permissible and unlawful sales tactics. *See* 16 C.F.R. §
8 233.

9 22. The FTC provides the following guidance on former price comparisons:

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

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

27 23. The FTC further provides that “[t]he advertiser should be especially
28 careful [...] 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 his business, **honestly and in good faith - and, of course, not for the**

1 **purpose of establishing a fictitious higher price on which a deceptive**
 2 **comparison might be based.”** 16 CFR § 233.1(b) (emphasis added).

3 24. The FTC also provides retailers with guidance as to retail price
 4 comparison:

5 Another commonly used form of bargain advertising is to
 6 offer goods at prices lower than those being charged by
 7 others for the same merchandise in the advertiser’s trade
 8 area (the area in which he does business). This may be
 9 done either on a temporary or a permanent basis, but in
 10 either case **the advertised higher price must be based**
 11 **upon fact, and not be fictitious or misleading.**

12 Whenever an advertiser represents that he is selling below
 13 the prices being charged in his area for a particular article,
 14 he should be reasonably certain that the higher price he
 15 advertises does not appreciably exceed the price at which
 16 substantial sales of the article are being made in the area -
 17 that is, a sufficient number of sales so that a consumer
 18 would consider a reduction from the price to represent a
 19 genuine bargain or saving.

16 C.F.R. § 233.2(a) (emphasis added).

17 25. Essentially, federal and state law provides that sales practices should be
 18 offered in good-faith and accurately reflect the price at which (1) either the products
 19 were formerly sold, or (2) comparable products are sold in the market. Defendants’
 20 sales practices do neither.

21 **Defendants’ Deceptive Sales Practices**

22 26. Defendants sell their Products through its e-commerce website.

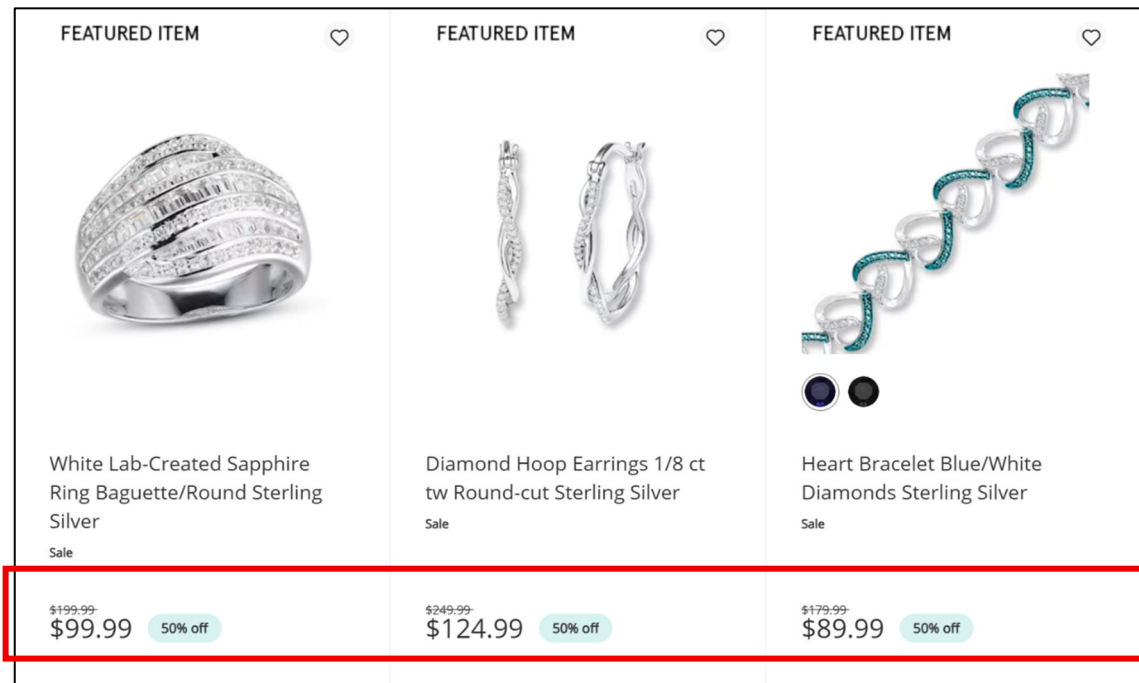
23 27. In an effort to increase sales, Defendants engage in a pervasive online
 24 marketing scheme to artificially inflate the prices of its Products for the sole purpose
 25 of marking them at a discounted sale price. Defendants are aware that consumers
 26 typically lack material information about a Product and often rely on information
 27
 28

from sellers when making purchasing decisions, especially when a Product's quality or value is difficult to discern.¹

28. Defendants have multiple methods of deceiving consumers into believing that they are receiving a bargain on the Products they purchase through Defendants' online store.

29. First, Defendants utilize a fictitious strikethrough reference price accompanied by a purported savings percentage. Next to the fictitious reference price is a lower purported sale price. Defendants further warrant to consumers that they save "XX% off" their purchase and that such Products are on sale:

Figure 2:



30. These representations fall squarely into the misleading pricing practice discussed in 16 C.F.R. § 233.1(a) – fictitious former pricing. For example, the

¹ *Information and Consumer Behavior*, Phillip Nelson, *Journal of Political Economy* 78, no. 2, p. 311-312 (1970) ("Not only do consumers lack full information about the price 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.").

1 Bracelet that Plaintiff purchased was represented as marked down from an “original”
2 price of “\$179.99” to a “sale” price of “\$89.99” (a “50%” discount) at the time
3 Plaintiff purchased it. But as Plaintiff’s counsel has confirmed through historical
4 price tracking and through available internet archives, Defendants’ Products are
5 seldom offered at the higher, strikethrough reference price. For the rare instances in
6 which they are offered at full price, it is only for a brief period, and only for the
7 purpose of establishing a fictitious higher price on which a deceptive comparison
8 might be based.

9 31. Indeed, Defendants’ prices were advertised at a “sale” price, and not
10 advertised at the higher “original” price, for extended periods of time: the Earring
11 had consistently been listed at a “sale” price between at least December 16, 2023 and
12 May 5, 2025, and the Bracelet had consistently been listed at a “sale” price since
13 between at least January 20, 2025 and May 5, 2025. This was confirmed by
14 Plaintiff’s counsel using internet archives.

15 32. These are not “compare” or “MSRP” pricing practices, because
16 consumers have no “comparative” or “reference “price against which to compare
17 Signet’s Products. Signet does not request consumers “compare” the savings. They
18 simply state “Sale,” accompanied by a strikethrough former price, and a purported
19 savings percentage. Further, no branding is readily apparent on Defendants’ Product
20 pages outside of the websites’ specific in-house banding. Thus, consumers cannot
21 even reasonably compare Defendants’ advertised former prices against comparable
22 offerings.

23 33. In short, Defendants’ sales tactics are not offered in good faith and are
24 made for the sole purpose of deceiving and inducing consumers into purchasing
25 Products they otherwise would not have purchased.
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1 34. Defendants' Products are seldom offered at the higher, strikethrough
2 reference price, and only for the purpose of establishing a fictitious higher price on
3 which a deceptive comparison might be based.²

4 35. Defendants' advertised false reference prices and advertised false
5 discounts were material misrepresentations and inducements to Plaintiff's purchases.

6 36. Plaintiff was harmed as a direct and proximate result of Defendants'
7 acts and omissions.

8 37. Defendants commit the same unfair and deceptive sales practices for all
9 of its Products.

10 38. Plaintiff and members of the Class are not receiving the bargain or value
11 that Defendants have misled them to believe.

12 **CLASS ALLEGATIONS**

13 39. Class Definition: Pursuant to Federal Rule of Civil Procedure 23(a),
14 (b)(1), (b)(3), and/or (c)(4), Plaintiff brings this action on behalf of herself and other
15 similarly situated individuals, defined as all consumers who purchased the Products
16 during the applicable statute of limitations period (the "Class Period") in California
17 (the "Class").

18 40. Plaintiff reserves the right to modify the class definition or add sub-
19 classes as necessary prior to filing a motion for class certification.

20 41. The "Class Period" is the time period beginning on the date established
21 by the Court's determination of any applicable statute of limitations, after
22 consideration of any tolling, concealment, and accrual issues, and ending on the date
23 of entry of judgment.

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25
26 ² It is not curative to raise prices for minimal periods of time. Such pricing is still
27 misleading because a single (or even several day) inflated price for the purpose of
28 false reference pricing is not a bona fide offering of the product, even if some
unfortunate consumers pay an inflated price.

1 42. Numerosity: Class Members are so numerous that joinder of all
2 members is impracticable. Plaintiff believes that there are thousands of consumers
3 who are Class Members described above who have been damaged by Defendants'
4 deceptive and misleading practices.

5 43. Commonality: The questions of law and fact common to the Class
6 Members which predominate over any questions which may affect individual Class
7 Members include, but are not limited to:

- 8 (a) Whether Defendants are responsible for the conduct alleged
9 herein which was uniformly directed at all consumers who
10 purchased the Products;
11 (b) Whether Defendants' misconduct set forth in this Complaint
12 demonstrates that Defendants engaged in unfair, fraudulent, or
13 unlawful business practices with respect to the advertising,
14 marketing, and sale of the Products;
15 (c) Whether Defendants made false and/or misleading statements
16 concerning the Products that were likely to deceive a reasonable
17 consumer and/or the public;
18 (d) Whether Plaintiff and the Class are entitled to injunctive relief;
19 and
20 (e) Whether Plaintiff and the Class are entitled to money damages
21 under the same causes of action as the other Class Members.

22 44. Typicality: Plaintiff is a member of the Class she seeks to represent.
23 Plaintiff's claims are typical of the claims of each Class Member in that every
24 member of the Class was susceptible to the same deceptive, misleading conduct and
25 purchased the Defendants' Products. Plaintiff is entitled to relief under the same
26 causes of action as the other Class Members.

27 45. Adequacy: Plaintiff is an adequate Class representative because her
28 interests do not conflict with the interests of the Class members she seeks to

1 represent; her consumer fraud claims are common to all other members of the Class
2 and she has a strong interest in vindicating her rights; she has retained counsel
3 competent and experienced in complex class action litigation and she intends to
4 vigorously prosecute this action. Plaintiff has no interests which conflicts with those
5 of the Class. The Class Members' interests will be fairly and adequately protected
6 by Plaintiff and her counsel. Defendants have acted in a manner generally applicable
7 to the Class, making relief appropriate with respect to Plaintiff and the Class
8 Members. The prosecution of separate actions by individual Class Members would
9 create a risk of inconsistent and varying adjudications.

10 46. Superiority: Class action treatment is the superior method for the fair
11 and efficient adjudication of this controversy since individual joinder of all Class
12 members is impracticable. Additionally, the expense and burden of individual
13 litigation would make it difficult or impossible for the individual Class members to
14 redress the wrongs done to them, especially given the costs and risks of litigation as
15 compared to the benefits that may be attained. Even if the Class members could
16 afford individualized litigation, the cost to the court system would be substantial and
17 individual actions would also present the potential for inconsistent or contradictory
18 judgments. By contrast, a class action presents fewer management difficulties and
19 provides the benefit of single adjudication and comprehensive supervision by a
20 single forum.

21 47. Finally, Defendants have acted or refused to act on grounds generally
22 applicable to the entire Class, thereby making it appropriate for this Court to grant
23 final injunctive relief and declaratory relief with respect to the Class as a whole.
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COUNT I
Violation of Consumers Legal Remedies Act
(“CLRA”) Civil Code §§ 1750, *et seq.*

48. Plaintiff and Class Members reallege and incorporate by reference each allegation set forth above as if fully set forth herein.

49. Plaintiff brings this claim individually and on behalf of members of the Class against Defendants.

50. This cause of action is brought pursuant to California’s Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750-1785 (the “CLRA”).

51. Plaintiff and members of the Class are consumers who purchased Defendants’ Products for personal, family, or household purposes. Accordingly, Plaintiff and members of the Class are “consumers,” as the term is defined by Cal. Civ. Code § 1761(d).

52. At all relevant times, Defendants’ Products constituted “goods,” as that term is defined in Cal. Civ. Code § 1761(a).

53. At all relevant times, Defendants were each a “person,” as that term is defined in Cal. Civ. Code § 1761(e).

54. At all relevant times, Plaintiff’s purchases of Defendants’ Products, and the purchases of other Class members, constituted “transactions,” as that term is defined in Cal. Civ. Code § 1761(e).

55. The conduct alleged in this Complaint constitutes unfair methods of competition and unfair and deceptive acts and practices for the purposes of the CLRA, and the conduct was undertaken by Defendants in transactions intended to result in, and which did result in, the sale of goods to consumers.

56. The policies, acts, and practices described in this Complaint were intended to and did result in the sale of Defendants’ Products to Plaintiff and the Class. Defendants’ practices, acts, policies, and course of conduct violated the CLRA § 1750 *et seq.*, as described above.

1 performance or disposition thereof, which is untrue or misleading and which is
2 known, or which by the exercise of reasonable care should be known, to be untrue or
3 misleading.”

4 65. California’s FAL further provides that “no price shall be advertised as a
5 former price of any advertised thing, unless the alleged former price was the
6 prevailing market price ... within three months next immediately preceding the
7 publication of the advertisement or unless the date when the alleged former price did
8 prevail is clearly, exactly, and conspicuously stated in the advertisement.” *See* Cal.
9 Bus. & Prof. Code § 17501.

10 66. Defendants violated California’s FAL by representing that its Products
11 were on sale or “% off,” and displaying a strikethrough reference price. Defendants
12 never offered the Products at the advertised strike-through price. Such a deceptive
13 marketing practice misled consumers by creating a false impression that the Products
14 were of a higher value and worth more than their actual worth.

15 67. Defendants’ actions in violation of § 17500 were false and misleading
16 such that the general public was likely to be deceived.

17 68. As a direct and proximate result of these acts, consumers have been and
18 are being harmed. Plaintiff and members of the Class have suffered injury and actual
19 out-of-pocket losses because: (a) Plaintiff and members of the Class would not have
20 purchased the Products if they had known the true facts regarding the value and
21 prevailing market price of the Products; (b) Plaintiff and members of the Class paid a
22 price premium due to the misrepresentations about the Products; and (c) the Products
23 did not have the promised quality or value.

24 69. Plaintiff brings this action pursuant to § 17535 for injunctive relief to
25 enjoin the practices described herein and to require Defendants to issue corrective
26 and disclosures to consumers. Plaintiff and members of the Class are therefore
27 entitled to: (a) an order requiring Defendants to cease the acts of unfair competition
28 alleged herein; (b) full restitution of all monies paid to Defendants as a result of its

1 deceptive practices; (c) interest at the highest rate allowable by law; and (d) the
2 payment of Plaintiff's attorneys' fees and costs.

3 **COUNT III**
4 **Violation of Unfair Competition Law**
5 **Business & Professions Code §§ 17200, *et seq.***

6 70. Plaintiff and Class Members reallege and incorporate by reference each
7 allegation set forth above as if fully set forth herein.

8 71. Plaintiff brings this claim individually and on behalf of the members of
9 the Class against Defendants.

10 72. Defendants are subject to the UCL, Bus. & Prof. Code § 17200 *et seq.*
11 The UCL provides, in pertinent part: "Unfair competition shall mean and include
12 unlawful, unfair or fraudulent business practices and unfair, deceptive, untrue or
13 misleading advertising" The UCL also provides for injunctive relief and
14 restitution for violations.

15 73. "By proscribing any unlawful business practice, § 17200 borrows
16 violations of other laws and treats them as unlawful practices that the UCL makes
17 independently actionable." *Cel-Tech Communications, Inc. v. Los Angeles Cellular*
18 *Telephone Co.*, 20 Cal. 4th 163, 180 (1999) (citations and internal quotation marks
19 omitted).

20 74. Virtually any law or regulation—federal or state, statutory, or common
21 law—can serve as a predicate for a UCL "unlawful" violation. *Klein v. Chevron*
22 *U.S.A., Inc.*, 202 Cal. App. 4th 1342, 1383 (2012).

23 75. Defendants have violated the UCL's "unlawful prong" as a result of its
24 violations of the CLRA, FAL, and federal regulations as described herein.

25 76. Throughout the Class Period, Defendants committed acts of unfair
26 competition, as defined by § 17200, by representing that its Products were on sale or
27 "% off," and displaying a strikethrough reference price. Defendants never sold its
28 Products at the advertised strikethrough price in good faith. Such Products were

1 only listed at the strikethrough price for minimal periods of time and only for the
2 purpose of representing them on sale later. Such a deceptive marketing practice
3 misled consumers by creating a false impression that the Products were of a higher
4 value and worth more than their actual worth.

5 77. As detailed above, the CLRA prohibits a business from “[a]dvertising
6 goods or services with intent to not sell them as advertised.” Cal. Civ. Code §
7 1770(a)(9).

8 78. Further, the CLRA prohibits a business from “[m]aking false or
9 misleading statements of fact concerning reasons for, existence of, or amounts of
10 price reductions.” Cal. Civ. Code § 1770(a)(13).

11 79. California law also expressly prohibits false reference price schemes.
12 Specifically, the FAL provides:

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

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

22 Bus. & Prof. Code § 17501.

23 80. Federal regulations also provide:

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

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

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

81. The FTC further provides that “[t]he advertiser should be especially careful [...] 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 his 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(b) (emphasis added).

82. The FTC also provides retailers with guidance as to retail price comparison:

Another commonly used form of bargain advertising is to offer goods at prices lower than those being charged by others for the same merchandise in the advertiser’s trade area (the area in which he does business). This may be done either on a temporary or a permanent basis, but in either case **the advertised higher price must be based upon fact, and not be fictitious or misleading.**

Whenever an advertiser represents that he is selling below the prices being charged in his area for a particular article, he should be reasonably certain that the higher price he advertises does not appreciably exceed the price at which substantial sales of the article are being made in the area - that is, a sufficient number of sales so that a consumer would consider a reduction from the price to represent a genuine bargain or saving.

16 C.F.R. § 233.2(a) (emphasis added).

1 83. As described herein, the alleged acts and practices resulted in violations
2 of federal and state law.

3 84. Defendants' misrepresentations and other conduct, described herein,
4 violated the "unfair prong" of the UCL because the conduct is substantially injuries
5 to consumers, offends public policy, and is immoral, unethical, oppressive, and
6 unscrupulous, as the gravity of the conduct outweighs any alleged benefits.
7 Defendants' conduct is unfair in that the harm to Plaintiff and members of the
8 California Subclass arising from Defendants' conduct outweighs the utility, if any, of
9 those practices.

10 85. Defendants' practices as described herein are of no benefit to
11 consumers, who are tricked into believing that the Products are of a higher grade,
12 quality, worth, and/or value than they actually are. Defendants' practice of injecting
13 misinformation into the marketplace about the value of its Products is unethical and
14 unscrupulous, especially because consumers trust companies like Defendants to
15 provide accurate information about their Products. Taking advantage of that trust,
16 Defendants misrepresent the value of its Products to increase its sales. Consumers
17 reasonably believe that Defendants are an authority on the value of its Products and
18 therefore reasonably believe Defendants' representations that its Products are of a
19 higher grade, quality, worth, and/or value than they actually are.

20 86. Defendants' conduct described herein violated the "fraudulent" prong of
21 the UCL by representing that the Products were of a higher grade, quality, worth,
22 and/or value, when in fact they were not.

23 87. Plaintiff and members of the Class are not sophisticated experts with
24 independent knowledge of the value of Defendants' Products, and they acted
25 reasonably when they purchased the Products based on their belief that Defendants'
26 representations were true.

1 97. The fraudulent actions of Defendants caused damage to Plaintiff and
2 members of the Class, who are entitled to damages and other legal and equitable
3 relief as a result.

4 **COUNT V**
5 **Unjust Enrichment**

6 98. Plaintiff and Class Members reallege and incorporate by reference each
7 allegation set forth above as if fully set forth herein.

8 99. Plaintiff brings this claim individually and on behalf of the members of
9 the Class against Defendants.

10 100. Plaintiff and members of the Class conferred a benefit on Defendants by
11 purchasing the Products and by paying a price premium for them.

12 101. Defendants have knowledge of such benefits.

13 102. Defendants have been unjustly enriched in retaining the revenues
14 derived from Class members' purchases of the Products, which retention under these
15 circumstances is unjust and inequitable because it misrepresents that its Products are
16 on sale or "% off," and displaying a strikethrough reference price. These
17 misrepresentations caused injuries to Plaintiff and Class Members because they
18 would not have purchased the Products if the true facts regarding the value of the
19 Products were known.

20 103. Because Defendants' retention of the non-gratuitous benefit conferred
21 on them by Plaintiff and Class Members is unjust and inequitable, Defendants must
22 pay restitution to Plaintiff and the Class Members for their unjust enrichment, as
23 ordered by the Court.

24 **PRAYER FOR RELIEF**

25 **WHEREFORE**, Plaintiff, individually and on behalf of the members of the
26 Class, prays for judgment as follows:
27
28

- (a) Declaring this action to be a proper class action and certifying Plaintiff as the representative of the Class, and Plaintiff's attorneys as Class Counsel to represent the Class Members;
- (b) An order declaring Defendants' conduct violates the statutes referenced herein;
- (c) Entering preliminary and permanent injunctive relief against Defendants, directing Defendants to correct its sales practices and to comply with consumer protection statutes;
- (d) Awarding monetary damages, including treble damages;
- (e) Awarding punitive damages;
- (f) Awarding Plaintiff and Class Members their costs and expenses incurred in this action, including reasonable allowance of fees for Plaintiff's attorneys and experts, and reimbursement of Plaintiff's expenses; and
- (g) Granting such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury on all claims so triable.

Dated: July 11, 2025

BURSOR & FISHER, P.A.

By: /s/ Philip L. Fraietta
Philip L. Fraietta

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