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By J. Gnade, Deputy Clerk

**SUPERIOR COURT FOR THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES**

MARVIN FADRIGO individually and on behalf  
of all others similarly situated,

Plaintiff,

v.

THE REALREAL, INC.,

Defendant.

Case No. **25STCV22523**

**CLASS ACTION**

**COMPLAINT FOR:**

**VIOLATIONS OF THE CALIFORNIA  
BUSINESS AND PROFESSIONS CODE § 17200,  
et seq.;**

**VIOLATIONS OF THE CALIFORNIA CIVIL  
CODE § 1750, et seq.; AND**

**VIOLATIONS OF THE CALIFORNIA  
BUSINESS AND PROFESSIONS CODE § 17500,  
et seq.**

1 Plaintiff Marvin Fadrigo (“Plaintiff” or “Fadrigo”), individually and on behalf of all others similarly  
2 situated, brings this Complaint against Defendant The RealReal, Inc. (“The RealReal” or “Defendant”).  
3 Plaintiff makes the following allegations based upon, *inter alia*, the investigation made by his counsel, and  
4 based upon information and belief, except as to those allegations specifically pertaining to Plaintiff, which  
5 are based on his personal knowledge.

### 6 **NATURE OF ACTION**

7 1. This is a proposed class action seeking monetary damages, restitution, and equitable relief  
8 from The RealReal’s promises, misrepresentations, and omissions arising from its deceptive and fraudulent  
9 junk fee practices.

10 2. Defendant The RealReal is an online marketplace for users to buy and sell luxury goods  
11 that are purportedly authenticated by experts. It has more than 38 million members.

12 3. This case concerns the unfair, deceptive and undisclosed “Return Shipping and Processing  
13 Fee” (RSPF) of \$14.95 that The RealReal imposes on consumers who return items they’ve purchased.

14 4. The RSPF is not disclosed during the checkout process, and consumers are surprised when  
15 they are assessed it upon making a return.

16 5. Moreover, the RSPS is a sham, a classic “junk fee” that does not correspond to any actual  
17 shipping costs or “processing” work performed by The RealReal.

18 6. Plaintiff, individually and on behalf of all other similarly situated, seeks to end The  
19 RealReal’s deceptive practices and obtain damages, restitution, and equitable relief, as set forth below.

### 20 **PARTIES**

21 7. Plaintiff Mavin Fadrigo is and was, at all relevant times, a citizen of the State of California,  
22 residing in Los Angeles County, California. Plaintiff has been a The RealReal customer from around 2024  
23 to present.

24 8. Defendant The RealReal, Inc., is a California Corporation with its principal place of  
25 business in San Francisco, California. The RealReal has transacted business in this County and throughout  
26 the United States.

### 27 **JURISDICTION AND VENUE**

28 9. This Court has jurisdiction over this action pursuant to Cal. Code Civ. Proc. § 410.10 and

1 Cal. Bus. & Prof. Code §§ 17203-17204, 17604. This action is brought as a class action on behalf of  
2 Plaintiff and Class members pursuant to Cal. Code Civ. Proc. § 382.

3 10. This Court has personal jurisdiction over Defendant because Defendant maintains a  
4 principal place of business in Los Angeles County, California and regularly conducts business in  
5 California. Defendant is a registered with the California Secretary of State to do sufficient business in the  
6 State of California and has sufficient minimum contacts in California, and/or otherwise intentionally avails  
7 itself of the California market, including in the County of Los Angeles, which has caused both obligations  
8 and liability of Defendant to arise in the County of Los Angeles.

9 11. Plaintiff and the proposed Class have suffered injury as a result of Defendant's acts in this  
10 District.

11 12. Venue is proper in this Court pursuant to Cal. Code Civ. Proc. §§ 395 and 395.5 because  
12 Defendant regularly conducts business in this County, and unlawful acts or omissions have occurred in this  
13 County.

14 **COMMON FACTUAL ALLEGATIONS**

15 **A. The RealReal's Website**

16 13. Consumers may purchase used luxury goods on the The RealReal's website or app.

17 14. When consumers like Plaintiff create an account, they do not assent to any binding terms  
18 and conditions or terms of use.

19 15. During the checkout process, The RealReal displays a purchase price and add-on taxes and  
20 fees, but does not disclose the existence of penalty fees for returned purchased items.

21 16. Nonetheless, when consumers decide to return items, The RealReal charges a surprise  
22 \$14.95 RSPF.

23 17. Defendant fails to disclose that consumers will be assessed a penalty fee for returning items.

24 18. Defendant uses these deceptive advertising practices because it knows consumers are less  
25 likely to order products—especially used clothing and accessories—if they are not free to return the items  
26 without penalty.

27 19. Defendant's advertising and tactics are deceptive and unfair because they manipulate  
28 consumers into paying an RSPF that is hidden entirely during the purchase.

20. Defendant's tactics are deceptive, unfair, and illegal under California law.

21. The RealReal's undisclosed additional fee is precisely the type of "Junk Fees" that have come under government scrutiny in recent years:

"Junk fees are fees that are mandatory but not transparently disclosed to consumers. Consumers are lured in with the promise of a low price, but when they get to the register, they discover that price was never really available. Junk fees harm consumers and actively undermine competition by making it impractical for consumers to compare prices, a linchpin of our economic system."<sup>1</sup>

22. As the Federal Trade Commission said recently in its effort to combat Junk Fees,

"[M]any consumers said that sellers often do not advertise the total amount they will have to pay, and disclose fees only after they are well into completing the transaction. They also said that sellers often misrepresent or do not adequately disclose the nature or purpose of certain fees, leaving consumers wondering what they are paying for or if they are getting anything at all for the fee charged."<sup>2</sup>

23. In its own effort to combat junk fees, the State of California recently expanded its Consumer Legal Remedies Act ("CLRA") with an amendment to make "drip pricing" illegal, in cases, like this, involving advertising a price that is less than the actual price that a consumer will have to pay for a good or service. Cal. Civ. Code § 1770(a)(29). Under the updated California law, it is now illegal to advertise a low price for a product, only for that product to be subject to additional or mandatory fees later, like Defendant's RSPF. In other words, ***"the price listed or advertised to the consumer must be the full price that the consumer is required to pay."***<sup>3</sup> (emphasis added).

24. As the California Department of Justice stated:

"Businesses are free to explain how they set their prices or to subsequently itemize the charges that make up the total price that they charge customers. However, the price they advertise or display must be the total price that customers will have to pay for the good or service. Knowing the price of a good or service is essential to competition, and displaying a price that is less than what the customer will actually be charged is deceptive."

*Id.* at p. 4.

<sup>1</sup> The White House, *The Price Isn't Right: How Junk Fees Cost Consumers and Undermine Competition*, (Mar. 5, 2024), available at [https://www.whitehouse.gov/cea/written-materials/2024/03/05/the-price-isnt-right-how-junk-fees-cost-consumers-and-undermine-competition/#\\_ftnref3](https://www.whitehouse.gov/cea/written-materials/2024/03/05/the-price-isnt-right-how-junk-fees-cost-consumers-and-undermine-competition/#_ftnref3)

<sup>2</sup> Federal Trade Commission, *FTC Proposes Rule to Ban Junk Fees – Proposed rule would prohibit hidden and falsely advertised fees*, (Oct. 11, 2023), available at <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-proposes-rule-ban-junk-fees>.

<sup>3</sup> See California Department of Justice, Office of the Attorney General, *SB 478 Frequently Asked Questions*, available at <https://oag.ca.gov/system/files/attachments/press-docs/SB%20478%20FAQ%20%28B%29.pdf> (last accessed July 18, 2024).

25. Federal guidance has similarly criticized the exact type of "drip pricing" tactics utilized by Defendant. In its 2013 publication, ".com Disclosures: How to Make Effective Disclosures in Digital Advertising", the FTC makes clear that when advertising and selling are combined on a website, and the consumer will be completing the transaction online, the disclosures should be provided before the consumer makes the decision to buy - for example, before the consumer "add[s] to shopping cart."<sup>4</sup>

26. Defendant violates California law and federal guidance by adding the RSPFs without affirmatively disclosing these fees.

27. Worse yet, these surreptitious and unfounded RSPFs are themselves inflated and are far in excess of the actual cost to ship the relevant items back to The RealReal.

28. Defendant's practice of imposing its hidden and superfluous RSPFs on unsuspecting consumers is intentionally deceptive, unfair, and contrary to law.

#### **B. Plaintiff Fadrigo's Experience**

29. During 2024, on at least two occasions, Plaintiff Fadrigo was assessed RSPFs when he returned items he no longer wanted to The RealReal.

30. Plaintiff Fadrigo was not aware of, and was not informed of, the fact that RSPFs would be assessed at the time he purchased the items that he later decided to return.

31. But for The RealReal's deceptive misrepresentations and omissions, Plaintiff Fadrigo would not have made the relevant purchases if he had known he would be penalized if he decided to return them.

### **CLASS ALLEGATIONS**

32. Pursuant to Cal. Code Civ. Proc. § 382 and Cal. Civ. Code § 1781, Plaintiff brings this action individually and on behalf of a proposed Class of similarly situated persons defined as follows:

**All persons who, within the applicable state of limitations, were ever charged RSPFs.**

<sup>4</sup> See Fed. Trade Comm'n, *.com Disclosures: How to Make Effective Disclosures in Digital Advertising* at ii, 14 (Mar. 2013), available at <https://www.ftc.gov/sites/default/files/attachments/press-releases/ftc-staff-revises-online-advertising-disclosure-guidelines/130312dotcomdisclosures.pdf>.

33. Excluded from the Class are The RealReal, any entities in which it has a controlling interest, and any legal representative, heir or assign of The RealReal. Also excluded from the Class are the presiding judge(s) in this case, their staff, and any members of their immediate family.

34. Plaintiff reserves the right to expand, limit, modify, or amend this class definition, including the addition of one or more subclasses, in connection with his motion for class certification, or at any other time, based upon, *inter alia*, changing circumstances and/or new information obtained during discovery.

35. **Numerosity:** At this time, Plaintiff does not know the exact size of the Class; however, due to the nature of the trade and commerce involved, Plaintiff believes and alleges that the Class members number well into the thousands, and thus are so numerous that joinder of all members is impractical. The number and identities of Class members is administratively feasible and can be determined through appropriate discovery of documents and information in the possession of The RealReal.

36. **Commonality and Predominance:** There are questions of law and/or fact common to the Class, such that there is a well-defined community of interest among the Class members. These questions predominate over questions that may affect only individual members as The RealReal has acted on grounds generally applicable to the Class. Moreover, adjudication of these common issues in a single action has important and desirable advantages of judicial economy. Such common legal or factual questions include, but are not limited to, the following:

- a. Whether The RealReal unfairly, unethically, and/or deceptively charged RSPFs to its customers;
- b. Whether The RealReal unfairly, unethically, and/or deceptively failed to disclose facts regarding its RSPFs;
- c. Whether The RealReal's RSPFs are an unfair, illegitimate, and/or anti-competitive junk fee;
- d. Whether The RealReal's misrepresentations and omissions regarding its RSPFs were material;
- e. Whether The RealReal's alleged misconduct misled or had the tendency to mislead consumers;
- f. Whether The RealReal engaged in unfair and/or fraudulent business practices under the laws asserted;

- g. Whether The RealReal's conduct violated California's Unfair Competition Law;
- h. Whether The RealReal's conduct violated the California Consumers Legal Remedies Act;
- i. Whether The RealReal's conduct violated California's False Advertising Law;
- j. Whether The RealReal acted in bad faith when it charged RSPFs;
- k. Whether Plaintiff and the Class were harmed by The RealReal's practices, omissions and/or misrepresentations; and
- l. Whether Plaintiff and the Class are entitled to actual, compensatory, and/or nominal damages, and the proper measure thereof.

37. **Typicality:** Plaintiff, just like many other consumers, was charged RSPFs that they did not agree to. Plaintiff's claims are typical of the claims of the Class because Plaintiff and the Class have suffered the same or similar injury as a result of The RealReal's false, deceptive, misleading, and bad faith conduct, and their claims assert the same legal theory. Moreover, Plaintiff is not subject to any unique defenses. As such, Plaintiff's claims are typical of the claims of the Class.

38. **Adequacy of Representation:** Plaintiff is an adequate representative of the Class. He is committed to the vigorous prosecution of this action on behalf of himself and all others similarly situated and has retained competent counsel experienced in the prosecution of consumer class actions such as this, and who have the financial and legal resources necessary to litigate this case through resolution, including through trial and appeal, if necessary. Plaintiff does not have any interests adverse to those of the Class.

39. **Superiority:** A class action is the superior method for fair and efficient adjudication of the controversy. The likelihood that individual Class members will prosecute separate actions is remote due to the extensive time and considerable expense necessary to conduct such litigation, especially when compared to the comparatively modest amount of monetary relief available for each individual Class member. Moreover, prosecution of separate actions by individual Class members would create a risk inconsistent or contradictory judgments, lead to the duplication of evidence, effort, and expense, and unnecessarily overwhelm the court system. The benefits of class treatment, including providing injured persons or entities with a method for obtaining redress on claims that might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in the management of this class action. Plaintiff do not anticipate any difficulty in the management of this litigation as a class action.



40. The RealReal has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive and declaratory relief with respect to the Class as a whole.

**FIRST CAUSE OF ACTION**  
**Violation of California's Unfair Competition Law ("UCL")**  
**Cal. Bus. & Prof. Code § 17200, *et seq.***

41. Plaintiff repeats, realleges, and incorporates the allegations in Paragraphs 1-40 by reference as if fully set forth herein.

42. The UCL defines "unfair competition" to include any "unlawful, unfair or fraudulent business act or practice." Cal. Bus. & Prof. Code § 17200.

43. A business practice is "unfair" under the UCL if it offends an established public policy or is immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers, and that unfairness is determined by weighing the reasons, justifications and motives of the practices against the gravity of the harm to the alleged victims.

44. A business act or practice is "fraudulent" under the UCL if it is likely to deceive members of the public.

45. The UCL imposes strict liability. Plaintiff need not prove that The RealReal intentionally or negligently engaged in unfair business practices—but only that such practices occurred.

46. The RealReal's conduct described herein is "unfair" because it violates public policy and is immoral, unethical, oppressive, unscrupulous, and/or substantially injurious to consumers, and any utility of such practices is outweighed by the harm caused to consumers, including to Plaintiff, the Class, and the public. Specifically, The RealReal, *inter alia*:

- a. Deceptively charged consumers fees that were not disclosed in its advertisements;
- b. Charged an unreasonable amount for said fees;
- c. Failed to clearly and conspicuously apprise consumers of the various terms they were accepting, including its fee practices;
- d. Failed to provide customers with an opportunity to reject and/or opt out of the fees;
- e. Violated California's Consumer Legal Remedies Act ("CLRA") as further described in Count II; and
- f. Violated California's False Advertising Law as further described in Count III.



1 47. There were reasonably available alternatives to further The RealReal's legitimate business  
2 interests, other than engaging in the misleading and deceptive conduct described herein.

3 48. The RealReal's conduct is "fraudulent" because it was (and is) likely to deceive reasonable  
4 consumers, and did deceive reasonable consumers, including Plaintiff.

5 49. The RealReal's conduct and actions are deceptive, untrue, and misleading to reasonable  
6 consumers, and will continue to mislead consumers in the future.

7 50. Plaintiff relied on The RealReal's representations to become a consumer and purchase its  
8 services.

9 51. As a direct and proximate result of The RealReal's misconduct, Plaintiff and Class members  
10 have suffered and will continue to suffer actual damages.

11 52. The RealReal's wrongful conduct is ongoing and presents a continuing threat to Class  
12 members.

13 53. Plaintiff lacks an adequate remedy at law.

14 54. Pursuant to Cal. Bus. & Prof. Code § 17203, Plaintiff seeks restitution and disgorgement as  
15 a result of the unfair business practices described above.

16 **SECOND CAUSE OF ACTION**

17 **Violation of California's Consumer Legal Remedies Act ("CLRA")**

18 **Cal. Civ. Code § 17500, *et seq.***

19 55. Plaintiff repeats, realleges, and incorporates the allegations in Paragraphs 1-40 by reference  
20 as if fully set forth herein.

21 56. Defendant's goods purchased by Plaintiff and the Class are "goods" within the meaning of  
22 Cal. Civ. Code. § 1761(a).

23 57. Plaintiff and each member of the proposed Classes are consumers as defined by Cal. Civ.  
24 Code. § 1761(d).

25 58. Defendant's sale of goods to consumers were "transactions" within the meaning of Cal. Civ.  
26 Code. § 1761(e).

27 59. Defendant violated, and continues to violate, the CLRA by, *inter alia*:

28 a. Deceptively charging consumers fees that were not disclosed;

- b. Charging an unreasonable amount for said fees;
- c. Failing to clearly and conspicuously apprise consumers of the various terms they were accepting;
- d. Failing to provide customers with an opportunity to reject and/or opt out of the fees;
- e. Luring consumers in with the false promise of advertised prices and then charged undisclosed fees.

60. Defendant's conduct violated the following provisions of Cal. Civ. Code § 1770:

- a. "Representing that goods or services have . . . characteristics . . . that they do not have";
- b. "Using deceptive representations . . . in connection with . . . services";
- c. "Advertising goods or services with intent not to sell them as advertised"; and
- d. "Advertising, displaying, or offering a price for a good or service that does not include all mandatory fees or charges."

61. Defendant affirmatively and knowingly misrepresented to its consumers that they could return items without any hidden fees.

62. Defendant's conduct and actions are deceptive, untrue, and misleading to reasonable consumers, and will continue to mislead consumers in the future.

63. Plaintiff relied on Defendant's representations to purchase products from Defendant.

64. Despite being made aware of consumer complaints, Defendant did not take any effective measures to ensure that consumers are clearly made aware of its RSPFs or price increase practices, nor did it change its practices.

65. As a direct and proximate result of Defendant's misconduct, Plaintiff and Class members have suffered and will continue to suffer actual damages.

66. Defendant's wrongful conduct is ongoing and presents a continuing threat to Class members.

67. Pursuant to Cal. Civ. Code § 1780(a), Plaintiff seeks injunctive and declaratory relief on behalf of the general public for violations of the CLRA.

68. On March 6, 2025, pursuant to Cal. Civ. Code § 1782(a), Plaintiff notified Defendant in

1 writing by certified mail of the particular violations of § 1770 of the CLRA and demanded that, *inter alia*,  
 2 it correct same. Plaintiff will amend this Complaint to seek damages if Defendant does not comply with  
 3 Cal. Civ. Code § 1782(b).

4 **THIRD CAUSE OF ACTION**  
 5 **Violations of California's False Advertising Law ("FAL")**  
 6 **(Cal. Bus. & Prof. Code § 17500, *et seq.*)**

6 69. Plaintiff repeat, reallege, and incorporate the allegations in Paragraphs 1-40 by reference as  
 7 if fully set forth herein.

8 70. The FAL prohibits unfair, deceptive, untrue, or misleading advertising, including, but not  
 9 limited to, false statements as to worth, value, and price.

10 71. The FAL provides that: "It is unlawful for any person, firm, corporation or association...  
 11 with intent directly or indirectly... to perform services, or to induce the public to enter into any obligation  
 12 relating thereto, to make or disseminate or cause to be made of disseminated before the public of this  
 13 state... any statement, concerning that real or personal property or those services... or concerning any  
 14 circumstance of fact connected with the proposed performance or disposition thereof, which is untrue and  
 15 misleading." Cal. Bus. & Prof. Code § 17500.

16 72. Further, the FAL provides that: "Any advertisement, including any advertisement over the  
 17 Internet, soliciting the purchase or lease of a product or service, or any combination thereof, that requires,  
 18 as a condition of sale, the purchase or lease of a different product or service, or any combination thereof,  
 19 *shall conspicuously disclose in the advertisement the price of all those products or services.*" Cal. Bus.  
 20 & Prof. Code § 17509(a).

21 73. Defendant's online advertisements misrepresent the true costs of its products with a falsely  
 22 deflated price, that excludes the costs imposed for returns.

23 74. Through its unfair acts, practices and statements, Defendant has improperly obtained  
 24 money from Plaintiff and the class members. As such, Plaintiff requests that this Court cause Defendant  
 25 to restore this money to Plaintiff and all class members, and to prevent Defendant from continuing to  
 26 violate the FAL, and/or from violating the FAL in the future. Otherwise, Plaintiff, the class members, and  
 27  
 28

members of the general public may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff, individually and on behalf of all others similarly situated, pray for the following relief:

- (a) An order certifying the Class as requested herein, appointing Plaintiff as Class Representative and Plaintiff's counsel as Class Counsel;
- (b) An order declaring Defendant's conduct unfair and/or fraudulent;
- (c) An order awarding Plaintiff and the Class restitution and/or disgorgement;
- (d) An order awarding Plaintiff and the Class all damages available under the law, including compensatory, statutory, and punitive, as well as pre- and post-judgment interest;
- (e) An order awarding Plaintiff and the Class their reasonable attorneys' fees and costs of suit, along with pre- and post-judgment interest; and
- (f) An order awarding any other and further relief as this Court deems just, proper and equitable.

**JURY DEMAND**

Plaintiff and the Class members hereby demand a jury trial on all claims so triable.

Dated: July 30, 2025

**KALIELGOLD PLLC**

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