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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

KYLE MCCARTY, on behalf of himself
and all others similarly situated,

Plaintiff,

vs.

HURLEY INTERNATIONAL LLC, an
Oregon Limited Liability Company, and
DOES 1-50, inclusive,

Defendants.

Case No. '25CV2117 JO SBC

CLASS ACTION COMPLAINT

[DEMAND FOR JURY TRIAL]

1 Plaintiff Kyle McCarty (“Plaintiff”) brings this action, on behalf of himself and all
 2 others similarly situated, against Defendant Hurley International, LLC (“Hurley” or
 3 “Defendant”), and states:

4 I. NATURE OF ACTION

5 1. “Protection of unwary consumers from being duped by unscrupulous sellers is
 6 an exigency of the utmost priority in contemporary society.” *Vasquez v. Superior Court*, 4
 7 Cal. 3d 800, 808 (1971). That statement remains just as true today as when it was written
 8 more than fifty years ago by Justice Mosk for a unanimous California Supreme Court. This
 9 putative class action seeks to hold a multimillion-dollar retailer accountable for a years-
 10 long pricing scheme that has misled consumers into overpaying for merchandise sold at
 11 Hurley’s outlet stores. The scheme is simple: publish fake discounts off of inflated and
 12 fictitious “original” prices to drive up demand. As economists have explained, “the higher
 13 reference price stated alongside the selling price shift[s] the demand function outward,
 14 leading to higher average prices and thus higher margins.” Staelin et al., *Competition and*
 15 *the Regulation of Fictitious Pricing*, 87 J. MKTG. 826, 835 (2023).

16 2. Price is a primary signal of value in the consumer decision-making process.¹
 17 False pricing manipulates this signal, distorting consumers’ perceptions of value and
 18 inducing purchases they would not otherwise make. Retailers like Defendant exploit this
 19 dynamic by advertising deceptive discounts that promise significant savings. In reality, the
 20 supposed “original” prices are fabricated, and the discounts are illusory. The result is a
 21 systematic deception: consumers are led to believe they are receiving a bargain when, in
 22 fact, they are overpaying based on an inflated, imaginary benchmark.

23 3. At all relevant times, Defendant has advertised false price discounts at Hurley
 24 outlet stores nationwide. Plaintiff brings this action to halt this deceptive practice and seeks

25 _____
 26 ¹ Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or*
 27 *Deceptive?*, 11 J. PUB. POL’Y & MKTG. 52, 55 (1992) (“[P]rice is materially utilized in the
 28 formation of perceptions of the product’s value and influences the decision to purchase the
 product or to continue to search for a lower price.”); Patrick J. Kaufmann et al., *Deception*
in Retailer High-Low Pricing: A “Rule of Reason” Approach, 70 J. RETAILING 115, 118
 (1994) (“[R]eference to a retailer’s normal or regular price in retail sale price advertising
 provides the consumer with information used to determine perceived value.”)

1 redress for consumers who were misled. Plaintiff seeks monetary damages, restitution, and
2 declaratory and injunctive relief based on Defendant's false discount pricing scheme on
3 apparel, accessories, shoes, and other items sold in its Hurley outlet stores.

4 4. False reference pricing occurs when a seller fabricates an inflated "original"
5 price and then claims to offer a steep discount from that number. This artificial price
6 disparity deceives consumers into believing they are purchasing goods at a significant
7 markdown from the prevailing market rate. The practice elevates the consumer's internal
8 reference price, leading to increased perceived value and a corresponding willingness to
9 pay more—a phenomenon widely documented in marketing literature.²

10 5. Consider the following hypothetical, which mirrors Defendant's conduct: a
11 seller knows a DVD can be sold profitably at \$5.00, which reflects its fair market value.
12 Instead, the seller falsely claims the DVD's "original" price is \$1000.00 and advertises it
13 as "90% off," offering it for \$10.00. Consumers, believing they are securing a steep
14 discount, buy the DVD at twice its true value. They are misled not only about the price but
15 about the product's perceived market legitimacy and value.

16 6. This deception manipulates demand. Absent the fake "original" price, the
17 product would not command the inflated sale price. But the false discount creates artificial
18 market pressure and perceived scarcity or value, triggering an increase in consumer
19 willingness to pay. Over time, this shifts the market equilibrium, allowing the seller to profit
20 from a manufactured illusion of value.

21 7. Defendant's conduct violates multiple state and federal laws, including
22 California's Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*);
23 California's False Advertising Law (Cal. Bus. & Prof. Code §§ 17500, *et seq.*); California's
24 Consumers Legal Remedies Act (Cal. Civ. Code §§ 1750, *et seq.*); and the Federal Trade
25 Commission Act, which prohibits unfair or deceptive acts, practices, and false advertising
26 in or affecting commerce (15 U.S.C. §§ 45(a)(1), 52(a)).

27
28 ² See, e.g., Grewal & Compeau, *Comparative Price Advertising*, *supra* n. 1, at 55 ("By
creating an impression of savings, the presence of a higher reference price enhances
subjects' perceived value and willingness to buy the product.").

1 8. Plaintiff brings this action on behalf of himself and similarly situated
2 consumers who purchased Hurley outlet merchandise at purported discounts from fictitious
3 reference prices. Plaintiff seeks to stop this unlawful pricing scheme, correct the false
4 perception it created, and obtain relief for consumers who overpaid. Plaintiff also seeks a
5 permanent injunction prohibiting Defendant from continuing this conduct and requests all
6 available legal and equitable remedies, including actual, compensatory, statutory, and
7 punitive damages; benefit-of-the-bargain damages; restitution; attorneys' fees and costs;
8 and disgorgement of profits wrongfully obtained.

9 II. JURISDICTION AND VENUE

10 9. This Court has original jurisdiction of this action pursuant to the Class Action
11 Fairness Act, 28 U.S.C. § 1332(d)(2), because the amount in controversy exceeds
12 \$5,000,000, exclusive of interest and costs, and Plaintiff—along with at least some
13 members of the proposed Classes (defined below)—are citizens of states different from that
14 of Defendant.

15 10. The Southern District of California has personal jurisdiction over Defendant
16 because a substantial part of the events giving rise to Plaintiff's claims arose in this District
17 and Defendant's misconduct alleged herein occurred in this District. Further, Defendant
18 conducts substantial business in this District and has sufficient minimum contacts in
19 California, and/or otherwise intentionally avails itself to the California market through the
20 operation of its retail stores within the State of California.

21 11. Venue is proper under 28 U.S.C. § 1391(b)(2) because Defendant transacts
22 substantial business in this District, a substantial part of the events giving rise to Plaintiff's
23 claims arose in this District, and Defendant's misconduct alleged herein occurred in this District.

24 III. GENERAL ALLEGATIONS

25 A. **Retailers Exploit False Reference Pricing to Manipulate Consumer** 26 **Behavior**

27 12. Defendant employs a false and misleading reference price scheme in the
28 marketing and sale of Hurley outlet merchandise. These fictitious discounts are prominently

1 displayed at Hurley outlet stores to create the illusion of a deal where none exist.

2 13. Academic research has consistently shown that false discounting schemes
3 confer substantial benefits to retailers. “[F]raming a price increase as a discount can not
4 only allow the firm to get higher margins, but also increase sales.” Staelin et al., *supra*, at
5 835 (emphasis added). This tactic works because consumers often lack full information
6 about the product or its market value,³ particularly for retail clothing, where product
7 attributes can vary widely and are not always readily apparent.⁴

8 14. Defendant’s use of inflated reference prices exploits well-documented
9 psychological mechanisms in consumer behavior. First, consumers frequently treat price as
10 a proxy for quality, especially when objective quality cues are lacking.⁵ A higher reference
11 price implies a more valuable product. Second, consumers are strongly influenced by the
12 perception of getting a “deal.”⁶ Researchers have found that consumers often derive
13 disproportionate satisfaction from obtaining a product at a perceived discount—regardless
14 of the actual savings.⁷ This effect, known as “transactional utility,” was coined by Nobel
15

16
17 ³ Even within a product, consumers may have imperfect information on the individual
18 attributes. Economists describe “search goods” as those whose attributes “can be ascertained
19 in the search process prior to purchase” (e.g., style of a shirt), “experience goods” as those
20 whose attributes “can be discovered only after purchase as the product is used” (e.g.,
21 longevity of a shirt), and “credence goods” as those whose attributes “cannot be evaluated in
normal use” (e.g., whether the shirt’s cotton was produced using organic farming methods).
Michael R. Darby & Edi Karni. *Free Competition and the Optimal Amount of Fraud*, 16 no. 1
J. LAW & ECON. 67, 68-69 (1973).

22 ⁴ “Not only do consumers lack full information about the prices of goods, but their
23 information is probably even poorer about the quality variation of products simply because
the latter information is more difficult to obtain”. Phillip Nelson. *Information and
Consumer Behavior*. 78, no. 2 J. POL. ECON. 311, 311-12 (1970).

24 ⁵ Grewal & Compeau, *Comparative Price Advertising*, *supra* n.2, at 54; *see also* Richard
25 Thaler. *Mental Accounting and Consumer Choice*, 4, no. 3 MKTG. SCI. 199, 212 (1985)
26 [hereinafter Thaler, *Mental Accounting*] (“The [reference price] will be more successful as
a reference price the less often the good is purchased. The [reference price] is most likely
to serve as a proxy for quality when the consumer has trouble determining quality in other
ways (such as by inspection)”).

27 ⁶ Grewal & Compeau, *Comparative Price Advertising*, *supra* n.2, at 52.

28 ⁷ Peter Darke & Darren Dahl. *Fairness and Discounts: The Subjective Value of a Bargain*,
13 no 3 J. OF CONSUMER PSYCH. 328 (2003).

laureate Richard Thaler to describe the added value consumers feel simply from the experience of buying something on sale.⁸

15. Extensive literature in marketing and behavioral economics explains that consumer price evaluations are influenced by both internal and external reference prices.⁹ Internal references are based on prior experience; external references are supplied by the seller, such as a “suggested retail price.”¹⁰ Studies show that external reference prices directly shape internal benchmarks,¹¹ particularly for infrequently purchased items like dress shirts or suits, where the buyer may have no established price expectations.¹² This makes consumers highly vulnerable to price manipulation by retailers.¹³ As summarized by one leading study:

Inflated reference prices can have multiple effects on consumers. They can increase consumers’ value perceptions (transaction value and acquisition value), reduce their search intentions for lower prices, increase their purchase intentions, and reduce their purchase intentions for competing products ... Inflated and/or false advertised reference prices enhance consumers’ internal

⁸ “To incorporate . . . the psychology of buying into the model, two kinds of utility are postulated: *acquisition utility* and *transaction utility*. The former depends on the value of the good received compared to the outlay, the latter depends solely on the perceived merits of the ‘deal.’” Richard Thaler. *Mental Accounting*, *supra* n.6, at 205.

⁹ Empirical results “suggest that internal reference prices are a significant factor in purchase decisions. The results also add empirical evidence that external reference prices significantly enter the brand-choice decision.” Glenn E. Mayhew & Russell S. Winer. *An Empirical Analysis of Internal and External Reference Prices using Scanner Data*, 19 no. 1 J. OF CONSUMER RSCH. 62, 68 (1992) [hereinafter Mayhew & Winer, *An Empirical Analysis*].

¹⁰ Mayhew & Winer, *An Empirical Analysis*, *supra* n.10, at 62.

¹¹ “Buyers’ internal reference prices adapt to the stimuli prices presented in the advertisement. That is, buyers either adjust their internal reference price or accept the advertised reference price to make judgments about the product’s value and the value of the deal.” Dhruv Grewal et al., *The Effects of Price-Comparison Advertising on Buyers’ Perceptions of Acquisition Value, Transaction Value, and Behavioral Intentions*. 62 J. OF MKTG. 46, 48 (1998) (“Grewal et al., *The Effects of Price-Comparison Advertising*”).

¹² As Thaler notes, “the [suggested retail price] will be more successful as a reference price the less often the good is purchased.” Richard Thaler. *Mental Accounting*, *supra* n.5, at 212.

¹³ “The deceptive potential of such advertised reference prices are likely to be considerably higher for buyers with less experience or knowledge of the product and product category.” Dhruv Grewal & Larry D. Compeau. *Pricing and public policy: A research agenda and an overview of the special issue*, 18 no.1 J. PUB. POL’Y & MKTG. 3, 7 (1999) (“Grewal & Compeau, *Pricing and public policy*”).

reference price estimates and, ultimately, increase their perceptions of value and likelihood to purchase[.]¹⁴

16. In their recent publication, *Regulation of Fictitious Pricing* (2024), professors Staelin (Duke), Urbany (Notre Dame) and Ngwe (Microsoft/Havard) build on decades of foundational work to explain why fictitious reference pricing continues to flourish, despite early regulatory efforts to curtail it. They confirm that the empirical findings from earlier behavioral studies remain reliable and widely accepted in the economic discipline.¹⁵

17. Staelin et al. further demonstrate that modern tools like smartphones have not corrected the problem but instead have expanded the use of fictitious pricing.¹⁶ The authors note that “disclosure of the true normal price charged may be the only solution that could plausibly influence both consumer and firm behavior,” and that deceptive pricing tactics become even more prevalent as market competition intensifies.¹⁷

18. Retailers, like Defendant, are therefore incentivized to continue deploying fictitious reference prices because they know consumers are psychologically wired to respond. As Staelin et al. explain, “the magnitude of both real and fake discount[s] were significant predictors of demand above the effects of the actual sales price, with fake discounts having a substantially larger effect than real discounts.”¹⁸ In short: fake discounts drive sales—and Defendant knows it.

¹⁴ Grewal, Dhruv, and Larry D. Compeau. “Pricing and public policy: A research agenda and an overview of the special issue.” *Journal of Public Policy & Marketing* 18, no. 1 (1999): 3-10, p. 7.

¹⁵ See Staelin et al., *supra*, at 826 (“***It is now well accepted*** that many consumers get ***extra utility***, beyond that associated with consuming a product from purchasing it on deal [] and that magnitude of this utility is a function of the size of the deal.”) (emphasis added).

¹⁶ Staelin et al., *supra*, at 826 (explaining how the study “develop(s) a descriptive model explaining why fictitious reference pricing has spread instead of being extinguished by competition.”).

¹⁷ *Id.* at 826. See also *id.* at 831 (“Identical firms, selling identical products, make positive profits because of their obfuscation strategy, and the likelihood of obfuscation grows as competition intensifies.”).

¹⁸ *Id.* at 835 (emphasis added).

B. Defendant Engages in a Fraudulent Price Discounting Scheme

19. Defendant, a specialty retailer of men and women's clothing, has for years engaged in a deceptive pricing scheme at its Hurley outlet stores located throughout California. This scheme involves advertising merchandise at purported "sale" prices that are falsely represented as discounts from inflated "original" prices printed on the products' price tags. In most instances, these items are accompanied by placards in the immediate vicinity advertising a certain percentage-off discount from the stated "original" price. In other cases, the signage presents a whole-price reduction (e.g., "\$XX.XX") from that same reference price.

20. These signs—uniformly printed on black or navy-blue card stock with bold, white font—appear throughout Hurley outlet stores in California and throughout the United States. Defendant does not disclose when any item was last offered, if ever, at its "original" price.

21. Photographs of Defendant's stores, included in Exhibit A, reveal the systematic nature of this practice:





22. As shown in those photographs, Defendant’s “original” or “ticket” prices include no qualifying language suggesting a price comparison to other markets. Instead, Defendant’s pervasive use of percentage-off and whole-price reduction signage creates the unmistakable impression that the advertised discounts reflect reductions from a bona fide, in-store, former selling price.¹⁹ The pricing signage does not suggest any comparison to Hurley’s mainline retail stores or to third-party retailers.

23. Additionally, because the reference prices on the outlet merchandise are styled as prior in-store prices, not market comparisons, Defendant’s scheme is not a “Compare At” or “Comparable Value” pricing model. In such models, sellers explicitly invite comparison to external retailers. No such qualifier exists here (at least for the majority of the relevant time period). Consequently, Plaintiff is not required to “assert evidence from which a rational trier of fact could infer that the comparative reference price was inaccurate,” as that standard “only arises when the language of the advertisement implies a comparison to another retailer.”²⁰ Where, as here, the reference price is represented as a former in-store price, the law requires that it reflect the price at which the item was actually and regularly offered for sale.²¹

24. Plaintiff is further informed and believes and thereon alleges, that Defendant’s Hurley outlet merchandise and pricing practices are materially identical across all Hurley outlet stores in California and throughout the United States. Subject to verification in discovery, Plaintiff is informed and believes that the same false reference pricing scheme—featuring

¹⁹ See *Vizcarra v. Michaels Stores, Inc.*, 710 F. Supp. 3d 718, 725 (N.D. Cal. 2024) (“A reasonable consumer does not need language such as, ‘Formerly \$9.99, Now 40% Off \$9.99,’ or ‘40% Off the Former Price of \$9.99,’ to reasonably understand ‘40% off’ to mean 40% off the former price of the product.”) (quoting *Knapp v. Art.com, Inc.*, No. 16-CV-00768-WHO, 2016 WL 3268995, at *4 (N.D. Cal. June 15, 2016)).

²⁰ See *Harris v. PFI W. Stores, Inc.*, No. SACV192521JVSADSX, 2020 WL 3965022, at *4 (C.D. Cal. Apr. 9, 2020) (citing *Sperling*, 291 F.Supp.3d at 1085-86 and *Horosny v. Burlington Coat Factory of California, LLC*, No. CV1505005SJOMRWX, 2015 WL 12532178, at *6 (C.D. Cal. Oct. 26, 2015) (emphasis added)).

²¹ See Cal. Bus. & Prof. Code § 17501 (former price must be the prevailing market price within the three months immediately preceding the advertisement, unless otherwise clearly stated); 16 C.F.R. § 233.1(a) (reference price must be a “bona fide” former price, meaning the price at which the product was “openly and actively offered for sale, for a reasonably substantial period of time.”).

1 inflated “original” price tags and uniform in-store discount signage—is deployed consistently
2 across Defendant’s nationwide outlet store network.

3 25. Even if Defendant was to demonstrate that some products were at one time
4 offered at the full reference price (a disputed question of fact itself), such isolated instances
5 would be insufficient to render the reference prices “actual” or “bona fide” under governing
6 law.²² Likewise, under California’s FAL, a represented former price must have been the
7 prevailing market price within the past three months, or else the advertisement must “clearly,
8 exactly and conspicuously” disclose the date when that price was in effect—something
9 Defendant consistently fails to do.²³

10 26. In sum, Defendant’s fake discounting practices are designed to manipulate
11 consumer behavior, increase sales, and artificially inflate perceived product value. The scheme
12 deprives consumers of accurate pricing information and results in the unlawful imposition of a
13 price premium for merchandise that would not command such prices absent the false reference
14 pricing. Plaintiff, like thousands of other consumers, was duped into overpaying for the
15 products under the mistaken belief that he was receiving a legitimate discount.

16 **C. Defendant’s Fraudulent Price Discounting Scheme Harms All Consumers**

17 27. A product’s reference price matters because it serves as the anchor from which
18 consumers assess its value.²⁴ Empirical research Confirms that consumers are more willing
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20
21

22 ²² For the advertised former price to be “actual, bona fide” and “legitimate” it must be the
23 “price at which the article was offered to the public *on a regular basis for a reasonably substantial period of time.*” 16 C.F.R. § 233.1(a) (emphasis added).

24 ²³ See Cal. Bus. & Prof. Code § 17501. Nor would such rare offerings constitute the
25 “prevailing market price” within the “three months next immediately preceding the
26 publication of the advertisement,” as is required by the FAL, “unless the date when the
27 alleged former price did prevail is clearly, exactly and conspicuously stated in the
28 advertisement.” Indeed, where certain items are sold by only one retailer—as is the case
with Defendant’s MFO items, the “prevailing market price” is the most “common,”
“predominant,” or “most widely occurring” price at which items are sold by that retailer.
See People v. Super. Ct. (J.C. Penney Corp., Inc.), 34 Cal. App. 5th 376, 410-13 (2019)
(citing authorities).

²⁴ Thaler, *Mental Accounting and Consumer Choice*, *supra* n.5, at 212.

1 to pay higher prices when a product is presented with a higher reference price.²⁵
2 Defendant's false reference pricing causes consumers to overvalue Hurley outlet
3 merchandise, leading them to pay more than they otherwise would. The products' sales
4 prices are thus artificially inflated, not due to intrinsic value, but because Defendant has
5 manipulated consumer perception through false comparisons. As discussed above,
6 academic literature makes clear:

7 [A]dvertised reference prices in these deal-oriented advertisements can
8 enhance buyers' internal reference prices These enhanced internal
9 reference prices, when compared with the lower selling price, result in higher
10 transaction value perceptions. The increase in perceived transaction value
11 enhances purchases and reduces search behavior for lower prices. If sellers
12 intentionally increase the advertised reference prices above normal retail
prices, this is, inflate advertised reference prices, the resulting inflated
perceptions of transaction value would be deceptive. Harm to both buyers and
competitors could result from the effect of the inflated transaction value on
buyers' search and purchase behaviors.²⁶

13 28. All consumers who purchase Hurley outlet merchandise are harmed by this
14 pricing scheme because its impact is systemic: it inflates demand and elevates actual sales
15 prices across the board. As Staelin et al explains, "the higher reference price stated
16 alongside the selling price shift[s] the demand function outward, leading to higher average
17 prices and thus higher margins." In other words, whether or not a particular consumer
18 "believed" the discount was real is irrelevant—every purchaser paid more than they would
19 have in a properly functioning market, and all were denied the benefit of the bargain.

20 29. Put differently, Defendant's fake discounting scheme causes consumers to
21 (reasonably) perceive they are getting a bargain. This perception creates an artificial
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25 ²⁵ Jerry B. Gotlieb & Cyndy Thomas Fitzgerald, *An Investigation into the Effects of*
26 *Advertised Reference Prices on the Price Consumers are Willing to Pay for the Product*, 60
27 no 1 J. APPLIED BUS. RSCH. 66 (1990). Moreover, "if a higher reference price encourages
consumers to pay a higher price for a product than the consumer was willing to pay for the
identical product with a lower reference price, then the practice of using high reference
prices would be deceptive." *Id.* at 60.

28 ²⁶ Dhruv Grewal et al., *supra* note 11, at 46.

1 increase in what economists call “transactional utility”²⁷ or “transactional value”²⁸—the
2 extra satisfaction consumers derive from believing they got a deal. But that satisfaction is
3 based on a lie. As a result, Hurley outlet merchandise appears more valuable than it is,
4 skewing market demand and distorting prices.

5 30. Basic economic principles confirm that this harm is uniform across the
6 Classes. Cost and demand conditions—not individual subjective beliefs—dictate the price
7 consumers pay.²⁹ The aggregate demand curve represents consumers’ collective valuation
8 of a product. When Defendant’s deceptive pricing inflates this valuation, the demand curve
9 shifts outward, and prices rise for everyone, regardless of whether a particular buyer was
10 “deceived” in a traditional sense.

11 31. Accordingly, Defendant’s scheme artificially inflates the market price of
12 Hurley outlet merchandise. Individual beliefs, motivations, or purchasing rationales do not
13 insulate consumers from harm. As long as the aggregate demand for a falsely discounted
14 product increases, all purchasers pay a higher price than they otherwise would. Plaintiff and
15 the proposed Classes thus suffered a common injury caused by Defendant’s uniform
16 misconduct.

17 **D. Plaintiff’s Counsel’s Investigation**

18 32. Plaintiff’s counsel has conducted a large-scale, ongoing investigation into
19 Defendant’s deceptive reference pricing practices at Hurley outlet stores. This investigation
20 includes systematic in-store tracking of merchandise in California from March 30, 2022
21 through present.³⁰ A list of representative tracked products from California is attached as
22 Exhibit B to this Complaint.

23
24 ²⁷ Thaler, *Mental Accounting and Consumer Choice*, *supra* n.5, at 205.

25 ²⁸ Dhruv Grewal et al., *The Effects of Price-Comparison Advertising*, *supra* n. 11, at 46;
26 Grewal & Compeau, *Pricing and public policy*, *supra* n. 13, at 7.

27 ²⁹ Mankiw, N. *Essentials of Economics*, 8th Edition. Boston, MA: Cengage Learning, 66
28 (2015) (“[P]rice and quantity are determined by all buyers and sellers as they interact in the marketplace”); *see also* Hal R. Varian, *Microeconomics Analysis*. 3rd Edition. New York, NY: W. W. Norton & Company, at 23-38, 144-57, 233-353 & 285-312 (1992).

³⁰ As of July 22, 2025, the last visit was July 10, 2025.

33. Based on these efforts, Plaintiff is informed and believes that Defendant’s reference pricing scheme—i.e., the manner in which “original” prices and corresponding discounts are presented—is materially uniform across all Hurley outlet locations, regardless of geography or time of observation.³¹ While the specific discount or reference price may vary, the scheme itself does not: all items are advertised with an inflated “original” price, followed by perpetual signage promoting a percentage-off or whole-price reduction. Not once during the investigation was a product observed being offered at its full “original” price. Plaintiff is therefore informed and believes that Hurley outlet merchandise is not, as a general practice, offered for sale at its tagged price—let alone “on a regular basis for a reasonably substantial period of time,” as required by FTC regulations.

34. The investigation confirms that the reference prices on Hurley outlet items—including those purchased by Plaintiff—do not reflect legitimate, bona fide former prices. Rather, they serve solely as artificial anchors used to fabricate a perceived discount. Hundreds, if not thousands of products were observed as continuously “on sale” during the multi-month investigation period. This pattern constitutes a pervasive, systematic, and deceptive practice at all Hurley outlet locations visited.³²

35. In sum, Defendant’s deceptive discounting scheme is executed uniformly across all Hurley outlet locations in California and—on information and belief—nationwide. Outlet shoppers are routinely misled into believing they are purchasing

³¹ See, e.g., Exhibit A.

³² Notably, numerous California federal courts have held that plaintiffs in false discount pricing cases need not plead detailed pre-suit investigations to survive a motion to dismiss—even under Rule 9(b), which in any event does not apply to claims under New York’s General Business Law. See, e.g., *Rubenstein v. Neiman Marcus Grp. LLC*, 687 F. App’x 564, 568 (9th Cir. 2017) (plaintiff “cannot reasonably be expected” to have detailed knowledge of internal pricing policies pre-discovery; *Stathakos*, 2016 WL 1730001, at *3-4 (Rule 9(b) satisfied despite no pre-suit investigation allegations); *Knapp*, 2016 WL 3268995, at *4 (“perpetual sale” allegations sufficient); *Horosny*, 2015 WL 12532178, at *4 (upholding “information and belief” pleading); *Le v. Kohl’s*, 160 F. Supp. 3d at 1099 (no nationwide investigation required).

premium mainline merchandise at steep discounts, when in fact they are paying inflated prices for lower-quality goods never intended for sale in full-price retail settings.³³

36. Despite Plaintiff's counsel's extensive investigative efforts, the full scope of Defendant's deceptive pricing and sourcing practices remains concealed within records exclusively in Defendant's possession. Plaintiff will seek targeted discovery to obtain the internal data and documentation necessary to confirm the breadth and depth of Defendant's scheme.

IV. PARTIES

Plaintiff Kyle McCarty

37. Plaintiff Kyle McCarty resides in San Diego, California. On April 19, 2025, Plaintiff went shopping at the Hurley outlet store located at 4211 Camino De La Plz, San Diego, California 92173 ("San Ysidro Outlets"). In reliance on Defendant's false and deceptive advertising, marketing and discount pricing scheme, Plaintiff purchased three graphic t-shirts that each bore an "original" (reference) price of approximately \$28.00, with an actual sales price of \$30.00 for all three t-shirts (Buy 3 for \$30 deal). Plaintiff also purchased khaki shorts that bore an "original" (reference) price of \$59.95, with an actual sales price of \$39.95. Plaintiff paid an after-tax total of \$75.41.

38. During his time at the Hurley outlet store on April 19, 2025, Plaintiff browsed the store and observed numerous signs advertising storewide markdowns and percentage-

³³ While many past courts have not required them—*see supra* n.37—other courts have also routinely upheld complaints that *do* include pre-suit investigations—like Plaintiff's here—under both federal and state standards, including in state court actions where Rule 9(b) does not apply. *See, e.g., Adams v. Cole Haan, LLC*, No. 8:20-CV-00913-JWH-DFMx, 2021 WL 4907248 (C.D. Cal. Mar. 1, 2021); *Dahlin v. Under Armour, Inc.*, No. CV 20-3706 PA (JEMx), 2020 WL 6647733 (C.D. Cal. July 31, 2020); *Inga*, 2020 WL 5769080, at *1; *Harris*, 2020 WL 3965022, at *1; *Calderon v. Kate Spade & Co., LLC*, No. 3:19-CV-00674-AJB-JLB, 2020 WL 1062930 (S.D. Cal. Mar. 5, 2020); *Fisher v. Eddie Bauer LLC*, No. 19-cv-857 JM (WVG) 2020 WL 4218228 (S.D. Cal. Feb. 3, 2020); *Dennis v. Ralph Lauren Corp.*, No. 16-cv-1056-WQH-BGS, 2017 WL 3732103 (S.D. Cal. Aug. 29, 2017); *Rael v. New York & Co., Inc.*, No. 16-CV-369-BAS (JMA), 2017 WL 3021019 (S.D. Cal. July 17, 2017); *Azimpour v. Sears, et al.*, No. 15-CV-2798 JLS (WVG), 2017 WL 1496255 (S.D. Cal. Apr. 26, 2017); *Fallenstein v. PVH Corp., et al.*, No. 21-CV-01690-AJB-AGS (S.D. Cal. Jan. 3, 2023) at ECF No. 29 (Order Denying Defendants' Motion to Dismiss Plaintiff's First Amended Complaint); *Schertzer v. Alpargatas USA Inc* (Super. Ct. San Diego, 37-2019- 00015352, Dkt. No 45).

1 based discounts. After reviewing the advertised “original” and sale prices on the items he
2 selected, he reasonably believed he was receiving a substantial bargain. This belief was
3 material to his decision to purchase.

4 39. Plaintiff would not have purchased the item or would not have paid as much
5 as he did, had he known the advertised discounts were false. He believed the items had been
6 previously offered at the higher reference price and were not being sold at a genuine
7 markdown. In fact, he did not receive the benefit of any real discount and ultimately paid
8 more than the fair value of the product under the mistaken impression that he was securing
9 a deal.

10 40. Accordingly, Plaintiff has suffered economic injury as a direct result of
11 Defendant’s unfair and deceptive false discounting practices, including the inflated price
12 paid for merchandise falsely presented as discounted goods.

13 **Plaintiff’s and Class Members’ Economic Injuries Are Readily Quantifiable**

14 41. Plaintiff has been injured and incurred quantifiable actual damages as a result
15 of Defendant’s fraudulent pricing scheme. Plaintiff overpaid for the items he purchased as
16 described herein. It was Defendant’s fraudulent pricing scheme and attendant deception that
17 caused Plaintiff to overpay. Despite Plaintiff’s original beliefs that the items were
18 discounted and thus that their value was significantly greater than the sale prices paid for
19 them, Plaintiff, in actuality, paid an *inflated* price for the items.

20 42. That is, the items Plaintiff purchases were worth less than the amount Plaintiff
21 paid for them. If Defendant had no employed the falsely advertised “original” prices for the
22 items, then they would not have commanded such a high, inflated price. The price premium
23 Plaintiff paid—i.e., the difference between the amount Plaintiff paid and the value received,
24 or the but-for-price the product would have commanded absent the false discounting
25 scheme, can be isolated through multiple expert-based models, including hedonic
26 regression, conjoint analysis, and market simulation, which Plaintiff will further describe
27 in his motion to certify this action pursuant to Federal Rule of Civil Procedure 23.
28

Plaintiff Has Standing for Injunctive Relief and Lacks an Adequate Remedy at Law

43. Plaintiff is susceptible to harm reoccurring and therefore requires an injunction, because he cannot be certain that Defendant will have corrected this deceptive pricing scheme, and he desires to shop at Defendant's Hurley outlet stores in the future because he likes the brand and the items that are offered. Due to the enormous, fluctuating variety of styles of merchandise offered at Hurley outlet stores, Plaintiff will be unable to parse what prices are inflated and untrue and what prices are not. Plaintiff simply does not have the resources to ensure that Defendant is complying with California and federal law with respect to its pricing, labeling, and advertising of its outlet merchandise.

44. Further, because of the large selection of merchandise available at Defendant's Hurley outlet stores, the sheer volume of products involved in Defendant's deceit (i.e., on information and belief, virtually all of them), and the likelihood that Defendant may yet develop and market additional Hurley merchandise items for sale, Plaintiff may again, by mistake, purchase a falsely discounted product at one of the Hurley outlet stores under the reasonable, but false, impression that Defendant had corrected the scheme and that its reference price advertisement represented a *bona fide* former price at which the item was previously offered for sale by Defendant. However, without a substantial, time-consuming, and costly investigation, Plaintiff will have no way of knowing whether Defendant has deceived him again.

45. Absent an equitable injunction enjoying Defendant from continuing in the unlawful course of conduct alleged herein, Plaintiff, Class members, and the public will be irreparably harmed and denied an effective and complete remedy because they face a real and tangible threat of future harm emanating from Defendant's ongoing and deceptive conduct that cannot be remedied with monetary damages. Accordingly, Plaintiff, Class members, and the general public lack an adequate remedy at law and an injunction is the only form of relief which will guarantee Plaintiff, as well as California consumers at large, the appropriate assurances.

46. Additionally, Plaintiff presently lacks an adequate remedy at law because he has not yet developed the damages model necessary to determine whether actual damages will fully compensate the monetary harm suffered, or whether equitable restitution will be required to make Plaintiff whole. Legal damages are traditionally limited to actual out-of-pocket losses (reliance damages) or lost benefit of the bargain (expectancy damages), whereas equitable restitution focuses on restoring ill-gotten gains and wrongfully obtained by the defendant from the plaintiff/class members. Critically, California law prohibits recovery of benefit-of-the-bargain damages in consumer deception cases but permits recovery of the same measure through *equitable relief*. See Cal. Civ. Code § 3343. For example, Plaintiff and other Class members may be entitled to recover the difference between the price paid and the value received—a measure unavailable at law but recoverable in equity. Until Plaintiff retains an expert and completes the necessary economic analysis, it remains uncertain whether legal damages will even be viable, let alone adequate. Accordingly, Plaintiff credibly alleges at this stage that no adequate legal remedy exists, satisfying the *Sonner* standard for pleading equitable relief.³⁴

47. Plaintiff also lacks an adequate remedy at law because his claims under the UCL “sweep[] more broadly than [those under] the CLRA.” See *Allen v. Hylands, Inc.*, 773 F. App’x 870, 874 (9th Cir. 2019). Although Plaintiff’s UCL claim under the “fraudulent” prong applies the same “reasonable consumer” standard as the CLRA, his claim under the “unfair” prong reaches substantially further. As alleged, Defendant’s conduct may be deemed “unfair” where it offends established public policies favoring transparency in pricing or constitutes immoral, unethical, oppressive, or unscrupulous conduct that substantially injures consumers—harms not fully captured by the CLRA’s remedial

³⁴ Decisions in numerous false discounting cases have accepted similar allegations, where the defendant has challenged the plaintiffs’ ability to seek equitable relief following the decision in *Sonner v. Premier Nutrition Corp.*, 971 F.3d 834, 844 (9th Cir. 2020). See, e.g., *Dahlin*, 2020 WL 6647733, at *4-5; *Adams*, 2021 WL 4907248, at *3-4 (C.D. Cal. Mar. 1, 2021); *Fallenstein*, No. 21-CV-01690-AJB-AGS (S.D. Cal. Jan. 3, 2023) at ECF No. 29 (Order Denying Defendants’ Motion to Dismiss Plaintiff’s First Amended Complaint). *Dahlin v. The Donna Karan Co. Store LLC*, No. 2:21-cv-07711-AB-JPRx (C.D. Cal. Mar. 6, 2022) at ECF No. 30 (Order Denying Motion to Dismiss Plaintiff’s First Amended Complaint) at 5-10.

1 scheme. Because these broader injuries do not have an adequate legal remedy under the
2 CLRA, and the UCL independently authorizes equitable relief to remediate such conduct,
3 Plaintiff credibly alleges that legal damages are inadequate. Thus, Plaintiff properly pleads
4 parallel claims for legal damages and equitable restitution at this stage.

5 48. Finally, Plaintiff further lacks an adequate remedy at law because the UCL (an
6 equitable cause of action) carries a statute of limitations of four years, while the CLRA
7 (which can provide legal damages and equitable restitution) carries a shorter, three-year
8 statute of limitations. Cal. Bus. & Prof. Code § 17208; Cal. Civ. Code § 1783. Thus,
9 dismissal of Plaintiff's (equitable) UCL claims would wipe out an entire year's worth of
10 monetary recovery for the Classes.

11 **Defendant**

12 49. Plaintiff is informed and believes, and upon such information and belief
13 alleges, Defendant Hurley International, LLC is an Oregon limited liability company with
14 its principal executive offices in Costa Mesa, California. Plaintiff is informed and believes
15 that Defendant owns and operates Hurley outlet stores in California, and advertises,
16 markets, distributes, and/or sells clothing, accessories, and other items in California and
17 throughout the United States.

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

26 51. Defendant knows that its reference price advertising is false, deceptive,
27 misleading, unconscionable, and unlawful under California and federal law.

52. Defendant fraudulently concealed from and intentionally failed to disclose to Plaintiff and other members of the proposed Classes the truth about its advertised discount prices and former reference prices. Defendant concealed from consumers the true nature and quality of the products sold at its Hurley outlet stores.

53. Defendant intentionally concealed and failed to disclose material facts regarding the truth about false former price advertising in order to provoke Plaintiff and the proposed Classes to purchase Hurley outlet products in its stores.

54. At all relevant times, Defendant has been under a duty to Plaintiff and the Classes to disclose the truth about its false discounts.

IV. CLASS ALLEGATIONS

Plaintiff brings this action on behalf of himself and all other similarly situated Class members pursuant to Rule 23(a), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure and seeks certification of the following Classes against Defendant:

Nationwide Class:

All persons who, within the United States and within the applicable statute of limitations preceding the filing of this action (the "Class Period"), purchased from a Hurley outlet store one or more products at discounts from an advertised reference price and who have not received a refund or credit for their purchase(s).

California Class:

All persons, within the State of California, who, within the applicable statute of limitations preceding the filing of this action (the "Class Period"), purchased from a Hurley outlet store one or more products at discounts from an advertised reference price and who have not received a refund or credit for their purchase(s).

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

1 55. ***Numerosity***: The Class members are so numerous that joinder of all members
2 is impracticable. Plaintiff is informed and believes that the proposed Classes contains
3 hundreds of thousands of individuals who have been damaged by Defendant's conduct as
4 alleged herein. The precise number of Class members is unknown to Plaintiff.

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

9 A. whether, during the Class Periods, Defendant used false advertised
10 reference prices on its Hurley outlet product labels and falsely advertised price
11 discounts on merchandise sold in its outlet stores;

12 B. whether Defendant ever offered items for sale or sold items at their
13 advertised reference price;

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

18 D. whether, during the Class Periods, any original prices advertised by
19 Defendant was false or misleading;

20 E. whether Defendant's purported sale prices advertised in its Hurley outlet
21 stores reflected any actual discounts or savings;

22 F. whether Defendant's purported percentage-off discounts advertised in
23 its Hurley outlet stores reflected any actual discounts or savings;

24 G. whether Defendant's alleged conduct constitutes violations of the laws
25 asserted;

26 H. whether Defendant's alleged conduct constitutes violations of federal
27 and/or California pricing regulations;
28

1 I. whether Defendant engaged in an unconscionable commercial practice,
2 and/or employed deception or misrepresentation under the laws asserted;

3 J. whether Plaintiff and Class members are entitled to damages and the
4 proper measure of that loss;

5 K. whether an injunction is necessary to prevent Defendant from
6 continuing to use false, misleading or illegal price comparisons.

7 57. **Typicality:** Plaintiff's claims are typical of the claims of the Class members
8 because, *inter alia*, all Class members have been deceived (or were likely to be deceived)
9 by Defendant's false and deceptive price advertising scheme, as alleged herein. Plaintiff is
10 advancing the same claims and legal theories on behalf of himself and all Class members.

11 58. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the Class
12 members. Plaintiff has retained counsel experienced in complex consumer class action
13 litigation, and Plaintiff intends to prosecute this action vigorously. Plaintiff has no
14 antagonistic or adverse interest to those of the Classes.

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

25 60. All Class members, including Plaintiff, were exposed to one or more of
26 Defendant's misrepresentations or omissions of material fact claiming that former reference
27 prices were legitimate. Due to the scope and extent of Defendant's consistent false sale
28 prices, and advertising scheme, disseminated in a years-long campaign to California

1 consumers, it can be reasonably inferred that such misrepresentations or omissions of
2 material fact were uniformly made to all members of the Classes. In addition, it can be
3 reasonably presumed that all Class members, including Plaintiff, affirmatively acted in
4 response to the representations contained in Defendant's false advertising scheme when
5 purchasing merchandise sold at Hurley outlet stores.

6 61. Plaintiff is informed that Defendant keeps extensive computerized records of
7 its Hurley customers through, *inter alia*, customer loyalty programs and general marketing
8 programs. Defendant has one or more databases through which a significant majority of
9 Class members may be identified and ascertained, and they maintain contact information,
10 including email and home addresses, through which notice of this action could be
11 disseminated in accordance with due process requirements.

12 V. CAUSES OF ACTION

13 FIRST CAUSE OF ACTION

14 **Violation of California's Unfair Competition Law ("UCL")** 15 **CAL. BUS. & PROF. CODE §§ 17200, *et seq.*** **(On Behalf of Plaintiff and the California Class)**

16 62. Plaintiff repeats and re-alleges the allegations contained in every preceding
17 paragraph as if fully set forth herein.

18 63. Plaintiff brings this claim individually and on behalf of the members of the
19 proposed California Class against Defendant for violations of California's UCL, Cal. Bus.
20 & Prof. Code §§ 17200, *et seq.*

21 64. The UCL defines "unfair business competition" to include any "unlawful,
22 unfair or fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading"
23 advertising. Cal. Bus. & Prof. Code § 17200.

24 65. The UCL imposes strict liability. Plaintiff and members of the proposed
25 California Class need not prove that Defendant intentionally or negligently engaged in
26 unlawful, unfair, or fraudulent business practices—but only that such practices occurred.

1 ***“Unfair” Prong***

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

6 67. Defendant’s actions constitute “unfair” business practices because, as alleged
7 above, Defendant engaged in misleading and deceptive price comparison advertising that
8 represented false reference prices and corresponding deeply discounted phantom “sale”
9 prices. Defendant’s acts and practices offended an established public policy of transparency
10 in pricing, including regulations enacted by the FTC, and they constituted immoral,
11 unethical, oppressive, and unscrupulous activities that are substantially injurious to
12 consumers.

13 68. The harm emanating from this practice to Plaintiff and members of the
14 proposed California Class outweighs the utility it provides because Defendant’s practice of
15 advertising false discounts provides no utility. There were reasonably available alternatives
16 to further Defendant’s legitimate business interests other than the misleading and deceptive
17 conduct described herein.

18 ***“Fraudulent” Prong***

19 69. A business act or practice is “fraudulent” under the UCL if it is likely to
20 deceive members of the consuming public.

21 70. Defendant’s acts and practices alleged above constitute fraudulent business
22 acts or practices as Defendant has deceived Plaintiff and members of the proposed
23 California Class and is highly likely to deceive members of the consuming public. Plaintiff
24 and members of the proposed California Class relied on Defendant’s fraudulent and
25 deceptive representations regarding its false or outdated “original prices” for products sold
26 by Defendant at its Hurley outlet stores. These misrepresentations played a substantial role
27 in Plaintiff’s and members of the proposed California Class’s decision to purchase the
28 product at a purportedly steep discount, and Plaintiff and members of the proposed

1 California Class would not have purchased the product without Defendant's
2 misrepresentations.

3 ***"Unlawful" Prong***

4 71. A business act or practice is "unlawful" under the UCL if it violates any other
5 law or regulation.

6 72. Defendant's act and practices alleged above constitute unlawful business acts
7 or practices as they have violated state and federal law in connection with its deceptive
8 pricing scheme. The FTCA prohibits "unfair or deceptive acts or practices in or affecting
9 commerce" (15 U.S.C. § 45(a)(1)) and prohibits the dissemination of any false
10 advertisements. 15 U.S.C. § 52(a). Under the FTC, false former pricing schemes, like
11 Defendant's, are described as deceptive practices that would violate the FTCA:

12 (a) One of the most commonly used forms of bargain advertising is to offer a
13 reduction from the advertiser's own former price for an article. If the former
14 price is the actual, bona fide price at which the article was offered to the public
15 on a regular basis for a reasonably substantial period of time, it provides a
16 legitimate basis for the advertising of a price comparison. Where the former
17 price is genuine, the bargain being advertised is a true one. If, on the other
18 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.

19 (b) A former price is not necessarily fictitious merely because no sales at the
20 advertised price were made. The advertiser should be especially careful,
21 however, in such a case, that the price is one at which the product was openly
22 and actively offered for sale, for a reasonably substantial period of time, in the
23 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. And the advertiser should scrupulously
avoid any implication that a former price is a selling, not an asking price (for
example, by use of such language as, "Formerly sold at \$ _____"), unless
substantial sales at that price were actually made.

24 16 C.F.R. § 233.1(a) and (b) (emphasis added).

25 73. In addition, Defendant's acts and practices violate California law, which
26 expressly prohibits false former pricing schemes. The FAL, Cal. Bus. & Prof. Code
27 § 17501, entitled "*Worth or value; statements as to former price*," states:

28 For the purpose of this article the worth or value of any thing advertised is the
prevailing market price, wholesale if the offer is at wholesale, retail if the offer

1 is at retail, at the time of publication of such advertisement in the locality
2 wherein the advertisement is published.

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

8 Cal. Bus. & Prof. Code § 17501 (emphasis added).

9 74. Defendant violates § 17501 because it advertises items, including the items
10 that Plaintiff purchased as described herein, with a former “original” price that greatly
11 exceeds the prevailing market price of those items. Defendant’s own sales records will show
12 that it normally sells its products, including the items purchased by Plaintiff, at prices
13 substantially lower than the advertised former “original” price, thereby establishing that
14 those prices exceed the prevailing market price of Defendant’s merchandise in violation of
15 Cal. Bus. & Prof. Code § 17501.

16 75. As detailed in Plaintiff’s Third Cause of Action below, the CLRA, Cal. Civ.
17 Code § 1770(a)(9), prohibits a business from “[a]dvertising goods or services with intent
18 not to sell them as advertised,” and subsection (a)(13) prohibits a business from “[m]aking
19 false or misleading statements of fact concerning reasons for, existence of, or amounts of
20 price reductions.”

21 76. As detailed herein, and for the same reason that Defendant’s acts and practices
22 violate the FTCA and the FAL, they also violate the CLRA.

23 77. Defendant’s practices, as set forth above, misled Plaintiff, and are likely to
24 mislead the proposed California Class and the public in the future. Consequently,
25 Defendant’s practices constitute an unlawful, fraudulent, and unfair business practice within
26 the meaning of the UCL.

27 78. Defendant’s violations of the UCL, through its unlawful, unfair, and fraudulent
28 business practices, are ongoing and present a continuing threat to Plaintiff, members of the
proposed California Class, and the public who, if Defendant’s false pricing scheme is
permitted to continue, will be deceived into purchasing products based on illegal price

1 comparisons. These false comparisons created phantom markdowns and led to financial
2 harm for consumers like Plaintiff and the members of the proposed California Class as
3 described herein. Because of the surreptitious nature of Defendant's deception, these
4 injuries cannot be reasonably avoided and will continue to be suffered by the consuming
5 public absent a mandated change in Defendant's practice.

6 79. Pursuant to the UCL, Plaintiff and members of the proposed California Class
7 are entitled to preliminary and permanent injunctive relief enjoining Defendant from further
8 engagement in this unfair competition, as well as disgorgement and restitution to Plaintiff
9 and the proposed California Class of all Defendant's revenues wrongfully obtained from
10 them as a result of Defendant's unfair competition, or such portion of those revenues as the
11 Court may find equitable.

12 **SECOND CAUSE OF ACTION**

13 **Violation of California's False Advertising Law ("FAL")** 14 **CAL. BUS. & PROF. CODE §§ 17500, *et seq.*** **(On Behalf of Plaintiff and the California Class)**

15 80. Plaintiff repeats and re-alleges the allegations contained in every preceding
16 paragraph as if fully set forth herein.

17 81. Plaintiff brings this claim individually and on behalf of the members of the
18 proposed California Class against Defendant for violations of California's FAL, Cal. Bus. &
19 Prof. Code §§ 17500, *et seq.*

20 82. Cal. Bus. & Prof. Code § 17500 provides:

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

27 (emphasis added).

28 83. The FAL further provides:

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

4 Cal Bus. & Prof. Code § 17501.

5 84. Defendant's routine of advertising discounted prices from false "reference"
6 prices, which are not and never have been the prevailing market prices of those products
7 and were materially greater than the true prevailing prices (i.e., Defendant's average and/or
8 most common actual sale price), constitutes an unfair, untrue, and misleading practice in
9 violation of the FAL. This deceptive marketing practice gave consumers the false
10 impression that the products were regularly sold on the market for a substantially higher
11 price than they actually were; therefore, leading to the false impression that the products
12 sold at Defendant's Hurley outlet stores were worth more than they actually are.

13 85. As a direct and proximate result of Defendant's misleading and false
14 advertisements, as well as Defendant's deceptive and unfair acts and practices made during
15 the course of Defendant's business, Plaintiff and members of the proposed California Class
16 suffered economic injury.

17 86. Plaintiff, on behalf of himself and the California Class, requests that this Court
18 order Defendant to restore this money to Plaintiff and the California Class, and to enjoin
19 Defendant from continuing these unfair practices in violation of the FAL in the future.
20 Otherwise, Plaintiff, members of the California Class, and the broader general public, will
21 be irreparably harmed and/or denied an effective and complete remedy.

22 **THIRD CAUSE OF ACTION**

23 **Violation of California's Consumers Legal Remedies Act ("CLRA")**

24 **CAL. CIV. CODE § 1750, *et seq.***

25 ***(On Behalf of Plaintiff and the California Class)***

26 87. Plaintiff repeats and re-alleges the allegations contained in every preceding
27 paragraph as if fully set forth herein.
28

1 88. Plaintiff brings this claim individually and on behalf of the members of the
2 California Class against Defendant for violations of the CLRA, Cal. Civ. Code § 1750, *et*
3 *seq.*

4 89. Plaintiff and each member of the California Class are “consumers” as defined
5 by Cal. Civ. Code § 1761(d). Defendant’s sale of products at its Hurley outlet stores were
6 “transactions” within the meaning of Cal. Civ. Code § 1761(e). The products purchased by
7 Plaintiff and members of the California Class are “goods” or “services” within the meaning
8 of Cal. Civ. Code §§ 1761(a) - (b).

9 90. Defendant violated and continues to violate the CLRA by engaging in the
10 following practices proscribed by Cal. Civ. Code § 1770(a) in transactions with Plaintiff
11 and the California Class which were intended to result in, and did result in, the sale of
12 products sold at its Hurley outlet stores:

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

17 91. Plaintiff and the California Class are consumers who have suffered economic
18 injury and damages, including benefit of the bargain damages, as a result of Defendant’s
19 use and employment of the false and misleading reference pricing alleged herein. Pursuant
20 to Cal. Civ. Code § 1780(a), Plaintiff therefore seeks an order enjoining such methods, acts,
21 or practices as well as any other relief the Court deems proper. Plaintiff additionally seeks
22 costs and reasonably attorneys’ fees pursuant to Cal. Civ. Code § 1780(e).

23 92. On August 18, 2025 Plaintiff concurrently served a notice letter pursuant to
24 California Civil Code § 1782(a), providing Defendant with notice of the CLRA violations
25 alleged herein and demanding that Defendant cease its unlawful pricing practices and take
26 appropriate corrective action. If Defendant fails to adequately respond within thirty (30)
27 days of service, Plaintiff will seek damages and attorneys’ fees under the CLRA, in addition
28 to the equitable relief already sought pursuant to § 1782(d). Plaintiff expressly reserves the

1 right to pursue such damages and fees and hereby incorporates that request into this
2 Complaint with the intention—and to the maximum extent permitted by law—of obviating
3 the need for any further amendment following expiration of the statutory notice period.
4 However, Plaintiff acknowledges that a formal amendment may be required depending on
5 the Court’s interpretation of the § 1782 compliance at the pleading stage.

6 93. Filed concurrently is a declaration of venue pursuant to Cal. Civ.
7 Code §1780(d).

8 **FOURTH CAUSE OF ACTION**

9 **Unjust Enrichment** 10 ***(On Behalf of Plaintiff and the Nationwide Class)***

11 94. Plaintiff realleges and reincorporates by reference all paragraphs alleged
12 above.

13 95. Plaintiff brings this claim individually and on behalf of the Nationwide Class
14 against Defendant.

15 96. Plaintiff and the Nationwide Class conferred a benefit on Defendant in the
16 form of gross revenues derived from their purchases of merchandise from Hurley outlet
17 stores.

18 97. Defendant had knowledge of the benefit conferred upon it by Plaintiff and the
19 Nationwide Class members.

20 98. Defendant has been unjustly enriched in retaining the revenues obtained
21 through its deceptive and misleading pricing practices. Specifically, Defendant falsely
22 represented that its merchandise was being offered at a discount from a higher, former
23 “original” price, when in fact such reference prices were fabricated or inflated, and the items
24 were never offered at the claimed original prices for a meaningful period of time.

25 99. Retention of those revenues is unjust and inequitable because Plaintiff and the
26 Nationwide Class paid more than they otherwise would have had they known the true nature
27 of Defendant’s pricing practices. Plaintiff and Nationwide Class members would not have
28

1 purchased the items at all, or would have paid significantly less, absent Defendant's
2 deceptive marketing.

3 100. Defendant has thereby profited from the deceptive pricing scheme under
4 circumstances which make it inequitable for Defendant to retain those gains.

5 101. Plaintiff and the Nationwide Class members are, therefore, entitled to
6 restitution in the form of the revenues derived from Defendant's deceptive sale pricing
7 practices.

8 102. As a direct and proximate result of Defendant's conduct, Plaintiff and the
9 Nationwide Class members have suffered monetary losses in an amount to be proven at
10 trial.

11 103. Equitable relief is appropriate because Plaintiff may lack an adequate remedy
12 at law if, for example, individual damages are determined to be less than the total purchase
13 price or statutory thresholds. Restitution provides a more prompt and reliable means of
14 redressing the harm by restoring to Plaintiff the full amount paid under misleading
15 circumstances.

16 104. **Choice of Law.** California's interest in applying its law to this dispute is
17 strong. The conduct giving rise to Plaintiff's claims emanated from California, including
18 the formulation of Defendant's pricing strategy, creation of marketing materials, and design
19 of in-store signage. California has a substantial interest in regulating businesses that operate
20 within its borders and export deceptive practices to consumers nationwide.

21 105. Application of California law to the common law claims of the Nationwide
22 Class, including the cause of action for unjust enrichment, is appropriate because (1)
23 California has a materially greater interest than any other state in enforcing its laws against
24 a business operating within its borders; and (2) California's legal principles on unjust
25 enrichment do not conflict materially with those of other jurisdictions in a way that would
26 frustrate the interests of justice.

27 106. Accordingly, California law governs Plaintiff's common law claim for unjust
28 enrichment on behalf of himself and the Nationwide Class.

FIFTH CAUSE OF ACTION

**Fraud by Omission
(On Behalf of Plaintiff and the Nationwide Class)**

107. Plaintiff realleges and reincorporates by reference all paragraphs alleged above.

108. Plaintiff brings this claim individually and on behalf of the Nationwide Class against Defendant.

109. Defendant marketed and sold its merchandise to consumers throughout the United States, including to Plaintiff in California.

110. Defendant omitted and concealed material facts about the nature of its pricing practices. Specifically, Defendant failed to disclose that the “original” or “regular” prices displayed on its merchandise were not bona fide former prices and that the advertised discounts were illusory.

111. These omissions misrepresented that customers were receiving a meaningful discount when, in fact, the merchandise had not been offered at the referenced original prices for a reasonably substantial period of time, if ever.

112. Defendant knew or should have known that its reference prices were fabricated or artificially inflated and that consumers would be misled into believing they were receiving a genuine bargain.

113. Defendant knew that the existence of a genuine discount is a material fact that influences consumer purchasing decisions. Retailers have a duty to refrain from deceptive pricing practices that manipulate consumers’ perceptions of value.

114. Defendant therefore had a duty to disclose the truth about its pricing practices but failed to do so.

115. Consumers, including Plaintiff and Nationwide Class members, justifiably relied on the misleading appearance of discounts in making their purchase decisions.

1 116. As a result of these omissions and misrepresentations, Plaintiff and the
2 Nationwide Class members paid more for Hurley outlet merchandise than they otherwise
3 would have, or made purchases they would not have made at all.

4 117. **Choice of Law.** California's interest in applying its law to this dispute is
5 strong. The conduct giving rise to Plaintiff's claims emanated from California, including
6 the formulation of Defendant's pricing strategy, creation of marketing materials, and design
7 of in-store signage. California has a substantial interest in regulating businesses that operate
8 within its borders and export deceptive practices to consumers nationwide.

9 118. Application of California law to the common law claims of the Nationwide
10 Class, including the cause of action for fraud by omission, is appropriate because (1)
11 California has a materially greater interest than any other state in enforcing its laws against
12 a business operating within its borders; and (2) California's legal principles on unjust
13 enrichment do not conflict materially with those of other jurisdictions in a way that would
14 frustrate the interests of justice.

15 119. Accordingly, California law governs Plaintiff's common law claim for fraud
16 by omission on behalf of himself and the Nationwide Class.

17 **SIXTH CAUSE OF ACTION**

18 **Fraud (Affirmative Misrepresentation)**
19 ***(On Behalf of Plaintiff and the Nationwide Class)***

20 120. Plaintiff realleges and reincorporates by reference all paragraphs alleged
21 above.

22 121. Plaintiff brings this claim individually and on behalf of the Nationwide Class
23 against Defendant.

24 122. Defendant engaged in a pattern of deceptive conduct by knowingly and
25 intentionally mispresenting the nature of the pricing of its merchandise.

26 123. Specifically, Defendant affirmatively represented—both on product tags and
27 in nearby store signage—that its merchandise was being offered at a discounted “sale”
28 price, reduced from a former, higher “original” price. These representations were false. In

1 truth, the so-called “original” prices were not the prevailing market prices, had not been
2 offered for a reasonable period of time, or had never been the actual selling price for the
3 merchandise.

4 124. Defendant made these misrepresentations with knowledge of their falsity and
5 with the intent to induce Plaintiff and the Nationwide Class members to rely on the
6 appearance of a discount and make purchases they otherwise would not have made.

7 125. Defendant’s false reference pricing created a misleading impression of value
8 and urgency, deceiving consumers into believing they were obtaining a bargain.

9 126. Plaintiff and the Nationwide Class justifiably relied on Defendant’s
10 misrepresentations in deciding to purchase the merchandise at the stated “sale” prices. A
11 reasonable consumer would expect a discount to reflect a genuine markdown from a bona
12 fide original price.

13 127. As a result of Defendant’s fraudulent conduct, Plaintiff and the Nationwide
14 Class suffered monetary loss, including paying more than the true value of the merchandise
15 or making purchases they otherwise would have declined.

16 128. Defendant’s conduct was willful, malicious, and fraudulent, and Plaintiff and
17 the Nationwide Class are entitled to compensatory and punitive damages in an amount to
18 be proven at trial.

19 129. **Choice of Law.** California’s interest in applying its law to this dispute is
20 strong. The conduct giving rise to Plaintiff’s claims emanated from California, including
21 the formulation of Defendant’s pricing strategy, creation of marketing materials, and design
22 of in-store signage. California has a substantial interest in regulating businesses that operate
23 within its borders and export deceptive practices to consumers nationwide.

24 130. Application of California law to the common law claims of the Nationwide
25 Class, including the cause of action for fraud (affirmative misrepresentation), is appropriate
26 because (1) California has a materially greater interest than any other state in enforcing its
27 laws against a business operating within its borders; and (2) California’s legal principles on
28

1 unjust enrichment do not conflict materially with those of other jurisdictions in a way that
2 would frustrate the interests of justice.

3 131. Accordingly, California law governs Plaintiff's common law claim for fraud
4 (affirmative misrepresentation) on behalf of himself and the Nationwide Class.

5 VI. PRAYER FOR RELIEF

6 Wherefore, Plaintiff, on behalf of himself and on behalf of the other members of the
7 Classes, requests that this Court award relief against Defendant as follows:

8 A. Certify the Classes and designate Plaintiff as the Class Representative and his
9 counsel as Class Counsel;

10 B. Award Plaintiff and members of the Classes any and all actual, consequential,
11 statutory, and punitive damages, as permitted by applicable law;

12 C. Award damages and attorneys' fees under the CLRA to Plaintiff, contingent
13 upon Defendant's failure to cure the violations within thirty (30) days of service of
14 Plaintiff's notice pursuant to California Civil Code § 1782(a);

15 D. Award restitution and disgorgement of all profits and unjust enrichment that
16 Defendant obtained from Plaintiff and the members of the Classes as a result of its unlawful,
17 unfair, and fraudulent business practices described herein;

18 E. Award declaratory and injunctive relief as permitted by law or equity,
19 including an order enjoining Defendant from continuing the unlawful practices as set forth
20 herein, including, if appropriate, retaining jurisdiction to monitor Defendant's compliance
21 with permanent injunctive relief;

22 F. Order Defendant to engage in a corrective advertising campaign;

23 G. Award attorneys' fees and costs; and

24 H. Order such other and further relief as the Court may deem necessary or
25 appropriate.

VIII. DEMAND FOR JURY TRIAL

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

Dated: August 18, 2025

LYNCH CARPENTER LLP

By: /s/ Todd D. Carpenter

Todd D. Carpenter (SBN 234464)

todd@lcllp.com

Scott G. Braden (SBN 305051)

scott@lcllp.com

9171 Towne Centre Drive, Suite 180

San Diego, CA 92122

Telephone: (619) 762-1900

Facsimile: (858) 313-1850

*Attorneys for Plaintiff and
Proposed Class Counsel*

CIVIL COVER SHEET

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

I. (a) PLAINTIFFS

KYLE MCCARTY, on behalf of himself and all others similarly situated,

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

(c) Attorneys (Firm Name, Address, and Telephone Number)

LYNCH CARPENTER, LLP
9171 Towne Centre Drive, Suite 180
San Diego, CA 92122 (619) 762-1910

DEFENDANTS

HURLEY INTERNATIONAL LLC, an Oregon Limited Liability Company, and DOES 1-50, inclusive,

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

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

Attorneys (If Known)

'25CV2117 JO SBC

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

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

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

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

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

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	PERSONAL INJURY	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 375 False Claims Act
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 376 Qui Tam (31 USC 3729(a))
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability		INTELLECTUAL PROPERTY RIGHTS	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander		<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability		<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine		<input type="checkbox"/> 835 Patent - Abbreviated New Drug Application	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans)	<input type="checkbox"/> 345 Marine Product Liability		<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	LABOR	<input type="checkbox"/> 880 Defend Trade Secrets Act of 2016	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 710 Fair Labor Standards Act	SOCIAL SECURITY	<input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692)
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 720 Labor/Management Relations	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 485 Telephone Consumer Protection Act
<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 740 Railway Labor Act	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 196 Franchise		<input type="checkbox"/> 751 Family and Medical Leave Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 850 Securities/Commodities/Exchange
		<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 890 Other Statutory Actions
REAL PROPERTY	CIVIL RIGHTS	<input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 891 Agricultural Acts
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 440 Other Civil Rights		FEDERAL TAX SUITS	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 441 Voting		<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 442 Employment	IMMIGRATION	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 896 Arbitration
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 462 Naturalization Application		<input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 445 Amer. w/Disabilities - Employment	<input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 950 Constitutionality of State Statutes
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 446 Amer. w/Disabilities - Other			
	<input type="checkbox"/> 448 Education			
		PRISONER PETITIONS		
		Habeas Corpus:		
		<input type="checkbox"/> 463 Alien Detainee		
		<input type="checkbox"/> 510 Motions to Vacate Sentence		
		<input type="checkbox"/> 530 General		
		<input type="checkbox"/> 535 Death Penalty		
		Other:		
		<input type="checkbox"/> 540 Mandamus & Other		
		<input type="checkbox"/> 550 Civil Rights		
		<input type="checkbox"/> 555 Prison Condition		
		<input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement		

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

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

VI. CAUSE OF ACTION

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

Brief description of cause:

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

VII. REQUESTED IN COMPLAINT:

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

Aug 18, 2025

/s/ Todd D. Carpenter

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

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

- I. (a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. **Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. **Origin.** Place an "X" in one of the seven boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
- Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
- PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. **Related Cases.** This section of the JS 44 is used to reference related cases, if any. If there are related cases, insert the docket numbers and the corresponding judge names for such cases.

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