

LYNCH CARPENTER LLP

Todd D. Carpenter (SBN 234464)

todd@lcllp.com

Scott G. Braden (SBN 305051)

scott@lcllp.com

9171 Towne Centre Drive, Suite 180

San Diego, California 92122

Telephone: (619) 762-1910

Facsimile: (858) 313-1850

*Attorneys for Plaintiff and
Proposed Class Counsel*

ELECTRONICALLY FILED

Superior Court of California,

County of San Diego

7/24/2025 3:56:56 PM

Clerk of the Superior Court

By J. Centeno ,Deputy Clerk

IN THE SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

QASEM HASHIMI, on behalf of himself and
all others similarly situated,

Plaintiff,

vs.

LACOSTE USA, INC., a Delaware
Corporation, and DOES 1-50, inclusive,

Defendants.

Case No. 25CU039088N

CLASS ACTION COMPLAINT

[DEMAND FOR JURY TRIAL]

Plaintiff Qasem Hashimi (“Plaintiff”) brings this action, on behalf of himself and all others similarly situated, against Defendant Lacoste USA, Inc. (“Lacoste” or “Defendant”), and states:

I. NATURE OF ACTION

A. La Coste Outlet Deceptive Pricing Scheme

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

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

3. At all relevant times, Defendant has advertised false price discounts at Lacoste outlet stores throughout California. Plaintiff brings this action to halt this deceptive practice and seeks redress for consumers who were misled. Plaintiff seeks monetary damages, restitution, and declaratory and injunctive

¹ Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*, 11 J. PUB. POL’Y & MKTG. 52, 55 (1992) (“[P]rice is materially utilized in the 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 relief based on Defendant's false discount pricing scheme on apparel, accessories, sportswear, leather
2 goods, and related products.

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

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

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

17 7. Defendant's conduct violates multiple state and federal laws, including California's Unfair
18 Competition Law (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); California's False Advertising Law (Cal.
19 Bus. & Prof. Code §§ 17500, *et seq.*); California's Consumers Legal Remedies Act (Cal. Civ. Code
20 §§ 1750, *et seq.*); and the Federal Trade Commission Act, which prohibits unfair or deceptive acts,
21 practices, and false advertising in or affecting commerce (15 U.S.C. §§ 45(a)(1), 52(a)).

22 8. Plaintiff brings this action on behalf of himself and similarly situated consumers who
23 purchased Lacoste outlet merchandise at purported discounts from fictitious reference prices. Plaintiff
24 seeks to stop this unlawful pricing scheme, correct the false perception it created, and obtain relief for
25 consumers who overpaid. Plaintiff also seeks a permanent injunction prohibiting Defendant from
26 continuing this conduct and requests all available legal and equitable remedies, including actual,

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 compensatory, statutory, and punitive damages; benefit-of-the-bargain damages; restitution; attorneys'
2 fees and costs; and disgorgement of profits wrongfully obtained.

3 **B. Violations of the Fair and Accurate Credit Transactions Act (“FACTA”) at**
4 **Defendant’s La Coste Outlet (and Potentially Other Retail) Stores**

5 9. Plaintiff also brings this class action against Defendant for its willful violations of the Fair
6 and Accurate Credit Transactions Act (“FACTA”), 15 U.S.C. § 1681c(g). Specifically, Defendant printed
7 electronically generated receipts that displayed more than the last five digits of Plaintiff’s credit or debit
8 card number, in direct violation of federal law.

9 10. Enacted in 2003 as an amendment to the Fair Credit Reporting Act (“FCRA”), FACTA was
10 designed to curb identity theft and payment card fraud by requiring merchants to truncate sensitive payment
11 card information on printed receipts. Under 15 U.S.C. § 1681c(g)(1), any business that accepts credit or
12 debit cards for the purchase of goods or services must ensure that electronically printed receipts do not
13 display more than the last five digits of the payment card number, and must omit the expiration date
14 entirely.

15 11. Congress enacted FACTA with the express intent of reducing the risk that identity thieves
16 could obtain consumers’ personal and financial information from discarded or stolen receipts. Most
17 merchants require both the full payment card number and expiration date to process purchases—thus,
18 printed receipts containing this information are a rich target for identity theft. By requiring truncation,
19 Congress sought to eliminate a key source of exposure.

20 12. The truncation requirement was specifically designed to protect consumers from so-called
21 “dumpster divers” and other would-be criminals seeking access to discarded receipts containing complete
22 or nearly complete payment card data. By removing access to either the expiration date or significant
23 portions of the card number, the statute makes identity theft more difficult and safeguards consumers’
24 financial security.

25 13. Even excluding the cardholder’s name, a receipt that includes both the first six digits (which
26 identify the issuing bank) and the last four digits of the card number provides substantial identifying
27 information. When combined with other readily obtainable consumer data—such as name, address, or
28 security PIN—such receipts significantly increase the risk of fraud.

1 14. Defendant, operating retail stores under the Lacoste brand name, violated FACTA by
2 printing receipts that included both the first six digits and the last four digits of customers' payment card
3 numbers—double the number of digits permitted by law.

4 15. Despite being a sophisticated national retailer with regular access to legal compliance
5 resources, and despite routinely processing credit and debit card transactions, Defendant failed to comply
6 with the straightforward truncation requirements of FACTA. At the point of sale, Defendant printed
7 electronically generated receipts that improperly included prohibited portions of consumers' payment card
8 numbers.

9 16. As alleged in greater detail below, Defendant was aware of the requirements imposed by 15
10 U.S.C. § 1681c(g)(1), but willfully disregarded them. By printing receipts that included more than the final
11 five digits of consumers' payment card numbers, Defendant knowingly exposed Plaintiff and similarly
12 situated individuals to an increased risk of credit and debit card fraud, in violation of federal law.

13 17. A willful violation of FACTA, as defined under 15 U.S.C. § 1681n(a)(1)(A), entitles each
14 affected consumer to statutory damages ranging from \$100 to \$1,000 per violation. Plaintiff accordingly
15 brings this claim on behalf of himself and a class of similarly situated California consumers whose payment
16 card information was unlawfully printed on receipts at Defendant's retail stores.

17 18. Specifically, Plaintiff seeks to represent a class of all natural persons in California who,
18 within the applicable statute of limitations period, made a purchase at a Lacoste outlet (or mainline) retail
19 store and were provided a printed receipt displaying more than the last five digits of their credit or debit
20 card number (the "FACTA Class"). On behalf of the FACTA Class, Plaintiff seeks statutory damages of
21 \$100 to \$1,000 per violation pursuant to 15 U.S.C. § 1681n(a)(1)(A), for each instance in which Defendant
22 issued a noncompliant receipt.³

23
24 ³ Plaintiff notes that membership in the FACTA Class necessarily overlaps to some extent with
25 membership in the Outlet Pricing Class that Plaintiff concurrently seeks to represent in this action.
26 However, as detailed below, Plaintiff sets forth two distinct class definitions, as each Class will also include
27 individuals who are not members of the other. For example, the Outlet Pricing Class will likely include
28 customers whose receipts did not display more than the last five digits of their payment card number, while
the FACTA Class may include customers who, for instance, shopped at Defendant's mainline stores and
thus did not purchase merchandise advertised at a discount from a Lacoste outlet store. To the extent the
FACTA violation is limited to transactions at Defendant's outlet stores, Plaintiff anticipates that virtually
all FACTA Class members would also fall within the Outlet Pricing Class. In that scenario, the FACTA
Class would function as a subclass of the broader Outlet Pricing Class, asserting an additional statutory
claim under FACTA.

II. JURISDICTION AND VENUE

This Court has jurisdiction over Defendant for Plaintiff's claims set forth below related to the deceptive pricing of its outlet merchandise and violations of FACTA and the claims set forth below pursuant to Code of Civil Procedure § 410.10 and the California Constitution, Article VI § 10, because this case is a cause not given by statute to other trial courts.

Venue is proper in the Superior Court for the County of San Diego, North County Division because Plaintiff resides in this County, the acts and transactions giving rise to this action occurred in this County (Carlsbad Premium Outlets), and, on information and belief, Defendant has accepted payment cards for the transaction of business throughout California, including within this County, which has caused both obligations of liability of Defendant to arise in the County of San Diego.

The amount in controversy exceeds the jurisdictional minimum of this Court.

III. GENERAL ALLEGATIONS – DECEPTIVE OUTLET PRICING SCHEME

A. Retailers Exploit False Reference Pricing to Manipulate Consumer Behavior

19. Defendant employs a false and misleading reference price scheme in the marketing and sale of Lacoste outlet merchandise. These fictitious discounts are prominently displayed at Lacoste outlet stores to create the illusion of a deal where none exist.

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

⁴ Even within a product, consumers may have imperfect information on the individual attributes. Economists describe “search goods” as those whose attributes “can be ascertained in the search process prior to purchase” (e.g., style of a shirt), “experience goods” as those whose attributes “can be discovered only after purchase as the product is used” (e.g., 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).

⁵ “Not only do consumers lack full information about the prices of goods, but their information is probably even poorer about the quality variation of products simply because the latter information is more difficult to obtain”. Phillip Nelson. *Information and Consumer Behavior*. 78, no. 2 J. POL. ECON. 311, 311-12 (1970).

21. Defendant’s use of inflated reference prices exploits well-documented psychological mechanisms in consumer behavior. First, consumers frequently treat price as a proxy for quality, especially when objective quality cues are lacking.⁶ A higher reference price implies a more valuable product. Second, consumers are strongly influenced by the perception of getting a “deal.”⁷ Researchers have found that consumers often derive disproportionate satisfaction from obtaining a product at a perceived discount—regardless of the actual savings.⁸ This effect, known as “transactional utility,” was coined by Nobel laureate Richard Thaler to describe the added value consumers feel simply from the experience of buying something on sale.⁹

22. Extensive literature in marketing and behavioral economics explains that consumer price evaluations are influenced by both internal and external reference prices.¹⁰ Internal references are based on prior experience; external references are supplied by the seller, such as a “suggested retail price.”¹¹ Studies show that external reference prices directly shape internal benchmarks,¹² particularly for infrequently purchased items like dress shirts or suits, where the buyer may have no established price

⁶ Grewal & Compeau, *Comparative Price Advertising*, *supra* n.2, at 54; *see also* Richard Thaler, *Mental Accounting and Consumer Choice*, 4, no. 3 MKTG. SCI. 199, 212 (1985) [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)”).

⁷ Grewal & Compeau, *Comparative Price Advertising*, *supra* n.2, at 52.

⁸ Peter Darke & Darren Dahl, *Fairness and Discounts: The Subjective Value of a Bargain*, 13 no 3 J. OF CONSUMER PSYCH. 328 (2003).

⁹ “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.

¹⁰ 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*].

¹¹ Mayhew & Winer, *An Empirical Analysis*, *supra* n.10, at 62.

¹² “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*”).

1 expectations.¹³ This makes consumers highly vulnerable to price manipulation by retailers.¹⁴ As
2 summarized by one leading study:

3 Inflated reference prices can have multiple effects on consumers. They can increase
4 consumers' value perceptions (transaction value and acquisition value), reduce their search
5 intentions for lower prices, increase their purchase intentions, and reduce their purchase
6 intentions for competing products ... Inflated and/or false advertised reference prices
7 enhance consumers' internal reference price estimates and, ultimately, increase their
8 perceptions of value and likelihood to purchase[.]¹⁵

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

14 24. Staelin et al. further demonstrate that modern tools like smartphones have not corrected the
15 problem but instead have expanded the use of fictitious pricing.¹⁷ The authors note that “disclosure of the
16 true normal price charged may be the only solution that could plausibly influence both consumer and firm
17 behavior,” and that deceptive pricing tactics become even more prevalent as market competition intensifies.¹⁸

18 25. Retailers, like Defendant, are therefore incentivized to continue deploying fictitious
19 reference prices because they know consumers are psychologically wired to respond. As Staelin et al.
20 explain, “the magnitude of both real and fake discount[s] were significant predictors of demand above the

21 ¹³ As Thaler notes, “the [suggested retail price] will be more successful as a reference price the less often
22 the good is purchased.” Richard Thaler. *Mental Accounting*, *supra* n.5, at 212.

23 ¹⁴ “The deceptive potential of such advertised reference prices are likely to be considerably higher for
24 buyers with less experience or knowledge of the product and product category.” Dhruv Grewal & Larry D.
25 Compeau. *Pricing and public policy: A research agenda and an overview of the special issue*, 18 no.1 J.
26 PUB. POL’Y & MKTG. 3, 7 (1999) (“Grewal & Compeau, *Pricing and public policy*”).

27 ¹⁵ Grewal, Dhruv, and Larry D. Compeau. “Pricing and public policy: A research agenda and an overview
28 of the special issue.” *Journal of Public Policy & Marketing* 18, no. 1 (1999): 3-10, p. 7.

¹⁶ 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).

¹⁷ 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.”).

¹⁸ *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.”).

effects of the actual sales price, with fake discounts having a substantially larger effect than real discounts.”¹⁹ In short: fake discounts drive sales—and Defendant knows it.

B. Defendant Engages in a Fraudulent Price Discounting Scheme

26. Defendant, a specialty retailer of men and women’s clothing, footwear, and leather goods, has for years engaged in a deceptive pricing scheme at its Lacoste 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.

27. These signs—uniformly printed on black or navy-blue card stock with bold, white font—appear throughout Lacoste 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.

28. Photographs of Defendant’s stores, included in **Exhibit A**, reveal the systematic nature of this practice:



¹⁹ *Id.* at 835 (emphasis added).





29. 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.²⁰ The pricing signage does not suggest any comparison to Lacoste’s mainline retail stores or to third-party retailers.

30. 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

²⁰ 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)).

1 standard “only arises when the language of the advertisement implies a comparison to another retailer.”²¹
2 Where, as here, the reference price is represented as a former in-store price, the law requires that it reflect the
3 price at which the item was actually and regularly offered for sale.²²

4 31. Because Lacoste outlet products are rarely, if ever, offered for sale at their “original” ticket
5 prices, the advertised discounts are fictitious. These prices serve no function other than to create a false sense
6 of urgency and value, deceiving consumers into believing that they are purchasing high-quality goods at a
7 substantial markdown. In reality, consumers are either purchasing lower-quality goods—often older,
8 discontinued, or overstock items—for which the reference prices are outdated, unverified, or no longer reflect
9 any actual or recent sales in Lacoste’s mainline retail channels. In both cases, the advertised “original” prices
10 are misleading, and the corresponding discounts are illusory.

11 32. Even if Defendant was to demonstrate that some products were at one time offered at the full
12 reference price (a disputed question of fact itself), such isolated instances would be insufficient to render the
13 reference prices “actual” or “bona fide” under governing law.²³ Likewise, under California’s FAL, a
14 represented former price must have been the prevailing market price within the past three months, or else the
15 advertisement must “clearly, exactly and conspicuously” disclose the date when that price was in effect—
16 something Defendant consistently fails to do.²⁴

17 33. In sum, Defendant’s fake discounting practices are designed to manipulate consumer behavior,
18 increase sales, and artificially inflate perceived product value. The scheme deprives consumers of accurate
19

20 ²¹ See *Harris v. PFI W. Stores, Inc.*, No. SACV192521JVSADSX, 2020 WL 3965022, at *4 (C.D. Cal.
21 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).

22 ²² See Cal. Bus. & Prof. Code § 17501 (former price must be the prevailing market price within the three
23 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
24 and actively offered for sale, for a reasonably substantial period of time.”).

25 ²³ For the advertised former price to be “actual, bona fide” and “legitimate” it must be the “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).

26 ²⁴ See Cal. Bus. & Prof. Code § 17501. Nor would such rare offerings constitute the “prevailing market
27 price” within the “three months next immediately preceding the publication of the advertisement,” as is
28 required by the FAL, “unless the date when the alleged former price did prevail is clearly, exactly and
conspicuously stated in the 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).

pricing information and results in the unlawful imposition of a price premium for merchandise that would not command such prices absent the false reference pricing. Plaintiff, like thousands of other consumers, was duped into overpaying for the products under the mistaken belief that he was receiving a legitimate discount.

C. Defendant's Fraudulent Price Discounting Scheme Harms All Consumers

34. A product's reference price matters because it serves as the anchor from which consumers assess its value.²⁵ Empirical research confirms that consumers are more willing to pay higher prices when a product is presented with a higher reference price.²⁶ Defendant's false reference pricing causes consumers to overvalue Lacoste Outlet merchandise, leading them to pay more than they otherwise would. The products' sales prices are thus artificially inflated, not due to intrinsic value, but because Defendant has manipulated consumer perception through false comparisons. As discussed above, academic literature makes clear:

[A]dvertised reference prices in these deal-oriented advertisements can enhance buyers' internal reference prices These enhanced internal reference prices, when compared with the lower selling price, result in higher transaction value perceptions. The increase in perceived transaction value enhances purchases and reduces search behavior for lower prices. If sellers 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.²⁷

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

36. Put differently, Defendant's fake discounting scheme causes consumers to (reasonably) perceive they are getting a bargain. This perception creates an artificial increase in what economists call

²⁵ Thaler, *Mental Accounting and Consumer Choice*, *supra* n.5, at 212.

²⁶ Jerry B. Gotlieb & Cyndy Thomas Fitzgerald, *An Investigation into the Effects of Advertised Reference Prices on the Price Consumers are Willing to Pay for the Product*, 60 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.

²⁷ Dhruv Grewal et al., *supra* note 11, at 46.

1 “transactional utility”²⁸ or “transactional value”²⁹—the extra satisfaction consumers derive from believing
2 they got a deal. But that satisfaction is based on a lie. As a result, Lacoste Outlet merchandise appears more
3 valuable than it is, skewing market demand and distorting prices.

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

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

14 **D. Plaintiff’s Counsel’s Investigation of Deceptive Outlet Pricing**

15 39. Plaintiff’s counsel has conducted a large-scale, ongoing investigation into Defendant’s
16 deceptive reference pricing practices at Lacoste Outlet stores. This investigation has included systematic
17 in-store tracking of merchandise in California across multiple time periods: from February 7, 2022 through
18 September 23, 2022; again from April 18, 2024 through October 11, 2024; and most recently from
19 March 25, 2025 through the present, with the latest store visit occurring on July 10, 2025. The Lacoste
20 Outlet locations monitored during these periods include stores located at Gilroy Premium Outlets, Citadel
21 Outlets in Commerce, Vacaville Premium Outlets, Carlsbad Premium Outlets, and Las Americas Premium
22 Outlets in San Ysidro. A list of representative tracked products observed in California stores is attached
23 hereto as **Exhibit B**.

24
25 ²⁸ Thaler, *Mental Accounting and Consumer Choice*, *supra* n.5, at 205.

26 ²⁹ Dhruv Grewal et al., *The Effects of Price-Comparison Advertising*, *supra* n. 11, at 46; Grewal &
27 Compeau, *Pricing and public policy*, *supra* n. 13, at 7.

28 ³⁰ Mankiw, N. *Essentials of Economics*, 8th Edition. Boston, MA: Cengage Learning, 66 (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).

1 40. Based on counsel’s extensive investigation, Plaintiff is informed and believes that
2 Defendant’s reference pricing scheme—specifically, the use and presentation of so-called “original” prices
3 and associated discounts—is materially uniform across all Lacoste Outlet locations, regardless of
4 geographic location or time period.³¹ While the precise dollar amounts or percentage discounts may vary,
5 the underlying tactic remains the same: nearly every item is tagged with an inflated “original” price and
6 paired with signage advertising a purported markdown. Not once during the multi-month investigation was
7 any product observed being sold at its full “original” price. Plaintiff is therefore informed and believes that
8 Lacoste Outlet merchandise is not, as a matter of regular business practice, offered at the stated “original”
9 price—let alone offered “on a regular basis for a reasonably substantial period of time,” as required by
10 Federal Trade Commission regulations and corresponding California law.

11 41. The evidence gathered during the investigation further confirms that the reference prices
12 affixed to Lacoste Outlet products—including the items purchased by Plaintiff—do not represent bona fide
13 former prices. Rather, they function exclusively as artificial “anchor prices” designed to manufacture the
14 illusion of a meaningful discount. Across multiple locations and over an extended timeframe, hundreds of
15 products were observed as perpetually “on sale.” This persistent pattern of inflated reference pricing and
16 fictitious markdowns constitutes a widespread, deliberate, and deceptive practice employed at every
17 Lacoste Outlet location visited.³²

18 42. In short, Defendant’s false discounting strategy is not an isolated or store-specific
19 anomaly—it is a centralized, standardized marketing scheme implemented uniformly across all Lacoste
20 Outlet locations in California and, on information and belief, nationwide. Outlet consumers are
21 systematically misled into believing they are receiving substantial savings on premium mainline
22
23

24 ³¹ See, e.g., **Exhibit A**.

25 ³² Notably, numerous California federal courts have held that plaintiffs in false discount pricing cases need
26 not plead detailed pre-suit investigations to survive a motion to dismiss—even under Rule 9(b), which in
27 any event does not apply to claims under New York’s General Business Law. See, e.g., *Rubenstein v.*
28 *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).

merchandise, when in reality, they are paying deceptively inflated prices for merchandise that was never offered, nor intended to be offered, at the stated “original” prices.³³

43. Despite Plaintiff’s counsel’s substantial investigative efforts, the full scope of Defendant’s deceptive pricing and sourcing practices remains concealed within internal records and data exclusively within Defendant’s possession, custody, or control. Plaintiff intends to pursue targeted discovery to uncover the operational details, pricing history, and internal communications necessary to fully expose the breadth and depth of Defendant’s uniform false discounting scheme.

IV. GENERAL ALLEGATIONS – FACTA VIOLATIONS

A. Background and Statutory Framework of Fair and Accurate Credit Transactions Act of 2003 (FACTA)

44. The Fair Credit Reporting Act (“FCRA”) was enacted in 1970 to ensure that consumer reporting agencies operate with fairness, impartiality, and respect for consumers’ right to privacy. (15 U.S.C. §§ 1681–1681x.) However, as identity theft became increasingly prevalent throughout the 1990s and early 2000s, critics noted that FCRA offered consumers few proactive protections against the unauthorized acquisition and misuse of their personal financial information.

45. In response, Congress passed the Fair and Accurate Credit Transactions Act of 2003 (“FACTA”), amending FCRA to better address identity theft and related consumer risks. Among other provisions, FACTA specifically targets the security practices of merchants that accept credit and debit cards, focusing on the discrete but dangerous problem of printing full or partial card numbers and expiration dates on electronically generated receipts. By requiring merchants to truncate this sensitive data, Congress

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 Plaintiffs’ 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).

sought to prevent a common avenue for identity thieves—retrieving discarded or lost receipts—to access the core components of a consumer’s financial identity.

46. FACTA also included broader consumer protection measures, such as the right to obtain a free annual credit report from each of the three major credit reporting agencies (Equifax, Experian, and TransUnion), and the ability to place fraud alerts on credit files to signal heightened risk. (See generally, 15 U.S.C. §§ 1681c–1, 1681c–2; see also FTC Press Release, FTC Issues Final Rules on FACTA Identity Theft Definitions, Active Duty Alert Duration, and Appropriate Proof of Identity (Oct. 29, 2004), available at <https://www.ftc.gov>.)

47. Central to FACTA’s consumer protection scheme is its receipt truncation requirement. Codified at 15 U.S.C. § 1681c(g)(1), this provision mandates:

(1) In general. Except as otherwise provided in this subsection, no person that accepts credit cards or debit cards for the transaction of business shall print more than the last five digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of sale or transaction.

(2) Limitation. This subsection shall apply only to receipts that are electronically printed, and shall not apply to transactions in which the sole means of recording a credit or debit card account number is by handwriting or by an imprint or copy of the card.

(15 U.S.C. § 1681c(g)(1)–(2).)

48. Congress provided for private enforcement of these protections. Under 15 U.S.C. § 1681n, any person who willfully fails to comply with FACTA’s requirements is liable to affected consumers for:

- Statutory damages of not less than \$100 and not more than \$1,000 per violation;
- Punitive damages, as the court may allow; and
- Reasonable attorneys’ fees and costs in the event of a successful action.

(15 U.S.C. § 1681n(a)(1)–(3).)

49. Accordingly, FACTA not only prohibits the printing of excessive payment card information on receipts, but also provides a clear, enforceable private right of action for consumers whose privacy rights have been violated.

1. The Risks of Identity Theft FACTA Helps to Prevent

50. The Fair and Accurate Credit Transactions Act of 2003 (“FACTA”) was enacted to combat the growing threat of identity theft—one of the fastest-growing crimes in the United States. According to

1 Federal Trade Commission (“FTC”) estimates, approximately 11.7 million Americans were victims of
2 identity theft between 2006 and 2008 alone. (See FTC, Identity Theft and Data Security,
3 <https://www.ftc.gov> [last accessed Aug. 8, 2016].)

4 51. Identity theft can occur through both physical and digital means. One common physical
5 tactic is known as “dumpster diving”—a practice in which thieves sift through trash bins outside homes or
6 businesses searching for discarded documents containing sensitive personal information. These may
7 include financial account numbers, credit or debit card numbers, billing statements, and pre-approved
8 credit card offers. Victims often discard such items without realizing that the information they contain—
9 especially when combined with publicly accessible data—can allow bad actors to open fraudulent accounts
10 or conduct unauthorized transactions. (See Fitterer, Putting a Lid on Online Dumpster-Diving: Why the
11 Fair and Accurate Credit Transactions Act Should Be Amended to Include E-mail Receipts (2011) 9 NW.
12 J. Tech. & Intell. Prop. 591, 596.)

13 52. Receipts that display more than the last five digits of a payment card number—or include
14 an expiration date—can be a critical piece in reconstructing a consumer’s payment card profile. Identity
15 thieves can combine such receipts with other discarded documents, such as bank or credit card statements,
16 to assemble enough data to complete “Card-Absent” transactions—purchases made over the phone,
17 through the mail, or online where neither the cardholder nor the physical card is present. Many merchants
18 processing these types of transactions require only the payment card number, expiration date, and billing
19 address—omitting more robust security requirements like the card verification code (CVV). (See **Exhibit**
20 **C**, Visa, Card Acceptance Guidelines for Visa Merchants (2015), pp. 41–42.)

21 53. This vulnerability is exacerbated by the rise of mail order, telephone order (MO/TO), and
22 internet commerce, which has vastly expanded the opportunities for identity thieves to misuse payment
23 card data without triggering real-time detection or requiring physical access to the card. FACTA’s
24 truncation requirement directly addresses this threat by ensuring that discarded or lost receipts cannot serve
25 as a convenient source of sensitive payment card information.

26 54. In 2006, the FTC commissioned the Identity Theft Survey Report to assess the broader
27 impact of this growing problem. The report found that even when victims did not suffer direct out-of-
28 pocket losses, they frequently experienced substantial disruption to their lives. Nearly half of identity theft

1 victims spent significant time resolving the fallout, and many incurred secondary expenses such as lost
2 wages, legal fees, payments toward fraudulent debts, and costs related to notarizing documents, copying
3 records, and mailing correspondence. (See Synovate, 2006 Identity Theft Survey Report, FTC (Nov. 2007),
4 available at <https://www.ftc.gov> [last accessed Aug. 9, 2016].)

5 55. By mandating truncation of card numbers and expiration dates on receipts,
6 FACTA eliminates a critical link in the identity theft chain. It provides consumers with a
7 simple but powerful safeguard: the assurance that a routine retail transaction will not
8 inadvertently hand would-be thieves the keys to their financial identity.

9 **2. The Implementation of FACTA and the Effect of the “Clarification Act”**

10 56. FACTA was enacted as part of the Fair Credit Reporting Act (FCRA) on December 4, 2003.
11 Congress implemented the statute in two phases. For point-of-sale cash registers installed on or after
12 January 1, 2005, compliance with the receipt truncation requirement was mandatory immediately. For
13 registers already in service before that date, the statute provided a grace period, with compliance required
14 no later than December 4, 2006. (15 U.S.C. § 1681c(g)(3).) This phased implementation was designed to
15 give both large and small businesses sufficient time to update their point-of-sale systems and payment card
16 processing hardware.

17 57. Following the December 2006 effective date, hundreds of class action lawsuits were filed
18 in federal court alleging violations of § 1681c(g), particularly where receipts included an expiration date
19 in addition to a properly truncated account number.

20 58. In response, Congress enacted the Credit and Debit Card Receipt Clarification Act of 2007
21 (“Clarification Act”), signed into law on June 3, 2008. The Clarification Act was specifically intended to
22 address the flood of litigation filed against merchants who, although truncating the card number in
23 compliance with FACTA, failed to omit the expiration date. Congress found that many businesses had
24 mistakenly believed that truncating the account number alone was sufficient to satisfy the statute. (Pub.L.
25 No. 110-241, § 2(a)(3)–(4), 122 Stat. 1565 (2008).)

26 59. The Clarification Act did not repeal or alter the core requirement of 15 U.S.C. §
27 1681c(g)(1); instead, it created a narrow safe harbor for merchants during a specific window of time.
28 Congress added § 1681n(d), which provides that no person shall be held liable for willful noncompliance

1 under § 1681c(g) solely for printing a card expiration date—provided that the violation occurred between
2 December 4, 2004, and June 3, 2008, and the receipt otherwise complied with the truncation requirement.
3 This effectively moved the safe harbor compliance date to June 3, 2008. (15 U.S.C. § 1681n(d).)

4 60. Importantly, the Clarification Act did not eliminate or dilute the truncation mandate set forth
5 in § 1681c(g)(1), nor did it excuse noncompliance after June 3, 2008. To the contrary, the safe harbor was
6 expressly limited to a retroactive timeframe and applied only to the printing of expiration dates between
7 December 4, 2004, and June 3, 2008. (15 U.S.C. § 1681n(d).) Accordingly, the printing of a payment card’s
8 expiration date after June 3, 2008 remains a clear violation of FACTA.

9 61. Critically, Congress did not amend § 1681c(g)(1) to suggest that printing both the last five
10 digits of the card number and the expiration date would ever be compliant. It merely provided that such
11 conduct prior to June 3, 2008, would not be deemed willful noncompliance. This carefully drawn limitation
12 strongly implies that the same conduct after June 3, 2008, could rise to the level of willful noncompliance—
13 triggering statutory damages under 15 U.S.C. § 1681n.

14 **B. Defendant’s Willful Violation of FACTA’s Truncation Requirement (15 U.S.C.**
15 **§ 1681c(g)(1))**

16 62. Statutory damages under the Fair Credit Reporting Act (FCRA) require a showing that the
17 defendant acted “willfully.” As interpreted by the U.S. Supreme Court, “willfulness” in this context
18 encompasses both knowing violations and those committed recklessly. (*Safeco Ins. Co. of Am. v. Burr*
19 *(2007) 551 U.S. 47, 56–57.*) A violation is reckless when it entails an unjustifiably high risk of harm that
20 is substantially greater than one associated with mere carelessness. (*Id.* at 69.) Put differently, a willful
21 violation includes conduct that reflects “something more than negligence but less than knowledge of the
22 law’s requirements.” (*Murray v. New Cingular Wireless Services, Inc.* (7th Cir. 2008) 523 F.3d 719) (citing
23 *Safeco*); see also *Cortez v. Trans Union, LLC* (3d Cir. 2010) 617 F.3d 688, 721, footnote 39 [confirming
24 *Safeco’s* applicability across FCRA claims and rejecting contrary interpretation in *Perez v. Trans Union,*
25 *LLC, 526 F. Supp. 2d 504*].)

26 63. Plaintiff is informed and believes, and thereon alleges, that Defendant knowingly or
27 recklessly violated FACTA by failing to truncate customer payment card numbers as required by 15 U.S.C.
28

§ 1681c(g)(1). Specifically, Defendant printed electronically generated receipts that displayed more than the last five digits of its customers' credit and debit card account numbers.

64. At all relevant times, Defendant maintained merchant agreements with one or more major payment card networks, including Visa, Mastercard, and American Express. These agreements informed Defendant of its obligation to truncate card numbers and suppress expiration dates on point-of-sale receipts. For example, Visa's "Card Acceptance Guidelines for Visa Merchants" (2015) instruct merchants to:

Ensure that the Visa account number is suppressed in accordance with Visa Rules and local laws and regulations. Effective October 1, 2014, Visa requires the account number be partly suppressed on the receipt... The expiration date should not appear at all on the cardholder copy of the transaction receipt.

(See **Exhibit C**, Visa, Card Acceptance Guidelines for Visa Merchants, p. 12, emphasis added.)

65. Visa's Core Rules further mandate that all digits of the account number—except for the final four—be suppressed on customer receipts. (Visa Core Rules and Visa Product and Service Rules (Apr. 15, 2015), at PSR-358, available at <https://usa.visa.com/dam/VCOM/download/about-visa/15-April-2015-Visa-Rules-Public.pdf>.) Mastercard and American Express impose similar truncation and suppression obligations.³⁴ Upon information and belief, Defendant also received periodic communications from its merchant bank or acquirer, monthly merchant statements, and written notices from its point-of-sale (POS) system provider—all of which reiterated its legal and contractual obligations to truncate payment card numbers and expiration dates. Defendant further received such information from industry associations, trade groups, and standard merchant compliance materials.

66. Defendant also had actual knowledge of FACTA's requirements through its senior leadership. Notably, Defendant's current North America Chief Operating Officer formerly served as Chief Financial Officer of AllSaints USA Limited—a company that was the subject of a class action lawsuit alleging similar FACTA violations in *Mocek v. AllSaints USA Limited*, No. 1:16-cv-08484 (N.D. Ill. filed Aug. 30, 2016). At or around the time he assumed that executive role, AllSaints was required to address litigation risk tied to the same statutory provisions.

³⁴ (See Mastercard, Transaction Processing Rules (June 9, 2016) <https://www.mastercard.us/content/dam/mccom/en-us/documents/rules/transaction-processing-rules-june-2016.pdf> at p. 92); American Express, American Express Merchant Operating Guide – United States, including Puerto Rico & U.S. Virgin Islands (April 2016) https://icm.aexp-static.com/Internet/NGMS/US_en/Images/MerchantPolicyOptBlue.pdf at p. 22.)

67. Other members of Defendant’s senior management previously held executive roles at Puma, Hanes, and major French retailers—many of which have been sued for FACTA violations—further supporting that Defendant’s leadership had actual or constructive knowledge of the statute’s truncation requirements.

68. Defendant operates a standardized information management system across its retail locations, including centralized point-of-sale hardware and software. Upon information and belief, this system systematically and routinely prints more than the last five digits of customers' payment card numbers on receipts issued at the point of sale. Despite its operational sophistication and contractual obligations, Defendant has continued to issue noncompliant receipts in willful disregard of FACTA.

69. The statutory truncation requirement has been in effect since December 2006 and was further clarified by Congress through the Credit and Debit Card Receipt Clarification Act of 2008, which extended the safe harbor compliance date to June 3, 2008. (See 15 U.S.C. §§ 1681c(g)(3), 1681n(d).) Nevertheless, more than two decades after FACTA was enacted, and well over fifteen years since the compliance deadline passed, Defendant remains in violation of a clear and well-established federal mandate.

70. Upon information and belief, Defendant systematically continues to issue payment card receipts that display more than the last five digits of customers' card numbers, in violation of 15 U.S.C. § 1681c(g)(1). By doing so, Defendant has deprived Plaintiff and members of the putative FACTA Class of their statutory right to receive receipts that properly safeguard their payment card information

71. As a result of Defendant's willful violations, Plaintiff and the putative FACTA Class are entitled to statutory damages of not less than \$100 and not more than \$1,000 per violation, as well as punitive damages, attorneys' fees, and costs, pursuant to 15 U.S.C. § 1681n.

V. PARTIES

A. Plaintiff Qasem Hashimi

72. Plaintiff Qasem Hashimi resides in San Diego, California. On or about April 9, 2025, Plaintiff went shopping at the Lacoste Outlet store located at 5620 Paseo Del Norte, Carlsbad, California 92008 (“Carlsbad Outlets”). In reliance on Defendant’s false and deceptive advertising, marketing and discount pricing scheme, Plaintiff purchased white T-Base sneakers that bore an “original” (reference)

1 price of approximately \$80.00 and a purported 25%-off discount (-\$20.00) for an actual sales price of
2 approximately \$59.99. Plaintiff also purchased a black polo style shirt that bore an “original” (reference)
3 price of approximately \$115.00 and a purported 40%-off discount (-\$46.00) for an actual sales price of
4 \$69.00. Plaintiff paid an after-tax total of \$138.99.

5 73. Critically, in addition to reflecting the deceptive pricing scheme, Defendant provided
6 Plaintiff with a paper receipt at the point of sale which displayed the first six (6) and last four (4) digits of
7 Plaintiff’s personal payment card, in violation of FACTA’s requirements. A true and correct copy of
8 Plaintiff’s Receipt from the April 9th transaction is concurrently filed herewith as **Exhibit D**. The printing
9 of more than five digits of Plaintiff’s personal payment card number on the receipt is specifically prohibited
10 by FACTA and is the very harm that Congress sought to prevent by turning such disclosure into an
11 actionable tort.

12 74. Plaintiff is informed and believes and thereon alleges that, at the time of Plaintiff’s
13 transactions described above, Defendant was routinely presenting paper receipts to its customers at the
14 point of sale at its various retail and outlet stores which displayed more that the last five (5) digits of the
15 customers’ payment cards, in violation of the requirements of FACTA.

16 75. Additionally, during his time at the Lacoste Outlet store on April 9, 2025, Plaintiff browsed
17 the store and observed numerous signs advertising storewide markdowns and percentage-based discounts.
18 After reviewing the advertised “original” and sale prices on the items he selected, he reasonably believed
19 he was receiving a substantial bargain. This belief was material to his decision to purchase.

20 76. Plaintiff would not have purchased either item or would not have paid as much as he did,
21 had he known the advertised discounts were false. He believed the items had been previously offered at
22 the higher reference price and were being sold at a genuine markdown. In fact, he did not receive the benefit
23 of any real discount and ultimately paid more than the fair value of the products under the mistaken
24 impression that he was securing a deal.

25 77. Accordingly, Plaintiff has suffered economic injury as a direct result of Defendant’s
26 unlawful conduct, including both its unfair and deceptive false discounting practices—which caused
27 Plaintiff to pay an inflated price for merchandise falsely presented as discounted—and its violation of the
28 Fair and Accurate Credit Transactions Act (“FACTA”), which exposed Plaintiff to an increased risk of

1 identity theft and diminished the value of the transaction by failing to provide a legally compliant receipt
2 as required by federal law.

3 **B. Plaintiff's and Class Members' Economic Injuries from Defendant's Deceptive Outlet**
4 **Pricing Scheme Are Readily Quantifiable**

5 78. Plaintiff has been injured and incurred quantifiable actual damages as a result of
6 Defendant's fraudulent pricing scheme. Plaintiff overpaid for the items he purchased as described herein.
7 It was Defendant's false reference pricing scheme and attendant deception that caused Plaintiff to overpay.
8 Despite Plaintiff's original beliefs that the items were discounted and thus that their value was significantly
9 greater than the sale price paid for it, Plaintiff, in actuality, paid an *inflated* price for the item.

10 79. That is, the items Plaintiff purchased were worth less than the amount Plaintiff paid for them.
11 If Defendant had not employed the falsely advertised "original" prices for the items, then they would not
12 have commanded such a high, inflated price. The price premium Plaintiff paid—i.e., the difference between
13 the amount Plaintiff paid and the value received, or the but-for-price the product would have commanded
14 absent the false discounting scheme, can be isolated through multiple expert-based models, including hedonic
15 regression, conjoint analysis, and market simulation, which Plaintiff will further describe in his motion to
16 certify this action as a class action pursuant to Federal Rule of Civil Procedure 23.

17 **C. Plaintiff Has Standing for Injunctive Relief and Lacks an Adequate Remedy at Law**
18 **for Injuries Resulting from Defendant's Deceptive Outlet Pricing Scheme**

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

26 81. Further, because of the large selection of merchandise available at Defendant's Lacoste
27 outlet stores, the sheer volume of products involved in Defendant's deceit (i.e., on information and belief,
28 virtually all of them), and the likelihood that Defendant may yet develop and market additional Lacoste

1 outlet merchandise items for sale, Plaintiff may again, by mistake, purchase a falsely discounted product
2 at one of the Lacoste outlet stores under the reasonable, but false, impression that Defendant had corrected
3 the scheme and that its reference price advertisements represented a bona fide former price at which the
4 item was previously offered for sale by Defendant. However, without a substantial, time-consuming, and
5 costly investigation, Plaintiff will have no way of knowing whether Defendant has deceived again.

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

13 83. Additionally, Plaintiff presently lacks an adequate remedy at law because he has not yet
14 developed the damages model necessary to determine whether actual damages will fully compensate the
15 monetary harm suffered, or whether equitable restitution will be required to make Plaintiff whole. Legal
16 damages are traditionally limited to actual out-of-pocket losses (reliance damages) or lost benefit of the
17 bargain (expectancy damages), whereas equitable restitution focuses on restoring ill-gotten gains and
18 wrongfully obtained by the defendant from the plaintiff/class members. Critically, California law prohibits
19 recovery of benefit-of-the-bargain damages in consumer deception cases but permits recovery of the same
20 measure through *equitable relief*. See Cal. Civ. Code § 3343. For example, Plaintiff and other Class
21 members may be entitled to recover the difference between the price paid and the value received—a
22 measure unavailable at law but recoverable in equity. Until Plaintiff retains an expert and completes the
23 necessary economic analysis, it remains uncertain whether legal damages will even be viable, let alone
24 adequate. Accordingly, Plaintiff credibly alleges at this stage that no adequate legal remedy exists,
25 satisfying the *Sonner* standard for pleading equitable relief.³⁵

26
27 ³⁵ Decisions in numerous false discounting cases have accepted similar allegations, where the defendant
28 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.

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

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

D. Although Not Strictly Necessary in California, Plaintiff Faced Real, Concrete Harm as a Result of Defendant’s FACTA Violation³⁶

86. As a result of receiving a receipt that displayed more than the last five digits of his payment card number, Plaintiff suffered a concrete and particularized injury. Congress, through FACTA, identified

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.

³⁶ Notwithstanding allegations below, Plaintiff has standing to pursue this claim in California state court even in the absence of actual or out-of-pocket damages. As recently confirmed by the California Court of Appeal in *Chai v. Velocity Invs., LLC* (2025) 108 Cal.App.5th 1030, 1042-43, review denied May 28, 2025, a plaintiff asserting a statutory cause of action under a consumer protection statute is not required to allege a “concrete injury” akin to the Article III standing requirement in federal court. The court held that where the Legislature has created a private right of action and authorized statutory damages, a plaintiff may recover such damages upon alleging a violation of the statute itself, regardless of whether the plaintiff suffered additional, tangible harm. (*Ibid.*)

In *Chai*, the court rejected the defense’s attempt to import the federal Spokeo standard into California standing doctrine, reasoning that such a requirement would improperly override the Legislature’s policy judgment in creating enforceable statutory rights. (*Id.* at 1043.) The court emphasized

1 a specific privacy interest—protecting consumers from unnecessary exposure of sensitive financial data at
2 the point of sale. Defendant’s failure to comply with FACTA’s truncation requirement subjected Plaintiff
3 to a heightened and unlawful risk of identity theft and fraud, a harm that Congress expressly sought to
4 prevent by enacting the statute. The violation itself represents an invasion of Plaintiff’s statutorily protected
5 privacy rights.

6 87. Beyond this statutory harm, Plaintiff experienced significant emotional distress and concern
7 upon discovering that his receipt exposed more of his card number than permitted by law. Upon discovering
8 that his purchase receipt displayed more than the last five digits of his payment card number, Plaintiff
9 experienced immediate distress and anxiety. He was shocked that a major national retailer like
10 Defendant—one he reasonably believed would follow basic consumer protection laws—would expose him
11 to such a clear risk of identity theft. Plaintiff was forced to question whether his payment card information
12 had already been compromised, and whether the receipt had been discarded, misplaced, or seen by others.
13 The realization triggered a heightened sense of vulnerability, leading him to take precautionary steps such
14 as closely monitoring his bank statements, researching identity theft protection options, and considering
15 the cancellation of his card altogether. These behavioral changes—undertaken specifically in response to
16 the heightened risk created by Defendant’s violation—reflect a concrete, real-world consequence sufficient
17 to establish injury. The experience caused not only fear and frustration, but also a deep sense of betrayal
18 and unease knowing that his trust in a respected retail brand had been violated by an easily preventable
19 breach of federal law.

20 88. Furthermore, the truncated receipt failed to provide the level of transactional security
21 Congress intended consumers to receive during everyday purchases. Plaintiff, like other members of the
22 public, reasonably relied on Defendant, a sophisticated national retailer, to follow basic data protection
23 protocols. By instead issuing receipts with unlawful levels of payment card data, Defendant caused Plaintiff
24 to suffer informational harm—the denial of his right to receive a legally compliant receipt free from excess

25
26 that California’s more expansive view of standing permits plaintiffs to seek redress for the invasion of
27 statutory rights alone, particularly where the statute reflects a legislative determination that the violation
28 itself constitutes harm. (Ibid.) That reasoning applies with full force here: Defendant’s violation of
Plaintiff’s rights under the Fair and Accurate Credit Transactions Act (“FACTA”), which carries a statutory
damages remedy under 15 U.S.C. § 1681n(a), gives rise to a cognizable and compensable claim in
California state court, without the need to show additional harm beyond the statutory violation.

1 exposure of his personal financial information. This deprivation of statutory entitlement further supports a
2 finding of concrete injury.

3 **Defendant**

4 89. Plaintiff is informed and believes, and upon such information and belief alleges, Defendant
5 Lacoste USA, Inc. is a Delaware corporation with its principal executive offices in New York, New York.
6 Plaintiff is informed and believes that Defendant owns and operates Lacoste Outlet stores in California,
7 and advertises, markets, distributes, and/or sells apparel, footwear, accessories, and other items in
8 California and throughout the United States. Plaintiff is informed and believes and thereon alleges that this
9 Defendant is also responsible for the operation of any other non-outlet Lacoste retail locations which may
10 have also committed FACTA violations by printing more than five digits of customers' payment card
11 numbers during the FACTA Class Period – two (2) years prior to the filing of this action.

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

18 91. Defendant knows that its reference price advertising is false, deceptive, misleading,
19 unconscionable, and unlawful under California and federal law.

20 92. Defendant fraudulently concealed from and intentionally failed to disclose to Plaintiff and
21 other members of the proposed Classes the truth about its advertised discount prices and former reference
22 prices. Defendant concealed from consumers the true nature and quality of the products sold at its Lacoste
23 Outlet stores.

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

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

1 IV. CLASS ALLEGATIONS

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

5 **The Outlet Pricing Class:**

6 All natural persons who, during the applicable statute of limitations period preceding the
7 filing of this action (the “Class Period”), were and remain both residents and citizens of the
8 State of California—including at the time of purchase, continuously through the filing of
9 this action, and through the date of judgment—and who purchased one or more products
10 from a Lacoste outlet store in California at a purported discount from an advertised
11 reference price, and who have not received a refund or credit for such purchase(s).

9 **The FACTA Class:**

10 All natural persons who, during the applicable statute of limitations period preceding the
11 filing of this action (the “Class Period”), were and remain both residents and citizens of the
12 State of California—including at the time of the transaction, continuously through the filing
13 of this action, and through the date of judgment—and who, during a purchase from a
14 Lacoste outlet (or other retail) store in California, were provided with an electronically
15 printed receipt that displayed more than the last five digits of their credit or debit card
16 number and/or the card’s expiration date, and who have not received a refund or credit for
17 such transaction(s).

18 96. Plaintiff expressly disclaims any claims on behalf of individuals who were not California
19 citizens both at the time of their purchase and continuously through the filing of this action, or who after
20 the filing of this action leave the State of California to establish residence or domicile in another state, in
21 order to preserve the jurisdiction of this Court and avoid removal under the Class Action Fairness Act
22 (CAFA), 28 U.S.C. § 1332(d). Excluded from the Classes is Defendant, as well as its officers, employees,
23 agents or affiliates, parent companies and/or subsidiaries, and each of its respective officers, employees,
24 agents or affiliates, and any judge who presides over this action. Plaintiff reserves the right to expand, limit,
25 modify, or amend these Class definitions, including the addition of one or more classes, in connection with
26 his motion for Class certification, or at any other time, based upon, *inter alia*, changing circumstances
27 and/or new facts obtained during discovery.

28 97. **Numerosity:** Both sets of Class members are so numerous that joinder of all members is
impracticable. Plaintiff is informed and believes that the proposed Classes contains tens, if not hundreds,
of thousands of individuals who have been damaged by Defendant’s conduct as alleged herein. The precise
number of Outlet Pricing Class members is unknown to Plaintiff. Moreover, Plaintiff is informed and
believes that the proposed FACTA Class contains at least thousands of customers who made a payment

1 card purchase at Defendant's outlet or other retail stores and received an electronically printed receipt that
2 displayed more than the last five (5) digits of the payment card's account number; and were thereby
3 damaged by Defendant's conduct as alleged herein. The precise number of FACTA Class members is
4 likewise unknown to Plaintiff.

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

8 ***As to the Outlet Pricing Class:***

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

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

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

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

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

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

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

24 H. whether Defendant's alleged conduct constitutes violations of federal and/or
25 California pricing regulations;

26 I. whether Defendant engaged in an unconscionable commercial practice, and/or
27 employed deception or misrepresentation under the laws asserted;
28

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

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

As to the FACTA Class:

A. whether Defendant electronically prints customers' receipts at the point of sale without truncating all but the last five (5) digits of their payment card account numbers;

B. whether the alleged conduct violates FACTA, 15 U.S.C. § 1681 *et seq.*;

C. whether Defendant's conduct was willful; and

D. whether Plaintiff and the Class members are entitled to statutory damages, punitive damages, costs and/or other appropriate remedies, including attorneys' fees.

99. ***Typicality***: Plaintiff's claims are typical of the claims of members of both the Outlet Pricing Class and the FACTA Class because, *inter alia*, all Class members were subjected to the same unlawful conduct by Defendant. Specifically, Plaintiff, like other members of the Outlet Pricing Class, was exposed to and deceived by Defendant's uniform false discount advertising scheme and purchased merchandise at a purported discount from an advertised reference price. Similarly, Plaintiff, like other members of the FACTA Class, received an electronically printed receipt at the point of sale that unlawfully displayed more than the last five digits of her payment card number and/or the expiration date, in violation of FACTA. Plaintiff is advancing the same claims and legal theories on behalf of himself and all members of both Classes.

100. ***Adequacy***: Plaintiff will fairly and adequately protect the interests of the members of both the Outlet Pricing Class and the FACTA Class. Plaintiff has retained counsel experienced in prosecuting complex consumer class actions and intends to pursue this litigation vigorously. Plaintiff has no interests that are adverse or antagonistic to the interests of either Class.

101. ***Superiority***: A class action is superior to all other available methods for the fair and efficient adjudication of the claims asserted herein on behalf of both the Outlet Pricing Class and the FACTA Class. The damages or other financial harm suffered by individual Class members are relatively modest compared to the burden and expense that would be required for each member to individually litigate their claims

1 against Defendant. As such, it would be virtually impossible for Plaintiff and Class members to obtain
2 effective redress on an individual basis. Moreover, individualized litigation would place a substantial strain
3 on judicial resources, risk inconsistent or contradictory outcomes from the same set of operative facts, and
4 delay resolution for all parties. By contrast, the class action mechanism provides the benefits of economies
5 of scale, efficiency, and comprehensive judicial supervision within a single proceeding, and presents no
6 unusual management difficulties under the circumstances. Absent class certification, most Class members
7 would likely be left without meaningful recourse, and Defendant would be permitted to retain the proceeds
8 of its unlawful conduct without accountability. To the extent any aggregate award of statutory damages for
9 FACTA violations may raise due process concerns, Plaintiff, on behalf of the putative Class, expressly
10 seeks only those damages fully permissible under the U.S. Constitution.

11 102. All Class members, including Plaintiff, were uniformly exposed to Defendant's unlawful
12 conduct. With respect to the Outlet Pricing Class, all members were subject to Defendant's pervasive false
13 discount advertising scheme, which included misrepresentations and omissions concerning the legitimacy
14 of former reference prices. Given the scope and consistency of this marketing campaign, it can reasonably
15 be inferred that such deceptive pricing representations were uniformly made to all Class members and
16 materially influenced their purchasing decisions. Likewise, members of the FACTA Class were all
17 subjected to the same standardized receipt format at the point of sale, in violation of FACTA's truncation
18 requirements.

19 103. Plaintiff is informed and believes that Defendant maintains extensive electronic records of
20 transactions at its Lacoste Outlet stores, including customer contact information through loyalty and
21 marketing programs, and point-of-sale systems. These records can be used to identify and ascertain a
22 significant portion of Class members with precision. Defendant's databases include names, addresses,
23 email contact information, and purchase details sufficient to provide notice of this action in accordance
24 with due process requirements.

25 104. To the extent that any total award of statutory damages on a class-wide basis might be
26 adjudicated as violating the Defendant's Due Process Rights under the United States Constitution, Plaintiff, on
27 behalf of both putative Classes, expressly requests only those damages fully allowable under the Constitution.
28

V. CAUSES OF ACTION

FIRST CAUSE OF ACTION

**Violation of California’s Unfair Competition Law (“UCL”)
CAL. BUS. & PROF. CODE §§ 17200, *et seq.*
(*On Behalf of Plaintiff and the Outlet Pricing Class*)**

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

106. Plaintiff brings this claim individually and on behalf of the members of the proposed Outlet Pricing Class against Defendant for violations of California’s UCL, Cal. Bus. & Prof. Code §§ 17200, *et seq.*

107. The UCL defines “unfair business competition” to include any “unlawful, unfair or fraudulent” act or practice, as well as any “unfair, deceptive, untrue or misleading” advertising. Cal. Bus. & Prof. Code § 17200.

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

“Unfair” Prong

109. A business act or 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 practice against the gravity of the harm to the alleged victims.

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

111. The harm emanating from this practice to Plaintiff and members of the proposed Outlet Pricing Class outweighs the utility it provides because Defendant’s practice of advertising false discounts

provides no utility. There were reasonably available alternatives to further Defendant's legitimate business interests other than the misleading and deceptive conduct described herein.

"Fraudulent" Prong

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

113. Defendant's acts and practices alleged above constitute fraudulent business acts or practices as Defendant has deceived Plaintiff and members of the proposed Outlet Pricing Class and is highly likely to deceive members of the consuming public. Plaintiff and members of the proposed Outlet Pricing Class relied on Defendant's fraudulent and deceptive representations regarding its false or outdated "original prices" for products sold by Defendant at its Lacoste Outlet stores. These misrepresentations played a substantial role in Plaintiff's and members of the proposed Outlet Pricing Class's decision to purchase the product at a purportedly steep discount, and Plaintiff and members of the proposed Outlet Pricing Class would not have purchased the product without Defendant's misrepresentations.

"Unlawful" Prong

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

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

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

(b) A former price is not necessarily fictitious merely because no sales at the advertised price were made. The advertiser should be especially careful, however, in such a case, that the price is one at which the product was openly and actively offered for sale, for a reasonably substantial period of time, in the recent, regular course of 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.

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

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

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

No price shall be advertised as a former price of any advertised thing, unless the alleged former price was the prevailing market price as above defined within three 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.

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

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

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

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

120. Defendant’s practices, as set forth above, misled Plaintiff, and are likely to mislead the proposed Outlet Pricing Class and the public in the future. Consequently, Defendant’s practices constitute an unlawful, fraudulent, and unfair business practice within the meaning of the UCL.

121. Defendant's violations of the UCL, through its unlawful, unfair, and fraudulent business practices, are ongoing and present a continuing threat to Plaintiff, members of the proposed Outlet Pricing 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 comparisons. These false comparisons created phantom markdowns and led to financial harm for consumers like Plaintiff and the members of the proposed Outlet Pricing Class as described herein. Because of the surreptitious nature of Defendant's deception, these injuries cannot be reasonably avoided and will continue to be suffered by the consuming public absent a mandated change in Defendant's practice.

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

SECOND CAUSE OF ACTION

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

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

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

125. Cal. Bus. & Prof. Code § 17500 provides:

It is unlawful for any . . . corporation . . . with intent directly or indirectly to dispose of . . . personal property or to perform services, professional or otherwise, or anything of any nature whatsoever or to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated . . . from this state before the public in any state, in 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 . . .

(emphasis added).

126. The FAL further provides:

no price shall be advertised as a former price of any advertised thing, unless the alleged former price was the prevailing market price ... within three 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.

Cal Bus. & Prof. Code § 17501.

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

128. As a direct and proximate result of Defendant's misleading and false advertisements, as well as Defendant's deceptive and unfair acts and practices made during the course of Defendant's business, Plaintiff and members of the proposed Outlet Pricing Class suffered economic injury.

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

THIRD CAUSE OF ACTION

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

CAL. CIV. CODE § 1750, *et seq.*

(On Behalf of Plaintiff and the Outlet Pricing Class)

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

131. Plaintiff brings this claim individually and on behalf of the members of the proposed Outlet Pricing Class against Defendant for violations of the CLRA, Cal. Civ. Code § 1750, *et seq.*

1 132. Plaintiff and each member of the Outlet Pricing Class are “consumers” as defined by Cal.
2 Civ. Code § 1761(d). Defendant’s sale of products at its Lacoste Outlet stores were “transactions” within
3 the meaning of Cal. Civ. Code § 1761(e). The products purchased by Plaintiff and members of the Outlet
4 Pricing Class are “goods” or “services” within the meaning of Cal. Civ. Code §§ 1761(a)-(b).

5 133. Defendant violated and continues to violate the CLRA by engaging in the following
6 practices proscribed by Cal. Civ. Code § 1770(a) in transactions with Plaintiff and the Outlet Pricing Class
7 which were intended to result in, and did result in, the sale of products sold at its Lacoste Outlet stores:

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

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

12 134. Plaintiff and the Outlet Pricing Class are consumers who have suffered economic injury and
13 damages, including benefit of the bargain damages, as a result of Defendant’s use and employment of the
14 false and misleading reference pricing alleged herein. Pursuant to Cal. Civ. Code § 1780(a), Plaintiff
15 therefore seeks an order enjoining such methods, acts, or practices as well as any other relief the Court
16 deems proper. Plaintiff additionally seeks costs and reasonable attorneys’ fees pursuant to Cal. Civ. Code
17 § 1780(e).

18 135. On July 24, 2025 Plaintiff concurrently served a notice letter pursuant to California Civil
19 Code § 1782(a), providing Defendant with notice of the CLRA violations alleged herein and demanding
20 that Defendant ceases its unlawful pricing practices and take appropriate corrective action. If Defendant
21 fails to adequately respond within thirty (30) days of service, Plaintiff will seek damages and attorneys’
22 fees under the CLRA, in addition to the equitable relief already sought pursuant to § 1782(d). Plaintiff
23 expressly reserves the right to pursue such damages and fees and hereby incorporates that request into this
24 Complaint with the intention—and to the maximum extent permitted by law—of obviating the need for
25 any further amendment following expiration of the statutory notice period. However, Plaintiff
26 acknowledges that a formal amendment may be required depending on the Court’s interpretation of the §
27 1782 compliance at the pleading stage.

28 136. Filed concurrently is a declaration of venue pursuant to Cal. Civ. Code §1780(d).

FOURTH CAUSE OF ACTION
Violation of the Fair and Accurate Credit Transaction Act (“FACTA”)
15 U.S.C. § 1681, et seq.
(On Behalf of Plaintiff and the FACTA Class)

137. Plaintiff repeats and re-alleges the allegations contained in the paragraphs above, as if fully set forth herein.

138. Plaintiff brings this claim individually and on behalf of the members of the proposed FACTA Class against Defendant for violations of the FACTA, 15 U.S.C. § 1681, et seq.

139. 15 U.S.C. § 1681c(g)(1) requires businesses to truncate payment card numbers and suppress the printing of payment card expiration dates on electronically printed customer receipts at the point of sale as follows:

[N]o person that accepts credit cards or debit cards for the transaction of business shall print more than the last 5 digits of the card number or the expiration date upon any receipt provided to the cardholder at the point of the sale or transaction.

Defendant continuously and systematically fails to comply with the requirements imposed on it by 15 U.S.C. § 1681c(g)(1) in the manner described herein.

140. Defendant transacts business in California and accept credit cards and/or debit cards for payment of merchandise at their retail stores in California.

141. In transacting business, Defendant employs electronic cash registers, computers, and/or other machines that permits it to uniformly process credit card and debit card payments and transactions. At all times during the class period, Defendant’s machines, which process sales and payment card transactions at the point-of-sale, electronically printed the Class members’ receipts without properly truncating their payment card account numbers. At all times during the class period, Defendant was electronically printing their customers’ payment card receipts at the point-of-sale with more than the last five (5) digits of the payment card’s account number in violation of 15 U.S.C. § 1681c(g)(1).

142. On April 9, 2025, Plaintiff engaged in a credit card purchase at a Lacoste outlet store located at 5620 Paseo Del Norte, Carlsbad, California 92008 within the Carlsbad Outlets complex. Plaintiff paid an after-tax total of \$138.99. Upon the conclusion of his transaction at the point-of-sale, Defendant electronically printed his receipt which contained, among other things, a total of ten (10) digits of Plaintiff’s

1 credit card account numbers. Specifically, Defendant electronically printed the first six (6) and the last
2 four (4) digits of Plaintiff's credit card account number. (See **Ex. D**, Plaintiff's Transaction Receipt.)

3 143. As described herein, and at all times during the class period, Defendant's actions with
4 respect to the electronic printing of payment card receipts without properly truncating the payment card's
5 account number was a willful violation of 15 U.S.C. § 1681c(g)(1).

6 144. As described herein, despite repeated notice of FACTA's requirements, and its apparent
7 knowledge of the requirements, Defendant willfully violated FACTA in conscious disregard of the rights
8 of Plaintiff and the members of the Class, thereby exposing Plaintiff and the members of the Class to an
9 increased risk of identity theft and/or payment card fraud.

10 145. As a result of Defendant's willful violations of FACTA, Defendant is liable to Plaintiff and
11 each member of the Class in the statutory damage amount of "not less than \$100 and not more than \$1000"
12 for each violation. (15 U.S.C. § 1681n(a)(1)(A).) Plaintiff and the members of the Class are entitled to
13 recover costs of suit and their reasonable attorneys' fees. (15 U.S.C. § 1681n(a)(3).) Additionally, Plaintiff
14 and the members of the Class are entitled to recover punitive damages. (15 U.S.C. § 1681n(a)(2).)

15 **VI. PRAYER FOR RELIEF**

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

18 A. Certify the Classes and designate Plaintiff as the Class Representative and their
19 counsel as Class Counsel;

20 B. Award Plaintiff and members of the Classes any and all actual, consequential, and
21 statutory damages, as permitted by applicable law, including, on behalf of the proposed FACTA
22 Class, statutory damages in an amount of "not less than \$100 and not more than \$1000" for each
23 violation of FACTA;

24 C. Award Plaintiff and the proposed FACTA Class members only an amount of
25 damages permissible under the United States Constitution, in accordance with due process;

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

1 E. Award restitution and disgorgement of all profits and unjust enrichment that
2 Defendant obtained from Plaintiff and the members of the Classes as a result of its unlawful, unfair,
3 and fraudulent business practices described herein;

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

7 G. Order Defendant to engage in a corrective advertising campaign;

8 H. Award punitive damages according to proof; and

9 I. Award attorneys' fees and costs; and

10 J. Order such other and further relief as the Court may deem necessary or appropriate.

11 **VIII. DEMAND FOR JURY TRIAL**

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

13 Dated: July 24, 2025

LYNCH CARPENTER LLP

14 By: /s/ Todd D. Carpenter

15 Todd D. Carpenter (SBN 234464)

16 todd@lcllp.com

17 Scott G. Braden (SBN 305051)

18 scott@lcllp.com

19 9171 Towne Centre Drive, Suite 180

20 San Diego, CA 92122

21 Telephone: (619) 762-1900

22 Facsimile: (858) 313-1850

23 *Attorneys for Plaintiff and*
24 *Proposed Class Counsel*
25
26
27
28

EXHIBIT A

























































EXHIBIT B

Lacoste



Description:	Men's Classic Polo	Men's Core T-Shirts	Blue Chine Sweater	Men's Classic Polo
Reference Price:	\$110.00	\$60.00	\$98.00	\$98.00
Sale Price:	\$69.99	\$39.99	40% off	40% off

Date: 4/18/2024

Continuously discounted through: Ongoing



Description:	Men's Plaid Shirt	Men's Hoodie	Crew Neck Sweater	Men's V-Neck Tee
Reference Price:	\$125.00	\$110.00	\$135.00	\$60.00
Sale Price:	40% off	40% off	40% off	\$49.99

Date: 4/18/2024

Continuously discounted through: Ongoing



Description:	Men's Button Down	Men's Plaid Shirt	Logo Tee	Logo Polo Shirt
Reference Price:	\$150.00	\$145.00	\$65.00	\$125.00
Sale Price:	40% off	50% off	40% off	40% off

Date: 4/18/2024

Continuously discounted through:

Ongoing



Description:	Sweatpants	Logo Tee	Men's Button Down	Logo Polo Shirt
Reference Price:	\$115.00	\$65.00	\$45.00	\$135.00
Sale Price:	2 for \$110	50% off	50% off	40% off

Date: 4/18/2024

Continuously discounted through:

Ongoing