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**IN THE SUPERIOR COURT OF CALIFORNIA**

**FOR THE COUNTY OF SAN DIEGO**

JEFFREY JACOBS and MADELINE CASEY,  
on behalf of themselves and all others similarly  
situated,

Plaintiffs,

v.

LA-Z-BOY INCORPORATED, a Michigan  
corporation, and STITCH INDUSTRIES, INC.,  
a Delaware corporation, inclusive,

Defendants.

Case No.: 25CU038051N

**CLASS ACTION COMPLAINT**

**[DEMAND FOR JURY TRIAL]**

1. Unfair Competition Law
2. False Advertising Law
3. Consumer Legal Remedies Act
4. Oregon Unlawful Trade Practices Act
5. Washington Consumer Protection Act
6. Breach of Contract
7. Breach of Express Warranty
8. Quasi-Contract/Unjust Enrichment
9. Negligent Misrepresentation
10. Intentional Misrepresentation

1 Plaintiffs Jeffrey Jacobs and Madeline Casey (collectively, “Plaintiffs”) bring this action,  
2 on behalf of themselves and all others similarly situated, against Defendant La-Z-Boy Incorporated  
3 and Stitch Industries Inc., doing business as Joybird (collectively, “Joybird” or “Defendant”), and  
4 state:

## 5 I. NATURE OF ACTION

6 1. “Protection of unwary consumers from being duped by unscrupulous sellers is an  
7 exigency of the utmost priority in contemporary society.” *Vasquez v. Superior Court*, 4 Cal. 3d  
8 800, 808 (1971). This principle is as true today as it was over 50 years ago when it was penned by  
9 Justice Mosk writing for a unanimous California Supreme Court. This putative class action is about  
10 holding a multimillion-dollar company accountable to its customers who have been deceived by a  
11 years-long campaign to trick them into paying more for Joybird products at joybird.com and  
12 Joybird retail showroom stores through the widespread and perpetual use of false reference and  
13 discount pricing. “In short, the higher reference price stated alongside the selling price shift[s] the  
14 demand function outward, leading to higher average prices and thus higher margins.” Staelin et  
15 al., *Competition and the Regulation of Fictitious Pricing*, 87 J. Mktg., 826, 835 (2023).

16 2. Prices reflect a perceived value to consumers.<sup>1</sup> False advertising of prices can be  
17 used to manipulate consumers’ value perception of products and cause consumers to overpay for  
18 them. Aware of the intertwined connection between consumers’ buying decision processes and  
19 price, retailers like Defendant lure consumers with advertised discounts that promise huge savings  
20 and high value. But the promised savings are false, and the product’s value reflected in its price is  
21 incorrect when the retailer advertises discounts off of some higher, made-up, and artificially  
22 inflated “original” price that no one ever pays.

23 3. At all relevant times, Defendant has continually advertised and sold falsely  
24 discounted furniture and home décor products through its e-commerce retail channel, joybird.com,

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25 <sup>1</sup> Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*,  
26 11 J. PUB. POL’Y & MKTG. 52, 55 (1992) (“[P]rice is materially utilized in the formation of  
27 perceptions of the product’s value and influences the decision to purchase the product or to  
28 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 and in its Joybird retail showrooms. Defendant “own[s] Joybird, a leading e-commerce retailer and  
2 manufacturer of upholstered furniture.” La-Z-Boy, Inc., Annual Report (Form 10-K), at 12  
3 (Jun. 20, 2023).<sup>2</sup> “Joybird sells product[s] almost exclusively online, where there is significant  
4 competition for customer attention among online and direct-to-consumer brands.” *Id.*<sup>3</sup> In bringing  
5 this putative class action complaint, Plaintiffs seek to remedy this deception and its attendant harm  
6 to consumers. Plaintiffs seek monetary damages, restitution, and declaratory and injunctive relief  
7 from Defendant arising from its false discounting scheme on furniture and home décor items sold  
8 on joybird.com and its limited Joybird retail showrooms.

9         4. False reference pricing occurs when a seller fabricates a false “original” price for a  
10 product and then offers that product at a substantially lower price under the guise of a discount.  
11 The resulting artificial price disparity misleads consumers into believing the product they are  
12 buying has a higher market value, and it induces them into purchasing the product. This practice  
13 artificially inflates the market price for these products by raising consumers’ internal reference  
14 price and in turn the perceived value consumers ascribe to these products (i.e., demand).<sup>4</sup>  
15 Consequently, false reference pricing schemes enable retailers, like Defendant, to sell products  
16 above their true market price and value, leaving consumers to pay the inflated price regardless of  
17 what they thought of the purported discount. Consumers are thus damaged not only by not  
18 receiving the promised discount, but by paying a premium the products would not have  
19 commanded but for the false reference pricing scheme.

20         5. The following example of a hypothetical DVD seller, which parallels Defendant’s  
21 practice, illustrates how false reference pricing schemes harm consumers: the DVD seller knows  
22 it can sell a particular DVD at \$5.00, which represents both the market price and the price at which  
23

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24 <sup>2</sup><https://www.sec.gov/Archives/edgar/data/57131/000005713123000032/lzb-20230429.htm>

25 <sup>3</sup> Defendant’s most recent 2023 Form 10-K goes on to explain, “[w]e manufacture, **market**, import,  
26 export, distribute and retail upholstery furniture products under the ... **Joybird® tradename**[]  
27 [and] ... import, distribute and **retail** accessories and casegoods (wood) furniture products under  
the ... Joybird® tradename[.]” La-Z-Boy Inc., Annual Report (Form 10-K), at 4, 21 (Jun. 20, 2023)  
(emphasis added).

28 <sup>4</sup> Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*,  
11 J. PUB. POL’Y & MKTG. 52, 55 (1992) (“By creating an impression of savings, the presence of  
a higher reference price enhances subjects’ perceived value and willingness to buy the product.”).

1 the seller could regularly offer the DVD and make a profit. Instead, however, the seller creates a  
2 fake “original” price for the DVD of \$100.00 and advertises the DVD as “on sale” at 90% off,  
3 creating a (fake) “sale” price of \$10.00. Consumers purchasing the DVD for \$10.00 assume they  
4 got a “good deal” since the DVD was previously sold—i.e., valued by others in the market—at an  
5 “original” price of \$100.00, and presumably would be again soon.

6 6. The consumer’s presumption and purchase stem directly from the seller’s  
7 deception. For example, if the seller tried to sell that same DVD for \$10.00 *without* referencing a  
8 false original price of \$100.00, and the attendant 90% off discount, that seller would not be able  
9 to sell many, if any, DVDs at \$10.00 because the true market value of the DVD is \$5.00. In  
10 contrast, by presenting consumers with a false “original” price of \$100.00, consumers *will*  
11 purchase the DVD at \$10.00. By doing so, the seller has fabricated an artificial and illegitimate  
12 increase in consumer demand for the DVD through the reasonable, but incorrect, *perceived value*  
13 of the DVD in connection with the substantial discount of \$90.00. The net effect of myriad  
14 consumers’ increased willingness to pay \$10.00 for the DVD, based on the false discount, in turn  
15 creates a new, albeit artificial and illegitimate, market price of the DVD. The seller can therefore  
16 create an artificially inflated market price for the DVD of \$10.00 by advertising the false “original”  
17 price and corresponding fake discount.

18 7. Through its false and misleading marketing, advertising, and pricing scheme  
19 alleged herein, Defendant violated, and continues to violate, California, Washington, Oregon, and  
20 federal law. Specifically, Defendant violated and continues to violate: California’s Unfair  
21 Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (“UCL”); California’s False  
22 Advertising Law, Cal. Bus. & Prof. Code §§ 17500, *et seq.* (“FAL”); California’s Consumers  
23 Legal Remedies Act, Cal. Civ. Code §§ 1750, *et seq.* (“CLRA”); Washington’s Consumer  
24 Protection Act, Wash. Rev. Code Ann. § 19.86.020 (“CPA”); Oregon’s Unlawful Trade Practices  
25 Act, O.R.S. § 646.608 (“UTPA”); and the Federal Trade Commission (“FTC”) Act (“FTCA”),  
26 which prohibits “unfair or deceptive acts or practices in or affecting commerce” (15 U.S.C.  
27 § 45(a)(1)) and false advertisements (15 U.S.C. § 52(a)). California, Washington, and Oregon state  
28 law are materially similar with respect to deceptive pricing and discounts in that they all prohibit

1 unfair, unconscionable, and/or deceptive acts or practices in the course of trade or commerce or in  
2 connection with the sale of goods or services to consumers.

3 8. Plaintiffs bring this action on behalf of themselves and other similarly situated  
4 consumers who have purchased one or more of Defendant's Joybird items advertised at a purported  
5 discount from a fictitious higher reference price from joybird.com and through Joybird retail  
6 showroom stores in California, Washington, or Oregon. Plaintiffs intend to halt the dissemination  
7 and perpetuation of this false, misleading, and deceptive pricing scheme, to correct the false and  
8 harmful perception it has created in the minds of consumers, and to obtain redress for those who  
9 overpaid for merchandise tainted by this deceptive pricing scheme. Plaintiffs also seek to  
10 permanently enjoin Defendant from engaging in this unlawful conduct. Further, Plaintiffs seek to  
11 obtain all applicable damages, including actual, benefit of the bargain, statutory, and punitive  
12 damages, restitution, reasonable costs and attorney's fees, and other appropriate relief in the  
13 amount by which Defendant was unjustly enriched as a result of its sales of merchandise offered  
14 a false discount.

## 15 II. JURISDICTION AND VENUE

16 9. Plaintiffs are informed and believe that Defendant is a business entity that conducts  
17 business in the State of California. Defendant conducts sufficient business with sufficient  
18 minimum contacts in California, including the County of San Diego, which has caused both  
19 obligations and liability of Defendants to arise in the County of San Diego.

20 10. This Court has general jurisdiction over Defendant and the claims set forth below  
21 pursuant to Civil Procedure Code Section 410.10 and the California Constitution, Article VI  
22 Section 10, because this case is a cause not given by statute to other trial courts.

23 11. Pursuant to California Civil Code Section 395, venue is proper in this county  
24 because Defendant does business in this County.

25 12. The amount in controversy exceeds the jurisdictional minimum of this Court.  
26  
27  
28

### III. GENERAL ALLEGATIONS

#### A. Retailers Benefit from False Reference Pricing Schemes.

13. Defendant engages in a false and misleading reference price scheme in the marketing and selling of its Joybird furniture and home décor products on joybird.com and through Joybird retail showroom stores.

14. As mentioned above, retailers like Defendant can benefit substantially from false discounting schemes because “framing a price increase as a discount can not only allow the firm to get *higher margins*, but also *increase sales*.” Staelin et al., *Competition and the Regulation of Fictitious Pricing*, 87 J. Mktg., 826, 835 (2023) (emphasis added). This is because consumers use advertised reference prices to make purchase decisions, particularly when the information available to consumers can vary among different types of products.<sup>5</sup> Most often, as with retail clothing, consumers lack full information about the products and, as a result, often use information from sellers to make purchase decisions.<sup>6</sup>

15. Defendant’s deceptive advertised reference prices are thus incorporated into consumers’ decision process. First, a product’s “price is also used as an indicator of product quality.”<sup>7</sup> In other words, consumers view Defendant’s deceptive advertised reference prices as a proxy for product quality. Second, reference prices “appeal[] to consumers’ desire for bargains or

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<sup>5</sup> 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*, J. LAW & ECONOMICS 16 no. 1 (1973): 67-88, at 68-69.

<sup>6</sup> “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*. J. POLITICAL ECONOMY 78, no. 2 (1970): 311-29, at 311-12.

<sup>7</sup> Dhruv Grewal & Larry D. Compeau. *Comparative Price Advertising: Informative or Deceptive?*, J. PUBLIC POLICY & MARKETING (1992): 52-62, at 54; see also Richard Thaler. *Mental Accounting and Consumer Choice*. MARKETING SCIENCE 4, no. 3 (1985): 199-214, p. 212 (“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)”).

1 deals.”<sup>8</sup> Academic researchers note how consumers “sometimes expend more time and energy to  
2 get a discount than seems reasonable given the financial gain involved,” and “often derive more  
3 satisfaction from finding a sale price than might be expected on the basis of the amount of money  
4 they actually save.”<sup>9</sup> Under this concept, coined as “transaction utility” by Nobel Prize-winning  
5 economist Richard Thaler, consumers place value on the psychological experience of obtaining a  
6 product at a perceived bargain.<sup>10</sup>

7         16. Research in marketing and economics has long recognized that consumer demand  
8 can be influenced by “internal” and “external” reference prices.<sup>11</sup> Internal reference prices are  
9 “prices stored in memory” (e.g., a consumer’s price expectations adapted from past experience)  
10 while external reference prices are “provided by observed stimuli in the purchase environment”  
11 (e.g., a “suggested retail price,” or other comparative sale price).<sup>12</sup> Researchers report that  
12 consumer’s internal reference prices adjust toward external reference prices when valuing a  
13 product.<sup>13</sup> For infrequently purchased products, external reference prices can be particularly  
14

15 <sup>8</sup> Dhruv Grewal, & Larry D. Compeau. *Comparative Price Advertising: Informative or*  
16 *Deceptive?*, J. OF PUBLIC POLICY & MARKETING (1992): 52-62, at 52.

17 <sup>9</sup> Peter Darke & Darren Dahl. *Fairness and Discounts: The Subjective Value of a Bargain*. J. OF  
18 CONSUMER PSYCHOLOGY 13, no 3 (2003): 328-38, at 328.

19 <sup>10</sup> “To incorporate ... the psychology of buying into the model, two kinds of utility are postulated:  
20 *acquisition utility* and *transaction utility*. The former depends on the value of the good received  
21 compared to the outlay, the latter depends solely on the perceived merits of the ‘deal.’” Richard  
22 Thaler. *Mental Accounting and Consumer Choice*. MKTG SCI. 4, no. 3 (1985): 199-214, at 205;  
23 *The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2017*, THE NOBEL  
24 PRIZE (Oct. 9, 2017), <https://www.nobelprize.org/prizes/economic-sciences/2017/press-release/>  
25 (“Richard Thaler’s contributions have built a bridge between the economic and psychological  
26 analyses of individual decision-making.”).

27 <sup>11</sup> Empirical results “suggest that internal reference prices are a significant factor in purchase  
28 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*, J. OF CONSUMER RESEARCH 19, no. 1  
(1992): 62-70, at 68.

<sup>12</sup> Glenn E. Mayhew & Russell S. Winer. *An Empirical Analysis of Internal and External Reference*  
*Prices using Scanner Data*. J. CONSUMER RESEARCH 19, no. 1 (1992): 62-70, at 62.

<sup>13</sup> “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, Kent B.  
Monroe & Ramayya Krishnan. *The Effects of Price-Comparison Advertising on Buyers’*  
*Perceptions of Acquisition Value, Transaction Value, and Behavioral Intentions*. J. MARKETING  
62 (1998): 46-59, at 48.

1 influential because these consumers have little or no prior internal reference.<sup>14</sup> In other words,  
2 “[t]he deceptive potential of such advertised reference prices are likely to be considerably higher  
3 for buyers with less experience or knowledge of the product and product category.”<sup>15</sup> Academic  
4 literature further reports that “there is ample evidence that consumers use reference prices in  
5 making brand choices”<sup>16</sup> and publications have summarized the empirical data as follows:

6       Inflated reference prices can have multiple effects on consumers. They can  
7       increase consumers’ value perceptions (transaction value and acquisition value),  
8       reduce their search intentions for lower prices, increase their purchase intentions,  
9       and reduce their purchase intentions for competing products ... Inflated and/or  
     false advertised reference prices enhance consumers’ internal reference price  
     estimates and, ultimately, increase their perceptions of value and likelihood to  
     purchase[.]<sup>17</sup>

10       17.     In *Competition and the Regulation of Fictitious Pricing*, published in 2023, authors  
11     Richard Staelin, a Duke marketing professor since 1982, Joel Urbany, a Notre Dame marketing  
12     professor since 1999, and Donald Ngwe, a senior principal economist for Microsoft and former  
13     marketing professor for Harvard, built on their prior analytic work to explain the effects of false  
14     reference pricing schemes and why their use has not dissipated as previously expected by the FTC,  
15     but rather have become more prevalent in the absence of FTC regulation. Importantly, this new  
16     study cites and confirms many of the same older consumer studies cited above<sup>18</sup> and notes that the

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19     <sup>14</sup> As Thalen notes, “the [suggested retail price] will be more successful as a reference price the  
20     less often the good is purchased.” Richard Thaler. *Mental Accounting and Consumer Choice*.  
MKTG SCI. 4, no. 3 (1985): 199-214, at 212.

21     <sup>15</sup> Dhruv Grewal & Larry D. Compeau. *Pricing and public policy: A research agenda and an  
overview of the special issue*. J. PUBLIC POLICY & MARKETING 18, no. 1 (1999): 3-10, at 7.

22     <sup>16</sup> Gurumurthy Kalvanaram & Russell S. Winer. *Empirical Generalizations from Reference Price  
Research*. MARKETING SCIENCE 14, no. 3 (1995): G161-G169, at G161; see also Jerry B. Gotlieb  
23     & Cyndy Thomas Fitzgerald. *An Investigation into the Effects of Advertised Reference Prices on  
the Price Consumers are Willing to Pay for the Product*. J. OF APPLIED BUS. RESEARCH 6, no. 1  
24     (1990): 59-69, at 65-66. (“The results of this research provide support for the position that  
25     [external] reference prices are important cues consumers use when making the decision concerning  
how much they are willing to pay for the product.”).

26     <sup>17</sup> Dhruv Grewal & Larry D. Compeau. *Pricing and public policy: A research agenda and an  
overview of the special issue*. J. PUBLIC POLICY & MARKETING 18, no. 1 (1999): 3-10, at 7.

27     <sup>18</sup> See Staelin et al., *Competition and the Regulation of Fictitious Pricing* (manuscript at 3) (“It is  
28     now well established that many consumers get extra utility beyond that associated with consuming  
the product from purchasing it on deal (Thaler 1985, Compeau & Grewal 1998, Krishna et al.  
2002) and that magnitude of this utility is a function of the size of the deal.”).



findings of these “older” studies are still widely accepted relevant principles in the economic discipline. *See id.*

18. Additionally, Staelin, in *Competition and the Regulation of Fictitious Pricing*, explains how the modern development of consumer search behavior and options available to consumers (e.g., smartphones, online shopping) has actually *spread* the presence of fictitious reference pricing, not extinguished it.<sup>19</sup> According to Staelin and his co-authors “disclosure of the true normal price charged may be the only solution that could plausibly influence both consumer and firm behavior.” *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.”).

19. Consequently, retailers like Defendant, who understand that consumers are susceptible to a bargain, have a substantial financial interest in making consumers think they *are* getting a bargain, even when they are not. Contrary to the illusory bargains in Defendant’s advertisements, consumers are not receiving *any* discount and are actually *overpaying* for Defendant’s product because, as Staelin et al. put it, “[t]he magnitude of both real and fake discount[s] were significant predictors of demand above the effects of the actual sales price, *with fake discounts having a substantially larger effect than real discounts.*” *Id.* at 835 (emphasis added).

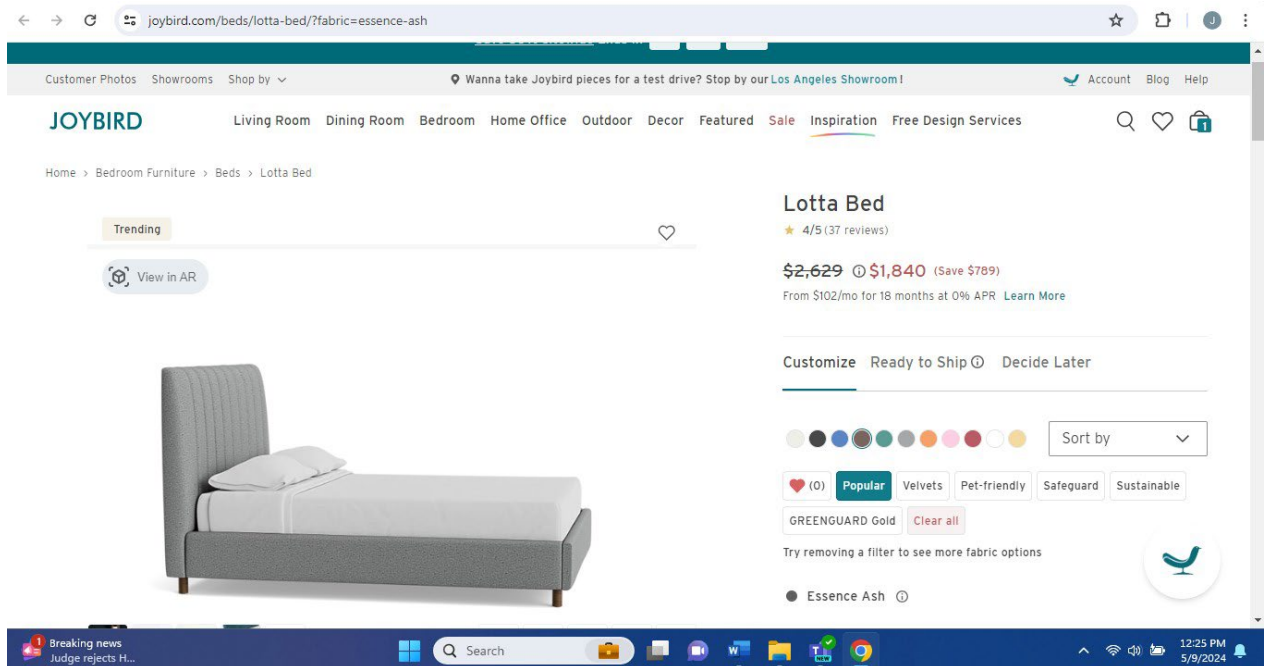
#### **B. Defendant Engages in a Fraudulent Price Discounting Scheme.**

20. Defendant engages in a fake discounting scheme that harms consumers by advertising upholstered furniture goods and related products on joybird.com and in its retail showrooms with false “original” and discounted “sale” prices. For instance, its listing pages<sup>20</sup> depict rows of items including a photo of the item above a struck-through original price in black font next to a “sale” price in red font (e.g., ~~\$2,629~~ **\$1,840**). The individual product pages include the same “original” price in black font with a strikethrough on it next to a “sale” price in red.

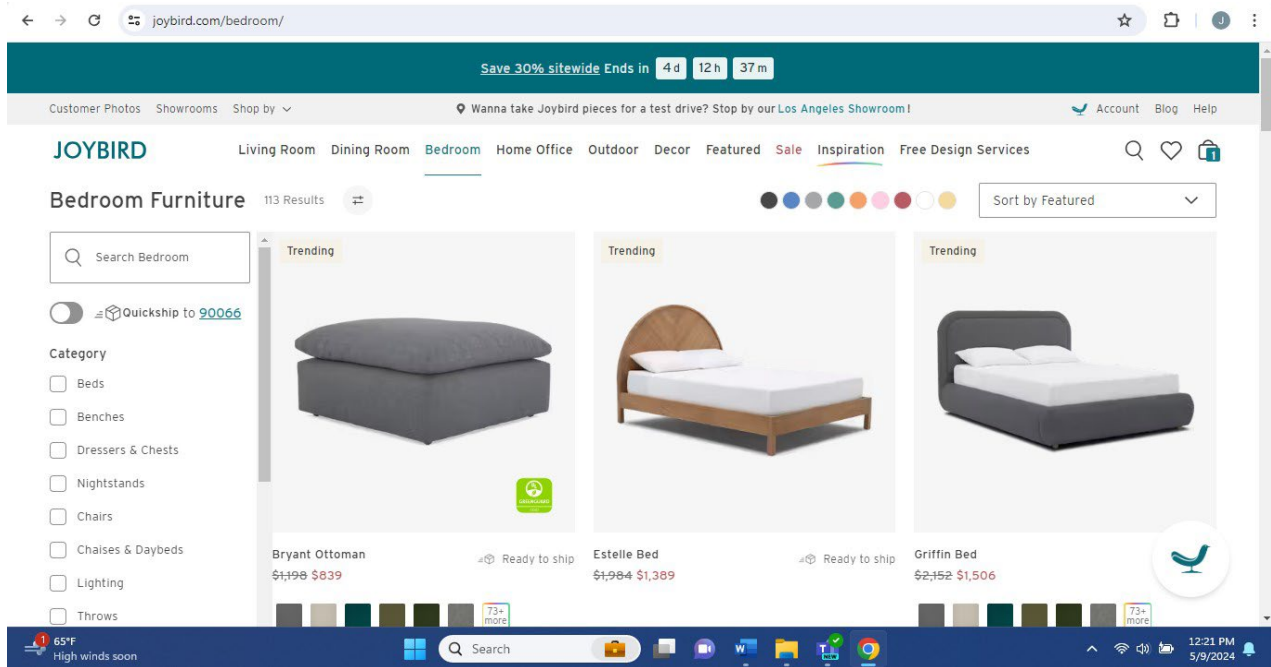
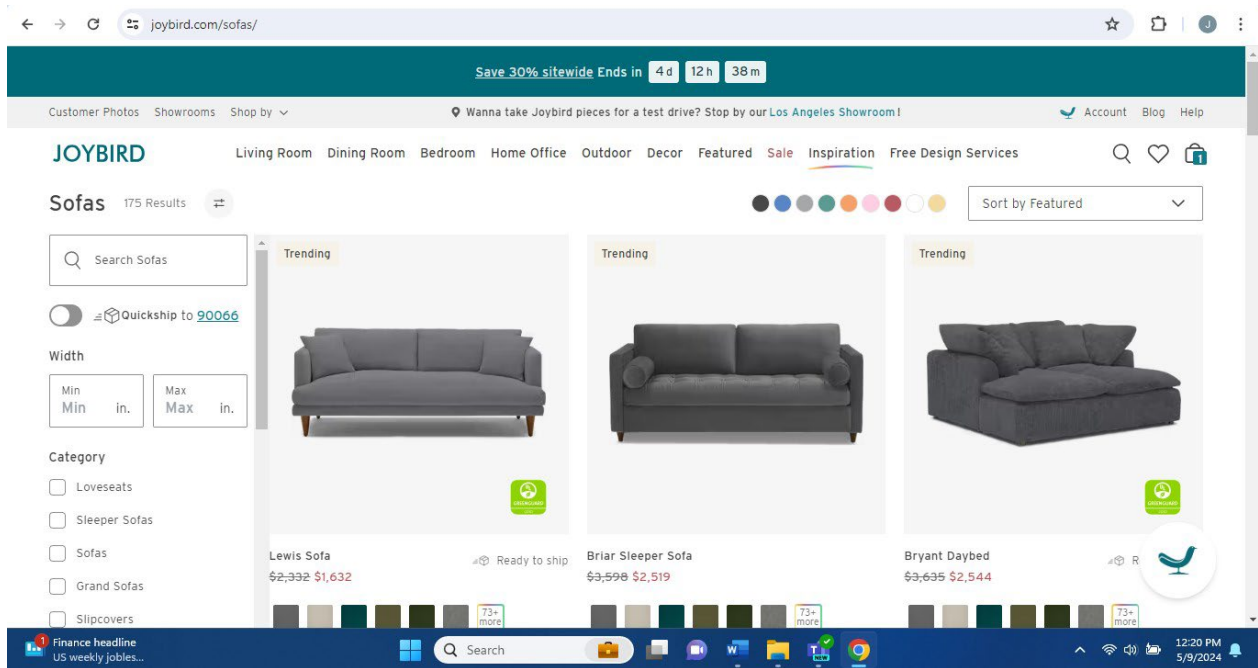
<sup>19</sup> Staelin et al., *Competition and the Regulation of Fictitious Pricing*, 87 J. Mktg., 826, at 826 (2023) (explaining how the study “develop(s) a descriptive model explaining why fictitious reference pricing has spread instead of being extinguished by competition.”).

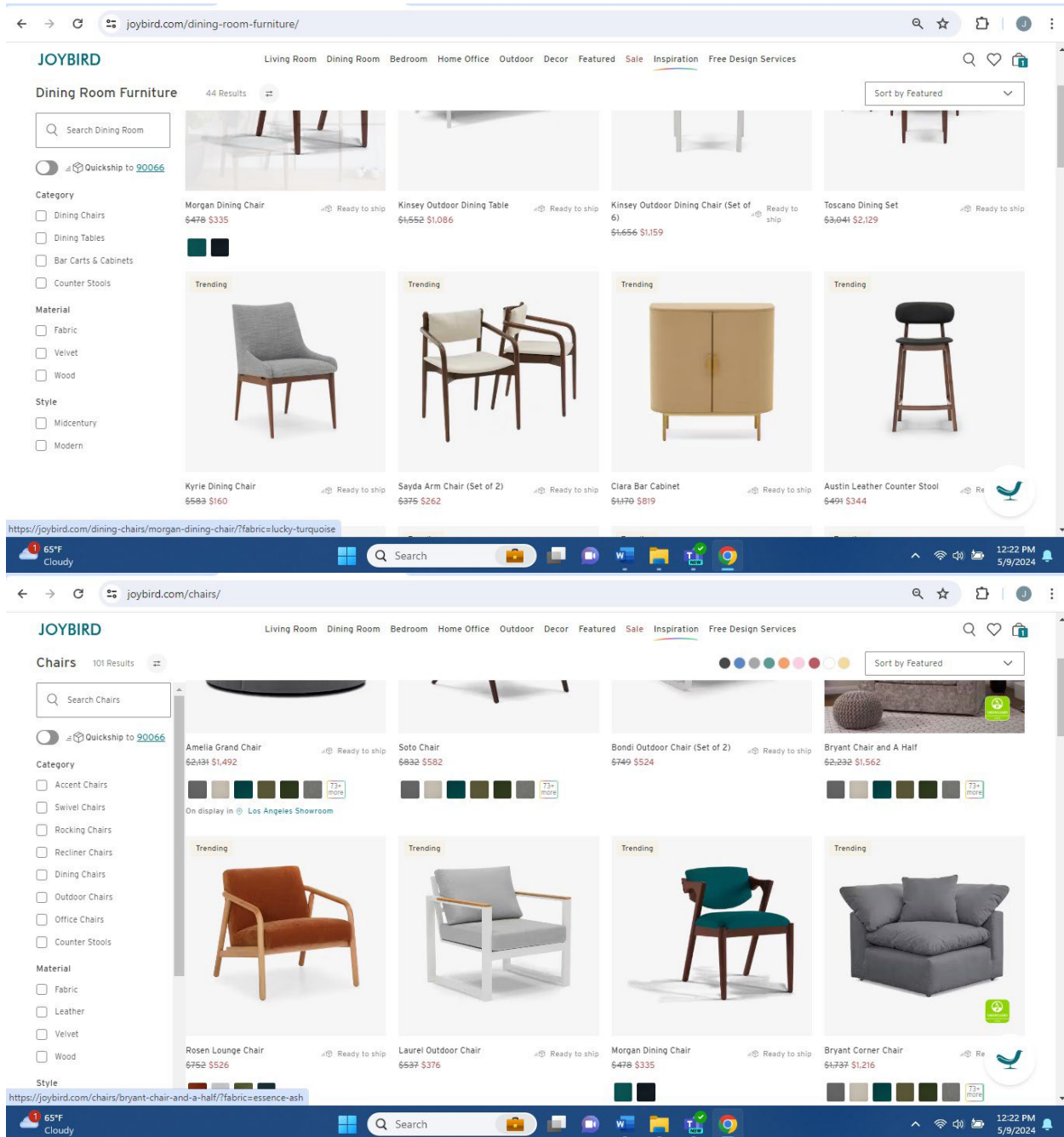
<sup>20</sup> See, e.g., <https://joybird.com/bedroom/>.

1 However, the product page also includes a “Save \$\_\_” amount in red font next to the phony “sale”  
2 price, which represents the difference between the false reference and sale prices. E.g., (Save  
3 \$789). The appearance of the “Save \$\_\_” amount and “sale” price in red font communicates the  
4 urgency with which consumers need to act if they wish to take advantage of the “savings.” In truth,  
5 however, the false reference prices advertised at joybird.com operate as a baseline for consumers  
6 to rely on to assess a product’s value. Showing the purported discount in red alongside this  
7 “original” price communicates to consumers that the product is being offered at a substantial  
8 discount from a former price and will return to that price if the shopper fails to act. The photo(s)  
9 below illustrate this practice, which is uniform across joybird.com.<sup>21</sup>



<sup>21</sup> Attached hereto as Exhibit A are numerous snapshots from joybird.com depicting falsely discounted merchandise. Attached as Exhibit B are numerous snapshots of the website acquired from the Wayback Machine (“WBM”). WBM (accessible at <https://wayback-api.archive.org/>) is a well-regarded internet archive of websites and webpages as they existed at one point in time. In other words, while a website may update its content periodically, WBM permits users to view it exactly as it appears on the date the page snapshot is taken. The date of the snapshot is shown at the top-right corner of each page.





21. The Joybird furniture and home décor products sold through Defendant's Joybird retail showrooms are advertised with the same false reference and sales prices as are advertised on joybird.com. The floor models displayed in the showrooms are advertised with signs bearing the reference price which are then "discounted" by "\_\_% Off" signs inside the store. Thus, Defendant's marketing of false reference and sale prices in its brick-and-mortar showrooms is consistent with its online practice. Additionally, the Joybird furniture and home décor products sold through the retail showrooms are the same products as those offered on joybird.com. As in

1 Plaintiffs’ case, discussed below, items purchased in the showrooms are shipped to customers from  
2 the same US distribution facility(ies) as products ordered directly by customers at joybird.com.  
3 On information and belief, the only difference is that one of Defendant’s employees assists with  
4 making the order for purchases made via showroom. Thus, the false discounting scheme used by  
5 Defendant on joybird.com and in its California, Washington, and Oregon retail showrooms is  
6 uniform and identical.

7 22. Further, both channels consist of *exclusive* products that are not sold in La-Z-Boy  
8 or other furniture stores.<sup>22</sup> According to Defendant’s 2023 10-K, “Joybird sells product almost  
9 exclusively online, where there is significant competition for customer attention among online and  
10 direct-to-consumer brands.” La-Z-Boy, Inc., Annual Report (Form 10-K), at 12 (Jun. 20, 2023).  
11 The only remaining market are the “limited” “proprietary retail showroom floor space including  
12 ten small-format stores in key urban markets.” *Id.* at 5, 22. The showrooms advertise perpetual  
13 discounts in multiple locations throughout the store, including near floor models (e.g., “40% Off”,  
14 “up to 50% off entire store”).

15 23. Thus, Defendant is not offering a “discount” from their own or any competitor’s  
16 retail prices because the Joybird products are not sold in any other relevant market (or *any*

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17  
18  
19 <sup>22</sup> See *Sperling v. Stein Mart, Inc.*, 291 F. Supp. 3d 1076, 1084 (C.D. Cal. 2018) (“In exclusive  
20 product cases, a store, often an outlet store, sells a lower-price, different version of a product sold  
21 in a traditional retail store. The outlet uses the price of the product made for the retail store as a  
22 comparative reference price on price tags. However, the actual product being sold in the outlet is  
23 made exclusively for the outlet and is never sold for the comparative reference price at a traditional  
24 retail store. In those cases, courts generally find that a plaintiff can proceed with his or her  
25 claims.”); *Branca v. Nordstrom, Inc.*, No. 14cv2062-MMA, 2015 WL 10436858, at \*7–8 (S.D.  
26 Cal. Oct. 9, 2015) (denying a motion to dismiss where the plaintiff alleged that items at Nordstrom  
27 Rack were compared to full-price products sold at Nordstrom retailers and that “the items were  
28 never sold elsewhere for any other price besides the Nordstrom Rack retail price”); *Stathakos v.*  
*Columbia Sportswear Co.*, No. 15-cv-04543-YGR, 2017 WL 1957063, at \*8 (N.D. Cal. May 11,  
2017) (denying a motion for summary judgment in part where the plaintiffs asserted evidence that  
the defendant sold products exclusively made for its outlet stores but compared their prices to  
products sold in full retail stores); *Rubenstein v. Neiman Marcus Grp. LLC*, 687 F.App’x 564, 567  
(9th Cir. 2017) (reversing dismissal where the plaintiff alleged that Neiman Marcus Last Call used  
reference prices to products sold at Neiman Marcus retail stores even though the products were  
made exclusively for Neiman Marcus Last Call). Even assuming *arguendo* that other markets exist,  
this point is immaterial because Plaintiff has pled a violation of the FTCA, which is retailer-  
specific in proscribing false former prices, and the Ninth Circuit has unequivocally held the FTCA  
may serve as a predicate violation for a UCL claim. *Rubenstein*, 687 F.App’x at 567 (“allegations  
of a [FTCA guideline] violation ... are sufficient to state a claim under the UCL.”).

1 market).<sup>23</sup> Accordingly, there is no regular or market price for the Joybird products offered for sale  
2 at joybird.com or its retail showrooms other than the price set by Defendant in those retail channels.  
3 But both joybird.com and its retail showrooms rarely, if ever, offer or sell the products at the  
4 “original” prices. Those prices are used solely as a benchmark to induce consumers to make  
5 purchases and spend more under the reasonable, but incorrect, belief that the merchandise was  
6 once sold at the reference price when, in reality, the products remain forever “discounted.”

7         24. Even if Defendant did occasionally offer its Joybird furniture and home décor  
8 products at their full reference price (which it does not), that offering would do little to legitimize  
9 Defendant’s practice. This is because, for the advertised former price to be “actual, bona fide” and  
10 “legitimate” it must be the “price at which the article was offered to the public *on a regular basis*  
11 *for a reasonably substantial period of time.*” 16 C.F.R. § 233.1(a) (emphasis added). Nor would  
12 such rare offerings constitute the “prevailing market price” within the “three months next  
13 immediately preceding the publication of the advertisement,” as is required by California’s FAL,  
14 Cal. Bus. & Prof. Code § 17501, “unless the date when the alleged former price did prevail is  
15 clearly, exactly and conspicuously stated in the advertisement[.]” which Defendant also fails to do  
16 on *all* advertisements. Rather, the advertised reference prices on Joybird products are *not* the price  
17 at which Defendant regularly (or ever) sells, or expects to regularly sell, the products; they are  
18 merely a basis for misleading consumers into believing they are receiving a substantial discount.

19 \_\_\_\_\_  
20 <sup>23</sup> Moreover, this case does not involve “Compare At” pricing representations, in which a  
21 defendant could plausibly assert that its advertised reference prices did not represent former prices  
22 but those of competitors. *See, e.g., Branca*, No. 14CV2062-MMA (JMA), 2015 WL 10436858,  
23 at \*1. Here, Defendant’s exclusive products all bear the same strike-through font discount method  
24 indicating a former price. Based on this pricing model, consumers have no reason to suspect that  
25 the stricken prices are anything but Defendant’s former prices, not a comparison to a competitor’s  
26 prices or even other La-Z-Boy furniture products. Thus, they have no motivation to look elsewhere.  
27 *See Marino v. Coach, Inc.*, 264 F. Supp. 3d 558, 570 (S.D.N.Y. 2017) (“The Court also finds that  
28 Marino has plausibly alleged that the [Manufacturer’s Suggested Retail Price or] MFSRPs are  
misleading. [Coach argued] a reasonable consumer could not be misled into believing the MFSRPs  
are former prices. In support of this argument, Coach notes that disclaimers in its stores explain  
that MFSRPs are intended to be indicators of ‘Value.’ Whether, in the face of such disclaimers, a  
reasonable consumer could nonetheless believe that the MFSRPs are former prices is an issue of  
fact to be resolved at a later stage of this litigation.”); *Vizcarra v. Michaels Stores, Inc.*, No. 23-  
cv-00468-PCP, \_\_\_ F. Supp. 3d \_\_\_, 2024 WL 64747, at \*4 (N.D. Cal. Jan. 5, 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)).

25. In sum, Defendant’s fake discount scheme is intended to increase sales while depriving consumers of the benefit of their bargain.<sup>24</sup> Indeed, this conduct deprives consumers of a fair opportunity to fully evaluate the offers and to make purchase decisions based on accurate information. Nowhere on joybird.com or in its retail showrooms does Defendant disclose that the “original” reference prices are **not**: (1) actual, bona fide former prices; (2) recent, regularly offered former prices; or (3) prices at which identical products are regularly sold elsewhere in the market. Nor does Defendant disclose any date on which the “original” prices last prevailed in the market. The omission of these material disclosures, coupled with Defendant’s use of fake reference and sale prices, renders Joybird’s pricing scheme inherently misleading to reasonable consumers, like Plaintiffs,<sup>25</sup> who have no way meaningful way of discerning that Defendant’s pricing representations are deceptive without substantial, time-consuming, and costly investigation before every purchase.

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

26. A product’s reference price matters because it serves as a baseline upon which consumers perceive its value.<sup>26</sup> Empirical studies “suggest that consumers are likely to be misled into a willingness to pay a higher price for a product simply because the product has a higher reference price.”<sup>27</sup> Consumers are misled and incorrectly overvalue Defendant’s Joybird furniture

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<sup>24</sup> Staelin *et al.*, *supra* note 19, 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 the magnitude of this utility is a function of the size of the deal.”).

<sup>25</sup> Claims brought pursuant to the CLRA, UCL, and FAL are all “governed by the ‘reasonable consumer’ test.” *Williams v. Gerber Prods. Co.*, 552 F.3d 934, 938 (9th Cir. 2008). “Where, as here, the reasonable consumer test applies to plaintiff’s underlying [false discount pricing] claims, it is a ‘rare situation in which granting a motion to dismiss is appropriate.’” *Rubenstein*, 687 F.App’x. at 566 (citing *Williams*, 552 F.3d at 939). Numerous courts analyzing allegations of false discount pricing have likewise held that the “reasonable consumer” challenges are inappropriate on the pleadings. See, e.g., *Inga v. Bellacor.com, Inc.*, No. 219CV10406MWFMRW, 2020 WL 5769080, at \*3 (C.D. Cal. July 17, 2020) (citing *Williams*, 552 F.3d at 939); *Chester v. TJX Companies, Inc.*, No. 515CV01437ODWDTB, 2016 WL 4414768, at \*10 (C.D. Cal. Aug. 18, 2016); *Horosny v. Burlington Coat Factory of CA, LLC*, No. 15-cv-5005, 2015 WL 12532178, at \*4 (C.D. Cal. Oct. 26, 2015).

<sup>26</sup> Richard Thaler, *Mental Accounting and Consumer Choice*, MKTG SCIENCE 4, no. 3 (1985): 199-214, at 212.

<sup>27</sup> Jerry B. Gotlieb & Cyndy T. Fitzgerald. *An Investigation into the Effects of Advertised Reference Prices on the Price Consumers are Willing to Pay for the Product*. J. OF APPLIED BUS. RESEARCH



1 products as a result of the false price comparisons. The products' actual sales prices, therefore,  
2 reflect consumers' overvaluation of them, which in turn permits Defendant to command inflated  
3 prices for them beyond what the market would otherwise allow. As discussed above, academic  
4 researchers have documented the relationship between reference prices and consumer behavior, as  
5 well as the resulting harm from *false* reference prices:

6 [A]dvertised reference prices in these deal-oriented advertisements can enhance  
7 buyers' internal reference prices . . . . These enhanced internal reference prices,  
8 when compared with the lower selling price, result in higher transaction value  
9 perceptions. The increase in perceived transaction value enhances purchases and  
10 reduces search behavior for lower prices. If sellers intentionally increase the  
11 advertised reference prices above normal retail prices, this is, inflate advertised  
12 reference prices, the resulting inflated perceptions of transaction value would be  
13 deceptive. Harm to both buyers and competitors could result from the effect of the  
14 inflated transaction value on buyers' search and purchase behaviors.<sup>28</sup>

15 27. Accordingly, all consumers who purchase Joybird products are harmed by  
16 Defendant's pricing scheme because its impact pervades the entire market for Joybird  
17 merchandise. This is because, again, the artificially increased demand generated by Defendant's  
18 pricing scheme results in increased actual sales prices beyond what the products would command  
19 in the absence of the false reference pricing scheme. Again, "the higher reference price stated  
20 alongside the selling price shift[s] the demand function outward, leading to higher average prices  
21 and thus higher margins." Staelin et al., *supra* note 19, at 835. Thus, all Joybird shoppers pay more  
22 regardless of their individual beliefs or purchasing decision processes. In other words, their  
23 subjective beliefs about the value of the products or the legitimacy of the purported discounts are  
24 inconsequential to the injury they incur when purchasing Defendant's Joybird merchandise. All  
25 consumers who purchase falsely discounted Joybird products have overpaid and are deprived of  
26 the benefit of the bargain (i.e., the promised discount). Additionally, they will have paid a premium  
27 for merchandise that is worth less than its actual sales price.

28 6, no. 1 (1990): 59-69, at 66. 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.

<sup>28</sup>Dhruv Grewal et al, *The Effects of Price-Comparison Advertising on Buyers' Perceptions of  
Acquisition Value, Transaction Value, and Behavioral Intentions*, J. OF MKTG 62 (1998): 46-59, at  
46.



1           28. To put it differently, the fake discount information presented by Defendant's false  
2 advertised reference and sale prices first causes consumers to (reasonably) perceive they are  
3 receiving a bargain when the merchandise is purchased at its "sale" price. This consumer  
4 perception results in these consumers gaining an additional "transaction value"<sup>29</sup> on their outlet  
5 purchases, which they would not have otherwise gained but for Defendant's fake discounting  
6 scheme. Consumers' valuation of Joybird merchandise therefore increases in the aggregate.

7           29. Fundamental economics concepts and principles dictate that the harm caused by  
8 Defendant's scheme is uniformly suffered by deceived and, to the extent there are any, non-  
9 deceived shoppers alike. One such principle is that cost and demand conditions determine the  
10 market prices paid by all consumers.<sup>30</sup> The aggregate demand curve for a product, including  
11 Defendant's, represents consumers' valuation of that product as whole; as consumers' valuation  
12 increases, the demand curve shifts outward. When the aggregate demand curve of a product shifts  
13 outward, its market price will increase. Therefore, a specific individual's willingness to pay a  
14 certain price for a product will not negate how market prices, as determined by aggregate demand,  
15 dictate what all consumers purchasing a given product will pay.

16           30. As a result, Defendant's pricing scheme impacts the market prices for Joybird  
17 furniture, and any one individual consumer's subjective beliefs or idiosyncratic rationales will not  
18 isolate them from the resultant artificial and illegitimate inflation in Joybird furniture prices.  
19 Economic theory ensures that as the aggregate demand curve for the products moves outward, all  
20 consumers are forced to pay a higher price than the products would command absent the fake  
21

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22 <sup>29</sup> Richard Thaler. *Mental Accounting and Consumer Choice*. MKTG SCI. 4, no. 3 (1985): 199-214,  
23 at 205 ("To incorporate ... the psychology of buying into the model, two kinds of utility are  
24 postulated: acquisition utility and transaction utility. The former depends on the value of the good  
25 received compared to the outlay, the latter depends solely on the perceived merits of the 'deal'.");  
26 Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*,  
11 J. PUB. POL'Y & MKTG. 52, 55 (1992) ("By creating an impression of savings, the presence of  
a higher reference price enhances subjects' perceived value and willingness to buy the product.");  
Dhruv Grewal, & Larry D. Compeau. *Pricing and public policy: A research agenda and an  
overview of the special issue*. J. PUB. POL'Y & MKTG 18, no. 1 (1999): 3-10, at 7.

27 <sup>30</sup> Mankiw, N. *Essentials of Economics*. 8th Edition. Boston, MA: Cengage Learning, 2015, at 66  
28 ("[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, 1992, at 23-38, 144-57, 233-353 & 285-312.

discounting scheme. Plaintiffs and proposed Class members thus suffered a common impact from Defendant's misconduct.

#### **D. Investigation**

31. Products sold on Defendant's e-commerce website, joybird.com, and in its retail showrooms are priced uniformly. In other words, the products sold by Defendant bear a substantially discounted sale price that appears next to the "crossed out" or "strikethrough" original price. Plaintiffs' counsel tracked numerous items offered for sale on joybird.com from February 2024 through the present. A sample of the items tracked is attached as Exhibit C.<sup>31</sup> The

<sup>31</sup> It is noteworthy that, applying California law, numerous false discount pricing cases hold that plaintiffs are *not* required to perform or provide *any* specific details of pre-suit investigations in false discount pricing cases. *See, e.g., Rubenstein*, 687 F.App'x at 568 ("Without an opportunity to conduct any discovery, Rubenstein cannot reasonably be expected to have detailed personal knowledge of Neiman Marcus's internal pricing policies or procedures for its Last Call stores. Because Rubenstein need not specifically plead facts to which she cannot 'reasonably be expected to have access,' her allegations regarding the fictitious nature of the Compared To prices may properly be based on personal information and belief at this stage of the litigation."); *Stathakos*, 2016 WL 1730001, at \*3–4 (finding that the plaintiffs' complaint satisfied Rule 9(b) even though the plaintiffs had not plead a pre-suit investigation) (citation omitted); *Knapp*, 2016 WL 3268995, at \*4 (finding that the plaintiff's allegations of a "perpetual sale" were alone sufficient); *Horosny*, 2015 WL 12532178, at \*4 (denying a motion to dismiss where the plaintiff pled a deceptive pricing scheme "on information and belief" and not based on a pre-suit investigation); *see also Branca*, 2015 WL 10436858, at \*7 (finding the plaintiff adequately alleged "why the 'Compare At' prices are false as former prices—because they necessarily cannot be former prices or prevailing market prices, as the items were never sold elsewhere for any other price besides the Nordstrom Rack retail price"); *see also Le v. Kohls Dept. Stores, Inc.*, 160 F. Supp. 3d 1096, 1099 (E.D. Wis. Feb. 8, 2016) (denying a motion to dismiss where the plaintiff had not conducted a nationwide pre-suit investigation before alleging the defendant's comparison prices did not reflect a price at which its merchandise was routinely sold). Put simply, arguments attacking the sufficiency of Plaintiff's counsel's pre-suit investigation allegations at the pleading stage under the auspices of Rule 9(b) are, in actuality, premature challenges to Plaintiff's *factual allegations*, which must be accepted as true at the pleadings stage. Such attempts should be rejected as such a requirement would "raise the pleading standard of Rule 9(b) to unprecedented heights." *See Jacobo v. Ross Stores, Inc.*, No. CV-15-04701-MWF-AGR, 2016 WL 3483206, at \*3 (C.D. Cal. June 17, 2016) ("But no authority requires [p]laintiffs to include that information in the pleadings; arguably that level of evidentiary detail would be improper, even under Rule 9(b).").

Even still, complaints containing similar pre-suit investigation allegations, like Plaintiffs' here, have routinely been sustained at the pleading stage. *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 v. PFI W. Stores, Inc.*, No. SACV 19-2521 JVS (ADSx), 2020 WL 3965022, at \*1 (C.D. Cal. Apr. 9, 2020); *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.*

1 investigation included daily or near-daily monitoring of these items. In short, the investigation  
2 showed that the products were perpetually discounted and remained “on sale” for virtually the  
3 entire tracking period. Thus, the investigation confirmed that Defendant’s Joybird merchandise is  
4 priced with phantom reference prices the vast majority of the time.

5 32. The investigation also showed that the pricing scheme (i.e., the manner in which  
6 the reference prices and purported discounts were conveyed to shoppers) was uniform and  
7 identical across all products monitored or otherwise observed on the website. The only change was  
8 the requisite reference price and “discount” on certain products. Thus, the scheme was uniform  
9 across Defendant’s e-commerce website.

10 33. Plaintiffs’ counsel also researched Defendant’s e-commerce website through the  
11 WBM. The website snapshots recorded by the WBM are consistent with Plaintiffs’ counsel’s  
12 investigation. *See* Exhibit B. This provided further confirmation that Joybird products are, and  
13 have been, perpetually advertised with false reference prices.

14 34. Indeed, the investigation indicated that Joybird merchandise is never offered for  
15 sale at its full “original” price for more than one or two days at a time—and certainly are not “on  
16 a regular basis for a reasonably substantial period of time,” as required by 16 C.F.R. § 233.1, nor  
17 for sufficient time that the reference price *ever* constitutes the *prevailing* market price for the three  
18 months preceding publication of the advertised reference prices and discounts.

19 35. Thus, Defendant’s fraudulent price scheme alleged herein applies to all products  
20 offered for sale through joybird.com, including the products purchased by Plaintiffs.

21 36. However, despite Plaintiffs’ counsel’s best efforts at investigation, the full extent  
22 of Defendant’s false and deceptive pricing scheme can only be revealed through a full examination  
23 of records exclusively in Defendant’s possession.

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*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).

#### IV. PARTIES

##### **Plaintiff Jeffrey Jacobs**

37. Plaintiff Jeffrey Jacobs (“Plaintiff Jacobs”) resides in Redondo Beach, California. On January 23, 2023, Plaintiff Jacobs went shopping for some new furniture at the Joybird showroom located at 8335 Melrose Avenue, Los Angeles, CA 90069. In reliance on Defendant’s false and deceptive advertising, marketing and discount pricing scheme promoted at the showroom and online, Plaintiff Jacobs purchased the following items from Defendant on January 23, 2023:

No. of Units	Item:	False Reference Price:	Purchase Price:
1	5-piece Bryant U-Sofa Bumper Section (5 piece)	\$6,370; 40% Off	\$3,822
2	Holt Armless Chairs	\$3,082; 40% Off (total both units)	\$1,850 (total both units)

38. During his time at the Joybird showroom store on January 23, 2023, Plaintiff Jacobs browsed multiple pieces of furniture before deciding on what to purchase. Upon entering the showroom, Plaintiff Jacobs noticed floor model furniture setups in the front of the store and approximately three large walls containing numerous color and material swatches. These swatches were intended to provide customers with samples of the different colors and materials that the floor models were available in. After browsing for a period of time, Plaintiff Jacobs purchased the above-listed items, which were advertised with signs displaying their “original” prices, which were each accompanied by “40% Off” signs. After reviewing the advertised reference and sales prices, Plaintiff Jacobs decided to purchase the items. Plaintiff Jacobs paid at the in-store point of sale and, on information and belief, his items were then shipped from one of Defendant’s US distribution facilities, the same facility that fills direct-to-consumer orders made on joybird.com. His order number was J494087 and his email invoice is included as Exhibit D.

39. Indeed, after observing the original prices of the item and the accompanying sale price, Plaintiff Jacobs believed he was receiving a significant discount on the items he had chosen. His belief that the discounted prices on the items was limited and would not last was material and integral to his purchase decision. He would not have made the purchase were it not for the

significant bargain he thought he was receiving. On all products, the advertised discounts were a material representation to him, and he relied on them in making his purchase decision. As shown in Exhibit D, the total “original” price for all three items was \$9,452, the purported discount was \$3,780, sales tax was \$567.20, and shipping costs were \$129. Plaintiff Jacobs paid a total of \$6,368.20. However, Plaintiff Jacobs did not receive the benefit of his bargain.

40. The merchandise Plaintiff Jacobs purchased was not, and is not, offered for sale in any other market. Plaintiff Jacobs is informed and believes and thereon alleges that, in addition to being marketed with a fake discount, the furniture items that were shipped to him differed materially in terms of quality of workmanship and materials as compared to the “same” products he observed at the showroom—the products he thought he was buying. Plaintiff Jacobs will seek to amend these “bait and switch” allegations upon receipt of documents or testimony during discovery indicating that the products he received were constructed with materially inferior materials and/or workmanship than those on display at the Defendant’s Joybird retail showroom(s).

41. Plaintiff Jacobs has therefore suffered economic injury as a direct result of Defendant’s unlawful, unfair, and fraudulent false reference pricing and bait and switch schemes detailed above.

**Plaintiff Madeline Casey**

42. Plaintiff Madeline Casey (“Plaintiff Casey”) resides in Seattle, Washington. While living in Seattle, Plaintiff Casey went shopping for some new furniture to purchase from the Joybird website. In reliance on Defendant’s false and deceptive advertising, marketing and discount pricing scheme promoted online, Plaintiff Casey purchased the following item from Defendant in May 2021:

No. of Units	Item:	False Reference Price:	Purchase Price:
1	Vira Console Cabinet	\$1,279; 35% Off	\$831

43. When Plaintiff Casey purchased the product, she saw and relied on the representations on the Joybird website and the email confirmations that she was receiving a

1 product with a particular value and/or market price and that she was receiving a price reduction.  
2 Plaintiff Casey purchased the above-listed item, which was advertised by displaying its “original”  
3 price, accompanied by a “35% OFF” notation. After reviewing the advertised reference and sales  
4 prices, Plaintiff Casey decided to purchase the item. Plaintiff Casey paid at the online check-out  
5 window and, on information and belief, her item was then shipped from one of Defendant’s US  
6 distribution facilities that fills direct-to-consumer orders made on joybird.com. Her order number  
7 was J321112 and her email invoice is included as Exhibit E.

8 44. Indeed, after observing the original prices of the item and the accompanying sale  
9 price, Plaintiff Casey believed she was receiving a significant discount on the item she had chosen.  
10 Her belief that the discounted price on the item was for a limited time and would not last was  
11 material and integral to her purchase decision. Plaintiff Casey would not have made the purchase  
12 were it not for the significant bargain she thought she was receiving. On the Vira Console Cabinet  
13 product, the advertised discount was a material representation to Plaintiff Casey, and she relied on  
14 it in making her purchase decision. As shown in Exhibit E, the total “original” price for the item  
15 was \$1,279.00, the purported discount was \$448.00, sales tax was \$95.33, and shipping costs were  
16 \$99.00. Plaintiff Casey paid a total of \$1,025.33. However, Plaintiff Casey did not receive the  
17 benefit of her bargain.

18 45. Plaintiff Casey has therefore suffered economic injury as a direct result of  
19 Defendant’s unlawful, unfair, and fraudulent false reference pricing and bait and switch schemes  
20 detailed above.

21 **Plaintiffs’ Monetary Injury**

22 46. Plaintiffs incurred quantifiable monetary injuries as a result of Defendant’s  
23 fraudulent pricing scheme, which can be calculated through the use of, *inter alia*, regression  
24 analysis.

25 47. Plaintiffs overpaid for the products they purchased as described herein. And it was  
26 Defendant’s false reference pricing scheme and attendant deception that caused Plaintiffs to  
27 overpay. Despite Plaintiffs’ original beliefs that each product they purchased was discounted and  
28

1 thus that its value was significantly greater than the sale price for which they purchased it,  
2 Plaintiffs, in actuality, paid an *inflated* price for the products they purchased.

3 48. That is, the items Plaintiffs purchased were all worth less than the amount Plaintiffs  
4 paid for each of them. If Defendant had not employed the falsely advertised “original” prices for  
5 the items Plaintiffs purchased, then those items would not have commanded such high, inflated  
6 prices.

7 49. Objective measures therefore demonstrate that Plaintiffs overpaid for the Joybird  
8 furniture they purchased. The difference between the sale price paid by Plaintiffs due to the  
9 artificially increased demand for the products—caused by Defendant’s false reference pricing  
10 scheme—and the market sale price that the products would have commanded without Defendant’s  
11 deception provides an objective measure by which Plaintiffs were overcharged and injured by  
12 Defendant. The amount of inflation of the prices for the Defendant’s Joybird furniture products  
13 Plaintiffs purchased caused by Defendant’s deception thus measures how much Plaintiffs  
14 overpaid. This amount can be quantified using, *inter alia*, regression analysis based on Defendant’s  
15 historic pricing data, which Plaintiffs will seek through discovery.

16 **Plaintiffs Do Not Have An Adequate Remedy at Law**

17 50. Plaintiffs do not have an adequate remedy at law, and are susceptible to this  
18 recurring harm because they cannot be certain that Defendant will have corrected this deceptive  
19 pricing scheme, and they desire to shop for additional Joybird furniture at either joybird.com or  
20 through Defendant’s retail showrooms in the future because they like the style of the furniture.  
21 Due to the enormous variety of furniture and related products sold on joybird.com and through its  
22 retail showrooms, Plaintiffs will be unable to parse what prices are inflated and untrue, and what  
23 prices are not. Likewise, without injunctive relief Plaintiffs are unable to know, if they were to  
24 make a subsequent purchase at a Joybird showroom, whether Defendant will ship him furniture of  
25 the same material, quality, and workmanship as displayed at Defendant's Joybird retail  
26 showrooms.

27 51. Consequently, Plaintiffs are susceptible to reoccurring harm because they cannot  
28 be certain that Defendant has corrected its deceptive pricing scheme, and they desire to continue

1 to purchase Joybird furniture in the future, assuming that they can determine whether they are  
2 purchasing products at a true bargain. However, they currently cannot trust that Defendant will  
3 label and/or advertise the merchandise truthfully and in a non-misleading fashion in compliance  
4 with applicable law. Plaintiffs simply do not have the resources to ensure that Defendant is  
5 complying with state and federal law with respect to its pricing, labeling, and/or advertising of its  
6 furniture and related products. An injunction is the only form of relief which will guarantee  
7 Plaintiffs and other consumers the appropriate assurances.

8 52. Further, because of the wide selection of furniture available at joybird.com and its  
9 retail showrooms, the sheer volume of products involved in Defendant's deceit (i.e., virtually all  
10 of them), and the likelihood that Defendant may still yet "manufacture, market, import, export,  
11 distribute and retail" additional "upholstery furniture products under the ...  
12 Joybird® tradename[.]" Plaintiffs may again, by mistake, purchase a falsely discounted product  
13 under the reasonable, but false, impression that the advertised reference price represented a *bona*  
14 *fide* former price at which the item was previously offered for sale by Defendant. However, without  
15 substantial, time-consuming, and costly investigation, Plaintiffs will have no way of knowing  
16 whether Defendants has deceived them again.

17 53. Absent an equitable injunction enjoining Defendant from continuing in the  
18 unlawful course of conduct alleged herein, Plaintiffs, members of the Class and Subclasses, and  
19 the public will be irreparably harmed and denied an effective and complete remedy because they  
20 face a real and tangible threat of future harm emanating from Defendant's ongoing and deceptive  
21 conduct that cannot be remedied with monetary damages. Accordingly, Plaintiffs, members of the  
22 Class and Subclasses, and the general public lack an adequate remedy at law and an injunction is  
23 the only form of relief which will guarantee Plaintiffs and other consumers the appropriate  
24 assurances.

25 54. Moreover, Plaintiffs lack an adequate remedy at law with respect to their claim for  
26 equitable restitution because they have not yet retained an expert to determine whether an award  
27 of damages can or will adequately remedy their monetary losses caused by Defendant. Moreover,  
28 to the extent Plaintiffs have suffered damages as measured by the difference between the price



1 paid and the value represented, California law prohibits them from recovering that measure of  
2 damages, but it does not prohibit them from recovering that measure as equitable relief. Cal. Civ.  
3 Code § 3343. Particularly, as legal damages focus on remedying the loss to the Plaintiffs, and  
4 equitable restitution focuses wholly distinctly on restoring monies wrongly acquired by the  
5 defendant, legal damages are inadequate to remedy Plaintiffs' losses because Plaintiffs do not  
6 know at this juncture, and are certainly not required to set forth evidence, whether a model for  
7 legal damages (as opposed to equitable restitution) will be viable or will adequately compensate  
8 Plaintiffs' losses.<sup>32</sup>

9 **Defendant**

10 55. Plaintiffs are informed and believe, and upon such information and belief allege,  
11 Defendant La-Z-Boy is a Michigan corporation with its principal executive offices in Monroe,  
12 Michigan. Defendant Stitch Industries Inc. is a Delaware corporation with its principal place of  
13 business in Monroe, Michigan. Plaintiffs are informed and believe that Defendant owns and  
14 operates its Joybird website, joybird.com, and Joybird retail showrooms in California, Oregon, and  
15 Washington, and advertises, markets, distributes, and/or sells furniture and home décor products  
16 in California, Oregon, Washington, and throughout the United States. Defendant's most recent  
17 (2023) Form 10-K provides that "[w]e sell our products ... directly to consumers through retail  
18 stores that we *own and operate*; and through *our* websites, www.la-z-boy.com and  
19 *www.joybird.com*." La-Z-Boy Inc., Annual Report (Form 10-K), at 4, 22 (Jun. 20, 2023) (emphasis  
20 added).

21 56. Defendant knows that its reference price advertising is false, deceptive, misleading,  
22 unconscionable, and unlawful under California, Oregon, Washington, and federal law.

23  
24  
25 <sup>32</sup> Similar allegations have been upheld in other false discount cases where the defendant has  
26 likewise challenged the plaintiffs' ability to seek equitable relief following the decision in  
27 *Sonner v. Premier Nutrition Corp.*, 971 F.3d 834, 844 (9th Cir. 2020). *See, e.g., Dahlin*, 2020 WL  
28 6647733, at \*4-5; *Adams*, 2021 WL 4907248, at \*3-4 (C.D. Cal. Mar. 1, 2021); *Fallenstein*,  
No. 21-CV-01690-AJB-AGS (S.D. Cal. Jan. 3, 2023) at ECF No. 29 (Order Denying Defendants'  
Motion to Dismiss Plaintiff's First Amended Complaint). *Dahlin v. The Donna Karan Co.*  
*Store, LLC*, No. 2:21-cv-07711-AB-JPRx (C.D. Cal. Mar. 16, 2022) at ECF No. 30 (Order  
Denying Motion to Dismiss Plaintiff's First Amended Complaint) at 5-10.

57. Defendant fraudulently concealed from and intentionally failed to disclose to Plaintiffs and other members of the proposed Class the truth about its advertised discount prices and former reference prices. Defendant concealed from consumers the true nature and quality of the products sold on joybird.com and through its Joybird retail showrooms.

58. Defendant intentionally concealed and failed to disclose material facts regarding the truth about false former price advertising in order to provoke Plaintiffs and the proposed Class to purchase Joybird products.

59. At all relevant times, Defendant has been under a duty to Plaintiffs and the Class to disclose the truth about its false discounts.

## V. CLASS ALLEGATIONS

60. Plaintiffs bring this action on behalf of themselves and all other similarly situated Class members pursuant to California Code of Civil Procedure Section 382 and seek certification of the following Classes against Defendant (collectively, the “Class”):

### **California Subclass**

All persons who, within the State of California and within the applicable statute of limitations preceding the filing of this action (the “Class Period”), purchased from joybird.com, or any website redirecting to joybird.com, or any Joybird retail store one or more products that were discounted from an advertised reference price and who have not received a refund or credit for their purchase(s).

### **Washington Subclass**

All persons who, within the State of Washington and within the applicable statute of limitations preceding the filing of this action (the “Class Period”), purchased from joybird.com, or any website redirecting to joybird.com, or any Joybird retail store one or more products that were discounted from an advertised reference price and who have not received a refund or credit for their purchase(s).

### **Oregon Subclass**

All persons who, within the State of Oregon and within the applicable statute of limitations preceding the filing of this action (the “Class Period”), purchased from joybird.com, or any website redirecting to joybird.com, or any Joybird retail store one or more products that were discounted from an advertised reference price and who have not received a refund or credit for their purchase(s).

Excluded from the Class is Defendant, as well as its officers, employees, agents or affiliates, parent companies and/or subsidiaries, and each of its respective officers, employees, agents or affiliates, and any judge who presides over this action. Plaintiffs reserve the right to expand, limit, modify, or amend this Class definition, including the addition of one or more classes, in connection with

1 their motion for Class certification, or at any other time, based upon, *inter alia*, changing  
2 circumstances and/or new facts obtained during discovery.

3 61. **Numerosity:** The Class members are so numerous that joinder of all members is  
4 impracticable. Plaintiffs are informed and believe that the proposed Class contains hundreds of  
5 thousands of individuals who have been damaged by Defendant's conduct as alleged herein. The  
6 precise number of Class members is unknown to Plaintiffs.

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

11 a. whether, during the Class Period, Defendant used falsely advertised  
12 reference prices on their Joybird products online at joybird.com and in-person through  
13 Joybird retail showrooms stores;

14 b. whether Defendant ever offered items for sale or sold items at their  
15 advertised reference price;

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

19 d. whether Defendant's purported sale prices advertised on joybird.com and  
20 through Joybird retail showroom stores reflected any actual discounts or savings;

21 e. whether Defendant's purported percentage-off discounts advertised on  
22 joybird.com and in Joybird retail stores reflected any actual discounts or savings;

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

25 g. whether Defendant's alleged conduct constitutes violations of federal and  
26 state pricing regulations;

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

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

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

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

64. **Adequacy:** Plaintiffs will fairly and adequately protect the interests of the Class members. Plaintiffs have retained counsel experienced in complex consumer class action litigation, and Plaintiffs intend to prosecute this action vigorously. Plaintiffs have no antagonistic or adverse interests to those of the Class.

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

66. All Class members, including Plaintiffs, were exposed to one or more of Defendant's misrepresentations or omissions of material fact claiming that former reference prices advertised prices were legitimate. Due to the scope and extent of Defendant's consistent false sale prices, advertising scheme, disseminated in a years-long campaign to California, Washington, and Oregon consumers, it can be reasonably inferred that such misrepresentations or omissions of material fact were uniformly made to all members of the Class. In addition, it can be reasonably

1 presumed that all Class members, including Plaintiffs, affirmatively acted in response to the  
2 representations contained in Defendant's false advertising scheme when purchasing merchandise  
3 sold at joybird.com and through Joybird retail showroom stores.

4 67. Plaintiffs are informed that Defendant keeps extensive computerized records of its  
5 joybird.com and Joybird retail store customers through, *inter alia*, customer loyalty programs,  
6 credit card programs, and general marketing programs. Defendant has one or more databases  
7 through which a significant majority of Class members may be identified and ascertained, and it  
8 maintains contact information, including email and home addresses, through which notice of this  
9 action could be disseminated in accordance with due process requirements.

## 10 VI. CAUSES OF ACTION

### 11 FIRST CAUSE OF ACTION

#### 12 Violation of California's Unfair Competition Law ("UCL") 13 CAL. BUS. & PROF. CODE §§ 17200, *et seq*

14 68. Plaintiffs repeat and re-allege the allegations contained in every preceding  
15 paragraph as if fully set forth herein.

16 69. Plaintiffs bring this claim individually and on behalf of the members of the  
17 proposed Class against Defendant for violations of the UCL, Cal. Bus. & Prof. Code §§ 17200, *et*  
18 *seq.*

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

22 71. The UCL imposes strict liability. Plaintiffs and members of the proposed Class need  
23 not prove that Defendant intentionally or negligently engaged in unlawful, unfair, or fraudulent  
24 business practices—but only that such practices occurred.

#### 25 ***"Unfair" Prong***

26 72. A business act or practice is "unfair" under the UCL if it offends an established  
27 public policy or is immoral, unethical, oppressive, unscrupulous or substantially injurious to  
28

1 consumers, and that unfairness is determined by weighing the reasons, justifications and motives  
2 of the practice against the gravity of the harm to the alleged victims.

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

9 74. The harm emanating from this practice to Plaintiffs and members of the proposed  
10 Class outweighs any utility it provides because Defendant's practice of advertising false discounts  
11 provides no utility. There were reasonably available alternatives to further Defendant's legitimate  
12 business interests other than the misleading and deceptive conduct described herein.

13 ***"Fraudulent" Prong***

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

16 76. Defendant's acts and practices alleged above constitute fraudulent business acts or  
17 practices as Defendant has deceived Plaintiffs and members of the proposed Class and is highly  
18 likely to deceive members of the consuming public. Plaintiffs and members of the proposed Class  
19 relied on Defendant's fraudulent and deceptive representations regarding their false or outdated  
20 "original prices" for products sold by Defendant at joybird.com and through Joybird retail  
21 showroom stores. These misrepresentations played a substantial role in Plaintiffs' and members of  
22 the proposed Class's decision to purchase the product at a purportedly steep discount, and Plaintiffs  
23 and members of the proposed Class would not have purchased the product without Defendant's  
24 misrepresentations.

25 ***"Unlawful" Prong***

26 77. A business act or practice is "unlawful" under the UCL if it violates any other law  
27 or regulation.  
28

78. Defendant's acts and practices alleged above constitute unlawful business acts or practices as Defendant has violated state and federal law in connection with their 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).

79. 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.

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

2 80. Defendant violates § 17501 because it advertises items, including the items that  
3 Plaintiffs purchased as described herein, with false former “original” reference prices that greatly  
4 exceed the prevailing market price of those items. Defendant’s own sales records will show that it  
5 normally sells its products, including the item(s) purchased by Plaintiff, at prices lower than the  
6 advertised former “original” price, thereby establishing that those prices exceed the prevailing  
7 market price of Defendant’s merchandise in violation of Cal. Bus. & Prof. Code § 17501.

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

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

14 83. Defendant’s practices, as set forth above, misled Plaintiff, the proposed Class, and  
15 the public in the past and will continue to mislead them in the future. Consequently, Defendant’s  
16 practices constitute an unlawful, fraudulent, and unfair business practice within the meaning of the  
17 UCL.

18 84. Defendant’s violations of the UCL, through its unlawful, unfair, and fraudulent  
19 business practices, are ongoing and present a continuing threat to Plaintiff, members of the  
20 proposed Class, and the public who, if Defendant’s false pricing scheme is permitted to continue,  
21 will be deceived into purchasing products based on illegal price comparisons. These false  
22 comparisons created phantom markdowns and lead to financial harm for consumers like Plaintiffs  
23 and the members of the proposed Class as described herein. Because of the surreptitious nature of  
24 Defendant’s deception, these injuries cannot be reasonably avoided and will continue to be  
25 suffered by the consuming public absent a mandated change in Defendant’s practice.

26 85. Pursuant to Bus. & Prof. Code § 17203, Plaintiffs and members of the proposed  
27 Class are entitled to preliminary and permanent injunctive relief enjoining Defendant from  
28 continuing to engage in this unfair competition alleged above, as well as disgorgement and



1 restitution to Plaintiffs and the proposed Class of all Defendant's revenues wrongfully obtained  
2 from them as a result of Defendant's unfair competition, or such portion of those revenues as the  
3 Court may find equitable.<sup>33</sup>

## 4 **SECOND CAUSE OF ACTION**

### 5 **Violation of California's False Advertising Law ("FAL")** 6 **CAL. BUS. & PROF. CODE §§ 17500, *et seq.***

7 86. Plaintiffs repeat and re-allege the allegations contained in every preceding  
8 paragraph as if fully set forth herein.

9 87. Plaintiffs bring this claim individually and on behalf of the members of the  
10 proposed Class against Defendant for violations of California's FAL, Cal. Bus. & Prof. Code  
11 §§ 17500, *et seq.*

12 88. Cal. Bus. & Prof. Code § 17500 provides:

13 It is unlawful for any . . . corporation . . . with intent directly or indirectly to dispose  
14 of . . . personal property or to perform services, professional or otherwise, or  
15 anything of any nature whatsoever or to induce the public to enter into any  
16 obligation relating thereto, to make or disseminate or cause to be made or  
17 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 . .

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18 <sup>33</sup> California permits broad discretion to fashion remedies as needed, and "the appropriate measure  
19 of recovery [under the equitable provisions of California's consumer protection laws] depends on  
20 the nature of the case and the alleged harm that [a plaintiff] suffers." *Le*, 160 F. Supp. 3d at 1104.  
21 "California's consumer protection laws...authorize multiple forms of restitutionary recovery." *Id.*  
22 at 1105; *Pulaski & Middleman, LLC v. Google, Inc.*, 802 F.3d 979, 989 (9th Cir. 2015) ("[I]n  
23 calculating restitution under the UCL and FAL, the focus is on the difference between what was  
24 paid and what a reasonable consumer would have paid at the time of purchase without the  
25 fraudulent or omitted information."); *Jacobo*, 2016 WL 3482041, at \*7 ("Remedy for the alleged  
26 misconduct is not limited to the difference between the value of the goods [p]laintiffs purchased  
27 and the price for those goods."); *Russell v. Kohl's Dep't Stores, Inc.*, No. ED CV 15-1143 RGK  
28 (SPx), 2015 WL 12781206, at \*3-4 (C.D. Cal. Oct. 6, 2015) (explaining why cost minus value is  
not the exclusive method of measuring restitution); *Spann v. J.C. Penney Corp.*, No. SA CV 12-  
0215 FMO (RNBx), 2015 WL 1526559, at \*4 (C.D. Cal. Mar. 23, 2015) ("[A]lthough California  
case law makes clear that [cost minus value] can be a measure of restitution, defendant has not  
cited, nor has the court found, any authority indicating that is the only way restitution can be  
calculated."); *Johns v. Bayer Corp.*, No. 09-cv-1935-AJB (DHB), 2012 WL 1520030, at \*5 (S.D.  
Cal. Apr. 30, 2012) (finding that neither *In re Vioxx* nor any other case cited by the defendant  
"suggest[ed] that the difference in price paid and value received is the only proper measure of  
restitution"); *Stathakos*, 2016 WL 1730001, at \*4 (challenge to restitution methodology premature  
at motion to dismiss stage); *In re Tobacco Cases II*, 240 Cal. App. 4th 779, 792 (2015) (explaining  
that *In re Vioxx Class Cases*, 180 Cal. App. 4th 116 (2009) did not limit measuring restitution to  
the price/value differential).

1 . which is *untrue or misleading*, and which is known, or which by the exercise of  
2 reasonable care should be known, to be untrue or misleading . . .

3 (emphasis added).

4 89. The “intent” required by section 17500 is the intent to make or disseminate personal  
5 property (or cause such personal property to be made or disseminated), and not the intent to  
6 mislead the public in the making or dissemination of such property.

7 90. Similarly, this section provides, “no price shall be advertised as a former price of  
8 any advertised thing, unless the alleged former price was the prevailing market price ... within  
9 three months next immediately preceding the publication of the advertisement or unless the date  
10 when the alleged former price did prevail is clearly, exactly, and conspicuously stated in the  
11 advertisement.” Cal. Bus. & Prof. Code § 17501.

12 91. Defendant’s routine of advertising discounted prices from false “reference” prices,  
13 which were never the prevailing market prices of those products and were materially greater than  
14 the true prevailing prices (i.e., Defendant’s average and/or most common actual sale price),  
15 constitutes an unfair, untrue, and misleading practice in violation of the FAL. This deceptive  
16 marketing practice gave consumers the false impression that the products were regularly sold on  
17 the market for a substantially higher price than they actually were; therefore, leading to the false  
18 impression that the products sold at joybird.com and Joybird retail stores were worth more than  
19 they actually were.

20 92. As a direct and proximate result of Defendant’s misleading and false  
21 advertisements, as well as Defendant’s deceptive and unfair acts and practices made during the  
22 course of Defendant’s business, Plaintiffs and members of the proposed Class suffered economic  
23 injury.

24 93. Plaintiffs and members of the proposed Class request that this Court order  
25 Defendant to restore this money to Plaintiffs and the proposed Class, and to enjoin Defendant from  
26 continuing these unfair practices in violation of the FAL in the future. Otherwise, Plaintiff,  
27 members of the proposed Class, and the broader general public will be irreparably harmed and/or  
28 denied an effective and complete remedy.

1 **THIRD CAUSE OF ACTION**

2 **Violation of California's Consumers Legal Remedies Act ("CLRA")**  
3 **CAL. CIV. CODE §§ 1750, *et seq.***

4 94. Plaintiffs repeat and re-allege the allegations contained in every preceding  
5 paragraph as if fully set forth herein.

6 95. Plaintiffs bring this claim individually and on behalf of the members of the  
7 proposed Class against Defendant for violations of the CLRA, Cal. Civ. Code §§ 1750, *et seq.*

8 96. Plaintiffs and each member of the proposed Class are "consumers" as defined by  
9 Cal. Civ. Code § 1761(d). Defendant's sale of products at joybird.com and through its Joybird  
10 retail showrooms were "transactions" within the meaning of Cal. Civ. Code § 1761(e). The  
11 products purchased by Plaintiffs and members of the proposed Class are "goods" or "services"  
12 within the meaning of Cal. Civ. Code § 1761(a)-(b).

13 97. Defendant violated and continues to violate the CLRA by engaging in the following  
14 practices proscribed by Cal. Civ. Code § 1770(a) in transactions with Plaintiffs and members of  
15 the proposed Class which were intended to result in, and did result in, the sale of products sold at  
16 joybird.com and through Defendant's Joybird retail showrooms:

- 17 a. advertising goods or services with intent not to sell them as advertised;  
18 § 1770(a)(9); and  
19 b. making false or misleading statements of fact concerning reasons for,  
20 existence of, or amounts of price reductions; § 1770(a)(13).

21 98. Plaintiffs are consumers who suffered economic injury and damages, including  
22 benefit of the bargain damages, as a result of Defendant's use and employment of the false and  
23 misleading reference pricing alleged herein. Pursuant to Cal. Civ. Code § 1780(a), Plaintiffs  
24 therefore seek an order enjoining such methods, acts, or practices as well as any other relief the  
25 Court deems proper. Plaintiffs additionally seeks costs and reasonable attorney's fees pursuant to  
26 Cal. Civ. Code § 1780(e).

27 99. On May 20, 2025, Plaintiffs, through counsel, sent a CLRA demand letter by  
28 certified mail to Defendant that provided notice of Defendant's violation of the CLRA and

1 demanded Defendant correct, repair, replace, or otherwise rectify the unlawful, unfair, false, and  
2 deceptive practices complained of herein. The letter also stated that if Defendant refused to do so,  
3 Plaintiffs would file a complaint seeking damages in accordance with the CLRA. If Defendant  
4 does not respond to this letter or agree to rectify the problems associated with the actions detailed  
5 above and give notice to all affected consumers within 30 days of the date of written notice  
6 pursuant to § 1782, Plaintiffs will amend the complaint to seek actual, punitive, and statutory  
7 damages, as appropriate against Defendant.

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

#### 9 **FOURTH CAUSE OF ACTION**

##### 10 **Violation of Oregon Unlawful Trade Practices Act (UTPA)**

11 100. Plaintiffs incorporate each and every factual allegation set forth above.

12 101. Plaintiffs bring this cause of action on behalf of themselves and members of the  
13 Class.

14 102. Defendant has violated the Oregon Unlawful Trade Practices Act (UTPA). O.R.S.  
15 §§ 646.605, et seq.

16 103. The UTPA prohibits unlawful business and trade practices. O.R.S. § 646.608.  
17 Under the UTPA, “[a] person engages in an unlawful practice if in the course of the person’s  
18 business, vocation or occupation the person does any of the following:”

19 • “Represents that ... goods ... have ... characteristics ... that the ... goods ... do not have,”  
20 O.R.S. § 646.608(e);

21 • “Advertises ... goods ... with intent not to provide the real estate, goods or services as  
22 advertised,” O.R.S. § 646.608(i);

23 • “Makes false or misleading representations of fact concerning the reasons for, existence  
24 of, or amounts of price reductions,” O.R.S. § 646.608(j);

25 • “Makes any false or misleading statement about a ... promotion used to publicize a  
26 product,” O.R.S. § 646.608(p); and

27 • “Makes false or misleading representations of fact concerning the offering price of, or the  
28 person’s cost for real estate, goods or services,” O.R.S. § 646.608(s).

1           104. Defendant engages in the conduct of “trade” and “commerce” under the UTPA.  
2 Defendant does this by advertising, offering, and distributing, by sale, Joybird Products in a  
3 manner that directly and indirectly affects people of the state of Oregon. O.R.S. § 646.605(8).

4           105. Defendant’s unlawful methods, acts and practices described above were  
5 committed in the course of Defendant’s business. O.R.S. § 646.608(1).

6           106. The Joybird Products advertised, offered, and sold Defendant are “goods” that are  
7 or may be obtained primarily for personal, family or household as defined by O.R.S. § 646.605(6).

8           107. As alleged in detail above, Defendant makes “false or misleading representations  
9 of fact concerning the reasons for, existence of, or amounts of price reductions.” O.R.S. §  
10 646.608(j). Defendant’s advertised sales are not true price reductions, do not really provide the  
11 stated discount, and are not really limited in time.

12           108. As alleged in detail above, Defendant also makes “false or misleading  
13 representations of fact concerning the offering price of, or the person’s cost for real estate, goods  
14 or services.” O.R.S. § 646.608(s). Defendant’s website purports to advertises its Products with  
15 regular list prices, and discounted “sale” prices. But Defendant’s listed prices are not Defendant’s  
16 true prices, former prices, or prevailing market prices for those Products. Likewise, the purported  
17 price reductions are not true price reductions.

18           109. As alleged in detail above, Defendant also “advertises ... goods ... with intent not  
19 to provide the ... goods ... as advertised,” O.R.S. § 646.608(i). Defendant advertises Products at  
20 a sale price, or discount, as compared to a regular list price. But the purported discounts that  
21 Defendant advertises are not the true discounts that the customer receives. And Defendant’s listed  
22 prices are not Defendant’s true prices, former prices, or prevailing market prices for those  
23 Products.

24           110. As alleged in detail above, Defendant also represents that its goods have  
25 characteristics that they do not have. O.R.S. § 646.608(e). Defendant represents that the value of  
26 its Products is greater than it actually is by advertising fake discounts for the Products.

27           111. As alleged in detail above, Defendant made false and misleading statements about  
28 the promotions used to publicize its Products. O.R.S. § 646.608(p). As described above, Defendant

1 advertises Products at a sale price, or discount, as compared to the regular prices. But the purported  
2 discounts that Defendant advertises are not the true discounts that the customer receives. In  
3 addition, as described above, Defendant advertises limited-time discounts that are not in fact  
4 limited in time.

5 112. The UTPA also prohibits sellers from using misleading price comparisons to  
6 advertise their products. O.R.S. § 646.608(ee) (citing O.R.S. §§ 646.884 and 646.885). The UTPA  
7 expressly prohibits sellers from including “a price comparison in an advertisement unless” “[t]he  
8 seller clearly and conspicuously identifies in the advertisement the origin of the price that the seller  
9 is comparing to the seller’s current price.” O.R.S. § 646.883. Use of term “sale” is deemed to  
10 identify “the origin of the price that the seller is comparing to the seller’s current price as the  
11 seller’s own former price, or in the case of introductory advertisements, the seller’s future price.”  
12 O.R.S. § 646.885(1). And, unless otherwise stated, use of the terms “discount,” “\_\_\_\_\_ percent  
13 discount,” “\$\_\_\_\_\_ discount,” “\_\_\_\_\_ percent off,” and “\$\_\_\_\_\_ off” are “considered to identify  
14 the origin of the price that the seller is comparing to the seller’s current price as the seller’s former  
15 price, or in the case of introductory advertisements, the seller’s future price.” O.R.S. § 646.885(2).

16 113. As alleged in detail above, Defendant uses misleading price comparisons. For  
17 example, Defendant uses strikethrough pricing without clearly and conspicuously identifying in  
18 the advertisement the origin of the price that the seller is comparing to the current price.  
19 Defendant’s strikethrough pricing does not contain any disclosures at all about the origin of the  
20 strikethrough price.

21 114. In addition, as alleged in detail above, Defendant uses the word “sale,” “discount,”  
22 and “\_\_\_% Off,” in its promotions, even when the Products are not offered at a discount as  
23 compared to the seller’s former price.

24 115. Defendant’s use of list prices, sitewide sales, and advertised discounts are “price  
25 comparisons” as defined by O.R.S. § 646.881(2). These statements make a claim that the current  
26 price is reduced as compared to a Product’s typical or former price.

1           116. Defendant's unlawful methods, acts and practices described above were "willful  
2 violations" of O.R.S. § 646.608 because Defendant knew or should have known that its conduct  
3 was a violation, as defined by O.R.S. § 646.605(10).

4           117. Defendant, at all relevant times, had a duty to disclose that the discounts were not  
5 real, that the sales persisted and were not limited in time, and that the regular prices were not the  
6 true regular prices of the Products. Defendant had a duty because (1) Defendant had exclusive  
7 knowledge of material information that was not known to Plaintiffs and the Class; (2) Defendant  
8 concealed material information from Plaintiffs and the Class; and (3) Defendant made partial  
9 representations which were false and misleading absent the omitted information.

10           118. Defendant's misrepresentations and nondisclosures deceive and have a tendency  
11 to deceive a reasonable consumer and the general public.

12           119. Defendant's misrepresentations and nondisclosures are material. A reasonable  
13 person would attach importance to the information and would be induced to act on the information  
14 in making purchase decisions.

15           120. Defendant engaged in the reckless or knowing use or employment of the unlawful  
16 methods, acts or practices alleged here, which are unlawful under O.R.S. § 646.608.

17           121. As a direct, substantial and/or proximate result of Defendant's conduct, Plaintiffs  
18 and Class members suffered ascertainable losses and injury to business or property.

19           122. Plaintiffs and Class members would not have purchased the Products at the prices  
20 they paid, if they had known that the advertised prices and discounts were false.

21           123. Plaintiffs and Class members paid more than they otherwise would have paid for  
22 the Products they purchased from Defendant. Defendant's false pricing scheme fraudulently  
23 increased demand from consumers.

24           124. The Products that Plaintiffs and Class members purchased were not, in fact, worth  
25 as much as Defendant represented them to be worth.

26           125. Plaintiffs seek, on behalf of themselves and the Class: (1) the greater of statutory  
27 damages of \$200 or actual damages; (2) punitive damages; (3) appropriate equitable relief and/or  
28 restitution; and (4) attorneys' fees and costs. O.R.S. § 646.638(3); O.R.S. § 646.638(8).

1           126.     The unlawful acts and omissions described here are, and continue to be, part of a  
2 pattern or generalized course of conduct. Defendant's conduct is ongoing and is likely to continue  
3 and recur absent a permanent injunction. Accordingly, Plaintiffs seek an order enjoining Defendant  
4 from committing such unlawful practices. O.R.S. § 646.638(1); O.R.S. § 646.638(8)(c); O.R.S. §  
5 646.636.

6           127.     The balance of the equities favors the entry of permanent injunctive relief against  
7 Defendant. Plaintiffs, the Class members, and the general public will be irreparably harmed absent  
8 the entry of permanent injunctive relief against Defendant. Plaintiffs, the Class members, and the  
9 general public lack an adequate remedy at law. A permanent injunction against Defendant is in the  
10 public's interest. Defendant's unlawful behavior is ongoing as of the date of the filing of this  
11 Consolidated Complaint. If not enjoined by order of this Court, Defendant will or may continue to  
12 injure Plaintiffs and consumers through the misconduct alleged. Absent the entry of a permanent  
13 injunction, Defendant's unlawful behavior will not cease and, in the unlikely event that it  
14 voluntarily ceases, it is capable of repetition and is likely to reoccur.

15           128.     Plaintiffs and the Class members did not know, and could not have known, that  
16 these reference prices and discount representations were false.

17           129.     Absent Class members are still not aware, at the time of the filing of this  
18 Consolidated Complaint, of Defendant's false discount advertising scheme. By Defendant's  
19 design, the false advertising scheme by its very nature is hidden and difficult for the typical  
20 consumer to discover. Consumers who shop on Defendant's website do not know the true historical  
21 prices or sales histories of the Products that they have viewed and purchased. They do not know  
22 that the discounts offered are false, or that the false discounting practices extend to all of  
23 Defendant's Products. Class members have not discovered, and could not have reasonably  
24 discovered, Defendant's fake discounting scheme.

25           130.     Absent Class members will learn of the scheme for the very first time upon court-  
26 ordered class notice in this case.



1 **FIFTH CAUSE OF ACTION**

2 **Violation of Washington Consumer Protection Act (WCPA)**

3 131. Plaintiffs incorporate each and every factual allegation set forth above.

4 132. The Plaintiffs bring this cause of action on behalf of themselves and the Class.

5 133. Defendant has violated the Washington Consumer Protection Act (WCPA), RCW  
6 Chapter 19.86.

7 134. Section 19.86.020 of the WCPA states, “[u]nfair methods of competition and  
8 unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared  
9 unlawful.” RCW §19.86.020.

10 135. Under the WCPA, “Private rights of action may ... be maintained for recovery of  
11 actual damages, costs, and a reasonable attorney’s fee. A private plaintiff may be eligible for treble  
12 damages,” and “may obtain injunctive relief, even if the injunction would not directly affect the  
13 individual’s own rights.” Washington Pattern Jury Instruction Civil No. 310.00 (Consumer  
14 Protection Act—Introduction) (internal citations omitted); RCW § 1986.090.

15 136. Defendant engages in the conduct of trade or commerce within the meaning of the  
16 WCPA. Defendant does this by selling products in a manner that directly and indirectly affects  
17 people of the state of Washington.

18 137. As alleged more fully above, Defendant made and disseminated untrue and  
19 misleading statements of facts in its advertisements to Class members, constituting acts of unfair  
20 methods of competition and/or unfair or deceptive acts or practices.

21 138. Defendant did this by advertising limited-time offers that were not actually limited  
22 in time, false regular prices, and false discounts regarding its Products.

23 139. Defendant’s representations were likely to deceive, and did deceive, Plaintiffs and  
24 reasonable consumers. Defendant knew, or should have known through the exercise of reasonable  
25 care, that these statements were inaccurate and misleading.  
26  
27  
28

140. Defendant's misrepresentations were intended to induce reliance, and Plaintiffs saw, read, and reasonably relied on the statements when purchasing the Joybird Products. Defendant's misrepresentations were a substantial factor in Plaintiffs' purchase decisions.

141. In addition, classwide reliance can be inferred because Defendant's misrepresentations were material, i.e., a reasonable consumer would consider them important in deciding whether to buy the Products.

142. Defendant's misrepresentations were a substantial factor and proximate cause in causing damages and losses to Plaintiffs and the Class.

143. Plaintiffs and the Class were injured as a direct and proximate result of Defendant's conduct because (a) they would not have purchased Joybird Products if they had known the truth, and/or (b) they overpaid for the Products because the Joybird Products were sold at a price premium due to the misrepresentation.

144. Defendant's acts or omissions are injurious to the public interest because these practices were committed in the course of Defendant's business and were committed repeatedly before and after Plaintiffs purchased Defendant's Products. They are part of a pattern of unfair and deceptive advertisements. These actions have injured other persons, and, if continued, have the capacity to injure additional persons.

## SIXTH CAUSE OF ACTION

## Breach of Contract

145. Plaintiffs incorporate each and every factual allegation set forth above.

146. Plaintiffs bring this cause of action on behalf of themselves and the Class.

147. Plaintiffs and class members entered into contracts with Defendant when they placed orders to purchase Products on Defendant's website or in Defendant's stores.

148. The contracts provided that Plaintiffs and class members would pay Defendant for the Products purchased.

149. The contracts further required that Defendant provides Plaintiffs and class members with Products that have a market value equal to the regular prices displayed on the website or in Defendant's stores. They also required that Defendant provide Plaintiffs and class

1 members with a discount equal to the difference between the price paid, and the regular prices  
2 advertised. These were specific and material terms of the contract.

3 150. The specific discounts were a specific and material term of each contract.

4 151. Plaintiffs and class members paid Defendant for the Products they purchased, and  
5 satisfied all other conditions of their contracts.

6 152. Defendant breached its contracts with Plaintiffs and class members by failing to  
7 provide Products that had a regular price, former price, and/or prevailing market value equal to the  
8 regular price displayed on its website, and by failing to provide the promised discount. Defendant  
9 did not provide the discount that it had promised.

10 153. Plaintiffs provided Defendant with notice of this breach of contract, by mailing a  
11 notice letter to Defendant's headquarters and registered agent on October 18, 2024.

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

## 15 **SEVENTH CAUSE OF ACTION**

### 16 **Breach of Express Warranty**

17 155. Plaintiffs incorporate each and every factual allegation set forth above.

18 156. Plaintiffs bring this cause of action on behalf of themselves and members of the  
19 class.

20 157. Defendant, as the marketer, distributor, supplier, and/or seller of the Joybird  
21 Products, issued material, written warranties by advertising that the Products had a prevailing  
22 market value equal to the regular price displayed on Defendant's website and in Defendant's  
23 stores. This was an affirmation of fact about the Products (i.e., a representation about the market  
24 value) and a promise relating to the goods.

25 158. This warranty was part of the basis of the bargain and Plaintiffs and members of  
26 the class relied on this warranty.

27 159. In fact, the Joybird Products' stated market value was not the prevailing market  
28 value. Thus, the warranty was breached.

1           160.     Plaintiffs provided Defendant with notice of this breach of warranty, by mailing a  
2 notice letter to Defendant’s headquarters and registered agent on October 18, 2024.

3           161.     Plaintiffs and the class were injured as a direct and proximate result of Defendant’s  
4 breach, and this breach was a substantial factor in causing harm, because (a) they would not have  
5 purchased Joybird Products if they had known that the warranty was false, or (b) they overpaid for  
6 the Products because the Products were sold at a price premium due to the warranty.

7                           **EIGHTH CAUSE OF ACTION**

8                           **Quasi-Contract/Unjust Enrichment**

9           162.     Plaintiffs incorporate each and every factual allegation above.

10          163.     Plaintiffs bring this cause of action in the alternative to their Breach of Contract  
11 claim (Claim VII) on behalf of themselves and the class.

12          164.     As alleged in detail above, Defendant’s false and misleading advertising caused  
13 Plaintiffs and the class to purchase Joybird Products and to pay a price premium for these Products.

14          165.     In this way, Defendant received a direct and unjust benefit, at Plaintiffs’ expense.

15          166.     (In the alternative only), due to Defendant’s misrepresentations, its contracts with  
16 Plaintiffs and other class members are void or voidable.

17          167.     Plaintiffs and the class seek restitution, and in the alternative, rescission.

18                           **NINTH CAUSE OF ACTION**

19                           **Negligent Misrepresentation**

20          168.     Plaintiffs incorporate each and every factual allegation set forth above.

21          169.     Plaintiffs bring this cause of action on behalf of themselves and members of the  
22 class.

23          170.     As alleged more fully above, Defendant made false representations and material  
24 omissions of fact to Plaintiffs and class members concerning the existence and/or nature of the  
25 discounts and savings advertised.

26          171.     These representations were false.  
27  
28

1           172.    When Defendant made these misrepresentations, it knew or should have known  
2 that they were false. Defendant had no reasonable grounds for believing that these representations  
3 were true when made.

4           173.    Defendant intended that Plaintiffs and class members rely on these representations  
5 and Plaintiffs and class members read and reasonably relied on them.

6           174.    In addition, class-wide reliance can be inferred because Defendant's  
7 misrepresentations were material, i.e., a reasonable consumer would consider them important in  
8 deciding whether to buy the Joybird Products.

9           175.    Defendant's misrepresentations were a substantial factor and proximate cause in  
10 causing damages and losses to Plaintiffs and class members.

11           176.    Plaintiffs and class members were injured as a direct and proximate result of  
12 Defendant's conduct because (a) they would not have purchased Joybird Products if they had  
13 known that the representations were false, and/or (b) they overpaid for the Products because the  
14 Products were sold at a price premium due to the misrepresentation.

## 15                                   **TENTH CAUSE OF ACTION**

### 16                                   **Intentional Misrepresentation**

17           177.    Plaintiffs incorporate each and every factual allegation set forth above.

18           178.    Plaintiffs bring this cause of action on behalf of themselves and members of the  
19 class.

20           179.    As alleged more fully above, Defendant made false representations and material  
21 omissions of fact to Plaintiffs and class members concerning the existence and/or nature of the  
22 discounts and savings advertised.

23           180.    These representations were false.

24           181.    When Defendant made these misrepresentations, it knew that they were false at the  
25 time that it made them and/or acted recklessly in making the misrepresentations.

26           182.    Defendant intended that Plaintiffs and class members rely on these representations  
27 and Plaintiffs and class members read and reasonably relied on them.

183. In addition, class-wide reliance can be inferred because Defendant's misrepresentations were material, i.e., a reasonable consumer would consider them important in deciding whether to buy the Joybird Products.

184. Defendant's misrepresentations were a substantial factor and proximate cause in causing damages and losses to Plaintiffs and class members.

185. Plaintiffs and class members were injured as a direct and proximate result of Defendant's conduct because (a) they would not have purchased Joybird Products if they had known that the representations were false, and/or (b) they overpaid for the Products because the Products were sold at a price premium due to the misrepresentation.

## VII. PRAYER FOR RELIEF

Wherefore, Plaintiffs, on behalf of themselves and on behalf of the other members of the Class, requests that this Court award relief against Defendant as follows:

a. an order certifying the Class and designating Plaintiffs as the Class Representatives and their counsel as Class Counsel;

b. awarding Plaintiffs and the proposed Class members all applicable damages;

c. awarding restitution and disgorgement of all profits and unjust enrichment that Defendant obtained from Plaintiffs and the Class members as a result of its unlawful, unfair, and fraudulent business practices described herein;

d. awarding declaratory and injunctive relief as permitted by law or equity, including: enjoining Defendant from continuing the unlawful practices as set forth herein, and directing Defendant to identify, with Court supervision, victims of its misconduct and pay them all money they are required to pay;

e. ordering payment of damages as permitted by law, including actual, compensatory, benefit of the bargain, and statutory damages, to the full extent permitted by law;

f. retaining jurisdiction to monitor Defendant's compliance with permanent injunctive relief;

- 1           g.       ordering Defendant to engage in a corrective advertising campaign;  
2           h.       awarding attorneys' fees and costs; and  
3           i.       for such other and further relief as the Court may deem necessary or  
4 appropriate.

5                                   **VIII. DEMAND FOR JURY TRIAL**

6       Plaintiffs hereby demand a jury trial for all claims so triable.

7  
8       Dated: July 18, 2025

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