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**UNITED STATES DISTRICT COURT**  
**FOR THE CENTRAL DISTRICT OF CALIFORNIA**  
**WESTERN DIVISION**

STEPAN RUDENKO, an individual, on  
behalf of himself and all others  
similarly situated,  
Plaintiff,  
  
vs.  
  
STAR CREATIONS INC., d/b/a AJ  
MADISON, INC.,  
  
Defendant.

Case No.: 2:26-cv-5501

**CLASS ACTION COMPLAINT  
FOR DAMAGES AND  
INJUNCTIVE RELIEF**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Stepan Rudenko (“Plaintiff”), on behalf of himself and all others  
2 similarly situated, hereby alleges the following at all times relevant to his complaint.

3 **I. INTRODUCTION**

4 1. This action is brought against Defendant Star Creations, Inc., which does  
5 business under the name AJ Madison (“AJ Madison” or “Defendant”) for false and  
6 deceptive pricing practices in connection with Defendant’s sale of home appliances  
7 on the website <https://www.ajmadison.com/> (the “Website”). AJ Madison markets  
8 itself as “Your Appliance Authority” and sells a wide range of home appliances,  
9 including refrigerators, dishwashers, microwaves, ovens, and other household  
10 products.

11 2. AJ Madison sells home appliances through the Website and other online  
12 channels. Unfortunately, Defendant advertises fake and inflated comparison reference  
13 prices to deceive customers into a false belief that AJ Madison is offering its products  
14 at deeply discounted bargain prices. For example, anyone visiting the Website on a  
15 given day may see products advertised with a struck-through or “compare at” price  
16 displayed alongside a lower purported “sale” price. The products are offered for sale  
17 with a purported original or regular value alongside the purported sale offer. In doing  
18 so, Defendant misleads its customers into believing that they are receiving a  
19 significant discount from the ordinary price for these products. This is deception  
20 because Defendant rarely, if ever, sold in the recent past on the Website or elsewhere  
21 these products for the purported original or “compare at” amount.

22 3. Stated differently, Defendant’s advertised “sales” are not really sales at  
23 all. It is a misrepresentation that Defendant repeats across its product lines. The  
24 reference prices that Defendant advertises are fictitious and fake, because they are not  
25 original, regular, retail, or former prices. They are inflated prices posted to lure  
26 unsuspecting customers into jumping at a fictitious “bargain” and intended to mislead  
27 customers into believing that the value of the products they are buying are higher  
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1 than reality. That is, Defendant engages in this deceptive advertising and pricing  
2 scheme to give customers the false impression that they are getting a deal or bargain  
3 when in reality they are being swindled by fake sales and promotions. Defendant  
4 exacerbates this deception by advertising that its purported sales are limited in time,  
5 where in reality the same or substantially similar “sales” are offered continuously or  
6 almost continuously.

7 4. As a result, customers are deceived into spending money they otherwise  
8 would not have spent, purchasing products they otherwise would not have purchased,  
9 spending more money for products than they otherwise would have absent the  
10 deceptive marketing, and/or are receiving a value less than bargained for.

11 5. By this action, Plaintiff seeks to put an immediate end to Defendant’s  
12 untruthful marketing practices and recover restitution and damages on behalf of all  
13 persons who have fallen victim to Defendant’s sham sales by purchasing products on  
14 the Website from May 2022 to the present.

15 **II. PARTIES**

16 6. Plaintiff Stepan Rudenko is a citizen of the State of California, residing  
17 in Valley Glen, Los Angeles County, California.

18 7. On information and belief, Defendant Star Creations Inc. (d/b/a AJ  
19 Madison) is a corporation organized under the laws of the State of New York, with its  
20 principal place of business at 3605 13th Avenue, Brooklyn, New York 11218, doing  
21 business through its website [www.ajmadison.com](http://www.ajmadison.com).

22 8. Plaintiff is informed and believes, and based thereon alleges, that each  
23 defendant engaged in, authorized, ratified, and/or directed the wrongful conduct  
24 alleged herein and is, therefore, legally responsible for Plaintiff’s injuries and  
25 damages.

26 **III. JURISDICTION AND VENUE**

27 9. This Court has jurisdiction over this action under the Class Action  
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1 Fairness Act of 2005. Pursuant to 28 U.S.C. §1332(d)(2), this Court has original  
2 jurisdiction because the aggregate claims of the putative class members exceed \$5  
3 million, exclusive of interest and costs, and at least one of the members of the  
4 proposed classes is a citizen of a different state than Defendant.

5 10. This Court has personal jurisdiction over Defendant, because Defendant  
6 conducts professional and commercial activities in California on a substantial,  
7 continuous, and systematic basis, including the sale and shipment of home appliances  
8 to California consumers through the Website, and therefore Defendant is subject to  
9 the general jurisdiction of the courts in this state.

10 11. The claims asserted in this complaint arise out of or are related to  
11 Defendant's professional and commercial activities within California, including the  
12 sale and delivery of products to Plaintiff in Los Angeles County, and therefore  
13 Defendant is subject to the specific jurisdiction of the courts of this state.

14 12. Venue is proper in this Court because Plaintiff resides in Los Angeles  
15 County and the acts giving rise to Plaintiff's claims occurred in substantial part in this  
16 County.

17 **IV. APPLICABLE LAW**

18 13. Plaintiff is a citizen and resident of California. He accessed the Website  
19 and ordered Defendant's product from California and received the product in  
20 California.

21 14. California's substantive laws may be constitutionally applied to the  
22 claims of Plaintiff under the Due Process Clause, 14th Amend. §1, and the Full Faith  
23 and Credit Clause, Art. IV §1 of the U.S. Constitution. California has significant  
24 contacts, or significant aggregation of contacts, to the claims asserted by Plaintiff,  
25 thereby creating state interests that ensure that the choice of California state law is  
26 not arbitrary or unfair.

27 15. California has an interest in regulating Defendant's conduct under its  
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1 laws, and Defendant’s engagement in the challenged conduct directed at and  
2 affecting California consumers renders the applicability of California law to the  
3 claims herein constitutionally permissible.

4 16. The application of California laws is also appropriate under California’s  
5 choice of law rules because California has significant contacts to the claims of  
6 Plaintiff, and California has a greater interest in applying its laws here than any other  
7 interested state.

8 **V. GENERAL ALLEGATIONS**

9 17. On information and belief, AJ Madison is an online retailer of home  
10 appliances, marketing itself as “Your Appliance Authority.” AJ Madison sells a wide  
11 range of household appliances—including refrigerators, dishwashers, microwaves,  
12 washing machines, dryers, ovens, and related products—through the Website.

13 18. Defendant’s business model relies on deceiving customers with fake  
14 sales. On a typical day, Defendant prominently displays on the Website various  
15 products with struck-through or “compare at” reference prices alongside purportedly  
16 discounted sale prices, creating the false impression that the products are being  
17 offered at a substantial markdown.

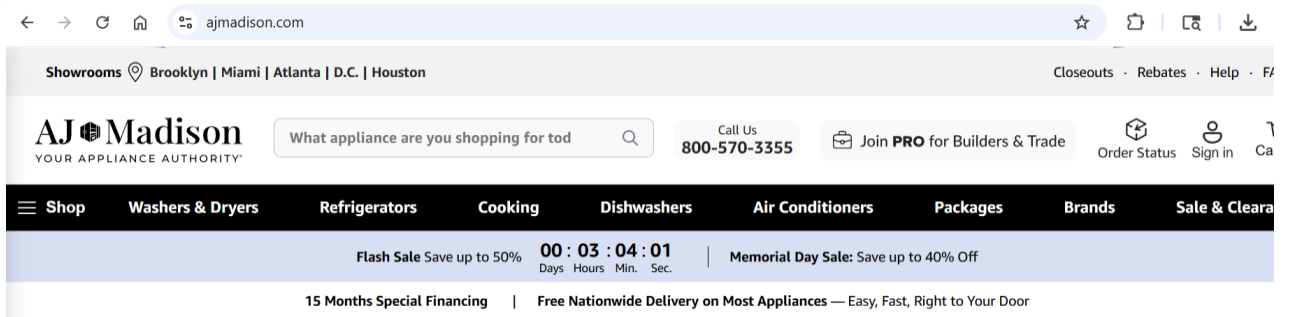
18 19. Many of the products advertised by Defendant are represented as being  
19 marked down from a substantially higher reference price (hereafter, the “Reference  
20 Price”). The supposed markdowns are represented to the customer by prominently  
21 displaying a struck-through Reference Price, a “compare at” price, or an “original”  
22 price next to the sale price. Defendant employs these deceptive tactics to convey to  
23 customers that the product had been offered in the recent past at the Reference Price,  
24 but is being offered to the customer at a substantial discount for a limited time.

25 20. However, this Reference Price is almost always, if not always, a falsely  
26 inflated price because Defendant rarely, if ever, sells its products at the Reference  
27 Price. Further, the Reference Price does not accurately reflect the prevailing price of  
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1 those products offered by other retailers.

2 21. The only purpose of the Reference Price is to mislead customers into  
3 believing that the displayed Reference Price is an original, regular, or retail price at  
4 which Defendant usually sells the product or previously sold the product in the recent  
5 past. As a result, Defendant falsely conveys that customers are receiving a substantial  
6 markdown or discount, when in reality the alleged discount is false and fraudulent  
7 because the Reference Price is inflated.

8 22. Compounding the deception, the Website will often display messages of  
9 urgency, such as limited-time offers, sale countdown timers, or notices that a  
10 particular deal will expire soon. Below is a representative example of such a  
11 purported time-limited sale on the Website:

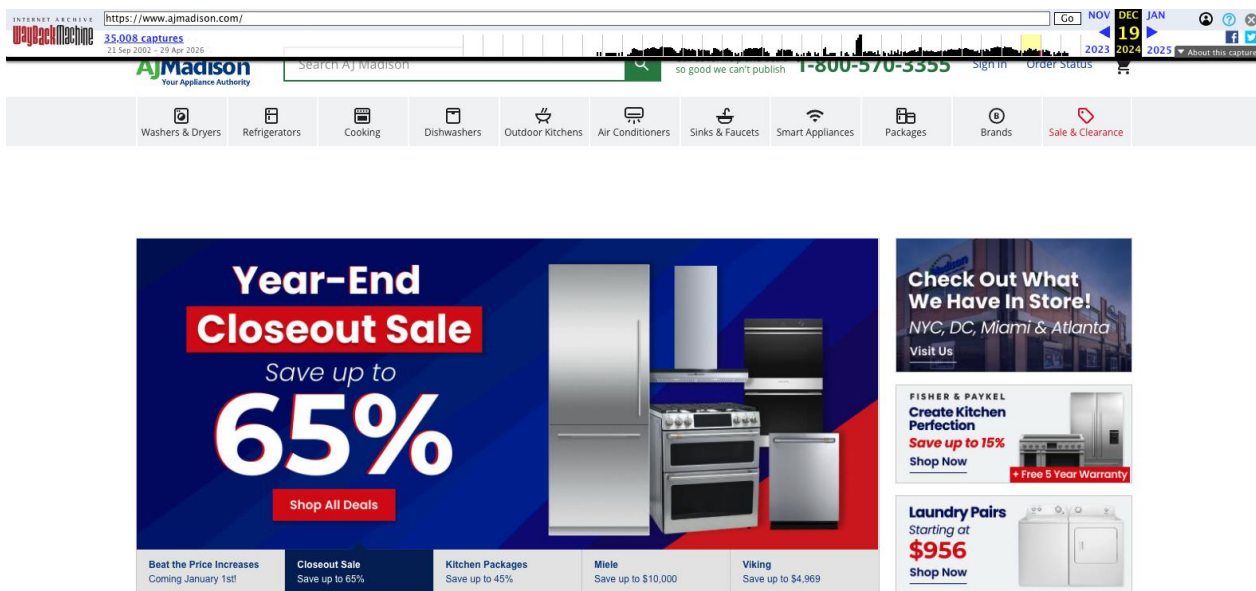


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17 23. This is designed to mislead customers into believing they need to rush to  
18 take advantage of the fake promotions, when in reality, Defendant runs promotions or  
19 sales continuously or nearly continuously.

20 24. Based on counsel’s pre-filing investigation, Defendant offered its  
21 products, including home appliances such as microwaves, refrigerators, and  
22 dishwashers, on sale continuously or nearly continuously, and routinely displayed  
23 inflated Reference Prices that did not reflect prices at which the products were  
24 actually sold for any reasonably substantial period of time by Defendant or other  
25 sellers.

26 25. For example, as shown on December 19, 2024, the Website advertised a  
27 Year-End Closeout Sale for savings of up to 65% and warned customers that prices  
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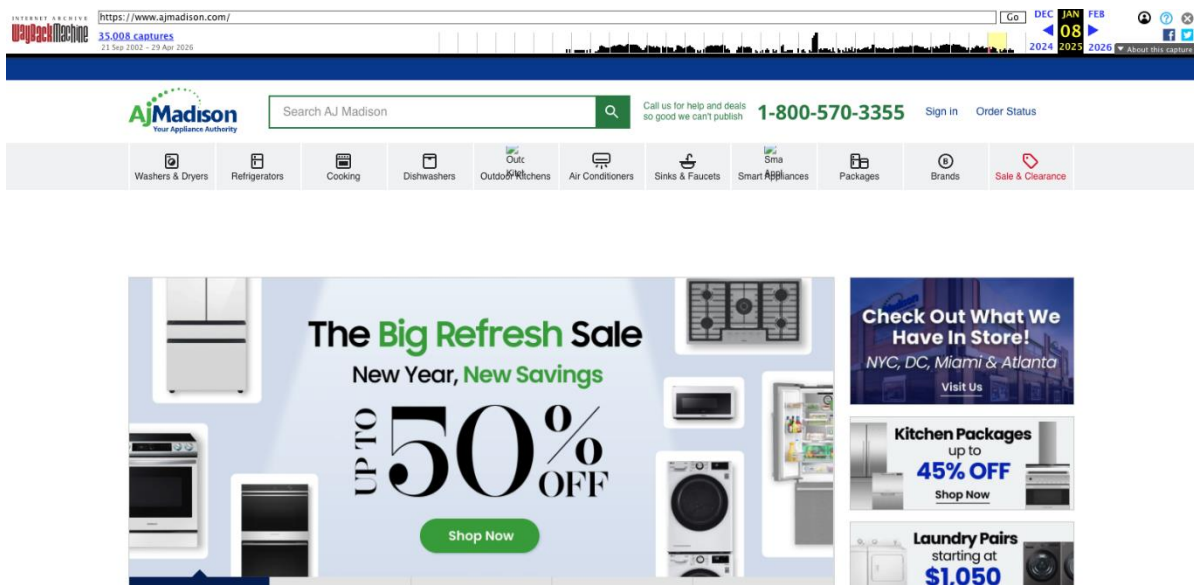
1 would increase on January 1, 2025:



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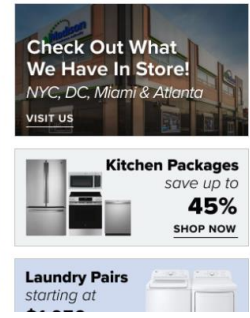
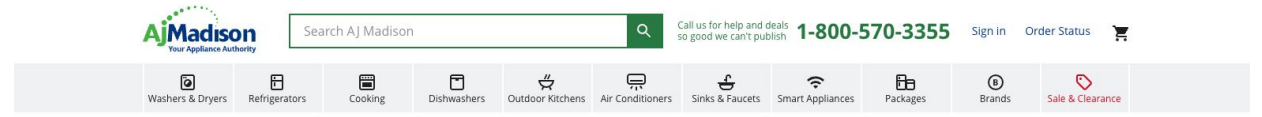
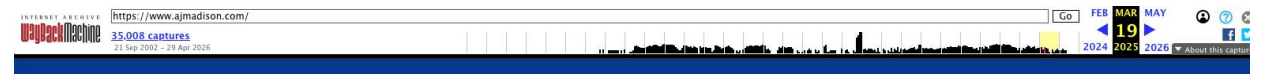
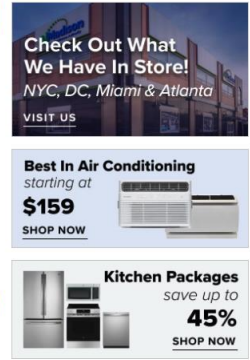
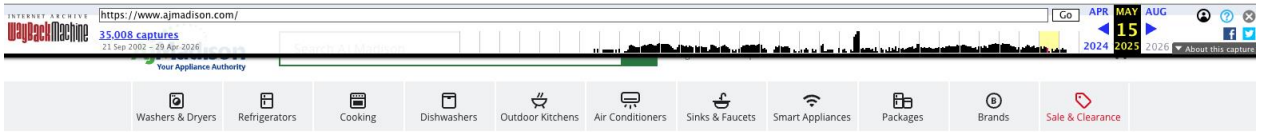
12 Soon thereafter, on January 8, 2025, the Website was advertising another purported

13 sale:



24 Similar fake sales persisted throughout the year until present:

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26. Defendant’s pricing practices on the Website illustrate the pervasive nature of these fake sales. Upon information and belief, the Website routinely displays products with inflated Reference Prices alongside purportedly discounted sale prices, creating a pattern and practice of deceptive reference pricing across Defendant’s product lines.

27. These pricing and advertising practices reflecting high-pressure fake

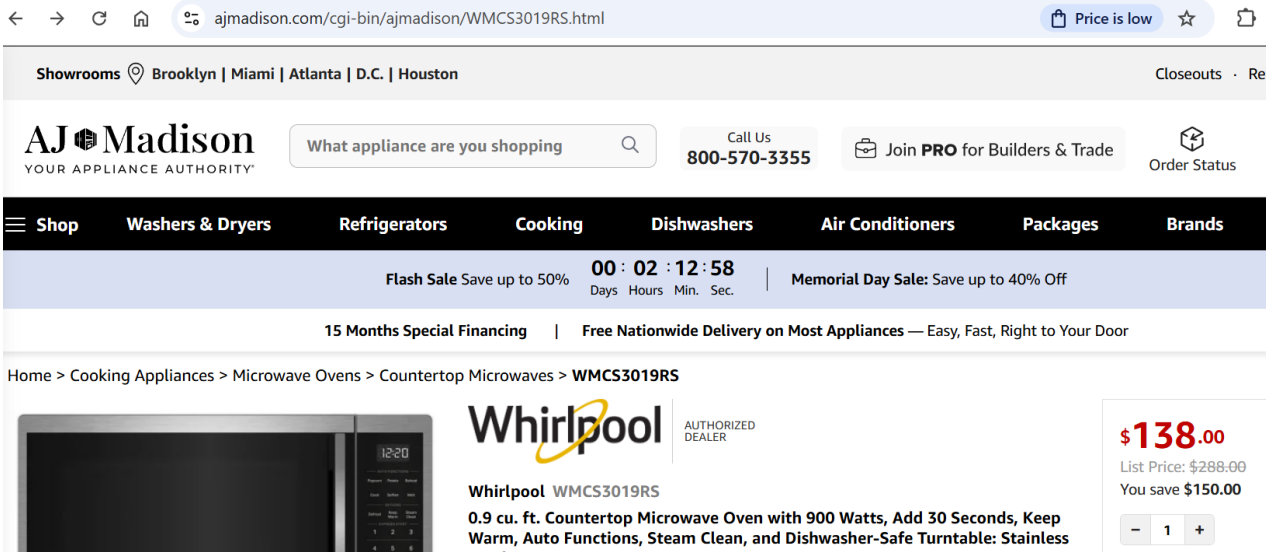
1 sales are deceptive. They are intended to mislead customers into believing that they  
2 are getting a bargain by buying products from Defendant supposedly on sale and at a  
3 substantial and deep discount. The truth is that Defendant rarely, if ever, sells any of  
4 its purportedly discounted products at the Reference Price. The Reference Price is,  
5 therefore, an artificially inflated price. In turn, the advertised discounts are thus  
6 nothing more than phantom markdowns.

7 28. On information and belief, Defendant has more access to information  
8 regarding the historic sale prices and discount offers for the products offered for sale  
9 and sold on the Website than is available to Plaintiff.

10 **a. Plaintiff’s Purchase of Falsely Advertised Products From the**  
11 **Website**

12 29. Plaintiff fell victim to Defendant’s false advertising and deceptive  
13 pricing practices. On or about January 25, 2026, Plaintiff visited the Website to  
14 purchase a Whirlpool 0.9 cu. ft. Countertop Microwave Oven. During the purchase  
15 process, Defendant displayed the product with a Reference Price that was higher than  
16 the sale price at which the product was offered, creating the false impression that  
17 Plaintiff was receiving a substantial discount from Defendant’s regular or original  
18 price.

19 30. Plaintiff saw on the Website a sale offer similar to the one shown below:

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21 The screenshot shows the AJ Madison website interface. At the top, there are showrooms for Brooklyn, Miami, Atlanta, D.C., and Houston. The main header features the AJ Madison logo, a search bar, and contact information (800-570-3355). Below the header is a navigation menu with categories like Washers & Dryers, Refrigerators, Cooking, Dishwashers, Air Conditioners, Packages, and Brands. A promotional banner indicates a Flash Sale (Save up to 50%) and a Memorial Day Sale (Save up to 40% Off). The main content area displays a Whirlpool WMCS3019RS microwave oven with a price of \$138.00, a list price of \$288.00, and a quantity selector set to 1.

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31. Plaintiff read and relied on the sale representation, which was important in driving his purchase. In particular, Mr. Rudenko read and relied on the representation that the product had a higher Reference Price displayed on the Website but was being offered at a discounted sale price. Plaintiff paid \$158.00 for the microwave (plus \$99.00 for delivery and \$25.06 in sales tax, for a total of \$282.06) pursuant to Order No. 203416175.

32. Defendant also introduces inflated delivery costs late in the checkout process that leaves customers paying more than the initially advertised price for their purchases.

33. Based on these representations from Defendant, Plaintiff reasonably understood that Defendant usually (and formerly, before the promotion Defendant was advertising) sold the product he was purchasing at the published Reference Price, that the Reference Price was the prevailing price and market value of the product that he was buying, that he was receiving the advertised discount as compared to the Reference Price, that the advertised discount was only available for a limited time, and that the product would go back to retailing for the published regular price when the promotion ended.

34. The truth, however, is that the microwave Plaintiff purchased was not substantially marked down or discounted, or at the very least, any discount he was receiving had been grossly exaggerated. That is because the product Plaintiff bought had not been offered for sale on the Website (or anywhere else) for any reasonably substantial period of time (if ever) at the full Reference Price. In fact, for at least the 90-day period prior to Plaintiff's purchase (and likely for a longer period), Defendant had not offered the product sold to Plaintiff at the Reference Price and regularly sold that product at or near the price Plaintiff actually paid. Those Reference Prices were fake prices used in Defendant's deceptive marketing scheme.

1           35. On information and belief and based on counsel’s pre-filing  
2 investigation, the price offered by other retailers for the same product purchased by  
3 Plaintiff at around the same time was materially less than the purported discount price  
4 advertised on Defendant’s Website. For example, Home Depot advertises the same  
5 product for \$129 and Best Buy advertises it for \$149. Amazon advertises a “list  
6 price” for the same product of \$159, almost exactly what Defendant advertised as the  
7 discounted price as its Website.

8           36. Defendant knows that the Reference Prices are fake and artificially  
9 inflated and intentionally uses them in its deceptive pricing scheme on the Website to  
10 increase sales and profits by misleading Plaintiff and members of the putative class to  
11 believe that they are buying products at a substantial discount.

12           37. Defendant thereby induces customers to buy products they never would  
13 have bought—or at the very least, to pay more for merchandise than they otherwise  
14 would have if Defendant was simply being truthful about its “sales.”

15           38. Therefore, Plaintiff would not have purchased the product, or at the very  
16 least, would not have paid as much as he did, had Defendant been truthful. Plaintiff  
17 was persuaded to make his purchase and paid as much as he did as a result of  
18 Defendant’s misrepresentations in connection with the Reference Price that Plaintiff  
19 saw in making his purchase.

20           39. Plaintiff was harmed by Defendant’s false advertising, because but for  
21 Defendant’s misrepresentations, Plaintiff would not have made his purchase or would  
22 not have been willing to pay as much as he did.

23           40. Plaintiff would not have been willing to pay as much as he did for the  
24 product he purchased from Defendant had he received complete and truthful  
25 information relating to Defendant’s Reference Price on the Website. Plaintiff is  
26 entitled to restitution in at least the form of the difference between the price he  
27 actually paid and the price a reasonable consumer would have paid absent the  
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1 Reference Price.

2 41. Plaintiff was further harmed because the value of the product he  
3 received was less than the price he paid. Specifically, as a result of Defendant's  
4 misleading practices, Plaintiff paid approximately \$282 for a product that was worth  
5 less than \$160.

6 42. Plaintiff was further harmed because he did not receive the expected  
7 discount or benefit-of-the-bargain advertised by Defendant. When Plaintiff and other  
8 members of the putative class purchase Defendant's products, they accept offers that  
9 Defendant made. Each offer was to provide products having a particular listed regular  
10 price and market value, and to provide those products at the discounted price  
11 advertised on the Website.

12 43. The Website lists the Reference Price of the items that Defendant  
13 promised to provide. Defendant agreed to provide a discount equal to the difference  
14 between the regular prices and the prices paid by Plaintiff and putative class  
15 members. These were specific and material terms of the contract. These promises  
16 were also express warranties: affirmations of fact about the products and a promise  
17 relating to the goods. Plaintiff and other members of the putative class performed  
18 their obligations under the contract by paying for the items they purchased.  
19 Defendant breached its contract by failing to provide Plaintiff and other members of  
20 the putative class with products that have a regular price and market value equal to  
21 the Reference Price displayed, and by failing to provide the promised discounts.  
22 Defendant breached its express warranties for the same reasons.

23 44. Plaintiff faces an imminent threat of future harm. Plaintiff will likely  
24 purchase home appliances in the future, including from Defendant, if he could feel  
25 sure that Defendant's regular prices were honest and that sales were real. But without  
26 a court injunction ordering Defendant to only advertise honest regular prices and  
27 honest sales, Plaintiff is unable to rely on Defendant's sales or supposed regular  
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1 prices in the future.

2 45. Further, Defendant's deceptive sale advertisements pollute the data  
3 regarding the regular prices for home appliances in the market as a whole, thereby  
4 harming Plaintiff and other consumers in their ability to evaluate the value of the  
5 deals being offered by Defendant and its competitors.

6 46. Defendant's use of misleading countdown timers further deceptively  
7 discourages users from searching for better prices from other retailers.

8 47. Plaintiff seeks damages and, in the alternative, restitution. Plaintiff is  
9 permitted to seek equitable remedies in the alternative because he has no adequate  
10 remedy at law. A legal remedy is not adequate if it is not as certain as an equitable  
11 remedy. The elements of Plaintiff's equitable claims are different and do not require  
12 the same showings as Plaintiff's legal claims. For example, Plaintiff's FAL claim  
13 under Section 17501 (an equitable claim) is predicated on a specific statutory  
14 provision, which prohibits advertising merchandise using a former price if that price  
15 was not the prevailing market price within the past three months. Cal. Bus. & Prof.  
16 Code § 17501. Plaintiff may be able to prove these more straightforward factual  
17 elements, and thus prevail under the FAL, while not being able to prove one or more  
18 elements of his legal claims. Further, obtaining a full refund at law is less certain than  
19 obtaining a refund in equity.

20 48. Furthermore, the remedies at law available to Plaintiff are not equally  
21 prompt or otherwise efficient. The need to schedule a jury trial may result in delay.  
22 And a jury trial will take longer, and be more expensive, than a bench trial.

23 49. Finally, legal damages are inadequate to remedy the imminent threat of  
24 future harm that Plaintiff faces. Only an injunction can remedy this threat of future  
25 harm.

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**b. Research Shows That the Use of Reference Price Advertising Schemes Similar to Defendant's Influences Consumer Behavior and Affects Consumers' Perception of Value**

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5 50. The effectiveness of Defendant's deceitful pricing scheme is backed up  
6 by longstanding scholarly research. In the seminal article entitled *Comparative Price*  
7 *Advertising: Informative or Deceptive?* (cited in *Hinojos v. Kohl's Corp.*, 718 F.3d  
8 1098, 1106 (9th Cir. 2013)), Professors Dhruv Grewal and Larry D. Compeau write  
9 that, "[b]y creating an impression of savings, the presence of a higher reference price  
10 enhances subjects' perceived value and willingness to buy the product." Dhruv  
11 Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative or*  
12 *Deceptive?*, 11 J. Pub. Pol'y & Mktg. 52, 55 (Spring 1992). Thus, "empirical studies  
13 indicate that, as discount size increases, consumers' perceptions of value and their  
14 willingness to buy the product increase, while their intention to search for a lower  
15 price decreases." *Id.* at 56. For this reason, the Ninth Circuit in *Hinojos* held that a  
16 plaintiff making a claim of deceptive pricing, as Plaintiff's claims here, had standing  
17 to pursue his claim against the defendant retailer. In doing so, the Court observed that  
18 "[m]isinformation about a product's 'normal' price is . . . significant to many  
19 consumers in the same way as a false product label would be." *Hinojos*, 718 F.3d at  
20 1106.

21 51. Professors Compeau and Grewal reached similar conclusions in a 2002  
22 article: "decades of research support the conclusion that advertised reference prices  
23 do indeed enhance consumers' perceptions of the value of the deal." Dhruv Grewal &  
24 Larry D. Compeau, *Comparative Price Advertising: Believe It Or Not*, J. of  
25 Consumer Affairs, Vol. 36, No. 2, at 287 (Winter 2002). The professors also found  
26 that "[c]onsumers are influenced by comparison prices even when the stated  
27 reference prices are implausibly high." *Id.*

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1           52. In another scholarly publication, Professors Joan Lindsey-Mullikin and  
2 Ross D. Petty concluded that “[r]eference price ads strongly influence consumer  
3 perceptions of value...Consumers often make purchases not based on price but  
4 because a retailer assures them that a deal is a good bargain. This occurs when . . . the  
5 retailer highlights the relative savings compared with the prices of competitors . . .  
6 [T]hese bargain assurances (BAs) change consumers’ purchasing behavior and may  
7 deceive consumers.” Joan Lindsey-Mullikin & Ross D. Petty, *Marketing Tactics*  
8 *Discouraging Price Search: Deception and Competition*, 64 J. of Bus. Research 67  
9 (January 2011).

10           53. Similarly, according to Professors Praveen K. Kopalle and Joan  
11 Lindsey-Mullikin, “research has shown that retailer-supplied reference prices clearly  
12 enhance buyers’ perceptions of value” and “have a significant impact on consumer  
13 purchasing decisions.” Praveen K. Kopalle & Joan Lindsey-Mullikin, *The Impact of*  
14 *External Reference Price On Consumer Price Expectations*, 79 J. of Retailing 225  
15 (2003).

16           54. The results of a 1990 study by Professors Jerry B. Gotlieb and Cyndy  
17 Thomas Fitzgerald, came to the conclusion that “reference prices are important cues  
18 consumers use when making the decision concerning how much they are willing to  
19 pay for the product.” Jerry B. Gotlieb & Cyndy Thomas Fitzgerald, *An Investigation*  
20 *Into the Effects of Advertised Reference Prices On the Price Consumers Are Willing*  
21 *To Pay For the Product*, 6 J. of App’d Bus. Res. 1 (1990). This study also concluded  
22 that “consumers are likely to be misled into a willingness to pay a higher price for a  
23 product simply because the product has a higher reference price.” *Id.*

24           55. The clear inference to be drawn from this research and the Ninth  
25 Circuit’s opinion in *Hinojos* is that the deceptive advertising through the use of false  
26 reference pricing employed here by Defendant is intended to, and does in fact,  
27 influence customer behavior—as it did Plaintiff’s purchasing decision here—by  
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1 artificially inflating customer perceptions of a given product's value and causing  
2 customers to spend money they otherwise would not have, purchase products and  
3 items they otherwise would not have, and/or spend more money for a product or  
4 service than they otherwise would have absent the deceptive advertising.

5 **VI. CLASS ACTION ALLEGATIONS**

6 56. Plaintiff brings this action individually and as a representative of all  
7 those similarly situated, on behalf of the below-defined class:

8 California Class: All persons who, while in the State of California,  
9 purchased one or more products from AJ Madison's Website  
10 (www.ajmadison.com) at a stated discount from a higher reference  
11 price during the period from four years preceding the filing of this  
12 Complaint through the present (the "Class Period").

13 Nationwide Class: All persons in the United States who purchased one  
14 or more products from AJ Madison's Website at a stated discount from  
15 a higher reference price during the Class Period.

16 57. The following people are excluded from the proposed class: (1) any  
17 Judge or Magistrate Judge presiding over this action and the members of their family;  
18 (2) Defendant, Defendant's subsidiaries, parents, successors, predecessors, and any  
19 entity in which Defendant or its parents have a controlling interest and their current  
20 employees, officers, and directors; (3) persons who properly execute and file a timely  
21 request for exclusion from the class; (4) persons whose claims in this matter have  
22 been finally adjudicated on the merits or otherwise released; (5) Plaintiff's counsel  
23 and Defendant's counsel, and their experts and consultants; and (6) the legal  
24 representatives, successors, and assigns of any such excluded persons.

25 58. Plaintiff reserves the right to expand, limit, modify, or amend the class  
26 definitions stated above, including the addition of one or more subclasses, in  
27 connection with his motion for class certification, or at any other time, based upon,  
28 among other things, changing circumstances, or new facts obtained during discovery.

59. This case is appropriate for class treatment because Plaintiff can prove

1 the elements of his claims on a class-wide basis using the same evidence as would be  
2 used to prove those elements in individual actions alleging the same claims.

3       60.    **Numerosity.** The Class is so numerous that joinder of all members in  
4 one action is impracticable. The exact number and identities of the members of the  
5 Class is unknown to Plaintiff at this time and can only be ascertained through  
6 appropriate discovery, but on information and belief, Plaintiff alleges that there are  
7 thousands of members of the Class.

8       61.    **Typicality.** Plaintiff's claims are typical of those of other members of  
9 the Class, all of whom have suffered similar harm due to Defendant's course of  
10 conduct as described herein.

11       62.    **Adequacy of Representation.** Plaintiff is an adequate representative of  
12 the Class and will fairly and adequately protect the interests of the Class. Plaintiff has  
13 retained attorneys who are experienced in the handling of complex litigation and  
14 class actions, and Plaintiff and his counsel intend to prosecute this action vigorously.

15       63.    **Existence and Predominance of Common Questions of Law or Fact.**  
16 Common questions of law and fact exist as to all members of the Class that  
17 predominate over any questions affecting only individual members of the Class.  
18 These common legal and factual questions, which do not vary among members of the  
19 Class, and which may be determined without reference to the individual  
20 circumstances of any member of the Class, include, but are not limited to, the  
21 following:

- 22       (a)    Whether, during the Class Period, Defendant advertised false Reference  
23            Prices for products offered on the Website.
- 24       (b)    Whether, during the Class Period, Defendant advertised price discounts  
25            from false Reference Prices for products offered on the Website.
- 26       (c)    Whether the products advertised by Defendant during the Class Period  
27            were offered at their Reference Prices for any reasonably substantial  
28

- 1 period of time prior to being offered at prices that were discounted  
2 from their Reference Prices.
- 3 (d) Does Defendant’s deceptive pricing scheme using false Reference  
4 Prices constitute an “unlawful,” “unfair,” or “fraudulent” business  
5 practice in violation of the California Unfair Competition Law, Cal.  
6 Bus & Prof. Code § 17200, *et seq.*?
- 7 (e) Does Defendant’s deceptive pricing scheme using false Reference  
8 Prices constitute “unfair, deceptive, untrue or misleading advertising”  
9 in violation of the California Unfair Competition Law, Cal. Bus & Prof.  
10 Code § 17200, *et seq.*?
- 11 (f) Does Defendant’s deceptive pricing scheme using false Reference  
12 Prices constitute false advertising in violation of the California False  
13 Advertising Law under Business & Professions Code section 17500, *et*  
14 *seq.*?
- 15 (g) Does Defendant’s deceptive pricing scheme using false Reference  
16 Prices constitute a violation of the California Consumer Legal  
17 Remedies Act California Civil Code §§1750, *et seq.*?
- 18 (h) Whether Defendant’s use of fictitious Reference Prices on products  
19 during the Class Period constitutes false representations.
- 20 (i) Whether and when Defendant knew or learned that false Reference  
21 Prices on products during the Class Period were false representations.
- 22 (j) What did Defendant hope to gain from using a false Reference Price  
23 scheme?
- 24 (k) What did Defendant gain from their false Reference Price scheme?
- 25 (l) Whether Defendant’s use of false Reference Prices on products during  
26 the Class Period was material.
- 27 (m) Whether Defendant had a duty to disclose to their customers that the  
28

1 Reference Prices were fake “original” prices in furtherance of sham  
2 sales.

3 (n) To what extent did Defendant’s conduct cause, and continue to cause,  
4 harm to the Class?

5 (o) Whether the members of the Class are entitled to damages and/or  
6 restitution.

7 (p) What type of injunctive relief is appropriate and necessary to enjoin  
8 Defendant from continuing to engage in false or misleading  
9 advertising?

10 (q) Whether Defendant’s conduct was undertaken with conscious disregard  
11 of the rights of the members of the Class and was done with fraud,  
12 oppression, and/or malice.

13 64. **Superiority.** A class action is superior to other available methods for  
14 the fair and efficient adjudication of this controversy because individual litigation of  
15 the claims of all members of the Class is impracticable. Requiring each individual  
16 class member to file an individual lawsuit would unreasonably consume the  
17 amounts that may be recovered. Even if every member of the Class could afford  
18 individual litigation, the adjudication of at least thousands of identical claims would  
19 be unduly burdensome to the courts. Individualized litigation would also present the  
20 potential for varying, inconsistent, or contradictory judgments and would magnify  
21 the delay and expense to all parties and to the court system resulting from multiple  
22 trials of the same factual issues. By contrast, the conduct of this action as a class  
23 action, with respect to some or all of the issues presented herein, presents no  
24 management difficulties, conserves the resources of the parties and of the court  
25 system, and protects the rights of the members of the Class. Plaintiff anticipates no  
26 difficulty in the management of this action as a class action. The prosecution of  
27 separate actions by individual members of the Class may create a risk of  
28

1 adjudications with respect to them that would, as a practical matter, be dispositive of  
2 the interests of the other members of the Class who are not parties to such  
3 adjudications, or that would substantially impair or impede the ability of such non-  
4 party members of the Class to protect their interests.

5       65. **Ascertainability.** Upon information and belief, Defendant keeps  
6 extensive computerized records of their sales and customers through, among other  
7 things, databases storing customer orders, customer order histories, customer  
8 profiles, customer subscriptions, and general marketing programs. On information  
9 and belief, Defendant have one or more databases through which a significant  
10 majority of members of the Class may be identified and ascertained, and they  
11 maintain contact information, including email addresses and home addresses (such  
12 as billing, mailing, and shipping addresses), through which notice of this action is  
13 capable of being disseminated in accordance with due process requirements.

14       66. California law should apply to each of the putative class members.

15       67. To the extent a conflict of law exists for class members who reside  
16 outside of California, on information and belief, the business practices and  
17 advertising at issue in this action were directed at California consumers and  
18 Defendant transacted substantial business with California consumers through the  
19 Website.

20       68. On information and belief, each class member's purchases were  
21 consummated through the Website, with Defendant's acceptance of payment and  
22 processing of orders from its facilities. On information and belief, Defendant ships  
23 products to customers nationwide, including to California.

24       69. California therefore has a greater interest in regulating the business  
25 activities of retailers who direct substantial commercial activities at California  
26 consumers than the interest of another state where a consumer may reside that may  
27 have less restrictive regulations on business activities. Allowing advertising that  
28

1 violates explicit provisions of the FAL and CLRA to be directed at California  
2 consumers would harm California’s interest in regulating the business conduct  
3 directed at its residents.

4 **VII. CLAIMS FOR RELIEF**

5 **FIRST CLAIM FOR RELIEF**  
6 **VIOLATION OF CALIFORNIA UNFAIR COMPETITION LAW**  
7 **(CAL. BUS. & PROF. CODE §17200, *et seq.*)**  
8 **(By Plaintiff Against Defendant on Behalf of the California Class)**

9 70. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set  
10 forth herein.

11 71. Plaintiff brings this cause of action on behalf of himself and the  
12 California Class.

13 72. California Business and Professions Code section 17200 *et seq.*, also  
14 known as the California Unfair Competition Law (“UCL”), prohibits acts of “unfair  
15 competition,” including any “unlawful, unfair or fraudulent business act or practice”  
16 as well as “unfair, deceptive, untrue or misleading advertising.”

17 73. A cause of action may be brought under the “unlawful” prong of the  
18 UCL if a practice violates another law. Such an action borrows violations of other  
19 laws and treats these violations, when committed pursuant to business activity, as  
20 unlawful practices independently actionable under the UCL.

21 74. Here, by engaging in false advertising, as well as the false, deceptive,  
22 and misleading conduct alleged above, Defendant has engaged in unlawful business  
23 acts and practices in violation of the UCL, including violations of state and federal  
24 laws and regulations, such as 15 U.S.C. § 45(a)(1), 16 C.F.R. § 233.1, California  
25 Business & Professions Code sections 17500 and 17501, and California Civil Code  
26 sections 1770(a)(9) and 1770(a)(13).

27 75. The Federal Trade Commission Act (“FTCA”) prohibits “unfair or  
28 deceptive acts or practices in or affecting commerce[.]” 15 U.S.C. § 45(a)(1). Under

1 FTC regulations (16 CFR 233, *et seq.*), false former pricing schemes similar to the  
2 ones employed by Defendant, are deceptive practices that would violate the FTCA:

3 (a) One of the most commonly used forms of bargain advertising is to offer a  
4 reduction from the advertiser's own former price for an article. If the former  
5 price is the actual, bona fide price at which the article was offered to the  
6 public on a regular basis for a reasonably substantial period of time, it  
7 provides a legitimate basis for the advertising of a price comparison. Where  
8 the former price is genuine, the bargain being advertised is a true one. If, on  
9 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.

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

15 (c) The following is an example of a price comparison based on a fictitious  
16 former price. John Doe is a retailer of Brand X fountain pens, which cost him  
17 \$5 each. His usual markup is 50 percent over cost; that is, his regular retail  
18 price is \$7.50. In order subsequently to offer an unusual “bargain,” Doe  
19 begins offering Brand X at \$10 per pen. He realizes that he will be able to sell  
20 no, or very few, pens at this inflated price. But he doesn't care, for he  
21 maintains that price for only a few days. Then he “cuts” the price to its usual  
level—\$7.50—and advertises: “Terrific Bargain: X Pens, Were \$10, Now  
Only \$7.50!” This is obviously a false claim. The advertised “bargain” is not  
genuine.

22 (d) Other illustrations of fictitious price comparisons could be given. An  
23 advertiser might use a price at which he never offered the article at all; he  
24 might feature a price which was not used in the regular course of business, or  
25 which was not used in the recent past but at some remote period in the past,  
26 without making disclosure of that fact; he might use a price that was not  
27 openly offered to the public, or that was not maintained for a reasonable  
28 length of time, but was immediately reduced.

16 C.F.R. § 233.1. The FTCA also prohibits the pricing scheme employed by

1 Defendant regardless of whether the product advertisement and representations use  
2 the words “regular,” “original,” or “former” price:

3 (e) If the former price is set forth in the advertisement, whether accompanied  
4 or not by descriptive terminology such as “Regularly,” “Usually,”  
5 “Formerly,” etc., the advertiser should make certain that the former price is  
6 not a fictitious one. If the former price, or the amount or percentage of  
7 reduction, is not stated in the advertisement, as when the ad merely states,  
8 “Sale,” the advertiser must take care that the amount of reduction is not so  
9 insignificant as to be meaningless. It should be sufficiently large that the  
10 consumer, if he knew what it was, would believe that a genuine bargain or  
11 saving was being offered. An advertiser who claims that an item has been  
12 “Reduced to \$9.99,” when the former price was \$10, is misleading the  
13 consumer, who will understand the claim to mean that a much greater, and not  
14 merely nominal, reduction was being offered.

15 16 C.F.R. § 233.1(e).

16 76. California law also expressly prohibits false former pricing schemes  
17 like the one employed by Defendant. California Business & Professions Code  
18 section 17501, entitled “Worth or value; statements as to former price,” states as  
19 follows:

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

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

77. Moreover, Defendant’s conduct also violates the California Consumer  
Legal Remedies Act (“CLRA”). *See* Cal. Civ. Code §§ 1750, et seq. More  
specifically, Defendant violated the CLRA provisions prohibiting businesses from  
“[m]aking false or misleading statements of fact concerning reasons for, existence  
of, or amounts of price reductions[.]” Cal. Civ. Code §1770(a)(13).

78. A business act or practice is “unfair” under the UCL if it offends an

1 established public policy or is immoral, unethical, oppressive, unscrupulous or  
2 substantially injurious to consumers, and that unfairness is determined by weighing  
3 the reasons, justifications, and motives of the practice against the gravity of the  
4 harm to the alleged victims.

5 79. Here, Defendant’s actions constitute “unfair” business acts or practices  
6 because, as alleged above, Defendant engaged in a misleading and deceptive pricing  
7 scheme by advertising and representing false Reference Prices and thereby falsely  
8 advertising and representing markdowns or “discounts” that were false and inflated.  
9 Defendant’s deceptive marketing practice gave consumers the false impression that  
10 Defendant’s products were regularly sold on the market for a substantially higher  
11 price in the recent past than they actually were and thus led to the false impression  
12 that Defendant’s products were worth more than they actually were. Defendant also  
13 failed to adequately disclose the inflated shipping costs that effectively offset any  
14 purported discount. Defendant’s acts and practices thus offended an established  
15 public policy, and Defendant engaged in immoral, unethical, oppressive, and  
16 unscrupulous activities that are substantially injurious to consumers.

17 80. The harm to Plaintiff and members of the Class outweighs the utility of  
18 Defendant’s practices. There were reasonably available alternatives to further  
19 Defendant’s legitimate business interests, other than the misleading and deceptive  
20 conduct described herein.

21 81. A business act or practice is “fraudulent” within the meaning of the  
22 UCL if members of the public are likely to be deceived.

23 82. Here, members of the public are likely to be deceived by Defendant’s  
24 conduct as alleged above. Among other things, Defendant affirmatively  
25 misrepresented the Reference Prices of its products, which thereby misled and  
26 deceived customers into believing that they were buying products from Defendant at  
27 substantially marked down and discounted prices. Defendant’s deceptive marketing  
28

1 practice gave consumers the false impression that its products were regularly sold on  
2 the market for a substantially higher price in the recent past than they actually were  
3 and thus led to the false impression that Defendant's products were worth more than  
4 they actually were.

5 83. In addition, Defendant had a duty to disclose the truth about their  
6 pricing deception, including, among other things, that the Reference Prices  
7 advertised and published on the Website were not, in fact, prices at which  
8 Defendant's products had sold for in the recent past for a reasonably substantial  
9 period of time, but that instead, in reality, Defendant's products rarely (if ever) were  
10 offered at the advertised Reference Prices. Defendant, however, concealed this  
11 material information from customers and the general public. Members of the public,  
12 therefore, were also likely to be deceived by Defendant's failure to disclose material  
13 information.

14 84. Plaintiff and each member of the Class suffered an injury in fact and  
15 lost money or property as a result of Defendant's unlawful, unfair, and/or fraudulent  
16 business practices, and as a result of Defendant's unfair, deceptive, untrue or  
17 misleading advertising.

18 85. Plaintiff and each member of the Class was harmed by Defendant's use  
19 of false Reference Prices, because Plaintiff and each member of the Class would not  
20 have made their purchases or would not have paid as much as they did but for  
21 Defendant's misrepresentations.

22 86. Defendant was unjustly enriched by their misrepresentations with  
23 respect to Reference Prices, because those misrepresentations induced Plaintiff and  
24 each member of the Class to make purchases they otherwise would not have made  
25 or pay more for those purchases than they otherwise would have paid.

26 87. Plaintiff and each member of the Class was harmed because the value  
27 they received from Defendant's falsely advertised products was less than the money  
28

1 they paid.

2 88. Plaintiff and members of the Class lack an adequate remedy at law.

3 89. Plaintiff, on behalf of himself and the members of the Class, seeks  
4 restitution and disgorgement of all moneys received by Defendant through the  
5 conduct described above.

6 90. Plaintiff, on behalf of himself and the members of the Class, seeks a  
7 temporary, preliminary, and/or permanent injunction from this Court prohibiting  
8 Defendant from engaging in the patterns and practices described herein, including  
9 but not limited to, putting a stop to their deceptive advertisements and false  
10 Reference Prices in connection with their sale of products.

11 **SECOND CLAIM FOR RELIEF**  
12 **VIOLATION OF CALIFORNIA FALSE ADVERTISING LAW**  
13 **(CAL. BUS. & PROF. CODE §17500, *et seq.*)**  
14 **(By Plaintiff Against Defendant on Behalf of the California Class)**

15 91. Plaintiff restates the foregoing paragraphs as if fully set forth herein.

16 92. Plaintiff brings this cause of action on behalf of himself and the  
17 California Class.

18 93. Similarly, another section of the FAL provides, in relevant part, that  
19 “no price shall be advertised as a former price of any advertised thing, unless the  
20 alleged former price was the prevailing market price . . . within three months next  
21 immediately preceding the publication of the advertisement or unless the date when  
22 the alleged former price did prevail is clearly, exactly, and conspicuously stated in  
23 the advertisement.” Cal Bus. & Prof. Code § 17501.

24 94. Here, Defendant routinely disseminated on the Website false Reference  
25 Prices for the products offered for sale on the Website, including to Plaintiff. Such  
26 statements of Defendant were untrue, or at the very least, were misleading. Among  
27 other things, Defendant rarely, if ever, offered its products on the Website at the  
28 Reference Prices displayed for each product. Further, Defendant rarely, if ever,

1 offered products on the Website at the Reference Prices within the three months  
2 immediately preceding the publication of the Reference Prices. Defendant thus  
3 misled customers, including Plaintiff, into believing that the Reference Prices are or  
4 were genuine original, retail, or former prices and that the “sale” prices relative to  
5 the published Reference Prices, in fact, reflected real and substantial discounts.  
6 Defendant’s deceptive marketing practice gave consumers the false impression that  
7 its products were regularly sold for a substantially higher price in the recent past  
8 than they actually were and thus led to the false impression that Defendant’s  
9 products were worth more than they actually were.

10 95. Defendant knew, or by the exercise of reasonable care should have  
11 known, that their dissemination of Reference Prices for the products it offered on the  
12 Website were untrue and/or misleading. Among other things, Defendant represented  
13 the Reference Prices in connection with the Defendant’s products sold on the  
14 Website even though they knew, or in the exercise of reasonable care should have  
15 known, that such products had rarely, if ever, sold at the Reference Prices.

16 96. Defendant also failed to adequately disclose the inflated shipping costs  
17 that effectively offset any purported discount.

18 97. As a direct and proximate result of Defendant’s misleading and false  
19 advertisements, Plaintiff and members of the Class have suffered injury in fact and  
20 have lost money.

21 98. Plaintiff and each member of the Class was harmed by Defendant’s use  
22 of false Reference Prices, because Plaintiff and each member of the Class would not  
23 have made their purchase or would not have paid as much as they did but for  
24 Defendant’s misrepresentations.

25 99. Plaintiff and each member of the Class was harmed because the value  
26 they received from Defendant’s falsely advertised products was less than the money  
27 they paid.

28

1 100. Defendant was unjustly enriched by their misrepresentations with  
2 respect to Reference Prices, because those misrepresentations induced Plaintiff and  
3 each member of the Class to make purchases they otherwise would not have made  
4 or pay more for those purchases than they otherwise would have paid.

5 101. Plaintiff and members of the Class lack an adequate remedy at law.

6 102. As such, Plaintiff requests that this Court order Defendant to restore  
7 this money to Plaintiff and all members of the Class, and to enjoin Defendant from  
8 continuing their false and misleading advertising practices in violation of California  
9 law in the future. Otherwise, Plaintiff, members of the Class, and the broader  
10 general public will be irreparably harmed and/or denied an effective and complete  
11 remedy.

12 **THIRD CLAIM FOR RELIEF**  
13 **VIOLATION OF THE CALIFORNIA CONSUMER LEGAL REMEDIES**  
14 **ACT**  
15 **(CAL. CIV. CODE §1750, *et seq.*)**  
16 **(By Plaintiff Against Defendant on Behalf of the California Class)**

17 103. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set  
18 forth herein.

19 104. Plaintiff brings this cause of action on behalf of himself and the  
20 California Class.

21 105. The Consumer Legal Remedies Act of 1970, Cal. Civ. Code sections  
22 1750 *et seq.* (the “CLRA”) is a California consumer protection statute which allows  
23 plaintiffs to bring private civil actions for “unfair methods of competition and unfair  
24 or deceptive acts or practices undertaken by any person in a transaction . . . which  
25 results in the sale or lease of goods or services to any consumer.” Cal. Civ. Code §  
26 1770(a). The purposes of the CLRA are “to protect consumers against unfair and  
27 deceptive business practices and to provide efficient and economical procedures to  
28 secure such protection.” Cal. Civ. Code §1760.

106. Plaintiff and each member of the Class are “consumers” as defined by

1 California Civil Code section 1761(d). Defendant’s sale of their products on the  
2 Website to Plaintiff and the Class were “transactions” within the meaning of  
3 California Civil Code section 1761(e). The products purchased by Plaintiff and the  
4 Class are “goods” within the meaning of California Civil Code section 1761(a).

5 107. Defendant violated and continues to violate the CLRA by engaging in  
6 the following practices prohibited by California Civil Code section 1770(a) in  
7 transactions with Plaintiff and the Class which were intended to result in, and did  
8 result in, the sale of Defendant’s products: “(5) Representing that goods or services  
9 have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities  
10 which they do not have; “(9) Advertising goods or services with intent not to sell  
11 them as advertised”; “(13) Making false or misleading statements of fact concerning  
12 the reasons for, existence of, or amounts of price reductions”; and “(16)  
13 Representing that the subject of a transaction has been supplied in accordance with a  
14 previous representation when it has not.” Cal. Civ. Code §1770(a)(9), (13), (16).

15 108. Defendant made false or misleading statements of fact concerning the  
16 “existence of” and the “amounts of price reductions” because, among other things,  
17 (a) no true price reductions existed—or at the very least, any amounts of price  
18 reductions were exaggerated—in that Defendant’s merchandise was rarely, if ever,  
19 previously offered for sale and/or sold at the higher Reference Prices for a  
20 reasonably substantial period of time, (b) the Reference Prices Defendant advertises  
21 in connection with its products do not reflect genuine former or prevailing market  
22 prices, and (c) Defendant’s use of struck-through prices, “compare at” prices, and  
23 similar reference pricing formats falsely conveyed to consumers that the products  
24 were being offered at a meaningful discount from a bona fide higher price.  
25 Defendant also failed to adequately disclose the inflated shipping costs that  
26 effectively offset any purported discount.

27 109. Plaintiff and each member of the Class was harmed by Defendant’s use  
28

1 of false Reference Prices, because Plaintiff and each member of the Class would not  
2 have made their purchase or would not have paid as much as they did but for  
3 Defendant's misrepresentations.

4 110. Plaintiff and each member of the Class was harmed because the value  
5 they received from Defendant's falsely advertised products was less than the money  
6 they paid.

7 111. Further, Plaintiff and each member of the Class was harmed by  
8 Defendant's use of false Reference Prices, because they did not receive the expected  
9 discount or benefit-of-the bargain advertised by Defendant.

10 112. Plaintiff seeks an injunction for Defendant's violation of the CLRA to  
11 enjoin Defendant's methods, acts, and practices of deceiving customers through  
12 their false and misleading advertisements and sales practices described above.

13 **FOURTH CLAIM FOR RELIEF**  
14 **FRAUD (INTENTIONAL MISREPRESENTATIONS)**  
15 **(By Plaintiff Against Defendant on Behalf of the California Class)**

16 113. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set  
17 forth herein.

18 114. Plaintiff brings this cause of action on behalf of himself and the  
19 California Class.

20 115. Defendant uniformly represented to all members of the Class during the  
21 Class Period in connection with their products that had a Reference Price. Defendant  
22 made this uniform representation by displaying on the Website a Reference Price  
23 substantially higher than the offered selling price, which is marked down or  
24 discounted from the Reference Price by a specified percentage discount or dollar  
25 amount.

26 116. Defendant's Reference Price representations are false. Among other  
27 things, Defendant's representations conveyed false information about the products  
28 Plaintiff and the Class purchased, namely that the products they purchased had sold

1 in the recent past for a reasonably substantial period of time at the higher Reference  
2 Price displayed on Defendant's Website and/or in the prevailing market. The truth is  
3 that Defendant rarely, if ever, previously offered for sale and/or sold those products  
4 at the higher Reference Price for any reasonably substantial period of time.

5 117. Defendant knew that its representations were false when it made them,  
6 or at the very least, it made the representations recklessly and without regard for  
7 their truth. In other words, Defendant knew that the products Plaintiff and the Class  
8 purchased had rarely, if ever, sold at the substantially higher Reference Price  
9 displayed on the Website in the recent past and/or in the prevailing market.

10 118. Defendant's representations were made with the intent that Plaintiff and  
11 the Class rely on the false representations and spend money they otherwise would  
12 not have spent, purchase products they otherwise would not have purchased, and/or  
13 spend more money for a service or product than they otherwise would have absent  
14 the deceptive marketing scheme.

15 119. Defendant engaged in this fraud to the Plaintiff and the Class's  
16 detriment in order to increase Defendant's own sales and profits.

17 120. Plaintiff and the Class reasonably relied on Defendant's  
18 representations.

19 121. Absent Defendant's misrepresentations, Plaintiff and the Class would  
20 not have purchased the products they purchased from Defendant, or, at the very  
21 least, they would not have paid as much for the products as they ultimately did.  
22 Plaintiff and the Class's reliance was a substantial factor in causing them harm.

23 122. Further, Plaintiff and each member of the Class was harmed by  
24 Defendant's use of false Reference Prices, because they did not receive the expected  
25 discount or benefit-of-the bargain advertised by Defendant.

26 123. As a direct and proximate result of the above, Plaintiff and the Class  
27 have suffered damages in an amount to be proven at trial.

28

1 124. Defendant undertook the aforesaid illegal acts intentionally or with  
2 conscious disregard of the rights of Plaintiff and the Class, and did so with fraud,  
3 malice, and/or oppression. Based on the allegations above, Defendant's actions  
4 constituted fraud because Defendant intended to and did deceive and injure Plaintiff  
5 and the Class. Based on the allegations above, Defendant's actions constituted  
6 malice because Defendant acted with the intent to and did cause injury to Plaintiff  
7 and the Class, and also because Defendant's deceptive conduct was despicable and  
8 was done with a willful and knowing disregard of the rights of Plaintiff and the  
9 Class. Based on the allegations above, Defendant's actions constituted oppression  
10 because Defendant's deceptive conduct was despicable and subjected Plaintiff and  
11 the Class to cruel and unjust hardship in knowing disregard of their rights.

12 **FIFTH CLAIM FOR RELIEF**  
13 **BREACH OF CONTRACT**

14 **(By Plaintiff Against Defendant on Behalf of the Nationwide Class)**

15 125. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set  
16 forth herein.

17 126. Plaintiff brings this cause of action on behalf of himself and the  
18 Nationwide Class. In the alternative, Plaintiff brings this cause of action on behalf of  
19 himself and the California Class.

20 127. Plaintiff and class members entered into contracts with Defendant when  
21 they placed orders to purchase products on the Website.

22 128. The contracts provided that Plaintiff and class members would pay  
23 Defendant for the products ordered.

24 129. The contracts further required that Defendant provide Plaintiff and  
25 class members with products that have a market value equal to the regular prices  
26 displayed on the Website, and the discount equal to the difference between the price  
27 paid, and the regular prices advertised. These were specific and material terms of the  
28 contract.

1 130. Plaintiff and class members paid Defendant for the products they  
2 ordered, and satisfied all other conditions of their contracts.

3 131. Defendant breached their contracts with Plaintiff and class members by  
4 failing to provide products that had a market value equal to the regular price  
5 displayed on the Website, and by failing to provide the promised discount.

6 132. As a direct and proximate result of Defendant's breaches, Plaintiff and  
7 class members were deprived of the benefit of their bargained-for exchange, and  
8 have suffered damages in an amount to be established at trial.

9 133. For the breach of contract claims, Plaintiff seeks all damages available  
10 including expectation damages or damages measured by the price premium charged  
11 to Plaintiff and the Class as a result of Defendant's breach.

12 **SIXTH CLAIM FOR RELIEF**  
13 **BREACH OF EXPRESS WARRANTY**  
14 **(By Plaintiff Against Defendant on Behalf of the Nationwide Class)**

15 134. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set  
16 forth herein.

17 135. Plaintiff brings this cause of action on behalf of himself and the  
18 Nationwide Class. In the alternative, Plaintiff brings this cause of action on behalf of  
19 himself and the California Class.

20 136. Defendant, as the marketer, distributor, supplier, and/or seller of its  
21 products, issued material, written warranties by advertising that the products offered  
22 for sale on the Website had a prevailing market value equal to the Reference Price.  
23 This was an affirmation of fact about the products (i.e., a representation about the  
24 market value) and a promise relating to the goods.

25 137. This warranty was part of the basis of the bargain and Plaintiff and  
26 members of the subclass relied on this warranty.

27 138. In fact, Defendant's stated market values were not the prevailing  
28 market values. Thus, the warranty was breached.

1 139. Plaintiff and the subclass were injured as a direct and proximate result  
2 of Defendant's breach, and this breach was a substantial factor in causing harm,  
3 because (a) they would not have purchased the products if they had known that the  
4 warranty was false, (b) they overpaid for the products because the products were  
5 sold at a price premium due to the warranty, and/or (c) they did not receive the  
6 products as warranted that they were promised.

7 140. For the breach of express warranty claims, Plaintiff seeks all damages  
8 available including expectation damages or damages measured by the price  
9 premium charged to Plaintiff and the subclass as a result of Defendant's breach.

10 **SEVENTH CLAIM FOR RELIEF**  
11 **QUASI-CONTRACT/UNJUST ENRICHMENT**  
12 **(By Plaintiff Against Defendant on Behalf of the Class)**

13 141. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set  
14 forth herein.

15 142. Plaintiff brings this cause of action on behalf of himself and the  
16 California Class. In the alternative, Plaintiff brings this cause of action on behalf of  
17 himself and the Nationwide Subclass.

18 143. As alleged in detail above, Defendant's false and misleading  
19 advertising caused Plaintiff and the class to purchase Defendant's products and to  
20 pay a price premium for these products.

21 144. In this way, Defendant received a direct and unjust benefit, at  
22 Plaintiff's expense.

23 145. Plaintiff and the class seek restitution, and in the alternative, rescission.

24 146. For the quasi-contract/unjust enrichment claims, Plaintiff seeks all  
25 available equitable relief, including injunctive relief, disgorgement, and restitution  
26 in the form of a full refund and/or measured by the price premium charged to  
27 Plaintiff and the Class as a result of Defendant's unlawful conduct.

28 **EIGHTH CLAIM FOR RELIEF**

**NEGLIGENT MISREPRESENTATION**  
**(By Plaintiff Against Defendant on Behalf of the Class)**

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147. Plaintiff restates and re-alleges the foregoing paragraphs as if fully set forth herein.

148. Plaintiff brings this cause of action on behalf of himself and the California Class. In the alternative, Plaintiff brings this cause of action on behalf of himself and the Nationwide Subclass.

149. As alleged in detail above, Defendant made false representations to Plaintiff and subclass members concerning their regular prices and discounts.

150. When Defendant made these misrepresentations, it knew or should have known that they were false. Defendant had no reasonable grounds for believing that these representations were true when made. Like any company, Defendant tracks its own sales and its own transactions. It knows that its sales persist and that its advertised regular prices are not really what consumers regularly pay.

151. Defendant intended that Plaintiff and class members rely on these representations and Plaintiff and class members read and reasonably relied on them.

152. 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 Defendant's products.

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

154. Plaintiff and the Class were injured as a direct and proximate result of Defendant's conduct because (a) they would not have purchased the products had they known that the representations were false, (b) they overpaid for the products because the products were sold at a price premium due to the misrepresentation, and/or (c) they did not receive the discounts they were promised, and received products with market values lower than the promised market values.

155. Plaintiff seeks all damages available, including expectation damages.

1 **VIII. PRAYER FOR RELIEF**

2 156. WHEREFORE, Plaintiff prays for judgment against Defendant on  
3 behalf of himself and those similarly situated as follows:

4 **ON THE FIRST CLAIM FOR RELIEF FOR VIOLATION OF THE**  
5 **UNFAIR COMPETITION LAW (CAL. BUS. & PROF. CODE §§17200**  
6 **et seq.)**

7 A. For an order certifying that the action be maintained as a class action,  
8 that Plaintiff be designated the class representative, and that undersigned counsel be  
9 designated as class counsel.

10 B. For an injunction putting a stop to the deceptive and misleading  
11 conduct described herein and ordering Defendant to correct their deceptive and  
12 misleading advertising and pricing practices.

13 C. For an award of restitution and disgorgement of moneys paid that  
14 Defendant obtained as a result of their unlawful, unfair, and fraudulent business  
15 practices, and as a result of their unfair, deceptive, untrue, and misleading  
16 advertising, all as described above.

17 D. For an award of equitable and declaratory relief.

18 E. For pre and post judgment interest and costs of suit incurred herein.

19 F. For attorneys' fees incurred herein pursuant to California Code of Civil  
20 Procedure section 1021.5, or to the extent otherwise permitted by law.

21 G. For such other and further relief as the Court may deem just and proper.

22 **ON THE SECOND CLAIM FOR RELIEF FOR VIOLATIONS OF THE**  
23 **FALSE ADVERTISING LAW (CAL. BUS. & PROF. CODE §§17500 et seq.**

24 H. For an order certifying that the action be maintained as a class action,  
25 that Plaintiff be designated the class representative, and that undersigned counsel be  
26 designated as class counsel.

27 I. For an injunction putting a stop to the deceptive and misleading  
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1 conduct described herein and ordering Defendant to correct their deceptive and  
2 misleading advertising and pricing practices.

3 J. For an award of restitution and disgorgement of moneys paid that  
4 Defendant obtained as a result of their unlawful, unfair, and fraudulent business  
5 practices, and as a result of their unfair, deceptive, untrue, and misleading  
6 advertising, all as described above.

7 K. For an award of equitable and declaratory relief.

8 L. For pre and post judgment interest and costs of suit incurred herein.

9 M. For attorneys' fees incurred herein pursuant to California Code of Civil  
10 Procedure section 1021.5, or to the extent otherwise permitted by law.

11 N. For such other and further relief as the Court may deem just and proper.

12 **ON THE THIRD CLAIM FOR RELIEF FOR VIOLATIONS OF THE**  
13 **CONSUMER LEGAL REMEDIES ACT (CAL. CIV. CODE §§1750 *et seq.*)**

14 O. For an order certifying that the action be maintained as a class action,  
15 that Plaintiff be designated the class representative, and that undersigned counsel be  
16 designated as class counsel.

17 P. For an injunction putting a stop to the deceptive and misleading  
18 conduct described herein and ordering Defendant to correct their deceptive and  
19 misleading advertising and pricing practices.

20 Q. For pre and post judgment interest and costs of suit incurred herein.

21 R. For an award of equitable and declaratory relief.

22 S. For damages in an amount to be proven at trial.

23 T. For attorneys' fees incurred herein pursuant to California Civil Code  
24 section 1780, or to the extent otherwise permitted by law.

25 U. For such other and further relief as the Court may deem just and proper.

26 **ON THE FOURTH CLAIM FOR RELIEF FOR FRAUD (AFFIRMATIVE**  
27 **MISREPRESENTATIONS)**

28

1 V. For an order certifying that the action be maintained as a class action,  
2 that Plaintiff be designated the class representative, and that undersigned counsel be  
3 designated as class counsel.

4 W. For rescission and revocation.

5 X. For compensatory damages in an amount to be proven at trial.

6 Y. For punitive damages in an amount sufficient to punish Defendant and  
7 to deter it from engaging in wrongful conduct in the future.

8 Z. For pre and post judgment interest and costs of suit incurred herein.

9 AA. For attorneys' fees incurred herein pursuant to California Code of Civil  
10 Procedure section 1021.5, or to the extent otherwise permitted by law.

11 BB. For such other and further relief as the Court may deem just and proper.

12 **ON THE FIFTH CLAIM FOR RELIEF FOR BREACH OF CONTRACT**

13 CC. For an order certifying that the action be maintained as a class action,  
14 that Plaintiff be designated the class representative, and that undersigned counsel be  
15 designated as class counsel.

16 DD. For compensatory damages in an amount to be proven at trial.

17 EE. For pre and post judgment interest and costs of suit incurred herein.

18 FF. For attorneys' fees incurred herein pursuant to California Code of Civil  
19 Procedure section 1021.5, or to the extent otherwise permitted by law.

20 GG. For such other and further relief as the Court may deem just and proper.

21 **ON THE SIXTH CLAIM FOR RELIEF FOR BREACH OF EXPRESS**

22 **WARRANTY**

23 HH. For an order certifying that the action be maintained as a class action,  
24 that Plaintiff be designated the class representative, and that undersigned counsel be  
25 designated as class counsel.

26 II. For compensatory damages in an amount to be proven at trial.

27 JJ. For pre and post judgment interest and costs of suit incurred herein.

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1 KK. For attorneys' fees incurred herein pursuant to California Code of Civil  
2 Procedure section 1021.5, or to the extent otherwise permitted by law.

3 LL. For such other and further relief as the Court may deem just and proper.

4 **ON THE SEVENTH CLAIM FOR RELIEF FOR QUASI-**  
5 **CONTRACT/UNJUST ENRICHMENT**

6 MM. For an order certifying that the action be maintained as a class action,  
7 that Plaintiff be designated the class representative, and that undersigned counsel be  
8 designated as class counsel.

9 NN. For restitution in an amount to be proven at trial.

10 OO. For rescission and revocation.

11 PP. For pre and post judgment interest and costs of suit incurred herein.

12 QQ. For attorneys' fees incurred herein pursuant to California Code of Civil  
13 Procedure section 1021.5, or to the extent otherwise permitted by law.

14 RR. For such other and further relief as the Court may deem just and proper.

15 **ON THE EIGHTH CLAIM FOR RELIEF FOR NEGLIGENT**  
16 **MISREPRESENTATION**

17 SS. For an order certifying that the action be maintained as a class action,  
18 that Plaintiff be designated the class representative, and that undersigned counsel be  
19 designated as class counsel.

20 TT. For rescission and revocation.

21 UU. For compensatory damages in an amount to be proven at trial.

22 VV. For pre and post judgment interest and costs of suit incurred herein.

23 WW. For attorneys' fees incurred herein pursuant to California Code of Civil  
24 Procedure section 1021.5, or to the extent otherwise permitted by law.

25 XX. For such other and further relief as the Court may deem just and proper.

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Dated: May 20, 2026

THE RYAN LAW GROUP

By: /s/ Andrew Ryan  
Andrew Ryan

Attorneys for Plaintiff  
Stepan Rudenko

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**JURY DEMAND**

Plaintiff, on behalf of himself and all others similarly situated, hereby demands a trial by jury on all triable issues.

Dated: May 20, 2026

THE RYAN LAW GROUP

By: /s/ Andrew Ryan  
Andrew Ryan

Attorneys for Plaintiff  
Stepan Rudenko