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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

JAIMIE HERNANDEZ, on behalf of
herself and all others similarly situated,

Plaintiff,

vs.

THE DRESS BARN, INC., a Connecticut
Corporation, and DOES 1- 50, inclusive,

Defendants.

Case No.

CLASS ACTION COMPLAINT

Violations of:

- 1. California’s Unfair Competition Laws (“UCL”), CAL. BUS. & PROF. CODE §§ 17200, et seq.;**
- 2. California’s False Advertising Laws (“FAL”), CAL. BUS. & PROF. CODE §§ 17500, et seq.;**
- 3. California Consumer Legal Remedies Act (“CLRA”), CAL. CIV. CODE §§ 1750, et seq.;**

DEMAND FOR JURY TRIAL

1 Plaintiff Jaimie Hernandez (“Plaintiff”) bring this action on behalf of herself and all
2 others similarly situated against Defendant The Dress Barn, Inc. (“Defendant” or “Dress
3 Barn”), and states:

4 **I. NATURE OF THE ACTION**

5 1. Discounts of products benefit both sellers and their customers—when they are
6 legitimate. To the detriment of consumers, as stated by the Ninth Circuit, sellers are “well
7 aware of consumers’ susceptibility to a bargain, [and] therefore have an incentive to lie to
8 their customers.” *Hinojos v. Kohl’s Corp.*, 718 F.3d 1098, 1101 (9th Cir. 2013). Products
9 perceived by consumers as discounted are thus not always actual bargains, and consumers’
10 perceptions can stem directly from sellers’ deceptions. This class action seeks monetary
11 damages, restitution, declaratory and injunctive relief from Defendant arising from its own
12 deceptive business practice of advertising fictitious “original” prices and corresponding
13 phantom discounts on its e-commerce website, dressbarn.com, where it sells women’s
14 clothing and other related items.

15 2. False reference pricing occurs when a seller fabricates a false “original” price
16 for a product and then offers that product at a substantially lower price under the guise of a
17 sale. The resulting artificial price disparity misleads consumers into believing the product
18 they are buying has a higher market value, and it induces them into purchasing the product.
19 This practice artificially inflates the true market price for these products by raising
20 consumers’ internal reference price and in turn the value consumers ascribe to these
21 products (i.e., demand). Consequently, false reference pricing schemes enable retailers, like
22 Defendant, to sell products above their true market price and value—and consumers are left
23 to pay the price.

24 3. The following example of a hypothetical DVD seller, which is parallel to
25 Defendant’s deceptive business practice, illustrates the illegal false reference pricing
26 scheme and its attendant harm to consumers. A seller knows it can sell a particular DVD at
27 \$5.00, which represents both the market price and the price at which the seller could
28 regularly offer the DVD and make a profit. Instead, however, the seller creates an inflated

1 “original” price for the DVD of \$100.00 and advertises the DVD as “on sale” at **90% off**
2 rendering the “**sale**” **price** of the DVD \$10.00. When a consumer purchases the DVD, he
3 presumes he got a “good deal” on a DVD previously sold—i.e., valued by others in the
4 market—at an “original” price of \$100.00. The consumer’s presumption and purchase stem
5 directly from the seller’s purposeful deception. For example, if the seller tried to sell that
6 same DVD for \$10.00 **without** referencing a false original price of \$100.00, and the
7 attendant 90% off discount, that seller would not be able to sell any DVDs at \$10.00 because
8 the true, original market price of the DVD is \$5.00. In contrast, by presenting consumers
9 with a false “original” price of \$100.00, consumers will purchase the DVD at \$10.00; the
10 seller thus has fabricated an increase in demand for the DVD through the **perceived value**
11 of both the DVD itself and the substantial discount of \$90.00. Consumers’ increased
12 willingness and demand to pay \$10.00 for the DVD will in turn impact the overall market
13 price of the DVD. Therefore, the seller can create a false market price for the DVD at \$10.00
14 by advertising a false “original” price and a corresponding phantom discount of 90% off.
15 Plaintiff’s case seeks to remedy this deception, its attendant harm to consumers, and that
16 disparity—the impact on the increase in market price through Defendant’s application of an
17 illegal discounting scheme.

18 4. It is well-established that false reference pricing violates state and federal law.
19 Even so, sellers, including Dress Barn, continue to use the tactic because they know they
20 will be able to increase sales and profits by tricking consumers into making purchasing
21 decisions based on the advertised reference prices. The information available to consumers
22 varies for different types of products; nonetheless, consumers frequently lack full
23 information about products and as a result often use information from sellers to make
24 purchase decisions.

25 5. Through its false and misleading marketing, advertising, and pricing scheme
26 alleged herein, Dress Barn violated, and continues to violate, federal law and various state
27 consumer protection laws, which prohibit the advertisement of goods for sale discounted
28 from false former prices. These laws also prohibit the dissemination of misleading

1 statements about the existence and amount of price reductions. Specifically, Defendant
2 violated and continues to violate:

3 a. California’s Unfair Competition Law (“UCL”), CAL. BUS. & PROF.
4 CODE §§ 17200, *et seq.*;

5 b. California’s False Advertising Law (“FAL”), CAL. BUS. & PROF. CODE
6 §§ 17500, *et seq.*; and

7 c. California Consumer Legal Remedies Act (“CLRA”), CAL. CIV. CODE
8 §§ 1750, *et seq.*

9 6. Plaintiff brings this action on behalf of herself and other similarly situated
10 consumers who have purchased one or more products through dressbarn.com that were
11 deceptively represented as discounted from a false reference price. Plaintiff seeks to halt the
12 dissemination of this false, misleading, and deceptive pricing scheme, to correct the false
13 and misleading perception it has created in the minds of consumers, and to obtain redress
14 for those who have purchased products tainted by this deceptive pricing scheme. Plaintiff
15 also seeks to enjoin Defendant from using false and misleading misrepresentations
16 regarding former price comparisons in its labeling, marketing, and advertising permanently.
17 Furthermore, Plaintiff seeks to obtain actual, statutory, and punitive damages, restitution,
18 injunctive relief, reasonable costs and attorneys’ fees, and other appropriate relief in the
19 amount by which Defendant was unjustly enriched as a result of its sales offered at a false
20 discount.

21 **II. JURISDICTION AND VENUE**

22 7. This Court has original jurisdiction of this action pursuant to the Class Action
23 Fairness Act, 28 U.S.C. § 1332(d)(2). The matter in controversy, exclusive of interest and
24 costs, exceeds the sum or value of \$5,000,000 and at least some members of the proposed
25 Class (defined below) have a different citizenship from Defendant.

26 8. The Central District of California has personal jurisdiction over Defendant and
27 is the proper venue for this action pursuant to 28 U.S.C. § 1391(b)(1) in the Plaintiff resides
28 and was injured in this district wherein a substantial part of the events or omissions giving

1 rise to her claims occurred. Further, Defendant is a corporation or other business entity that
 2 conducts substantial business in this district and has sufficient minimum contacts in
 3 California, and/or otherwise intentionally avail itself to the California market through the
 4 operation of its e-commerce website.

5 **III. GENERAL ALLEGATIONS**

6 **A. Retailers Benefit from False Reference Pricing Schemes.**

7 9. Dress Barn engages in a false and misleading reference price scheme in the
 8 marketing and selling of its products on its Dress Barn e-commerce website.

9 10. Sellers substantially benefit from employing false reference pricing schemes
 10 and experience increased sales because consumers use advertised reference prices to make
 11 purchase decisions. The information available to consumers can vary significantly amongst
 12 different types of products.¹ Nonetheless, consumers frequently lack fundamental
 13 information about a product and as a result often rely on information from sellers to make
 14 purchase decisions, especially when a product's value or quality is otherwise difficult to
 15 discern.²

16 11. Consumers incorporate Defendant's deceptive advertised reference prices into
 17 decision processes for a few reasons. First, a product's "price is also used as an indicator of
 18 product quality."³ In other words, consumers view Defendant's deceptive advertised
 19

20 ¹ Even within a product, consumers may have imperfect information on the individual
 21 attributes. Economists describe "search goods" as those whose attributes "can be
 22 ascertained in the search process prior to purchase" (e.g., style of a shirt), "experience
 23 goods" as those whose attributes "can be discovered only after purchase as the product is
 24 used" (e.g., longevity of a shirt), and "credence goods" as those whose attributes "cannot
 25 be evaluated in normal use" (e.g., whether the shirt's cotton was produced using organic
 26 farming methods). Darby, Michael R., and Edi Karni. "Free Competition and the Optimal
 27 Amount of Fraud." *The Journal of Law and Economics* 16 no. 1 (1973): 67-88, pp. 68-69.

28 ² "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". Nelson, Phillip. "Information and
 Consumer Behavior." *Journal of Political Economy* 78, no. 2 (1970): 311-329, pp. 311-
 312. See also David Adam Friedman, *Reconsidering Fictitious Pricing*, 100 Minn. L. Rev.
 921, 935 (2016).

³ Grewal, Dhruv, and Larry D. Compeau. "Comparative price advertising: Informative or
 deceptive?" *Journal of Public Policy & Marketing* (1992): 52-62, p. 54. Also see Thaler,
 Richard. "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

1 reference prices as a proxy for product quality. Second, reference prices “appeal[] to
2 consumers’ desire for bargains or deals.”⁴ Academic researchers note how consumers
3 “sometimes expend more time and energy to get a discount than seems reasonable given the
4 financial gain involved,” and “often derive more satisfaction from finding a sale price than
5 might be expected on the basis of the amount of money they actually save.”⁵ Under this
6 concept, coined “transaction utility” by Noble Prize-winning economist Richard Thaler,
7 consumers place some value on the psychological experience of obtaining a product at a
8 perceived bargain.⁶

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

16 _____
17 often the good is purchased. The [reference price] is most likely to serve as a proxy for
18 quality when the consumer has trouble determining quality in other ways (such as by
inspection”).

19 ⁴ Grewal, Dhruv, and Larry D. Compeau. “Comparative price advertising: Informative or
deceptive?” *Journal of Public Policy & Marketing* (1992): 52-62, p. 52.

20 ⁵ Darke, Peter and Darren Dahl. “Fairness and Discounts: The Subjective Value of a
Bargain.” *Journal of Consumer Psychology* 13, no 3 (2003): 328-338, p. 328.

21 ⁶ “To incorporate ... the psychology of buying into the model, two kinds of utility are
22 postulated: *acquisition utility* and *transaction utility*. The former depends on the value of
the good received compared to the outlay, the latter depends solely on the perceived merits
23 of the ‘deal’”. Thaler, Richard. “Mental Accounting and Consumer Choice.” *Marketing
Science* 4, no. 3 (1985): 199-214, p. 205.

24 ⁷ Empirical results “suggest that internal reference prices are a significant factor in purchase
25 decisions. The results also add empirical evidence that external reference prices
significantly enter the brand-choice decision.” Mayhew, Glenn E. and Russell S. Winer.
26 “An Empirical Analysis of Internal and External Reference Prices using Scanner Data.”
Journal of Consumer Research 19, no. 1 (1992): 62-70, p. 68.

27 ⁸ Mayhew, Glenn E. and Russell S. Winer. “An Empirical Analysis of Internal and External
Reference Prices using Scanner Data.” *Journal of Consumer Research* 19, no. 1 (1992): 62-
28 70, p. 62.

⁹ “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

1 reference prices can be particularly influential because these consumers have little or no
 2 prior internal reference.¹⁰ In other words, “[t]he deceptive potential of such advertised
 3 reference prices are likely to be considerably higher for buyers with less experience or
 4 knowledge of the product and product category.”¹¹ Academic literature further reports that
 5 “there is ample evidence that consumers use reference prices in making brand choices”¹²
 6 and publications have summarized the empirical data as follows:

7 Inflated reference prices can have multiple effects on consumers. They can
 8 increase consumers’ value perceptions (transaction value and acquisition
 9 value), reduce their search intentions for lower prices, increase their purchase
 10 intentions, and reduce their purchase intentions for competing products ...
 11 Inflated and/or false advertised reference prices enhance consumers’ internal
 12 reference price estimates and, ultimately, increase their perceptions of value
 13 and likelihood to purchase[.]¹³

14 13. Sellers, including Defendant, understand consumers are vulnerable to
 15 perceived bargains. Thus, Defendant has a substantial financial interest in exploiting
 16 consumers’ well-known behavioral tendencies by inducing consumers into believing they
 17 are receiving a bargain—even when they are not. The phenomena of people
 18 disproportionately relying on an initial piece of information when making a decision, known
 19

20
 21 advertised reference price to make judgments about the product’s value and the value of the
 22 deal.” Grewal, Dhruv, Kent B. Monroe, and Ramayya Krishnan. “The Effects of Price-
 Comparison Advertising on Buyers’ Perceptions of Acquisition Value, Transaction Value,
 and Behavioral Intentions.” *The Journal of Marketing* 62 (1998): 46-59, p. 48.

23 ¹⁰ As Thaler notes, “the [suggested retail price] will be more successful as a reference price
 24 the less often the good is purchased.” Thaler, Richard. “Mental Accounting and Consumer
 Choice.” *Marketing Science* 4, no. 3 (1985): 199-214, p. 212.

25 ¹¹ Grewal, Dhruv, and Larry D. Compeau. “Pricing and public policy: A research agenda
 26 and an overview of the special issue.” *Journal of Public Policy & Marketing* 18, no. 1
 (1999): 3-10, p. 7.

27 ¹² Kalyanaram, Gurusurthy, and Russell S. Winer. “Empirical Generalizations from
 Reference Price Research.” *Marketing Science* 14, no. 3 (1995): G161-G169, p. G161.

28 ¹³ Grewal, Dhruv, and Larry D. Compeau. “Pricing and public policy: A research agenda
 and an overview of the special issue.” *Journal of Public Policy & Marketing* 18, no. 1
 (1999): 3-10, p. 7.

1 as “anchoring,”¹⁴ is especially relevant in this context.¹⁵ Reference prices are often the *first*,
 2 if not the *only*, insight into a product besides the sale price itself. Thus, consumers use the
 3 reference price as a baseline upon which to perceive a product’s value.

4 **B. California and Federal Pricing Regulations Prohibit False “Original
 5 price” references and Out-Dated “Original price” references.**

6 14. Under California law, a seller may only discount an item from its own *original*
 7 *price* for up to 90 days; or in the alternative, a seller may offer a discount from the original
 8 price of an item being offered by a competitor, within the relevant market, for up to 90 days.
 9 In either scenario, a seller can only offer a “sale” from an original price for 90 days. At that
 10 point, on day 91, the seller has two options: the product must either return to its full original
 11 price, or the seller may continue to sell the product at the discounted price, as long as it
 12 discloses to the consumer the date on which the product was last offered for sale at its
 13 alleged former price. See BUS. & PROF. CODE § 17501. Under California law, a seller
 14 cannot use an old, outdated, “original price” as the basis for a sale or discount, unless it
 15 discloses to the consumer the date on which the prior original price was offered in the
 16 market. *Id.*

17 15. Additionally, laws in the State of California expressly prohibit making false or
 18 misleading statements of fact “concerning reasons for, existence of, or amounts of price
 19 reductions.” See CAL. CIV. CODE § 1770(a)(13).

20 16. Further, under the FTCA, when a seller offers a discount from its own, former
 21 *original price*, the original price is required to have been a price at which the seller held
 22 that item out for sale on a regular basis, for a commercially reasonable period of time. See
 23 16 C.F.R. § 233.1(a) and (b).

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 25
 26
 27 ¹⁴ See Program on Negotiation, *Anchoring Effect*, HARV. L. SCH., <http://www.pon.harvard.edu/tag/anchoring-effect> (“[T]he anchoring effect, [is] the tendency for the first offer to
 28 “anchor” the bargaining that follows in its direction, even if the offer recipient thinks the offer is out of line.”).

¹⁵ Friedman, *supra* note 2, at 933.

1 **C. Defendant’s Fraudulent Price Discounting Scheme Violates California**
2 **and Other Federal Regulations.**

3 17. Defendant engages in a false and misleading reference price scheme in the
4 marketing and selling of the products offered on its e-commerce website. Defendant
5 advertises women’s clothing and other related items for sale by listing them with a fictitious
6 original price and a corresponding sale price. The original price communicates “the
7 product’s worth and the prestige that ownership of the product conveys.” *Hinojos*, 718 F.3d
8 at 1106 (citing Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising:*
9 *Informative or Deceptive?*, 11 J. PUB. POL’Y & MKTG. 52, 55 (Spring 1992) (“By creating
10 an impression of savings, the presence of a higher reference price enhances subjects’
11 perceived value and willingness to buy the product.”). “Misinformation about a product’s
12 ‘normal’ price is . . . significant to many consumers in the same way as a false product label
13 would be.” *Hinojos*, 718 F.3d at 1106.

14 18. Defendant consistently advertises its products on its e-commerce website
15 alongside an “original” price and the corresponding sale price. Defendant advertises a
16 seemingly original price, in truth a false reference price, with a “strikethrough.” The false
17 reference price operates as a baseline consumers rely on to assess a product’s value.
18 Moreover, it is shown alongside the original price to communicate to consumers that
19 Defendant is selling a product at a substantial discount, even though the product is not in fact
20 discounted. The sale price displayed directly next to the false reference price conveys the
21 “deep discount” at which Defendant presently offers a product, ostensibly for a limited time.

22 19. However, the products sold on Defendant’s e-commerce website are never sold
23 at the price displayed with a strikethrough—the price consumers are led to presume is the
24 full original price. The “deep discount” of products communicated to consumers viewing
25 Defendant’s e-commerce website constitutes a misrepresentation by Defendant. The
26 “original” price merely serves as a false reference price Defendant uses as part of a larger
27 scheme to deceptively manufacture false discounts to incentivize consumers to make
28 purchases.

1 20. To reiterate, the products sold on dressbarn.com show the original price with
2 a strikethrough alongside the corresponding sale price immediately next to a picture of the
3 product. For example, as seen in Exhibit A, a product entitled “Secret Agent Tummy
4 Control Pants – Average Length” shows an “original” price of “~~\$48.95~~” directly next to the
5 sale price of “\$36.95.” Defendant lists the false reference price with a strikethrough, which
6 suggests to customers that Defendant previously offered its products at the strikethrough
7 price. Attached hereto as Exhibit A are numerous snapshots from dressbarn.com acquired
8 through the Wayback Machine—a well-regarded archive of internet webpages as they
9 existed at a singular point in time—depicting the false reference pricing scheme, including
10 of the product used in the above-mentioned example.

11 21. Defendant’s purposeful practice operates by deceiving consumers into
12 (1) making purchases they otherwise would not have made and (2) paying substantially
13 more for products they believed are heavily discounted and thus worth more than their
14 actual value. The only plausible explanation for Defendant’s above illustrated practice is to
15 drive sales, artificially inflate the perceived value of its products, and, as a result, artificially
16 inflate the price at which consumers are willing to buy its products. Defendant has, and
17 without intervention will continue to, increase sales by creating the illusion of short-lived
18 bargains through purporting to offer products on sale from false original prices.

19 22. Defendant’s perpetual listings of its products as discounted on its e-commerce
20 website constitute false, fraudulent, and deceptive advertising because the advertised
21 reference prices it displays list substantially higher prices than those ever offered by
22 Defendant. The reference prices only serve to deceive consumers; they function as
23 benchmark prices from which the false discount and corresponding “sale” price are derived.
24 Defendant’s scheme tricks consumers into justifiably believing they are getting a significant
25 deal when, in reality, consumers are paying the usual retail price for products.

26 23. In sum, the false reference prices, the strikethrough of said prices, and the sale
27 prices all displayed next to each other on product listing pages on Defendant’s e-commerce
28 website are all part of Defendant’s purposeful, deceptive scheme. The products sold through

1 Defendant's e-commerce website are never offered for sale, nor sold, at the advertised false
2 reference price. Defendant advertises false reference prices with a purpose to induce
3 consumers into believing its products were once sold at said price. The strikethrough of the
4 false reference prices next to products creates a false sense of urgency in consumers.
5 Defendant intends for consumers to be misled that Defendant will sell its products at the
6 advertised, higher reference price "again" if they do not purchase its products soon; and
7 consumers are misled. Consumers believe they are receiving a substantial bargain when
8 they purchase products on Defendant's e-commerce website at the "discounted" sale price.
9 However, Defendant did not actually sell products on its e-commerce website at the
10 advertised reference prices within 90 days of discounting them. In fact, Defendant never
11 offered or sold products at their advertised false reference price, and consumers thus never
12 received a true bargain. All while fully aware of its deception, Defendant has achieved, and
13 might continue to achieve, its ultimate, continuing purpose of driving sales with sham
14 markdowns.

15 24. Nowhere on Defendant's e-commerce website does Defendant disclose that
16 the reference or "original" prices displayed are not: former prices; or recent, within 90 days,
17 regularly offered former prices; or prices at which identical products are sold elsewhere in
18 the market. The omission of these disclosures, coupled with Defendant's use of fictitious
19 advertised reference prices, renders Defendant's pricing scheme inherently misleading.

20 25. Moreover, the advertised discounts were fictitious because the reference prices
21 did not represent a *bona fide* price at which Defendant previously sold or offered to sell the
22 products, on a regular basis, for a commercially reasonable period of time, as required by
23 the Federal Trade Commission ("FTC"). In addition, the represented advertised reference
24 prices were not the prevailing market retail price within the three months (90 days)
25 immediately preceding the publication of the advertised former reference price, as required
26 by California law.

27 26. Thus, Defendant's scheme intends to, and does, provide misinformation to the
28 customer. This misinformation communicates to consumers, including Plaintiff, that the

1 products sold on Defendant’s e-commerce website have greater value than the advertised
2 discounted price.

3 27. The reference prices listed and advertised on products sold through
4 Defendant’s e-commerce website are false or severely outdated reference prices, utilized
5 only to perpetuate Defendant’s false discount scheme.

6 28. Defendant knows that its reference price advertising is false, deceptive,
7 misleading, and unlawful under state and federal law.

8 29. Defendant fraudulently concealed from, and intentionally failed to disclose to,
9 Plaintiff and other members of the Class the truth about its advertised discount prices and
10 former reference prices.

11 30. At all relevant times, Defendant has been under a duty to Plaintiff and the Class
12 to disclose the truth about its false discounts.

13 **D. Investigation**

14 31. Products sold on Dress Barn’s e-commerce website are priced uniformly. In
15 other words, the products sold by Defendant bears a substantially discounted sale price that
16 appears next to the “crossed out” or “strikethrough” original price. Plaintiff’s counsel’s
17 investigation confirmed that the merchandise purchased by Plaintiff was priced with a false
18 reference price and a corresponding discounted price for at least the 90-day period
19 immediately preceding Plaintiff’s purchase in violation of California law. The merchandise
20 purchased by Plaintiff was not, and is not, offered for sale in any other market.

21 32. Plaintiff’s counsel conducted a thorough investigation of Defendant’s website.
22 Plaintiff’s counsel deployed a sophisticated software program to track each item offered for
23 sale on the dressbarn.com website. Plaintiff’s counsel tracked the pricing of certain
24 merchandise offered for sale through dressbarn.com various periods from 2020 through the
25 present. A sample of the items tracked are attached as Exhibit B. For the duration of the
26 tracking period, each product remained significantly discounted from its reference price.
27 The investigation indicated the false reference pricing scheme was uniform across
28 Defendant’s e-commerce website. Plaintiff has also investigated and tracked the pricing of

1 items sold at the Dress Barn brick and mortar stores and found they are priced identically
2 to the corresponding items online.

3 33. Plaintiff's counsel also researched Defendant's e-commerce website through
4 the Wayback Machine. The website snapshots recorded by the Wayback Machine are
5 consistent with Plaintiff's counsel's investigation. As a result, Plaintiff's counsel's
6 investigation has tracked nearly every item on Defendant's website from 2020 through the
7 present.

8 34. The false reference price and corresponding discount price scheme were both
9 uniform and identical on almost all products sold through Defendant's e-commerce website.
10 The only change was the requisite "discount" on certain products.

11 35. Thus, the fraudulent price scheme applies to all products offered for sale
12 through Defendant's e-commerce website, including the products purchased by Plaintiff.
13 Thus, the fraudulent price scheme applies to all products offered for sale through
14 Defendant's e-commerce website, including the product purchased by Plaintiff.

15 **IV. PARTIES**

16 **Plaintiff**

17 36. Plaintiff Jaimie Hernandez resides in Fontana, California. Plaintiff, in reliance
18 on Defendant's false and deceptive advertising, marketing and discounting pricing schemes,
19 purchased the following items online from Fontana, California on or around April 1, 2022:

20 No.	Item:	False Reference Price:	Sale Price paid by Plaintiff:
21 1	Westport Signature Skinny Ankle Jeans with Snap Button At Ankle	\$56.95	\$33.32
22 2	2 Piece Lounge Set	\$84.95	\$49.70
23 3	Havaianas Women's H. L. Metallic Rubber Sandal	\$18.99	\$11.11
24 4	Adrienne Vittadini Fringe Detail With Hood Cardigan	\$60.95	\$35.66

25
26
27 37. Plaintiff examined each of the above-listed products on Defendant's website
28 before deciding to purchase the aforementioned items after reviewing the item's advertised

1 sale price. The items Plaintiff purchased were advertised as having an original price, which
2 had a strikethrough over it on the website. Defendant advertised the items as having a sale
3 price at a discount for each item.

4 38. After observing the original price of the items and the accompanying the sale
5 price, Plaintiff believed she was receiving a significant discount on the products she had
6 chosen. Because she was interested in the products and felt that the discounted price would
7 likely not last, and that she was getting a significant bargain on the products, she proceeded
8 to finish checking out and purchased them.

9 39. However, the products that Plaintiff purchased were never offered for sale at
10 the original price listed on Defendant's e-commerce website and certainly not within the
11 90 days preceding Plaintiff's purchase. Neither Plaintiff's receipt nor any other language on
12 the website observed or relied upon by Plaintiff indicated that the products were not offered
13 previously at the advertised reference price.

14 40. Plaintiff reasonably relied upon Defendant's artificially inflated reference
15 prices and false discounts when purchasing products from Defendant's e-commerce
16 website. Plaintiff would not have made such purchases but for Defendant's representations
17 regarding the substantial discount being offered for the products. Plaintiff would like to
18 continue buying from Defendant's e-commerce website in the future but cannot be certain
19 of the veracity of Defendant's advertised bargains.

20 41. Plaintiff and the Class reasonably and justifiably acted and relied on the
21 substantial price differences that Defendant advertised, and they made purchases believing
22 they were receiving a substantial discount on products of greater value than the value they
23 had in actuality. Plaintiff, like other Class members, was lured in, relied on, and was
24 damaged by the deceptive pricing scheme Defendant carried out.

25 42. Plaintiff was damaged in her purchases because Defendant's false reference
26 price discounting scheme inflated the true market value of items she purchased. Plaintiff is
27 susceptible to this reoccurring harm because she cannot be certain that Defendant has
28 corrected this deceptive pricing scheme and she desires to shop at Defendant's e-commerce

1 website in the future. However, she currently cannot trust that Defendant will accurately
2 price its products truthfully and in a non-misleading fashion in compliance with applicable
3 law. Plaintiff does not have the resources on her own to determine whether Defendant is
4 complying with State and Federal law with respect to its pricing practices.

5 43. Additionally, because of the wide selection of items available on Defendant's
6 website, and due to the likelihood that Defendant may yet develop and market additional
7 falsely priced items for sale online, Plaintiff may again, though by mistake, purchase a
8 falsely discounted item from Defendant under the impression that the advertised reference
9 price represented a *bona fide* former price at which the item was previously offered for sale
10 by Defendant. Indeed, Plaintiff desires to continue purchasing items from dressbarn.com in
11 the future. Moreover, Class members will continue to purchase Dress Barn products while
12 reasonably but incorrectly believing that their advertised reference prices represent *bona*
13 *fide* former prices at which they were previously offered for sale by Defendant.

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

21 45. Moreover, Plaintiff lacks an adequate remedy at law with respect to her claim
22 for equitable restitution because she has not yet retained an expert to determine whether an
23 award of damages can or will adequately remedy her monetary losses caused by Defendant.
24 Particularly, as legal damages focus on remedying the loss to the plaintiff and equitable
25 restitution focuses wholly distinctly on restoring monies wrongly acquired by the defendant,
26 legal damages are inadequate to remedy Plaintiff's loss because Plaintiff does not know at
27 this juncture, and is certainly not required to set forth evidence, whether a model for legal
28

1 damages (as opposed to equitable restitution) will be viable or will adequately compensate
2 Plaintiff's losses.

3 46. Finally, Plaintiff's case is substantially predicated on Defendant's violation of
4 CAL BUS. & PROF. CODE § 17501, an equitable claim, as Plaintiff's counsel's investigation
5 revolved around ensuring that Defendant did not sell products at the indicated reference
6 price within the 90 days preceding Plaintiff's purchase and, likewise, that Defendant failed
7 to disclose to consumers the date on which products was last offered at its advertised
8 reference price. This claim and test of liability go to the heart of Plaintiff's case and the
9 same test is not available under a CLRA legal claim for damages. Thus, Plaintiff does *not*
10 have an adequate remedy at law because the CLRA does not provide the same metric of
11 liability as CAL BUS. & PROF. CODE § 17501, which is integral not only to Plaintiff's prayer
12 for restitution, but also to Plaintiff's very theory of liability at trial.

13 **Defendant**

14 47. Plaintiff is informed and believes, and upon such information and belief
15 alleges, Defendant Dress Barn, a corporation organized under the laws of Connecticut with
16 its principal executive offices in Westport, Connecticut. Defendant operates Dress Barn the
17 dressbarn.com website, and advertises, markets, distributes, and/or sells women's retail
18 products in California, and throughout the United States.

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

1 **V. CLASS ALLEGATIONS**

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

5 All persons, within the State of California, who, within the applicable statutory
6 period (the “Class Period”), purchased from Dress Barn’s e-commerce
7 website, one or more products at discounts from an advertised reference price
8 and who have not received a refund or credit for their purchase(s).

9 Excluded from the Class are Defendant, as well as its officers, employees, agents or
10 affiliates, parent companies and/or subsidiaries, and each of their respective officers,
11 employees, agents or affiliates, and any judge who presides over this action. Plaintiff
12 reserves the right to expand, limit, modify, or amend this Class definition, including the
13 addition of one or more subclass, in connection with her motion for class certification, or at
14 any other time, based upon, *inter alia*, changing circumstances and/or new facts obtained
15 during discovery.

16 50. **Numerosity:** Members of the Class are so numerous that joinder of all
17 members is impracticable. Plaintiff is informed and believes that the proposed Class
18 contains at least thousands of individuals who have been damaged by Defendant’s conduct
19 as alleged herein. The precise number of Class members is unknown to Plaintiff at this time,
20 but Plaintiff expects it can readily be established through Defendant’s records.

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

25 a. whether, during the Class Period, Defendant used advertised false
26 reference prices on products sold through its e-commerce website;

27 b. whether, during the Class Period, the original price advertised by
28 Defendant was the prevailing market price for the products in question during the

1 three months period preceding the dissemination and/or publication of the advertised
2 former prices;

3 c. whether Defendant's alleged conduct constitutes violations of the laws
4 asserted;

5 d. whether Defendant engaged in unfair, unlawful and/or fraudulent
6 business practices under the laws asserted;

7 e. whether Defendant engaged in false or misleading advertising;

8 f. whether Plaintiff and members of the Class are entitled to damages
9 and/or restitution and the proper measure of that loss;

10 g. whether an injunction is necessary to prevent Defendant from
11 continuing to use false, misleading or illegal price comparison; and

12 h. whether Plaintiff and members of the Class are entitled to an award of
13 reasonable attorneys' fees, interest, and costs of suit.

14 52. **Typicality:** Plaintiff's claims are typical of the claims of the members of the
15 Class because, *inter alia*, all members of the Class have been deceived (or were likely to be
16 deceived) by Defendant's false and deceptive price advertising scheme, as alleged herein.
17 Plaintiff is advancing the same claims and legal theories on behalf of themselves and all
18 members of the Class.

19 53. **Adequacy:** Plaintiff will fairly and adequately protect the interests of the
20 members of the Class. Plaintiff has retained counsel experienced in complex consumer class
21 action litigation, and Plaintiff intends to prosecute this action vigorously. Plaintiff has no
22 antagonistic or adverse interest to those of the Class.

23 54. **Superiority:** The nature of this action and the nature of laws available to
24 Plaintiff and the Class make the use of the class action format a particularly efficient and
25 appropriate procedure to afford relief to her and the Class for the wrongs alleged. The
26 damages or other financial detriment suffered by individual members of the Class is
27 relatively modest compared to the burden and expense that would be entailed by individual
28 litigation of their claims against Defendant. It would thus be virtually impossible for

1 Plaintiff and members of the Class, on an individual basis, to obtain effective redress for
2 the wrongs done to them. Absent the class action, members of the Class and the general
3 public would not likely recover, or would not likely have the chance to recover, damages,
4 restitution, or injunctive relief, and Defendant will be permitted to retain the proceeds of its
5 fraudulent and deceptive misdeeds.

6 55. All members of the Class, including Plaintiff, were exposed to one or more of
7 Defendant's misrepresentations or omissions of material fact in advertising false reference
8 prices. Due to the scope and extent of Defendant's consistent false sale prices, advertising
9 scheme, disseminated in a constant years-long campaign to consumers, it can be reasonably
10 inferred that such misrepresentations or omissions of material fact were uniformly made to
11 all members of the Class. In addition, it can be reasonably presumed that all members of
12 the Class, including Plaintiff, affirmatively acted in response to the representations
13 contained in Defendant's false advertising scheme when purchasing products sold through
14 Defendant's e-commerce website.

15 56. **Ascertainability:** Defendant keeps extensive computerized records of its
16 customers through, *inter alia*, customer rewards programs and general marketing programs.
17 Defendant has one or more databases through which a significant majority of members of
18 the Class may be identified and ascertained, and it maintains contact information, including
19 email and home addresses, through which notice of this action could be disseminated in
20 accordance with due process requirements.

21 VI. CAUSES OF ACTION

22 FIRST CAUSE OF ACTION

23 **Violation of California's Unfair Competition Law ("UCL")** 24 **CAL. BUS. & PROF. CODE §§ 17200, *et seq.***

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

1 58. Plaintiff brings this claim individually and on behalf of the members of the
2 proposed Class against Defendant Dress Barn for violations of the UCL, CAL. BUS. & PROF.
3 CODE §§ 17200, *et seq.*

4 59. The UCL defines “unfair business competition” to include any “unlawful,
5 unfair or fraudulent” act or practice, as well as any “unfair, deceptive, untrue or misleading”
6 advertising. CAL. BUS. PROF. CODE § 17200.

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

10 **“Unfair” Prong**

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

15 62. Defendant’s actions constitute “unfair” business practices because, as alleged
16 above, Defendant engaged in misleading and deceptive price comparison advertising that
17 represented false reference prices and corresponding deeply discounted phantom “sale”
18 prices. Defendant’s acts and practices offended an established public policy of transparency
19 in pricing, and constituted immoral, unethical, oppressive, and unscrupulous activities that
20 are substantially injurious to consumers.

21 63. The harm to Plaintiff and members of the Class outweighs the utility of
22 Defendant’s practices because Defendant’s practice of advertising false discounts provides
23 no utility and only harms consumers. There were reasonably available alternatives to further
24 Defendant’s legitimate business interests other than the misleading and deceptive conduct
25 described herein.

26 **“Fraudulent” Prong**

27 64. A business act or practice is “fraudulent” under the UCL if it is likely to
28 deceive members of the consuming public.

1 65. Defendant’s acts and practices alleged above constitute fraudulent business
2 acts or practices as they have deceived Plaintiff and members of the Class and are highly
3 likely to deceive members of the consuming public. Plaintiff and members of the Class
4 relied on Defendant’s fraudulent and deceptive representations regarding its false or
5 outdated “original prices” for products sold by Defendant through its e-commerce website.
6 These misrepresentations played a substantial role in Plaintiff’s and members of the Class’s
7 decision to purchase the product at a purportedly steep discount, and Plaintiff and members
8 of the Class would not have purchased the product without Defendant’s misrepresentations.

9 **“Unlawful” Prong**

10 66. A business act or practice is “unlawful” under the UCL if it violates any other
11 law or regulation.

12 67. Defendant’s act and practices alleged above constitute unlawful business acts
13 or practices as it has violated state and federal law in connection with its deceptive pricing
14 scheme. The FTCA prohibits “unfair or deceptive acts or practices in or affecting
15 commerce” (15 U.S.C. § 45(a)(1)) and prohibits the dissemination of any false
16 advertisements. 15 U.S.C. § 52(a). Under the FTC, false former pricing schemes, like
17 Defendant’s, are described as deceptive practices that would violate the FTCA:

18 (a) One of the most commonly used forms of bargain advertising is to offer a
19 reduction from the advertiser’s own former price for an article. If the former
20 priced is the actual, bona fide price at which the article was offered to the
21 public on a regular basis for a reasonably substantial period of time, it provides
22 a legitimate basis for the advertising of a price comparison. Where the former
23 price is genuine, the bargain being advertised is a true one. If, on the other
24 hand, the former price being advertised is not bona fide but fictitious – ***for***
25 ***example, where an artificial, inflated price was established for the purpose***
26 ***of enabling the subsequent offer of a large reduction – the “bargain” being***
27 ***advertised is a false one***; the purchaser is not receiving the unusual value he
28

1 expects. In such a case, the “reduced” price is, in reality, probably just the
2 seller’s regular price.

3 (b) A former price is not necessarily fictitious merely because no sales at the
4 advertised price were made. The advertiser should be especially careful,
5 however, in such a case, that the price is one at which the product was openly
6 and actively offered for sale, for a reasonably substantial period of time, in the
7 recent, regular course of her business, honestly and in good faith – and, of
8 course, not for the purpose of establishing a fictitious higher price on which a
9 deceptive comparison might be based.

10 16 C.F.R. § 233.1(a) and (b) (emphasis added).

11 68. In addition to federal law, California law also expressly prohibits false former
12 pricing schemes. The FAL, CAL. BUS. & PROF. CODE § 17501, entitled “*Worth or value;*
13 *statements as to former price,*” states:

14 For the purpose of this article the worth or value of any thing advertised is the
15 prevailing market price, wholesale if the offer is at wholesale, retail if the offer
16 is at retail, at the time of publication of such advertisement in the locality
17 wherein the advertisement is published.

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

23 CAL. BUS. & PROF. CODE § 17501 (emphasis added).

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

1 otherwise, or anything of any nature whatsoever or to induce the public to enter
2 into any obligation relating thereto, to make or disseminate or cause to be made
3 or disseminated . . . from this state before the public in any state, in any
4 newspaper or other publication, or any advertising device, or by public outcry
5 or proclamation, or in any other manner or means whatever, including over the
6 Internet, any statement, concerning that . . . personal property or those services
7 . . . which is untrue or misleading, and which is known, or which by the exercise
8 of reasonable care should be known, to be untrue or misleading . . .

9 (Emphasis added).

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

13 78. Similarly, this section provides, “no price shall be advertised as a former price
14 of any advertised thing, unless the alleged former price was the prevailing market price ...
15 within three months next immediately preceding the publication of the advertisement or
16 unless the date when the alleged former price did prevail is clearly, exactly, and
17 conspicuously stated in the advertisement.” CAL BUS. & PROF. CODE § 17501.

18 79. Defendant’s routine practice of advertising discounted prices from false
19 reference prices, which were never the prevailing market prices of those products and were
20 materially greater than the true prevailing prices (i.e., Defendant’s actual sale price),
21 constitutes an unfair, untrue, and misleading practice. Defendant’s deceptive marketing
22 practice gave consumers the false impression that the products on Defendant’s e-commerce
23 website were regularly sold on the market for a substantially higher price than the price for
24 which they were sold in actuality. Moreover, Defendant’s deceptive marketing practice
25 misled consumers by creating a false impression that the products sold through its e-
26 commerce website were worth more than their actual worth.

27 80. Defendant misled consumers by making untrue and misleading statements and
28 failing to disclose what is required as stated in the Code alleged above.

1 81. As a direct and proximate result of Defendant 's misleading and false
2 advertisements, as well as Defendant's deceptive and unfair acts and practices made during
3 the course of Defendant's business, Plaintiff and members of the Class suffered
4 ascertainable loss and actual damages.

5 82. Plaintiff and members of the Class request that this Court order Defendant to
6 restore this money to Plaintiff and all members of the Class, and to enjoin Defendant from
7 continuing these unfair practices in violation of the FAL in the future. Otherwise, Plaintiff,
8 members of the Class, and the broader general public, will be irreparably harmed and/or
9 denied an effective and complete remedy.

10 **THIRD CAUSE OF ACTION**

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

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

15 84. Plaintiff brings this claim individually and on behalf of the members of the
16 proposed Class against Defendant Dress Barn for violations of the CLRA, CAL. CIV. CODE
17 § 1750, *et seq.*

18 85. Plaintiff and each member of the proposed Class are "consumers" as defined
19 by CAL. CIV. CODE § 1761(d). Defendant's sale of products through its e-commerce
20 website, dressbarn.com, were "transactions" within the meaning of CAL. CIV. CODE
21 § 1761(e). The products purchased by Plaintiff and members of the class are "goods" or
22 "services" within the meaning of CAL. CIV. CODE §§ 1761(a) - (b).

23 86. Defendant violated and continues to violate the CLRA by engaging in the
24 following practices proscribed by CAL. CIV. CODE § 1770(a) in transactions with Plaintiff
25 and members of Class which were intended to result in, and did result in, the sale of products
26 sold through its website:

- 27 a. advertising goods or services with intent not to sell them as advertised;
28 § 1770(a)(9); and

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

5 **VIII. DEMAND FOR JURY TRIAL**

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

7 Dated: April 15, 2022

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