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County of Santa Clara  
23CV409957  
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**THE SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SANTA CLARA**

DANI CALDERON and EVGUENIA  
BABAEVA, individually and on behalf of all  
other persons similarly situated,

Plaintiffs,

v.

J. CREW GROUP, LLC,

Defendant.

Case No.: 23CV409957

**CLASS ACTION COMPLAINT**

**JURY TRIAL DEMANDED**

1 Plaintiffs Dani Calderon and Evguenia Babaeva (collectively, “Plaintiffs”) bring this action  
2 individually and on behalf of all others similarly situated against Defendant J. Crew Group, LLC  
3 (“Defendant” or “J. Crew”). Plaintiffs make the following allegations pursuant to the investigation  
4 of their counsel and based upon information and belief, except as to the allegations specifically  
5 pertaining to themselves, which are based on personal knowledge.  
6

7 **NATURE OF THE ACTION**

8 1. Defendant is a retail clothing giant that operates hundreds of retail clothing stores  
9 throughout the United States. Two of Defendant’s largest divisions are J. Crew (“JC”) and J. Crew  
10 Factory (“JCF”). JC and JCF offer clothing of similar styles, with the two main differences being  
11 quality and price. JC clothing is of a higher price and quality (e.g., material, stitching,  
12 construction, etc.) than JCF clothing.  
13

14 2. The clothing sold at JC and JCF have similar labeling and logos. For example, on  
15 clothing tags, JCF clothing is only distinguishable visually from JC by two small dots, as shown in  
16 the screenshots below.  
17



26 3. Consumers actively seek out bargains and discounted items when making  
27 purchasing decisions. Retailers, including Defendant, are well aware of consumers’ susceptibility  
28 to such perceived bargains. Products perceived by consumers to be discounted, however, are not

1 always actual bargains. In an effort to give off the appearance of a bargain, Defendant  
2 intentionally misleads consumers as to the quality and value of the merchandise available on its  
3 website and in its retail stores (the “Products”) through its deceptive sales tactics.

4  
5 4. When consumers visit Defendant’s JCF retail locations, or visit the JCF online store  
6 (which are separate and distinct from those for JC), they are bombarded with purported  
7 “comparable value” prices on all of Defendant’s Products, including on clothing tags, in-store  
8 adverts, and in the online marketing. **Every** item sold either in-store at a JCF retail location or on  
9 the JCF website has a listed “comparable value” as illustrated in the below examples:



(Photographs taken by Plaintiffs’ Counsel at a JCF retail location in Clinton, Connecticut. Upon information and belief, the “comparable value” pricing utilized by Defendant are uniform representations made at all JCF retail locations nationwide).

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QUICK SHOP

BEST SELLER  
Ruffleneck sweater  
Comparable value: ~~\$69.50~~  
Your price: **\$24.95 (72% Off)**  
Extra 15% off 4+ styles with code WHAT2WEAR

BEST SELLER  
Ruffleneck sweater  
Comparable value: ~~\$69.50~~  
Your price: **\$24.95 (72% Off)**  
Extra 15% off 4+ styles with code WHAT2WEAR

BEST SELLER  
Ruffleneck sweater  
Comparable value: ~~\$69.50~~  
Your price: **\$24.95 (72% Off)**  
Extra 15% off 4+ styles with code WHAT2WEAR

BEST SELLER  
Ruffleneck sweater  
Item AS298  
★★★★★ 37 REVIEWS  
Comparable value: ~~\$69.50~~  
Your price: **\$24.95 (72% off)**  
or 4 payments of \$6.24 with **afterpay**  
EXTRA 15% OFF 4+ STYLES WITH CODE WHAT2WEAR  
Color: Classic Red  
Size: Select a Size  
XX-Small X-Small Small Medium  
Large X-Large XXX-Large 2X  
3X  
Quantity: 1  
SHIP TO HOME PICK UP IN STORE  
ADD TO BAG

(Screenshots from the JCF website, <https://factory.jcrew.com>)

1           5.       However, Defendant fails to provide consumers with any information upon which  
2 such “comparable value” prices and savings are based. Upon information and belief, the  
3 “comparable values” displayed correspond to prices for other, higher quality products at JC, not  
4 JCF. JCF clothing is *never* sold at the “comparable value” price listed. Further, the JCF products  
5 are not comparable to JC clothing because JC clothing is of a higher quality (*e.g.*, material,  
6 stitching, construction, etc.) than JCF clothing.  
7

8           6.       It is well-established that false reference pricing violates state and federal law.  
9 Nonetheless, Defendant employs inflated, fictitious reference prices for the sole purpose of  
10 increasing its sales. Defendant engages in this deceptive practice to deceive consumers, including  
11 Plaintiffs, into believing they are receiving a bargain on their purchases to induce them into making  
12 purchases they otherwise would not have made.  
13

14           7.       As a direct and proximate result of Defendant’s false and misleading sales practices,  
15 Plaintiffs and members of the Class, as defined herein, were induced into purchasing the Products  
16 under the false premise that they were of a higher grade, quality, or value than they actually were.  
17

18           8.       Plaintiffs seek relief in this action individually, and on behalf of all purchasers of  
19 the Products for violations of the California Consumer Legal Remedies Act (“CLRA”), Civil Code  
20 §§ 1750, *et seq.*, Unfair Competition Law (“UCL”), Bus. & Prof. Code §§ 17200, *et seq.*, False  
21 Advertising Law (“FAL”), Bus. & Prof. Code §§ 17500, *et seq.*, fraud, and unjust enrichment.  
22 Through this action, Plaintiffs seek to enjoin Defendant from its false and deceptive sales practices,  
23 and seek to obtain actual and statutory damages, restitution, injunctive relief, and reasonable  
24 attorneys’ costs and fees.  
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**JURISDICTION AND VENUE**

1  
2 9. This Court has jurisdiction over this action pursuant to Cal. Code Civ. Proc. §  
3 410.10 and Cal. Bus. & Prof. Code §§ 17203-17204, 17604. This action is brought as a class  
4 action on behalf of Plaintiffs and Class members pursuant to Cal. Code Civ. Proc. § 382.

5  
6 10. This Court has personal jurisdiction over Defendant because events giving rise to  
7 the cause of action occurred as a result of Defendant’s purposely directed contacts with California.  
8 Defendant purposely sold the Products that gave rise to the cause of action in California.  
9 Defendant’s misrepresentations about the Products were purposely directed to the State of  
10 California, and Plaintiffs viewed and relied upon these representations in this state. Further,  
11 Defendant conducts and transacts business in this state and contracts to supply goods within this  
12 state.

13  
14 11. Venue is proper in this Court pursuant to Cal. Code Civ. Proc. §§ 395 and 395.5  
15 because Plaintiff Babaeva resides in this County and both Plaintiffs reside in this state, and a  
16 substantial portion of the events giving rise to the cause of action occurred in this state. Plaintiff  
17 Babaeva purchased the Products and suffered her primary injury in this district.

18 **PARTIES**

19 12. Plaintiff Dani Calderon, is an individual consumer who, at all times material hereto,  
20 was a citizen and resident of [REDACTED].

21  
22 13. Ms. Calderon made multiple clothing purchases from Defendant’s retail locations  
23 (collectively, the “Products”). Before purchasing the Products, Ms. Calderon reviewed information  
24 about the Products, including Defendant’s uniform representations that the Products were being  
25 offered at a discounted “sale” price relative to a false “comparable value” price that was higher  
26 than the advertised “sale” price for each of the Products. When purchasing the Products, Ms.  
27 Calderon also reviewed the accompanying labels, disclosures, warranties, and marketing materials,  
28

1 and understood them as representations and warranties by Defendant that the Products were  
2 ordinarily offered at a higher price and that the Products had a legitimate “comparable value” that  
3 was higher than the sale price.

4           14. Ms. Calderon relied on Defendant’s false, misleading, and deceptive representations  
5 and warranties about the Products in making her decision to purchase the Products. Accordingly,  
6 these representations and warranties were part of the basis of the bargain, in that she would not  
7 have purchased the Products, or would not have paid as much for the Products, had she known  
8 Defendant’s representations were not true. Defendant’s representations about its Products are false  
9 and misleading because they induce consumers into believing that they are purchasing Products of  
10 a higher value and quality than they actually are.

11           15. Had Ms. Calderon known the truth—that the representations she relied upon in  
12 making her purchase were false, misleading, and deceptive—she would not have purchased the  
13 Products or would have paid less for the Products. Ms. Calderon did not receive the benefit of her  
14 bargain because Defendant’s Products were not of the represented quality and value. Ms. Calderon  
15 understood that each purchase involved a direct transaction between herself and Defendant because  
16 the Products she purchased came with packaging, labeling, and other materials prepared by  
17 Defendant, including representations and warranties regarding the advertised claims.

18           16. Plaintiff Evguenia Babaeva is an individual consumer who, at all times material  
19 hereto, was a citizen and resident of San Jose, California.

20           17. Ms. Babaeva made multiple clothing purchases from Defendant’s online store  
21 (collectively, the “Products”). Before purchasing the Products, Ms. Babaeva reviewed information  
22 about the Products, including Defendant’s uniform representations that the Products were being  
23 offered at a discounted “sale” price relative to a false “comparable value” price that was higher  
24 than the advertised “sale” price for each of the Products. When purchasing the Products, Ms.  
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27  
28

1 Babaeva also reviewed the accompanying labels, disclosures, warranties, and marketing materials,  
2 and understood them as representation and warranties by Defendant that the Products were  
3 ordinarily offered at a higher price and that the Products had a legitimate “comparable value” that  
4 was higher than the sale price.  
5

6 18. Ms. Babaeva relied on Defendant’s false, misleading, and deceptive representations  
7 and warranties about the Products in making her decision to purchase the Products. Accordingly,  
8 these representations and warranties were part of the basis of the bargain, in that she would not  
9 have purchased the Products, or would not have paid as much for the Products, had she known  
10 Defendant’s representations were not true. Defendant’s representations about its Products are false  
11 and misleading because they induce consumers into believing that they are purchasing Products of  
12 a higher value and quality than they actually are.  
13

14 19. Had Ms. Babaeva known the truth—that the representations she relied upon in  
15 making her purchase were false, misleading, and deceptive—she would not have purchased the  
16 Products or would have paid less for the Products. Ms. Babaeva did not receive the benefit of her  
17 bargain, because Defendant’s Products were not of the represented quality and value. Ms. Babaeva  
18 understood that each purchase involved a direct transaction between herself and Defendant,  
19 because the Products she purchased came with packaging, labeling, and other materials prepared  
20 by Defendant, including representations and warranties regarding the advertised claims.  
21

22 20. Defendant, J. Crew Group, LLC, is a corporation with its principal place of business  
23 in New York, New York. Defendant manufactures, markets, and advertises and distributes its  
24 Products under the JCF brand throughout the United States, including California. Defendant  
25 manufactured, marketed, and sold the Products during the relevant Class Period. The planning and  
26 execution of the advertising, marketing, labeling, packaging, testing, and/or business operations  
27 concerning the Products were primarily or exclusively carried out by Defendant.  
28



**FACTUAL BACKGROUND**

21. Defendant manufactures, markets, sells, and distributes its clothing under the JCF brand throughout the United States, including California, both through retail locations and its online e-commerce store.

**State And Federal Pricing Guidelines**

22. California law provides clear guidelines as to permissible and unlawful sales tactics:

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

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

Bus. & Prof. Code § 17501.

23. Additionally, California law expressly prohibits making false or misleading statements of fact “concerning reasons for, existence of, or amounts of price reductions.” *See* Cal. Civ. Code § 1770(a)(13).

24. The Federal Trade Commission (“FTC”) provides retailers with additional guidance as to permissible and unlawful sales tactics. *See* 16 CFR § 233.

25. The FTC provides the following guidance on former price comparisons:

One of the most commonly used forms of bargain advertising is to offer a reduction from the advertiser's own former price for an article. If the former price is the actual, bona fide price at which the article was offered to the public on a regular basis for a reasonably substantial period of time, it provides a legitimate basis for the advertising of a price comparison. Where the former price is genuine, the bargain being advertised is a true one. **If, on the other hand, the former price being advertised is not bona fide but fictitious - for**

1            **example, where an artificial, inflated price was established for**  
2            **the purpose of enabling the subsequent offer of a large reduction**  
3            **- the “bargain” being advertised is a false one; the purchaser is**  
4            **not receiving the unusual value he expects. In such a case, the**  
              **“reduced” price is, in reality, probably just the seller's regular**  
              **price.**

5            16 CFR § 233.1(a) (emphasis added).

6            26.        The FTC further provides that “[t]he advertiser should be especially careful [...] that  
7            the price is one at which the product was openly and actively offered for sale, for a reasonably  
8            substantial period of time, in the recent, regular course of his business, **honestly and in good faith**  
9            **- and, of course, not for the purpose of establishing a fictitious higher price on which a**  
10           **deceptive comparison might be based.”** 16 CFR § 233.1(b) (emphasis added).  
11

12           27.        The FTC also provides retailers with guidance as to retail price comparison:  
13

14           Another commonly used form of bargain advertising is to offer goods  
15           at prices lower than those being charged by others for the same  
16           merchandise in the advertiser's trade area (the area in which he does  
17           business). This may be done either on a temporary or a permanent  
18           basis, but in either case **the advertised higher price must be based**  
19           **upon fact, and not be fictitious or misleading.** Whenever an  
20           advertiser represents that he is selling below the prices being charged  
21           in his area for a particular article, he should be reasonably certain  
22           that the higher price he advertises does not appreciably exceed the  
23           price at which substantial sales of the article are being made in the  
24           area - that is, a sufficient number of sales so that a consumer would  
25           consider a reduction from the price to represent a genuine bargain or  
26           saving.

27           16 CFR § 233.2(a) (emphasis added).  
28

29           28.        Federal regulations further provide:

30           A closely related form of bargain advertising is to offer a reduction  
31           from the prices being charged either by the advertiser or by others in  
32           the advertiser's trade area **for merchandise of like grade and quality**  
33           **– in other words, comparable or competing merchandise – to that**  
34           **being advertised.** Such advertising can serve a useful and legitimate  
35           purpose when it is made clear to the consumer that a comparison is  
36           being made with other merchandise and **the other merchandise is, in**  
37           **fact, of essentially similar quality and obtainable in the area.**

1  
2 16 CFR § 233.2(c) (emphasis added).

3 29. Essentially, federal and state law provides that sales practices should be offered in  
4 good-faith and accurately reflect the price at which comparable products are sold in the market.

5 **Defendant's Deceptive Sales Practices**

6 30. Defendant sells its JCF Products both at brick-and-mortar retail locations and on its  
7 online store.

8 31. In an effort to increase sales, Defendant engages in a pervasive online marketing  
9 scheme to artificially inflate the prices of its Products for the sole purpose of marking them at a  
10 discounted "sale" price relative to a "comparable value" price. Defendant is aware that consumers  
11 typically lack material information about a product and often rely on information from sellers when  
12 making purchasing decisions, especially when a products' quality or value is difficult to discern.<sup>1</sup>

13 32. Defendant has multiple methods of deceiving consumers into believing that they are  
14 receiving a bargain on the items they purchase.  
15

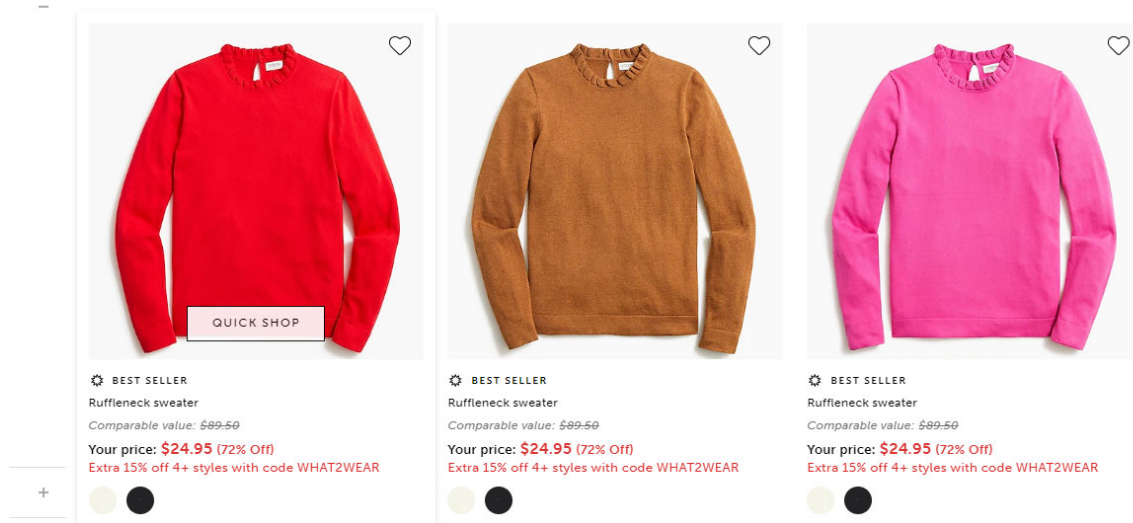
16 33. First, Defendant utilizes a fictitious "comparable value" reference price. The  
17 Products are never sold at this "comparable value" price. Defendant further fails to provide  
18 consumers with any information upon which such prices are based. While such prices may, upon  
19 information and belief, be based upon products sold at its JC stores, such a comparison would still  
20 be deceptive because Defendant's JC items are of a much higher quality than JCF items. This  
21 practice accompanies every JCF product sold, both in-store and online.  
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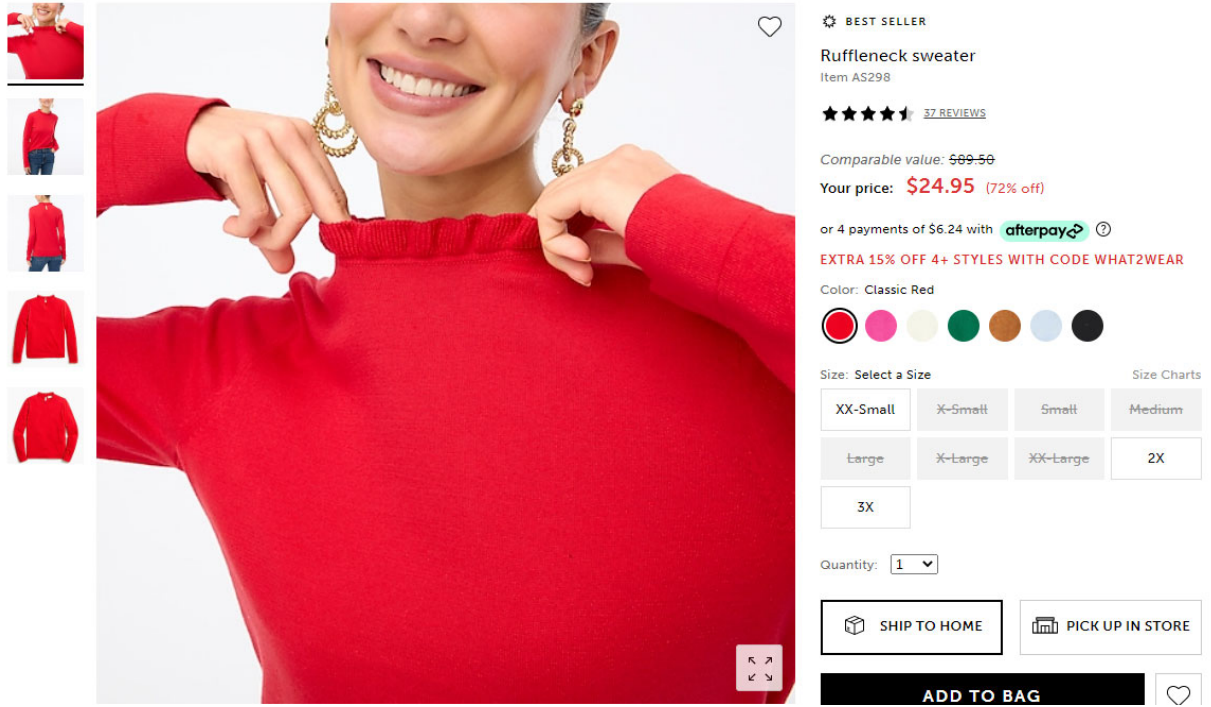
26 \_\_\_\_\_  
27 <sup>1</sup> *Information and Consumer Behavior*, Phillip Nelson, *Journal of Political Economy* 78, no. 2, p.  
28 311-312 (1970) ("Not only do consumers lack full information about the price of goods, but their  
information is probably even poorer about the quality variation of products simply because the  
latter information is more difficult to obtain.").



(Photographs taken by Plaintiffs' Counsel at a JCF retail location in Clinton, Connecticut).

34. On the JCF website, this false reference price is struck-through and accompanied by a purported “sav[ings]” percentage. Above this fictitious reference price is a lower purported “sale” price. This practice accompanies every JCF product sold online.





(Screenshots from the JCF website, <https://factory.jcrew.com>)

35. The “Comparable value” reference price listed by Defendant is a purely fictitious price not based on comparable sales offerings in the market. Instead, this fictitious price is merely offered for the purpose of deceiving consumers into believing they are receiving a bargain for their purchases, which may be based on higher-quality JC items, not JCF items.

36. In short, Defendant’s sales tactics are not offered in good faith and are made for the sole purpose of deceiving and inducing consumers into purchasing products they otherwise would not have purchased.

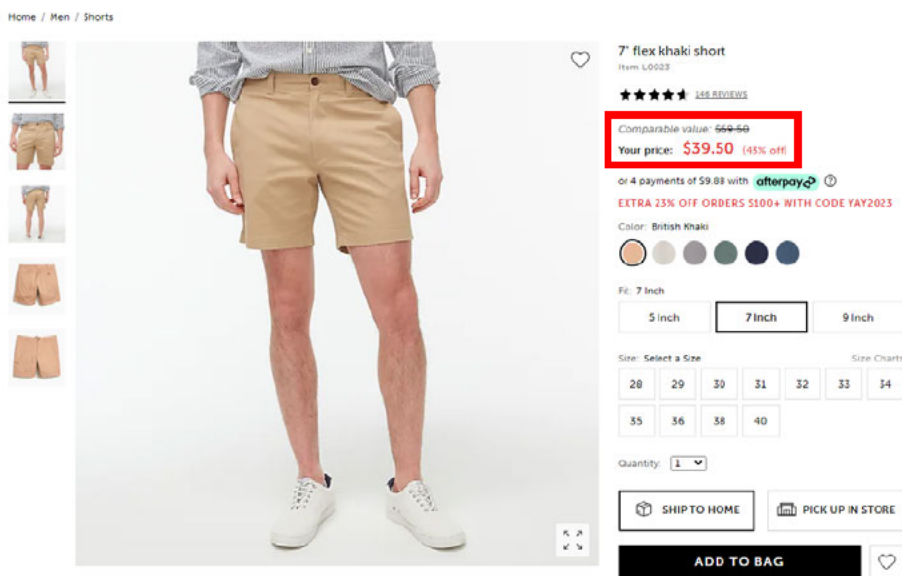
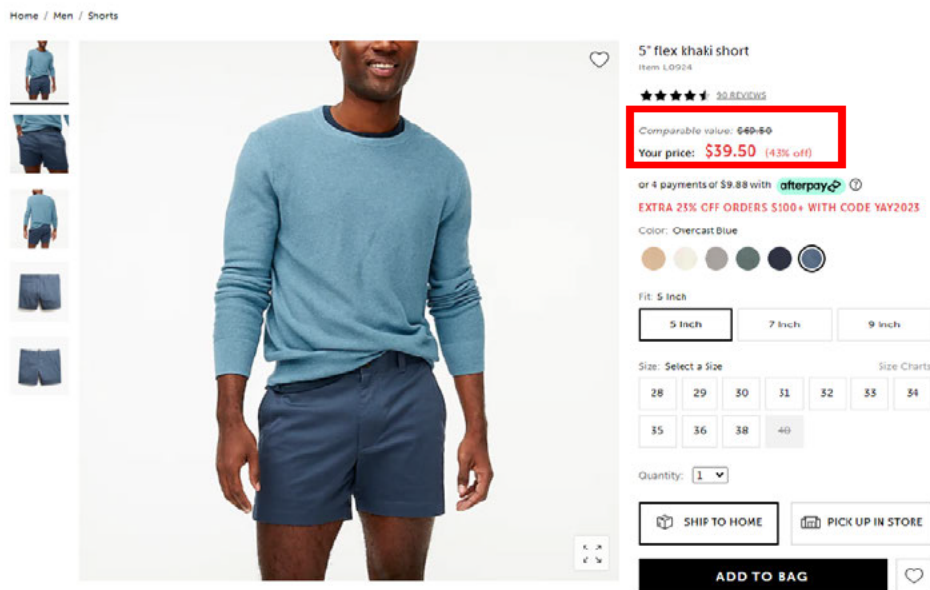
**Plaintiffs’ Purchase History**

37. Plaintiff Calderon made multiple purchases from Defendant’s Livermore, California JCF retail location, including jeans, shirts, and shorts. Plaintiff Calderon’s most recent purchase was in June 2022.



38. Plaintiff Babaeva made multiple purchases from both Defendant’s San Jose, California JCF retail location and from the JCF online store, including pants, shirts, cardigans, top, blazers and tank tops.

39. Two of Plaintiff Babaeva’s purchased items from the JCF website can still be found on the website, and each item still lists a fictitious “compare” price over six months later:<sup>2</sup>



<sup>2</sup> Results from searching item reference numbers and comparing with purchase receipt. Colors and names of items may or may not match.



1           40.     Although the pricing may fluctuate from time to time, Defendant’s Products have  
2 uniformly **never** been offered at the fictitious “comparable value” prices that Defendant lists,  
3 including within the last 90 days. Such findings were confirmed for the two above items through  
4 the use of a sophisticated price-tracking software, as well as for numerous items on the JCF  
5 website randomly selected by Plaintiffs’ counsel.  
6

7           41.     Moreover, such a comparison price does not reflect those prices being charged by  
8 others for merchandise of a similar quality in the Defendant’s trade area.

9           42.     In reality, the “compare” price are entirely fabricated by Defendant to give off the  
10 appearance of a bargain. Defendant intentionally misled Plaintiffs, as well as other consumers, into  
11 believing that its JCF products are worth and are ordinarily offered at a higher price, and are of a  
12 “comparable value” to its JC products, which they are not.  
13

14           43.     Plaintiffs reasonably relied on Defendant’s representations that its JCF products are  
15 worth and are ordinarily offered at a higher price, and are of a “comparable value” to higher value  
16 products, which they are not. If Plaintiffs had known the truth—i.e. that the Products were not  
17 being offered at discounted prices relative to a “comparable value,” but rather, at the prices at  
18 which they were worth and typically offered, they would have not purchased the Products.  
19

20           44.     Defendant further represents a purported “% off” amount consumers purchasing  
21 JCF products online. However, upon information and belief, **none** of Defendant’s items, including  
22 the items purchased by Plaintiff Babaeva, have ever been sold at the reference “comparable value”  
23 price upon which the purported “% off” is based, including within the last 90 days. Such findings  
24 were confirmed for Plaintiffs’ purchased Products where such products were locatable on the JCF  
25 website through the use of a sophisticated price-tracking software, as well as for numerous items  
26 on the JCF website randomly selected by Plaintiffs’ counsel.  
27  
28

1 45. Plaintiff Babaeva reasonably relied on Defendant’s representation that she was  
2 receiving a “% off” on her purchased Products. If Plaintiff Babaeva had known the truth—i.e., that  
3 the Product was not being offered at a discounted “% off” price, but rather, at the price at which it  
4 is typically offered, she would not have purchased the Products from the JCF website.  
5

6 46. Defendant’s advertised false reference prices and advertised false discounts were  
7 material misrepresentations and inducements to Plaintiffs’ purchases.

8 47. Plaintiffs were harmed as a direct and proximate result of Defendant’s acts and  
9 omissions.

10 48. Defendant commits the same unfair and deceptive sales practices for all of its  
11 Products as described above.

12 49. Plaintiffs and members of the Class are not receiving the bargain or value that  
13 Defendant has misled them to believe.  
14

### 15 CLASS ALLEGATIONS

16 50. Plaintiffs bring this matter on behalf of themselves and those similarly situated. As  
17 detailed at length in this Complaint, Defendant orchestrated deceptive sales practices. Defendant’s  
18 customers were uniformly impacted by and exposed to this misconduct. Accordingly, this  
19 Complaint is uniquely situated for class-wide resolution, including injunctive relief.  
20

21 51. The Class is defined as all consumers who purchased the Products during the  
22 applicable statute of limitations period (the “Class Period) in the United States (the “Class”).

23 52. Plaintiffs also seek to represent a subclass defined as all class members who  
24 purchased the Products in California (the “California Subclass”).<sup>3</sup>  
25  
26  
27

28 <sup>3</sup> The Class and California Subclass are hereinafter collectively referred to as the “Classes.”

1           53. Plaintiffs reserve the right to expand, limit, modify, or amend the class definitions,  
2 including the addition of one or more subclasses, in connection with their motion for class  
3 certification, or at any other time, based on, inter alia, changing circumstances and new facts  
4 obtained.

5           54. The Classes are properly brought and should be maintained as a class action under  
6 Cal. Code Civ. Proc. § 382, satisfying the class action prerequisites of numerosity, commonality,  
7 typicality, and adequacy because:  
8

9           55. Numerosity: Class Members are so numerous that joinder of all members is  
10 impracticable. Plaintiffs believe that there are thousands of consumers who are Class Members  
11 described above who have been damaged by Defendant’s deceptive and misleading practices.  
12

13           56. Commonality: The questions of law and fact common to the Class Members which  
14 predominate over any questions which may affect individual Class Members include, but are not  
15 limited to:

- 16           (a) Whether Defendant is responsible for the conduct alleged herein, which was  
17 uniformly directed at all consumers who purchased the Products;  
18           (b) Whether Defendant’s misconduct set forth in this Complaint demonstrates  
19 that Defendant engaged in unfair, fraudulent, or unlawful business practices  
20 with respect to the advertising, marketing, and sale of the Products;  
21           (c) Whether Defendant made false and/or misleading statements concerning the  
22 Products that were likely to deceive a reasonable consumer and/or the  
23 public;  
24           (d) Whether Plaintiffs and the Class and Subclass are entitled to injunctive  
25 relief;  
26  
27  
28

1 (e) Whether Plaintiffs and the Class and Subclass are entitled to money damages  
2 under the same causes of action as the other Class Members.

3 57. Typicality: Plaintiffs are members of the Classes they seek to represent. Plaintiffs'  
4 claims are typical of the claims of each Class Member in that every member of the Class was  
5 susceptible to the same deceptive, misleading conduct and purchased Defendant's Products.  
6 Plaintiffs are entitled to relief under the same causes of action as the other Class Members.  
7

8 58. Adequacy: Plaintiffs are adequate Class representatives because their interests do  
9 not conflict with the interests of the Class members they seek to represent; their consumer fraud  
10 claims are common to all other members of the Classes and they have a strong interest in  
11 vindicating their rights; they have retained counsel competent and experienced in complex class  
12 action litigation and they intend to vigorously prosecute this action. Plaintiffs have no interests  
13 which conflicts with those of the Classes. The Class Members' interests will be fairly and  
14 adequately protected by Plaintiffs and their counsel. Defendant has acted in a manner generally  
15 applicable to the Classes, making relief appropriate with respect to Plaintiffs and the Class  
16 Members. The prosecution of separate actions by individual Class Members would create a risk of  
17 inconsistent and varying adjudications.  
18

19 59. Further, a class action is superior to any other available method for the fair and  
20 efficient adjudication of this controversy since individual joinder of all Class Members is  
21 impracticable. Additionally, the expense and burden of individual litigation would make it difficult  
22 or impossible for the individual Class Members to redress the wrongs done to them, especially  
23 given the costs and risks of litigation as compared to the benefits that may be attained. Even if the  
24 Class Members could afford individualized litigation, the cost to the court system would be  
25 substantial and individual actions would also present the potential for inconsistent or contradictory  
26  
27  
28

1 judgments. By contrast, a class action presents fewer management difficulties and provides the  
2 benefit of single adjudication and comprehensive supervision by a single forum.

3 60. Finally, Defendant has acted or refused to act on grounds generally applicable to the  
4 entire Class, thereby making it appropriate for this Court to grant final injunctive relief and  
5 declaratory relief with respect to the Class as a whole.  
6

7 **COUNT I**  
8 **Violation of Consumer Legal Remedies Act**  
9 **("CLRA") Civil Code §§ 1750, et seq.**

10 61. Plaintiffs and Class Members reallege and incorporate by reference each allegation  
11 set forth above as if fully set forth herein.

12 62. Plaintiffs bring this claim individually and on behalf of members of the California  
13 Subclass against Defendant.

14 63. This cause of action is brought pursuant to California's Consumers Legal Remedies  
15 Act, Cal. Civ. Code §§ 1750-1785 (the "CLRA").

16 64. Plaintiffs and members of the California Subclass are consumers who purchased  
17 Defendant's Products for personal, family, or household purposes. Accordingly, Plaintiffs and  
18 members of the California Subclass are "consumers," as the term is defined by Cal. Civ. Code §  
19 1761(d).

20 65. At all relevant times, Defendant's Products constituted "goods," as that term is  
21 defined in Cal. Civ. Code § 1761 (a).

22 66. At all relevant times, Defendant was a "person," as that term is defined in Cal. Civ.  
23 Code § 1761(c).

24 67. At all relevant times, Plaintiffs' purchases of Defendant's Products, and the  
25 purchases of other California Subclass members, constituted "transactions," as that term is defined  
26 in Cal. Civ. Code § 1761 (e).  
27  
28

1           68.     The conduct alleged in this Complaint constitutes unfair methods of competition  
2 and unfair and deceptive acts and practices for the purposes of the CLRA, and the conduct was  
3 undertaken by Defendant in transactions intended to result in, and which did result in, the sale of  
4 goods to consumers.

5           69.     The policies, acts, and practices described in this Complaint were intended to and  
6 did result in the sale of Defendant's Products to Plaintiffs and the California Subclass. Defendant's  
7 practices, acts, policies, and course of conduct violated the CLRA § 1750 *et seq.*, as described  
8 above.

9           70.     Defendant advertised goods or services with the intent not to sell them as advertised  
10 in violation of California Civil Code § 1770(a)(9).

11           71.     Defendant made false or misleading statements of fact concerning reasons for,  
12 existence of, or amounts of price reductions, in violation of California Civil Code § 1770(a)(13).

13           72.     Defendant violated California Civil Code §§ 1770(a)(9) and (a)(13) by representing  
14 that its JCF Products are worth and are ordinarily offered at higher fictitious "comparable value"  
15 prices, are of a "comparable value" to its JC products (which they are not), and/or that they are  
16 offered at fictitious "% off" sale prices.

17           73.     Plaintiffs and members of the California Subclass suffered injuries caused by  
18 Defendant's misrepresentations because (a) Plaintiffs and members of the California Subclass  
19 would not have purchased the Products on the same terms if they had known the true facts; (b)  
20 Plaintiffs and members of the California Subclass paid a price premium due to the mislabeling of  
21 Defendant's Products; and (c) Defendant's Products did not have the level of quality or value as  
22 promised.

23           74.     Prior to the filing of this Complaint, CLRA notice letters on behalf of each Plaintiff  
24 were served on Defendant. The notice letters comply in all respects with California Civil Code §  
25  
26  
27  
28



1 1782(a). On October 31, 2022, Plaintiff Calderon sent Defendant a letter via certified mail, return  
2 receipt requested, advising Defendant that they are in violation of the CLRA and must correct,  
3 repair, replace or otherwise rectify the goods alleged to be in violation § 1770. Plaintiff Babaeva  
4 sent a letter advising Defendant of same on November 21, 2022. Wherefore, Plaintiffs seek  
5 damages, restitution, and injunctive relief for this violation of the CLRA.  
6

7 **COUNT II**  
8 **Violation of False Advertising Law**  
9 **(“FAL”) Business & Professions Code §§ 17500, et seq.**

10 75. Plaintiffs and Class Members reallege and incorporate by reference each allegation  
11 set forth above as if fully set forth herein.

12 76. Plaintiffs bring this claim individually and on behalf of the members of the  
13 California Subclass against Defendant.

14 77. California’s FAL, (Bus. & Prof. Code §§ 17500, *et seq.*) makes it “unlawful for any  
15 person to make or disseminate or cause to be made or disseminated before the public in this  
16 state,...in any advertising device...or in any other manner or means whatever, including over the  
17 Internet, any statement, concerning...personal property or services, professional or otherwise, or  
18 performance or disposition thereof, which is untrue or misleading and which is known, or which by  
19 the exercise of reasonable care should be known, to be untrue or misleading.”

20 78. California’s FAL further provides that “no price shall be advertised as a former  
21 price of any advertised thing, unless the alleged former price was the prevailing market  
22 price...within three months next immediately preceding the publication of the advertisement or  
23 unless the date when the alleged former price did prevail is clearly, exactly, and conspicuously  
24 stated in the advertisement.” *See* Cal. Bus. & Prof. Code § 17501.

25 79. Defendant violated California’s FAL by representing that its JCF Products are worth  
26 and are ordinarily offered at a higher fictitious “comparable value” price, are of a “comparable  
27  
28

1 value” to its JC products (which they are not), and/or that they are offered at a fictitious “% off”  
2 sale price. Such advertised strikethrough, “% off,” and “comparable value” prices never reflected  
3 the prevailing market price of those Products and were materially greater than the true prevailing  
4 prices. Such a deceptive marketing practice misled consumers by creating a false impression that  
5 the Products were of a higher value and worth more than their actual worth.  
6

7 80. Defendant’s actions in violation of § 17500 were false and misleading such that the  
8 general public was likely to be deceived.

9 81. As a direct and proximate result of these acts, consumers have been and are being  
10 harmed. Plaintiffs and members of the California Subclass have suffered injury and actual out-of-  
11 pocket losses because: (a) Plaintiffs and members of the California Subclass would not have  
12 purchased the Products if they had known the true facts regarding the value and prevailing market  
13 price of the Products; (b) Plaintiffs and members of the California Subclass paid a price premium  
14 due to the misrepresentations about the Products; and (c) the Products did not have the promised  
15 quality or value.  
16

17 82. Plaintiffs bring this action pursuant to § 17535 for injunctive relief to enjoin the  
18 practices described herein and to require Defendant to issue corrective and disclosures to  
19 consumers. Plaintiffs and members of the California Subclass are therefore entitled to: (a) an order  
20 requiring Defendant to cease the acts of unfair competition alleged herein; (b) full restitution of all  
21 monies paid to Defendant as a result of its deceptive practices; (c) interest at the highest rate  
22 allowable by law; and (d) the payment of Plaintiffs’ attorneys’ fees and costs.  
23

24 **COUNT III**  
25 **Violation of Unfair Competition Law**  
26 **Business & Professions Code §§ 17200, et seq.**

27 83. Plaintiffs and Class Members reallege and incorporate by reference each allegation  
28 set forth above as if fully set forth herein.

1           84. Plaintiffs bring this claim individually and on behalf of the members of the  
2 California Subclass against Defendant.

3           85. Defendant is subject to the UCL, Bus. & Prof. Code § 17200 *et seq.* The UCL  
4 provides, in pertinent part: “Unfair competition shall mean and include unlawful, unfair or  
5 fraudulent business practices and unfair, deceptive, untrue or misleading advertising...” The UCL  
6 also provides for injunctive relief and restitution for violations.  
7

8           86. “By proscribing any unlawful business practice, § 17200 borrows violations of other  
9 laws and treats them as unlawful practices that the UCL makes independently actionable.” *Cel-*  
10 *Tech Communications, Inc. v. Los Angeles Cellular Telephone Co.*, 20 Cal. 4th 163, 180 (1999)  
11 (citations and internal quotation marks omitted).

12           87. Virtually any law or regulation—federal or state, statutory, or common law—can  
13 serve as a predicate for a UCL “unlawful” violation. *Klein v. Chevron U.S.A., Inc.*, 202 Cal. App.  
14 4th 1342, 1383 (2012).  
15

16           88. Defendant has violated the UCL’s “unlawful prong” as a result of its violations of  
17 the CLRA, FAL, and federal regulations as described herein.

18           89. Throughout the Class Period, Defendant committed acts of unfair competition, as  
19 defined by § 17200, by representing that its JCF Products are worth and are ordinarily offered at a  
20 higher fictitious “comparable value” price, are of a “comparable value” to its JC products (which  
21 they are not), and/or that they are offered at a fictitious “% off” sale price. Such advertised  
22 strikethrough, “% off,” and “compare” prices never reflected the prevailing market price of those  
23 Products and were materially greater than the true prevailing prices. Such a deceptive marketing  
24 practice misled consumers by creating a false impression that the Products were of a higher value  
25 and worth more than their actual worth.  
26  
27  
28

1           90. As detailed above, the CLRA prohibits a business from “[a]dvertising goods or  
2 services with intent to not sell them as advertised.” Cal. Civ. Code § 1770(a)(9).

3           91. Further, the CLRA prohibits a business from “[m]aking false or misleading  
4 statements of fact concerning reasons for, existence of, or amounts of price reductions.” Cal. Civ.  
5 Code § 1770(a)(13).  
6

7           92. California law also expressly prohibits false reference price schemes. Specifically,  
8 the FAL provides:

9                         For the purpose of this article the worth or value of any thing  
10                         advertised is the prevailing market price, wholesale if the offer is at  
11                         wholesale, retail if the offer is at retail, at the time of publication of  
12                         such advertisement in the locality wherein the advertisement is  
13                         published.

14           Bus. & Prof. Code § 17501.

15           93. Federal regulations also provide:

16                         A closely related form of bargain advertising is to offer a reduction  
17                         from the prices being charged either by the advertiser or by others in  
18                         the advertiser’s trade area **for merchandise of like grade and  
19                         quality – in other words, comparable or competing merchandise  
20                         – to that being advertised.** Such advertising can serve a useful and  
21                         legitimate purpose when it is made clear to the consumer that a  
22                         comparison is being made with other merchandise and **the other  
23                         merchandise is, in fact, of essentially similar quality and  
24                         obtainable in the area.**

25           16 CFR § 233.2(c) (emphasis added).

26           94. As described herein, the alleged acts and practices resulted in violations of federal  
27 and state law.

28           95. Defendant’s misrepresentations and other conduct, described herein, violated the  
“unfair prong” of the UCL because the conduct is substantially injurious to consumers, offends  
public policy, and is immoral, unethical, oppressive, and unscrupulous, as the gravity of the  
conduct outweighs any alleged benefits. Defendant’s conduct is unfair in that the harm to Plaintiffs

1 and members of the California Subclass arising from Defendant’s conduct outweighs the utility, if  
2 any, of those practices.

3 96. Defendant’s practices as described herein are of no benefit to consumers, who are  
4 tricked into believing that the Products are of a higher grade, quality, worth, and/or value than they  
5 actually are. Defendant’s practice of injecting misinformation into the marketplace about the value  
6 of its Products is unethical and unscrupulous, especially because consumers trust companies like  
7 Defendant to provide accurate information about their Products. Taking advantage of that trust,  
8 Defendant misrepresents the value of its Products to increase its sales. Consumers reasonably  
9 believe that Defendant is an authority on the value of clothing and therefore reasonably believe  
10 Defendant’s representations that its Products are of a higher grade, quality, worth, and/or value  
11 than they actually are.  
12

13 97. Defendant’s conduct described herein violated the “fraudulent” prong of the UCL  
14 by representing that the Products were of a higher grade, quality, worth, and/or value, when in fact  
15 they were not.  
16

17 98. Plaintiffs and members of the California Subclass are not sophisticated experts with  
18 independent knowledge of the value of clothing, and they acted reasonably when they purchased  
19 the Products based on their belief that Defendant’s representations were true.  
20

21 99. Defendant knew or should have known, through the exercise of reasonable care, that  
22 its representations about the Products were untrue and misleading.

23 100. As a direct and proximate result of these acts, consumers have been and are being  
24 harmed. Plaintiffs and members of the California Subclass are entitled to preliminary and  
25 injunctive relief, as well as disgorgement and restitution of all revenues wrongfully obtained as a  
26 result of Defendant’s unfair competition, or such portion of those revenues as the Court may find  
27 equitable.  
28

**COUNT IV**  
**Fraud**

1  
2  
3 101. Plaintiffs and Class Members reallege and incorporate by reference each allegation  
4 set forth above as if fully set forth herein.

5 102. Plaintiffs bring this claim individually and on behalf of the members of the Class  
6 and California Subclass against Defendant.

7 103. As discussed above, Defendant failed to disclose material facts about its sales  
8 practices, including that its “sale” prices were the normal prices at which the Products were  
9 typically sold, that its “comparable value,” “% off,” and strikethrough prices were fictitious, and  
10 that these deceptive sales practices operated solely for the purpose of inducing consumers to make  
11 purchases they otherwise would not have made.  
12

13 104. These omissions made by Defendant, as described above, upon which Plaintiffs and  
14 members of the Class and California Subclass reasonably and justifiably relied, were intended to  
15 and actually did induce Plaintiffs and members of the Class and California Subclass to purchase the  
16 Products.  
17

18 105. The fraudulent actions of Defendant caused damage to Plaintiffs and members of  
19 the Class and California Subclass, who are entitled to damages and other legal and equitable relief  
20 as a result.

21  
22 **COUNT V**  
**Unjust Enrichment or Restitution**  
**(In the Alternative)**

23 106. Plaintiffs and Class Members reallege and incorporate by reference each allegation  
24 set forth above as if fully set forth herein.

25 107. Plaintiffs bring this claim individually and on behalf of the members of the Class  
26 and California Subclass against Defendant.  
27  
28



1           108. “Although there are numerous permutations of the elements of the unjust  
2 enrichment cause of action in the various states, there are few real differences. In all states, the  
3 focus of an unjust enrichment claim is whether the defendant was unjustly enriched. At the core of  
4 each state’s law are two fundamental elements – the defendant received a benefit from the plaintiff  
5 and it would be inequitable for the defendant to retain that benefit without compensating the  
6 plaintiff. The focus of the inquiry is the same in each state.” *In re Mercedes-Benz Tele Aid*  
7 *Contract Litig.*, 257 F.R.D. 46, 58 (D.N.J. Apr. 24, 2009), quoting *Powers v. Lycoming Engines*,  
8 245 F.R.D. 226, 231 (E.D. Pa. 2007).  
9

10           109. Plaintiffs and members of the Class and California Subclass conferred a benefit on  
11 Defendant by purchasing the Products and by paying a price premium for them.  
12

13           110. Defendant has knowledge of such benefits.

14           111. Defendant has been unjustly enriched in retaining the revenues derived from Class  
15 members’ purchases of the Products, which retention under these circumstances is unjust and  
16 inequitable because it misrepresents that its JCF Products are worth and are ordinarily offered at a  
17 higher fictitious “comparable value” price, are of a “comparable value” to its JC products (which  
18 they are not), and/or that they are offered at a fictitious “% off” sale price. Such advertised  
19 strikethrough, “% off,” and “compare” prices never reflected the prevailing market price of those  
20 Products and were materially greater than the true prevailing prices. Such a deceptive and unjust  
21 marketing practice misled consumers by creating a false impression that the Products were of a  
22 higher value and worth more than their actual worth.  
23

24           112. These misrepresentations caused injuries to Plaintiffs and Class and Subclass  
25 Members because they would not have purchased the Products if the true facts regarding the value  
26 of the Products were known.  
27  
28



1 Dated: January 10, 2023

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# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [J. Crew Hit with Class Action Over Alleged Use of False Reference Prices](#)

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