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 8

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

11 JEFFREY JACOBS, on behalf of
 himself and all others similarly situated,

12 Plaintiff,

13 v.

14 LA-Z-BOY INCORPORATED, a
 15 Michigan corporation, and DOES 1-50,
 inclusive,

16 Defendants.
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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’s Consumers Legal Remedies Act (“CLRA”)**
CAL. CIV. CODE § 1750, et seq.

[DEMAND FOR JURY TRIAL]

1 Plaintiff Jeffrey Jacobs (“Plaintiff”) brings this action, on behalf of himself
2 and all others similarly situated, against Defendant La-Z-Boy Incorporated
3 (“Defendant”), and states:

4 IV. NATURE OF ACTION

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

17 2. Prices reflect a perceived value to consumers.¹ False advertising of
18 prices can be used to manipulate consumers’ value perception of products and cause
19 consumers to overpay for them. Aware of the intertwined connection between
20 consumers’ buying decision processes and price, retailers like Defendant lure
21 consumers with advertised discounts that promise huge savings and high value. But
22 the promised savings are false, and the product’s value reflected in its price is
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25 ¹ Dhruv Grewal & Larry D. Compeau, *Comparative Price Advertising: Informative*
26 *or Deceptive?*, 11 J. PUB. POL’Y & MKTG. 52, 55 (1992) (“[P]rice is materially
27 utilized in the formation of perceptions of the product’s value and influences the
28 decision to purchase the product or to continue to search for a lower price.”);
Patrick J. Kaufmann et al., *Deception in Retailer High-Low Pricing: A “Rule of
Reason” Approach*, 70 J. RETAILING 115, 118 (1994) (“[R]eference to a retailer’s
normal or regular price in retail sale price advertising provides the consumer with
information used to determine perceived value”).

1 incorrect when the retailer advertises discounts off of some higher, made-up, and
2 artificially inflated “original” price that no one ever pays.

3 3. At all relevant times, Defendant has continually advertised and sold
4 falsely discounted furniture and home décor products through its e-commerce retail
5 channel, joybird.com, and in its Joybird retail showrooms. Defendant “own[s]
6 Joybird, a leading e-commerce retailer and manufacturer of upholstered furniture.”
7 La-Z-Boy Inc., Annual Report (Form 10-K), at 12 (Jun. 20, 2023).² “Joybird sells
8 product[s] almost exclusively online, where there is significant competition for
9 customer attention among online and direct-to-consumer brands.” *Id.*³ In bringing
10 this putative class action complaint, Plaintiff seeks to remedy this deception and its
11 attendant harm to consumers. Plaintiff seeks monetary damages, restitution, and
12 declaratory and injunctive relief from Defendant arising from its false discounting
13 scheme on furniture and home décor items sold on joybird.com and its limited
14 Joybird retail showrooms.

15 4. False reference pricing occurs when a seller fabricates a false “original”
16 price for a product and then offers that product at a substantially lower price under
17 the guise of a discount. The resulting artificial price disparity misleads consumers
18 into believing the product they are buying has a higher market value, and it induces
19 them into purchasing the product. This practice artificially inflates the market price
20 for these products by raising consumers’ internal reference price and in turn the
21 perceived value consumers ascribe to these products (i.e., demand).⁴ Consequently,
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23 ² <https://www.sec.gov/Archives/edgar/data/57131/000005713123000032/lzb-20230429.htm>

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

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

1 false reference pricing schemes enable retailers, like Defendant, to sell products
2 above their true market price and value, leaving consumers to pay the inflated price
3 regardless of what they thought of the purported discount. Consumers are thus
4 damaged not only by not receiving the promised discount, but by paying a premium
5 the products would not have commanded but for the false reference pricing scheme.

6 5. The following example of a hypothetical DVD seller, which parallels
7 Defendant's practice, illustrates how false reference pricing schemes harm
8 consumers: the DVD seller knows it can sell a particular DVD at \$5.00, which
9 represents both the market price and the price at which the seller could regularly
10 offer the DVD and make a profit. Instead, however, the seller creates a fake
11 "original" price for the DVD of \$100.00 and advertises the DVD as "on sale" at 90%
12 off, creating a (fake) "sale" price of \$10.00. Consumers purchasing the DVD for
13 \$10.00 assume they got a "good deal" since the DVD was previously sold—i.e.,
14 valued by others in the market—at an "original" price of \$100.00, and presumably
15 would be again soon.

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

3 7. Through its false and misleading marketing, advertising, and pricing
4 scheme alleged herein, Defendant violated, and continues to violate, California and
5 federal law. Specifically, Defendant violated and continues to violate: California’s
6 Unfair Competition Law, Cal. Bus. & Prof. Code §§ 17200, *et seq.* (the “UCL”);
7 California’s False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, *et seq.* (the
8 “FAL”); California’s Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, *et*
9 *seq* (the “CLRA”); and the Federal Trade Commission (“FTC”) Act (“FTCA”),
10 which prohibits “unfair or deceptive acts or practices in or affecting commerce” (15
11 U.S.C. § 45(a)(1)) and false advertisements (15 U.S.C. § 52(a)).

12 8. Plaintiff brings this action on behalf of himself and other similarly
13 situated consumers who have purchased one or more of Defendant’s Joybird items
14 advertised at a purported discount from a fictitious higher reference price from
15 joybird.com and through Joybird retail showroom stores in California. Plaintiff
16 intends to halt the dissemination and perpetuation of this false, misleading, and
17 deceptive pricing scheme, to correct the false and harmful perception it has created
18 in the minds of consumers, and to obtain redress for those who overpaid for
19 merchandise tainted by this deceptive pricing scheme. Plaintiff also seeks to
20 permanently enjoin Defendant from engaging in this unlawful conduct. Further,
21 Plaintiff seeks to obtain all applicable damages, including actual, benefit of the
22 bargain, statutory, and punitive damages, restitution, reasonable costs and attorney’s
23 fees, and other appropriate relief in the amount by which Defendant was unjustly
24 enriched as a result of its sales of merchandise offered a false discount.

25 V. JURISDICTION AND VENUE

26 9. This Court has original jurisdiction over the subject matter of this action
27 pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d)(2). The matter in
28 controversy, exclusive of interest and costs, exceeds the sum or value of \$5,000,000

1 and Plaintiff, and at least some members of the proposed Class (defined below), have
2 a different state citizenship from Defendant.

3 10. The Central District of California has personal jurisdiction over
4 Defendant because Defendant is a corporation or other business entity which does
5 conduct business in the State of California, has sufficient minimum contacts in
6 California, and otherwise intentionally avails itself to the California market through
7 the operation of the joybird.com a and Joybird retail showroom stores within the
8 State of California.

9 11. Venue is proper under 28 U.S.C. § 1391(b)(2) because Defendant
10 transacts substantial business in this District; a substantial part of the events giving
11 rise to Plaintiff’s claims arose in this District; and Defendant’s misconduct alleged
12 herein occurred in this District.

13 VI. GENERAL ALLEGATIONS

14 A. Retailers Benefit from False Reference Pricing Schemes.

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

18 13. As mentioned above, retailers like Defendant can benefit substantially
19 from false discounting schemes because “framing a price increase as a discount can
20 not only allow the firm to get *higher margins*, but also *increase sales*.” Staelin et
21 al., *supra*, at 835 (emphasis added). This is because consumers use advertised
22 reference prices to make purchase decisions, particularly when the information
23 available to consumers can vary among different types of products.⁵ Most often, as
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25 ⁵ Even within a product, consumers may have imperfect information on the
26 individual attributes. Economists describe “search goods” as those whose attributes
27 “can be ascertained in the search process prior to purchase” (e.g., style of a shirt),
28 “experience goods” as those whose attributes “can be discovered only after purchase
as the product is used” (e.g., longevity of a shirt), and “credence goods” as those
whose attributes “cannot be evaluated in normal use” (e.g., whether the shirt’s cotton
was produced using organic farming methods). Michael R. Darby, & Edi Karni. *Free*

1 with retail clothing, consumers lack full information about the products and, as a
2 result, often use information from sellers to make purchase decisions.⁶

3 14. Defendant's deceptive advertised reference prices are thus incorporated
4 into consumers' decision process. First, a product's "price is also used as an indicator
5 of product quality."⁷ In other words, consumers view Defendant's deceptive
6 advertised reference prices as a proxy for product quality. Second, reference prices
7 "appeal[] to consumers' desire for bargains or deals."⁸ Academic researchers note
8 how consumers "sometimes expend more time and energy to get a discount than
9 seems reasonable given the financial gain involved," and "often derive more
10 satisfaction from finding a sale price than might be expected on the basis of the
11 amount of money they actually save."⁹ Under this concept, coined as "transaction
12 utility" by Nobel Prize-winning economist Richard Thaler, consumers place value
13 on the psychological experience of obtaining a product at a perceived bargain.¹⁰
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15 *Competition and the Optimal Amount of Fraud*, J. LAW & ECONOMICS 16 no. 1
(1973): 67-88, at 68-69.

16 ⁶ "Not only do consumers lack full information about the prices of goods, but their
17 information is probably even poorer about the quality variation of products simply
18 because the latter information is more difficult to obtain". Phillip Nelson.
Information and Consumer Behavior. J. POLITICAL ECONOMY 78, no. 2 (1970): 311-
29, at 311-12.

19 ⁷ Dhruv Grewal & Larry D. Compeau. *Comparative Price Advertising: Informative*
20 *or Deceptive?*, J.PUBLIC POLICY & MARKETING (1992): 52-62, at 54; *see also*
21 Richard Thaler. *Mental Accounting and Consumer Choice*. MARKETING SCIENCE 4,
22 no. 3 (1985): 199-214, p. 212 ("The [reference price] will be more successful as a
reference price the less often the good is purchased. The [reference price] is most
likely to serve as a proxy for quality when the consumer has trouble determining
quality in other ways (such as by inspection)").

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

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

25 ¹⁰ "To incorporate ... the psychology of buying into the model, two kinds of utility
26 are postulated: *acquisition utility* and *transaction utility*. The former depends on the
27 value of the good received compared to the outlay, the latter depends solely on the
28 perceived merits of the 'deal.'" Richard Thaler. *Mental Accounting and Consumer*
Choice. MKTG SCI. 4, no. 3 (1985): 199-214, at 205; *The Sveriges Riksbank Prize in*
Economic Sciences in Memory of Alfred Nobel 2017, THE NOBEL PRIZE (Oct. 9,
2017), <https://www.nobelprize.org/prizes/economic-sciences/2017/press-release/>

1 15. Research in marketing and economics has long recognized that
2 consumer demand can be influenced by “internal” and “external” reference prices.¹¹
3 Internal reference prices are “prices stored in memory” (e.g., a consumer’s price
4 expectations adapted from past experience) while external reference prices are
5 “provided by observed stimuli in the purchase environment” (e.g., a “suggested retail
6 price,” or other comparative sale price).¹² Researchers report that consumer’s
7 internal reference prices adjust toward external reference prices when valuing a
8 product.¹³ For infrequently purchased products, external reference prices can be
9 particularly influential because these consumers have little or no prior internal
10 reference.¹⁴ In other words, “[t]he deceptive potential of such advertised reference
11 prices are likely to be considerably higher for buyers with less experience or
12 knowledge of the product and product category.”¹⁵ Academic literature further

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17 (“Richard Thaler’s contributions have built a bridge between the economic and
psychological analyses of individual decision-making.”).

18 ¹¹ Empirical results “suggest that internal reference prices are a significant factor in
purchase decisions. The results also add empirical evidence that external reference
19 prices significantly enter the brand-choice decision.” Glenn E. Mayhew & Russell S.
Winer. *An Empirical Analysis of Internal and External Reference Prices using
Scanner Data*, J. OF CONSUMER RESEARCH 19, no. 1 (1992): 62-70, at 68.

20 ¹² Glenn E. Mayhew & Russell S. Winer. *An Empirical Analysis of Internal and
External Reference Prices using Scanner Data*. J. CONSUMER RESEARCH 19, no. 1
21 (1992): 62-70, at 62.

22 ¹³ “Buyers’ internal reference prices adapt to the stimuli prices presented in the
advertisement. That is, buyers either adjust their internal reference price or accept
23 the advertised reference price to make judgments about the product’s value and the
value of the deal.” Dhruv Grewal, Kent B. Monroe & Ramayya Krishnan. *The
24 Effects of Price-Comparison Advertising on Buyers’ Perceptions of Acquisition
Value, Transaction Value, and Behavioral Intentions*. J. OF MARKETING 62 (1998):
25 46-59, at 48.

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

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

1 reports that “there is ample evidence that consumers use reference prices in making
2 brand choices”¹⁶ and publications have summarized the empirical data as follows:

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

11 16. In *Regulation of Fictitious Pricing*, published last year, authors Richard
12 Staelin, a Duke marketing professor since 1982, Joel Urbany, a Notre Dame
13 marketing professor since 1999, and Donald Ngwe, a senior principal economist for
14 Microsoft and former marketing professor for Harvard, built on their prior analytic
15 work to explain the effects of false reference pricing schemes and why their use has
16 not dissipated as previously expected by the FTC, but rather have become more
17 prevalent in the absence of FTC regulation. Importantly, this new study cites and
18 confirms many of the same older consumer studies cited above¹⁸ and notes that the
19 findings of these “older” studies are still widely accepted relevant principles in the
20 economic discipline. *See id.*

21 17. Additionally, Staelin, in *Regulation of Fictitious Pricing*, explains how
22 the modern development of consumer search behavior and options available to

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

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

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

1 consumers (e.g., smartphones, online shopping) has actually *spread* the presence of
2 fictitious reference pricing, not extinguished it.¹⁹ According to Staelin and his co-
3 authors “disclosure of the true normal price charged may be the only solution that
4 could plausibly influence both consumer and firm behavior.” *Id.* at 826; *see also id.*
5 at 831 (“Identical firms, selling identical products, make positive profits because of
6 their obfuscation strategy, and the likelihood of obfuscation grows as competition
7 intensifies.”).

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

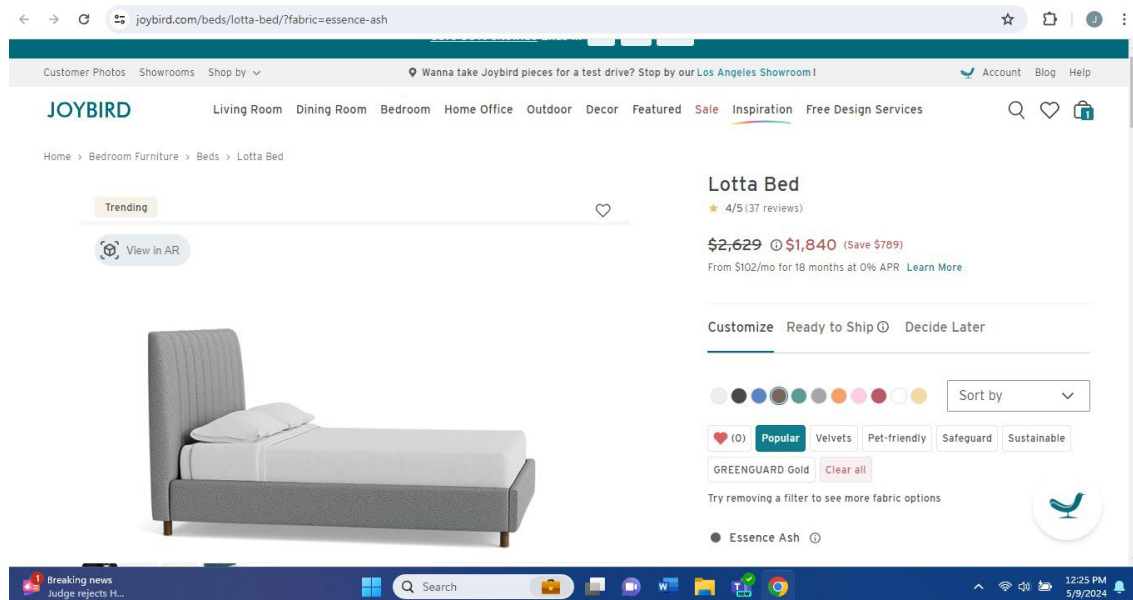
17 **B. Defendant Engages in a Fraudulent Price Discounting Scheme.**

18 19. Defendant engages in a fake discounting scheme that harms consumers
19 by advertising upholstered furniture goods and related products on joybird.com and
20 in its retail showrooms with false “original” and discounted “sale” prices. For
21 instance, its listing pages²⁰ depict rows of items including a photo of the item above
22 a struck-through original price in black font next to a “sale” price in red font (e.g.,
23 \$2,629 \$1,840). The individual product pages include the same “original” price in
24 black font with a strikethrough on it next to a “sale” price in red. However, the
25 product page also includes a “Save \$__” amount in red font next to the phony “sale”
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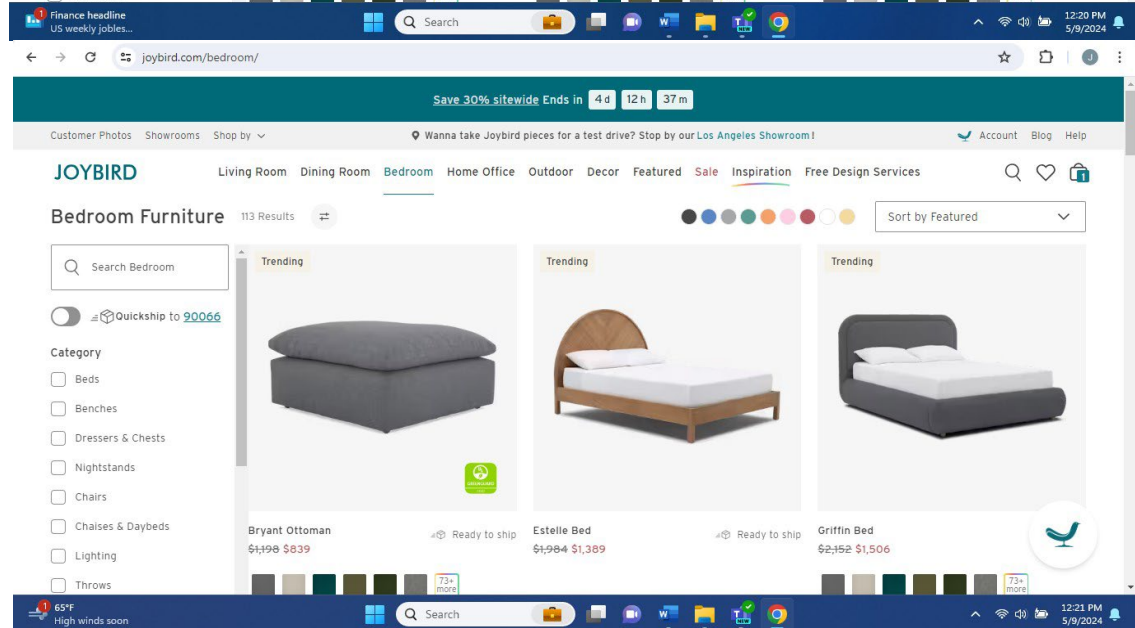
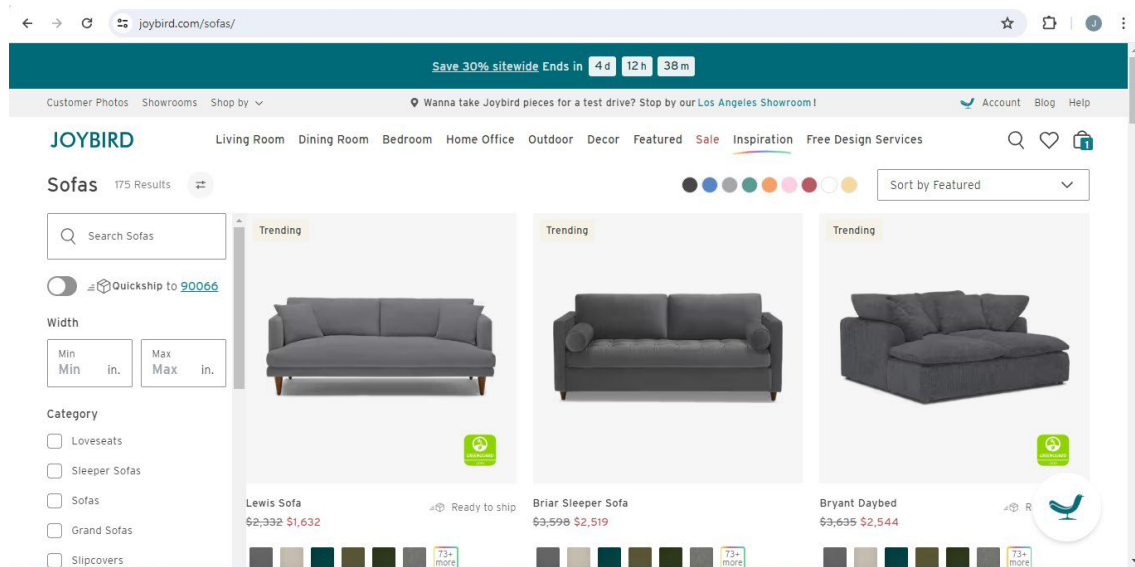
27 ¹⁹ Staelin et al., *supra*, at 826. (explaining how the study “develop(s) a descriptive
28 model explaining why fictitious reference pricing has spread instead of being
extinguished by competition.”).

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

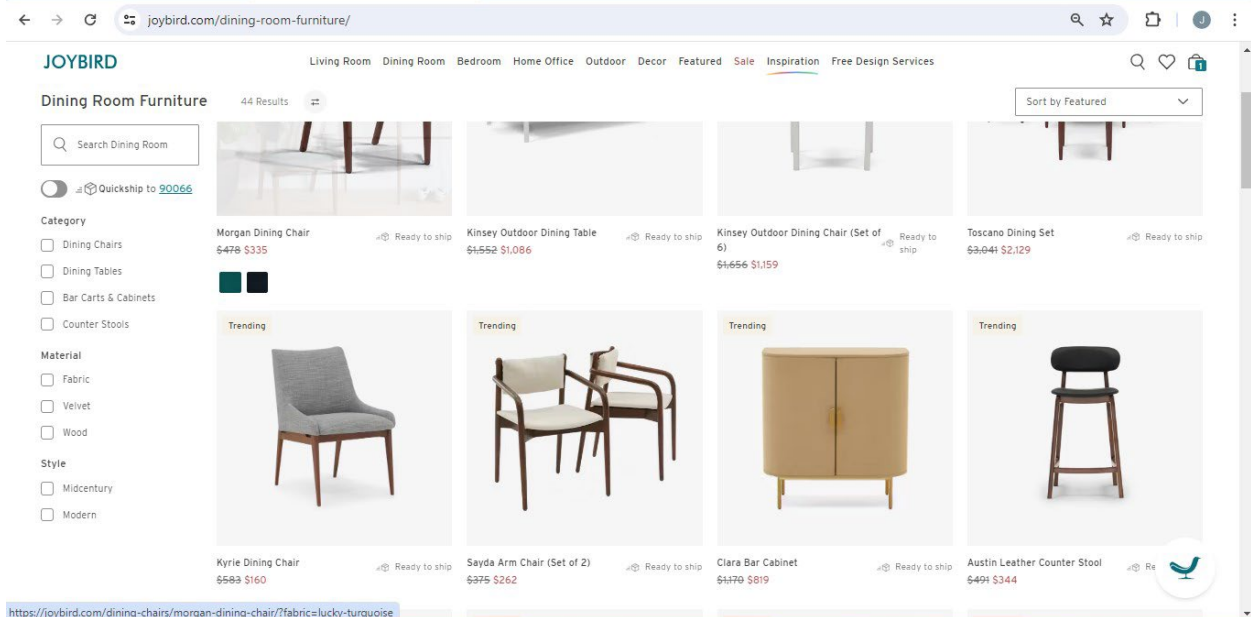
1 price, which represents the difference between the false reference and sale prices.
 2 E.g., (Save \$789). The appearance of the “Save \$___” amount and “sale” price in
 3 red font communicates the urgency with which consumers need to act if they wish
 4 to take advantage of the “savings.” In truth,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



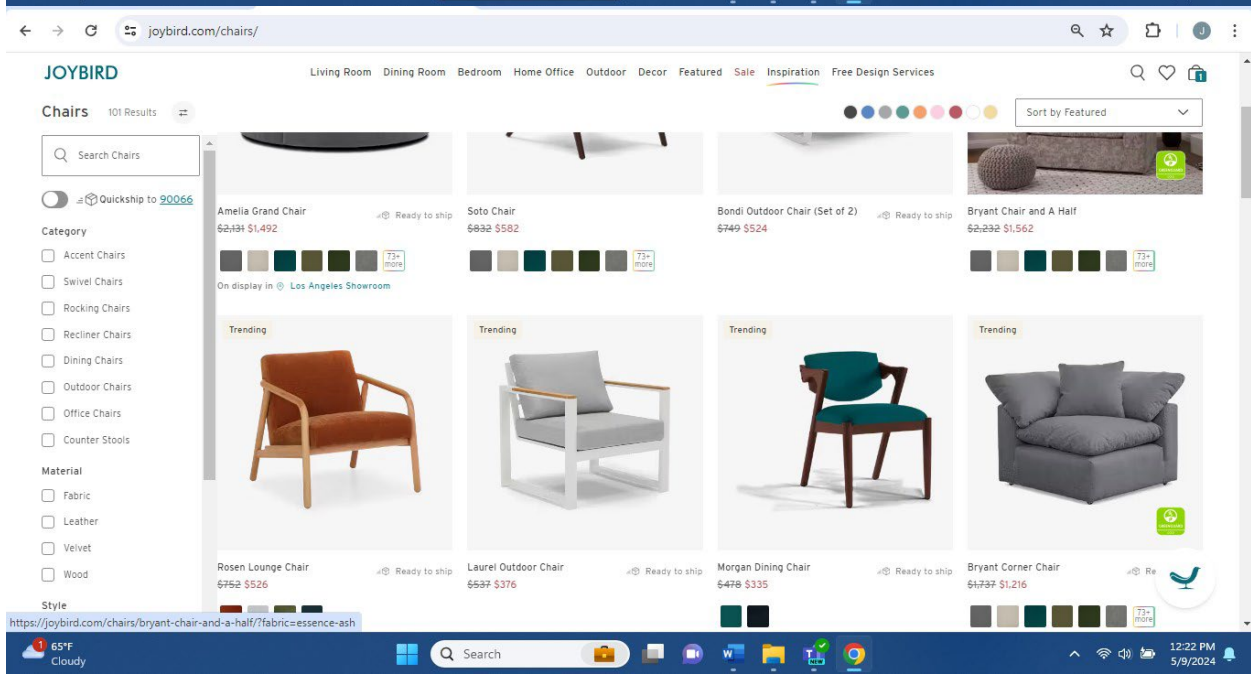
25 ²¹ Attached hereto as Exhibit A are numerous snapshots from joybird.com depicting
 26 falsely discounted merchandise. Attached as Exhibit B are numerous snapshots of
 27 the website acquired from the Wayback Machine (“WBM”). WBM (accessible at
 28 <https://wayback-api.archive.org/>) is a well-regarded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



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https://joybird.com/dining-chairs/morgan-dining-chair/?fabric=lucky-turquoise



https://joybird.com/chairs/bryant-chair-and-a-half/?fabric=essence-ash

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

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

8 21. Further, both channels consist of *exclusive* products that are not sold in
9 La-Z-Boy or other furniture stores.²² According to Defendant’s 2023 10-K, “Joybird
10 sells product almost exclusively online, where there is significant competition for
11 customer attention among online and direct-to-consumer brands.” La-Z-Boy Inc.,
12 Annual Report (Form 10-K), at 12 (Jun. 20, 2023). The only remaining market are
13 the “limited” “proprietary retail showroom floor space including ten small-format
14 stores in key urban markets.” *Id.* at 5, 22. The showrooms advertise perpetual
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16 ²² See *Sperling v. Stein Mart, Inc.*, 291 F. Supp. 3d 1076, 1084 (C.D. Cal. 2018) (“In
17 exclusive product cases, a store, often an outlet store, sells a lower-price, different
18 version of a product sold in a traditional retail store. The outlet uses the price of the
19 product made for the retail store as a comparative reference price on price tags.
20 However, the actual product being sold in the outlet is made exclusively for the outlet
21 and is never sold for the comparative reference price at a traditional retail store. In
22 those cases, courts generally find that a plaintiff can proceed with his or her
23 claims.”); *Branca v. Nordstrom, Inc.*, No. 14cv2062-MMA, 2015 WL 10436858,
24 at *7–8 (S.D. Cal. Oct. 9, 2015) (denying a motion to dismiss where the plaintiff
25 alleged that items at Nordstrom Rack were compared to full-price products sold at
26 Nordstrom retailers and that “the items were never sold elsewhere for any other price
27 besides the Nordstrom Rack retail price”); *Stathakos v. Columbia Sportswear Co.*,
28 No. 15-cv-04543-YGR, 2017 WL 1957063, at *8 (N.D. Cal. May 11, 2017)
(denying a motion for summary judgment in part where the plaintiffs asserted
evidence that the defendant sold products exclusively made for its outlet stores but
compared their prices to products sold in full retail stores); *Rubenstein v. Neiman
Marcus Grp. LLC*, 687 F.App’x 564, 567 (9th Cir. 2017) (reversing dismissal where
the plaintiff alleged that Neiman Marcus Last Call used reference prices to products
sold at Neiman Marcus retail stores even though the products were made exclusively
for Neiman Marcus Last Call). Even assuming *arguendo* that other markets exist,
this point is immaterial because Plaintiff has pled a violation of the FTCA, which is
retailer-specific in proscribing false former prices, and the Ninth Circuit has
unequivocally held the FTCA may serve as a predicate violation for a UCL claim.
Rubenstein, 687 F.App’x at 567 (“allegations of a [FTCA guideline] violation ... are
sufficient to state a claim under the UCL.”).

1 discounts in multiple locations throughout the store, including near floor models
2 (e.g., “40% Off”, “up to 50% off entire store”).

3 22. Thus, Defendant is not offering a “discount” from their own or any
4 competitor’s retail prices because the Joybird products are not sold in any other
5 relevant market (or *any* market).²³ Accordingly, there is no regular or market price
6 for the Joybird products offered for sale at joybird.com or its retail showrooms other
7 than the price set by Defendant in those retail channels. But both joybird.com and
8 its retail showrooms rarely, if ever, offer or sell the products at the “original” prices.
9 Those prices are used solely as a benchmark to induce consumers to make purchases
10 and spend more under the reasonable, but incorrect, belief that the merchandise was
11 once sold at the reference price when, in reality, the products remain forever
12 “discounted.”

13 23. Even if Defendant did occasionally offer its Joybird furniture and home
14 décor products at their full reference price (which it does not), that offering would
15 do little to legitimize Defendant’s practice. This is because, for the advertised former
16 price to be “actual, bona fide” and “legitimate” it must be the “price at which the
17

18 ²³ Moreover, this case does not involve “Compare At” pricing representations, in
19 which a defendant could plausibly assert that its advertised reference prices did not
20 represent former prices but those of competitors. *See, e.g., Branca*, No. 14CV2062-
21 MMA (JMA), 2015 WL 10436858, at *1. Here, Defendant’s exclusive products all
22 bear the same strike-through font discount method indicating a former price. Based
23 on this pricing model, consumers have no reason to suspect that the stricken prices
24 are anything but Defendant’s former prices, not a comparison to a competitor’s
25 prices or even other La-Z-Boy furniture products. Thus, they have no motivation to
26 look elsewhere. *See Marino v. Coach, Inc.*, 264 F. Supp. 3d 558, 570 (S.D.N.Y.
27 2017) (“The Court also finds that Marino has plausibly alleged that the
28 [Manufacturer’s Suggested Retail Price or] MFSRPs are misleading. [Coach argued]
a reasonable consumer could not be misled into believing the MFSRPs are former
prices. In support of this argument, Coach notes that disclaimers in its stores explain
that MFSRPs are intended to be indicators of ‘Value.’ Whether, in the face of such
disclaimers, a reasonable consumer could nonetheless believe that the MFSRPs are
former prices is an issue of fact to be resolved at a later stage of this litigation.”);
Vizcarra v. Michaels Stores, Inc., No. 23-cv-00468-PCP, ___ F. Supp. 3d ___, 2024
WL 64747, at *4 (N.D. Cal. Jan. 5, 2024) (“A reasonable consumer does not need
language such as, ‘Formerly \$9.99, Now 40% Off \$9.99,’ or ‘40% Off the Former
Price of \$9.99,’ to reasonably understand ‘40% off’ to mean 40% off the former
price of the product.”) (quoting *Knapp v. Art.com, Inc.*, No. 16-CV-00768-WHO,
2016 WL 3268995, at *4 (N.D. Cal. June 15, 2016)).

1 article was offered to the public *on a regular basis for a reasonably substantial*
2 *period of time.*” 16 C.F.R. § 233.1(a) (emphasis added). Nor would such rare
3 offerings constitute the “prevailing market price” within the “three months next
4 immediately preceding the publication of the advertisement,” as is required by the
5 FAL, Cal. Bus. & Prof. Code § 17501, “unless the date when the alleged former
6 price did prevail is clearly, exactly and conspicuously stated in the advertisement[,]”
7 which Defendant also fails to do on *all* advertisements. Rather, the advertised
8 reference prices on Joybird products are *not* the price at which Defendant regularly
9 (or ever) sells, or expects to regularly sell, the products; they are merely a basis for
10 misleading consumers into believing they are receiving a substantial discount.

11 24. In sum, Defendant’s fake discount scheme is intended to increase sales
12 while depriving consumers of the benefit of their bargain.²⁴ Indeed, this conduct
13 deprives consumers of a fair opportunity to fully evaluate the offers and to make
14 purchase decisions based on accurate information. Nowhere on joybird.com or in its
15 retail showrooms does Defendant disclose that the “original” reference prices are **not**:
16 (1) actual, bona fide former prices; (2) recent, regularly offered former prices; or
17 (3) prices at which identical products are regularly sold elsewhere in the market. Nor
18 does Defendant disclose any date on which the “original” prices last prevailed in the
19 market. The omission of these material disclosures, coupled with Defendant’s use of
20 fake reference and sale prices, renders Defendant’s Joybird pricing scheme inherently
21 misleading to reasonable consumers, like Plaintiff,²⁵ who have no way meaningful
22

23 ²⁴ Staelin *et al.*, *supra*, at 826 (“It is now well accepted that many consumers get
24 extra utility, beyond that associated with consuming a product, from purchasing it
on deal [] and that the magnitude of this utility is a function of the size of the deal.”).

25 ²⁵ Claims brought pursuant to the CLRA, UCL, and FAL are all “governed by the
26 ‘reasonable consumer’ test.” *Williams v. Gerber Prods. Co.*, 552 F.3d 934, 938 (9th
27 Cir. 2008). “Where, as here, the reasonable consumer test applies to plaintiff’s
28 underlying [false discount pricing] claims, it is a ‘rare situation in which granting a
motion to dismiss is appropriate.’” *Rubenstein*, 687 F.App’x. at 566 (citing *Williams*,
552 F.3d at 939). Numerous courts analyzing allegations of false discount pricing
have likewise held that the “reasonable consumer” challenges are inappropriate on
the pleadings. *See, e.g., Inga v. Bellacor.com, Inc.*, No. 219CV10406MWFMRW,

1 way of discerning that Defendant's pricing representations are deceptive without
2 substantial, time-consuming, and costly investigation before *every* purchase.

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

5 25. A product's reference price matters because it serves as a baseline upon
6 which consumers perceive its value.²⁶ Empirical studies "suggest that consumers are
7 likely to be misled into a willingness to pay a higher price for a product simply
8 because the product has a higher reference price."²⁷ Consumers are misled and
9 incorrectly overvalue Defendant's Joybird furniture products as a result of the false
10 price comparisons. The products' actual sales prices, therefore, reflect consumers'
11 overvaluation of them, which in turn permits Defendant to command inflated prices
12 for them beyond what the market would otherwise allow. As discussed above,
13 academic researchers have documented the relationship between reference prices
14 and consumer behavior, as well as the resulting harm from *false* reference prices:

15 [A]dvertised reference prices in these deal-oriented advertisements can
16 enhance buyers' internal reference prices These enhanced internal
17 reference prices, when compared with the lower selling price, result in
18 higher transaction value perceptions. The increase in perceived
19 transaction value enhances purchases and reduces search behavior for
20 lower prices. If sellers intentionally increase the advertised reference
21 prices above normal retail prices, this is, inflate advertised reference
22 prices, the resulting inflated perceptions of transaction value would be
23 deceptive. Harm to both buyers and competitors could result from the

22 2020 WL 5769080, at *3 (C.D. Cal. July 17, 2020) (citing *Williams*, 552 F.3d
23 at 939); *Chester v. TJX Companies, Inc.*, No. 515CV01437ODWDTB, 2016 WL
24 4414768, at *10 (C.D. Cal. Aug. 18, 2016); *Horosny v. Burlington Coat Factory of*
25 *CA, LLC*, No. 15-cv-5005, 2015 WL 12532178, at *4 (C.D. Cal. Oct. 26, 2015).

26 ²⁶ Richard Thaler, *Mental Accounting and Consumer Choice*, MKTG SCIENCE 4, no. 3
27 (1985): 199-214, at 212.

28 ²⁷ Jerry B. Gotlieb & Cyndy T. Fitzgerald. *An Investigation into the Effects of*
Advertised Reference Prices on the Price Consumers are Willing to Pay for the
Product. J. OF APPLIED BUS. RESEARCH 6, no. 1 (1990): 59-69, at 66. Moreover, "if
a higher reference price encourages consumers to pay a higher price for a product
than the consumer was willing to pay for the identical product with a lower reference
price, then the practice of using high reference prices would be deceptive." *Id.* at 60.

1 effect of the inflated transaction value on buyers' search and purchase
2 behaviors.²⁸

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

18 27. To put it differently, the fake discount information presented by
19 Defendant's false advertised reference and sale prices first causes consumers to
20 (reasonably) perceive they are receiving a bargain when the merchandise is
21 purchased at its "sale" price. This consumer perception results in these consumers
22 gaining an additional "transaction value"²⁹ on their outlet purchases, which they

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

25 ²⁹ Thaler, Richard. *Mental Accounting and Consumer Choice*. MKTG SCI. 4, no. 3
26 (1985): 199-214, at 205 ("To incorporate ... the psychology of buying into the
27 model, two kinds of utility are postulated: acquisition utility and transaction utility.
28 The former depends on the value of the good received compared to the outlay, the
latter depends solely on the perceived merits of the 'deal'."); Dhruv Grewal &
Larry D. Compeau, *Comparative Price Advertising: Informative or Deceptive?*, 11
J. PUB. POL'Y & MKTG. 52, 55 (1992) ("By creating an impression of savings, the
presence of a higher reference price enhances subjects' perceived value and

1 would not have otherwise gained but for Defendant's fake discounting scheme.
2 Consumers' valuation of Joybird merchandise therefore increases in the aggregate.

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

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

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25 willingness to buy the product."); Dhruv Grewal, & Larry D. Compeau. *Pricing and*
26 *public policy: A research agenda and an overview of the special issue*. J. PUB. POL'Y
& MKTG 18, no. 1 (1999): 3-10, at 7.

27 ³⁰ Mankiw, N. *Essentials of Economics*. 8th Edition. Boston, MA: Cengage
28 Learning, 2015, at 66 ("[P]rice and quantity are determined by all buyers and sellers
as they interact in the marketplace"); see also Hal R. Varian, *Microeconomics*
Analysis. 3rd Edition. New York, NY: W. W. Norton & Company, 1992, at 23-38,
144-57, 233-353 & 285-312.

1 **D. Investigation**

2 30. Products sold on Defendant’s e-commerce website, joybird.com, and in
3 its retail showrooms are priced uniformly. In other words, the products sold by
4 Defendant bear a substantially discounted sale price that appears next to the
5 “crossed out” or “strikethrough” original price. Plaintiff’s counsel tracked
6 numerous items offered for sale on joybird.com from February 2024 through the
7 present. A sample of the items tracked is attached as Exhibit C.³¹ The investigation
8

9 ³¹ It is noteworthy that, applying California law, numerous false discount pricing
10 cases hold that plaintiffs are *not* required to perform or provide *any* specific details
11 of pre-suit investigations in false discount pricing cases. *See, e.g., Rubenstein*, 687
12 F.App’x at 568 (“Without an opportunity to conduct any discovery, Rubenstein
13 cannot reasonably be expected to have detailed personal knowledge of Neiman
14 Marcus’s internal pricing policies or procedures for its Last Call stores. Because
15 Rubenstein need not specifically plead facts to which she cannot ‘reasonably be
16 expected to have access,’ her allegations regarding the fictitious nature of the
17 Compared To prices may properly be based on personal information and belief at
18 this stage of the litigation.”); *Stathakos*, 2016 WL 1730001, at *3–4 (finding that the
19 plaintiffs’ complaint satisfied Rule 9(b) even though the plaintiffs had not plead a
20 pre-suit investigation) (citation omitted); *Knapp*, 2016 WL 3268995, at *4 (finding
21 that the plaintiff’s allegations of a “perpetual sale” were alone sufficient); *Horosny*,
22 2015 WL 12532178, at *4 (denying a motion to dismiss where the plaintiff pled a
23 deceptive pricing scheme “on information and belief” and not based on a pre-suit
24 investigation); *see also Branca*, 2015 WL 10436858, at *7 (finding the plaintiff
25 adequately alleged “why the ‘Compare At’ prices are false as former prices—
26 because they necessarily cannot be former prices or prevailing market prices, as the
27 items were never sold elsewhere for any other price besides the Nordstrom Rack
28 retail price”); *see also Le v. Kohls Dept. Stores, Inc.*, 160 F. Supp. 3d 1096, 1099
(E.D. Wis. Feb. 8, 2016) (denying a motion to dismiss where the plaintiff had not
conducted a nationwide pre-suit investigation before alleging the defendant’s
comparison prices did not reflect a price at which its merchandise was routinely
sold). Put simply, arguments attacking the sufficiency of Plaintiff’s counsel’s pre-
suit investigation allegations at the pleading stage under the auspices of Rule 9(b)
are, in actuality, premature challenges to Plaintiff’s *factual allegations*, which must
be accepted as true at the pleadings stage. Such attempts should be rejected as such
a requirement would “raise the pleading standard of Rule 9(b) to unprecedented
heights.” *See Jacobo v. Ross Stores, Inc.*, No. CV-15-04701-MWF-AGR, 2016 WL
3483206, at *3 (C.D. Cal. June 17, 2016) (“But no authority requires [p]laintiffs to
include that information in the pleadings; arguably that level of evidentiary detail
would be improper, even under Rule 9(b).”).

Even still, complaints containing similar pre-suit investigation allegations, like
Plaintiff’s here, have routinely been sustained at the pleading stage. *See, e.g.,*
Adams v. Cole Haan, LLC, No. 8:20-CV-00913-JWH-DFMx, 2021 WL 4907248
(C.D. Cal. Mar. 1, 2021); *Dahlin v. Under Armour, Inc.*, No. CV 20-3706 PA
(JEMx), 2020 WL 6647733 (C.D. Cal. July 31, 2020); *Inga*, 2020 WL 5769080,
at *1; *Harris v. PFI W. Stores, Inc.*, No. SACV 19-2521 JVS (ADSx), 2020 WL
3965022, at *1 (C.D. Cal. Apr. 9, 2020); *Calderon v. Kate Spade & Co., LLC*,

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

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

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

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

23
24
25 No. 3:19-CV-00674-AJB-JLB, 2020 WL 1062930 (S.D. Cal. Mar. 5, 2020);
26 *Fisher v. Eddie Bauer LLC*, No. 19-cv-857 JM (WVG) 2020 WL 4218228 (S.D. Cal.
27 Feb. 3, 2020); *Dennis v. Ralph Lauren Corp.*, No. 16-cv-1056-WQH-BGS, 2017
28 WL 3732103 (S.D. Cal. Aug. 29, 2017); *Rael v. New York & Co., Inc.*, No. 16-CV-
369-BAS (JMA), 2017 WL 3021019 (S.D. Cal. July 17, 2017); *Azimpour v. Sears,*
et al., No. 15-CV-2798 JLS (WVG), 2017 WL 1496255 (S.D. Cal. Apr. 26, 2017);
Fallenstein v. PVH Corp., et al., No. 21-CV-01690-AJB-AGS (S.D. Cal. Jan. 3,
2023) at ECF No. 29 (Order Denying Defendants’ Motion to Dismiss Plaintiff’s
First Amended Complaint).

1 accompanied by “40% Off” signs. After reviewing the advertised reference and sales
2 prices, Plaintiff decided to purchase the items. Plaintiff paid at the in-store point of
3 sale and, on information and belief, his items were then shipped from one of
4 Defendant’s US distribution facilities, the same facility that fills direct-to-consumer
5 orders made on joybird.com. His order number was J494087 and his email invoice
6 is included as Exhibit D.

7 38. Indeed, after observing the original prices of the item and the
8 accompanying sale price, Plaintiff believed he was receiving a significant discount
9 on the items he had chosen. His belief that the discounted prices on the items was
10 limited and would not last was material and integral to his purchase decision. He
11 would not have made the purchase were it not for the significant bargain he thought
12 he was receiving. On all products, the advertised discounts were a material
13 representation to him, and he relied on them in making his purchase decision. As
14 shown in Exhibit D, the total “original” price for all three items was \$9,452, the
15 purported discount was \$3,780, sales tax was \$567.20, and shipping costs were \$129.
16 Plaintiff paid a total of \$6,368.20. However, Plaintiff did not receive the benefit of
17 his bargain.

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

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

4 **Plaintiff’s Monetary Injury**

5 41. Plaintiff incurred quantifiable monetary injury as a result of
6 Defendant’s fraudulent pricing scheme, which can be calculated through the use of,
7 *inter alia*, regression analysis.

8 42. Plaintiff overpaid for the products he purchased as described herein.
9 And it was Defendant’s false reference pricing scheme and attendant deception that
10 caused Plaintiff to overpay. Despite Plaintiff’s original belief that each product he
11 purchased was discounted and thus that its value was significantly greater than the
12 sale price for which he purchased it, Plaintiff, in actuality, paid an *inflated* price for
13 the products he purchased.

14 43. That is, the items Plaintiff purchased were all worth less than the
15 amount Plaintiff paid for each of them. If Defendant had not employed the falsely
16 advertised “original” prices for the two items Plaintiff purchased, then those items
17 would not have commanded such high, inflated prices.

18 44. Objective measures therefore demonstrate that Plaintiff overpaid for the
19 Joybird furniture he purchased. The difference between the sale price paid by
20 Plaintiff due to the artificially increased demand for the products—caused by
21 Defendant’s false reference pricing scheme—and the market sale price that the
22 products would have commanded without Defendant’s deception provides an
23 objective measure by which Plaintiff was overcharged and injured by Defendant.
24 The amount of inflation of the prices for the Defendant’s Joybird furniture products
25 Plaintiff purchased caused by Defendant’s deception thus measures how much
26 Plaintiff overpaid. This amount can be quantified using, *inter alia*, regression
27 analysis based on Defendant’s historic pricing data, which Plaintiff will seek through
28 discovery.

1 **Plaintiff Does Not Have An Adequate Remedy at Law**

2 45. Plaintiff does not have an adequate remedy at law, and is susceptible to
3 this recurring harm because he cannot be certain that Defendant will have corrected
4 this deceptive pricing scheme, and he desires to shop for additional Joybird furniture
5 at either joybird.com or through Defendant’s retail showrooms in the future because
6 he likes the style of the furniture. Due to the enormous variety of furniture and
7 related products sold on joybird.com and through its retail showrooms, Plaintiff will
8 be unable to parse what prices are inflated and untrue, and what prices are not.
9 Likewise, without injunctive relief Plaintiff is unable to know, if he were to make a
10 subsequent purchase at a Joybird showroom, whether Defendant will ship him
11 furniture of the same material, quality, and workmanship as displayed at Defendant's
12 Joybird retail showrooms.

13 46. Consequently, Plaintiff is susceptible to reoccurring harm because he
14 cannot be certain that Defendant has corrected its deceptive pricing scheme, and he
15 desires to continue to purchase Joybird furniture in the future, assuming that he can
16 determine whether he is purchasing products at a true bargain. However, he currently
17 cannot trust that Defendants will label and/or advertise the merchandise truthfully
18 and in a non-misleading fashion in compliance with applicable law. Plaintiff simply
19 does not have the resources to ensure that Defendant is complying with California
20 and federal law with respect to its pricing, labeling, and/or advertising of its furniture
21 and related products. An injunction is the only form of relief which will guarantee
22 Plaintiff and other consumers the appropriate assurances.

23 47. Further, because of the wide selection of furniture available at
24 joybird.com and its retail showrooms, the sheer volume of products involved in
25 Defendant’s deceit (i.e., virtually all of them), and the likelihood that Defendant may
26 still yet “manufacture, market, import, export, distribute and retail” additional
27 “upholstery furniture products under the ... Joybird® tradename[,]” Plaintiff may
28 again, by mistake, purchase a falsely discounted product under the reasonable, but

1 false, impression that the advertised reference price represented a *bona fide* former
2 price at which the item was previously offered for sale by Defendant. However,
3 without substantial, time-consuming, and costly investigation, Plaintiff will have no
4 way of knowing whether Defendants has deceived him again.

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

13 49. Moreover, Plaintiff lacks an adequate remedy at law with respect to his
14 claim for equitable restitution because he has not yet retained an expert to determine
15 whether an award of damages can or will adequately remedy his monetary losses
16 caused by Defendant. Moreover, to the extent Plaintiff has suffered damages as
17 measured by the difference between the price paid and the value represented,
18 California law prohibits him from recovering that measure of damages, but it does
19 not prohibit him from recovering that measure as equitable relief. Cal. Civ. Code
20 § 3343. Particularly, as legal damages focus on remedying the loss to the Plaintiff,
21 and equitable restitution focuses wholly distinctly on restoring monies wrongly
22 acquired by the defendant, legal damages are inadequate to remedy Plaintiff's losses
23 because Plaintiff does not know at this juncture, and is certainly not required to set
24 forth evidence, whether a model for legal damages (as opposed to equitable
25 restitution) will be viable or will adequately compensate Plaintiff's losses.³²

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27 ³² Similar allegations have been upheld in other false discount cases where the
28 defendant has likewise challenged the plaintiffs' ability to seek equitable relief
following the decision in *Sonner v. Premier Nutrition Corp.*, 971 F.3d 834, 844 (9th
Cir. 2020). *See, e.g., Dahlin*, 2020 WL 6647733, at *4-5; *Adams*, 2021 WL 4907248,

1 **Defendant**

2 50. Plaintiff is informed and believes, and upon such information and belief
3 alleges, Defendant is a Michigan corporation with its principal executive offices in
4 Monroe, Michigan. Plaintiff is informed and believes that Defendant owns and
5 operates joybird.com and Joybird retail showrooms in California, and advertises,
6 markets, distributes, and/or sells furniture and home décor products in California and
7 throughout the United States. Defendant’s most recent (2023) Form 10-K provides
8 that “[w]e sell our products ... directly to consumers through retail stores that we
9 *own and operate*; and through *our* websites, www.la-z-boy.com and
10 *www.joybird.com.*” La-Z-Boy Inc., Annual Report (Form 10-K), at 4, 22 (Jun. 20,
11 2023) (emphasis added).

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

20 52. Defendant knows that its reference price advertising is false, deceptive,
21 misleading, unconscionable, and unlawful under California and federal law.

22 53. Defendant fraudulently concealed from and intentionally failed to
23 disclose to Plaintiff and other members of the proposed Class the truth about its
24 advertised discount prices and former reference prices. Defendant concealed from
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at *3-4 (C.D. Cal. Mar. 1, 2021); *Fallenstein*, No. 21-CV-01690-AJB-AGS (S.D. Cal. Jan. 3, 2023) at ECF No. 29 (Order Denying Defendants’ Motion to Dismiss Plaintiff’s First Amended Complaint). *Dahlin v. The Donna Karan Co. Store, LLC*, No. 2:21-cv-07711-AB-JPRx (C.D. Cal. Mar. 16, 2022) at ECF No. 30 (Order Denying Motion to Dismiss Plaintiff’s First Amended Complaint) at 5-10

1 consumers the true nature and quality of the products sold on joybird.com and
2 through its Joybird retail showrooms.

3 54. Defendant intentionally concealed and failed to disclose material facts
4 regarding the truth about false former price advertising in order to provoke Plaintiff
5 and the proposed Class to purchase Joybird products.

6 55. At all relevant times, Defendant has been under a duty to Plaintiff and
7 the Class to disclose the truth about its false discounts.

8 VIII. CLASS ALLEGATIONS

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

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

18 Excluded from the Class is Defendant, as well as its officers, employees, agents or
19 affiliates, parent companies and/or subsidiaries, and each of its respective officers,
20 employees, agents or affiliates, and any judge who presides over this action. Plaintiff
21 reserves the right to expand, limit, modify, or amend this Class definition, including
22 the addition of one or more classes, in connection with their motion for Class
23 certification, or at any other time, based upon, *inter alia*, changing circumstances
24 and/or new facts obtained during discovery.

25 57. **Numerosity:** The Class members are so numerous that joinder of all
26 members is impracticable. Plaintiff is informed and believes that the proposed Class
27 contains hundreds of thousands of individuals who have been damaged by
28 Defendant’s conduct as alleged herein. The precise number of Class members is
unknown to Plaintiff.

1 58. ***Existence and Predominance of Common Questions of Law and***

2 ***Fact:*** This action involves common questions of law and fact, which predominate
3 over any questions affecting individual Class members. These common legal and
4 factual questions include, but are not limited to, the following:

5 a. whether, during the Class Period, Defendant used falsely
6 advertised reference prices on their Joybird products at joybird.com and
7 through Joybird retail showrooms stores ;

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

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

14 d. whether Defendant’s purported sale prices advertised on
15 joybird.com and through Joybird retail showroom stores reflected any actual
16 discounts or savings;

17 e. whether Defendant’s purported percentage-off discounts
18 advertised on joybird.com and in Joybird retail stores reflected any actual
19 discounts or savings;

20 f. whether Defendant’s alleged conduct constitutes violations of
21 the laws asserted;

22 g. whether Defendant’s alleged conduct constitutes violations of
23 federal and California pricing regulations;

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

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

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

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

8 60. **Adequacy:** Plaintiff will fairly and adequately protect the interests of
9 the Class members. Plaintiff has retained counsel experienced in complex consumer
10 class action litigation, and Plaintiff intends to prosecute this action vigorously.
11 Plaintiff has no antagonistic or adverse interests to those of the Class.

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

23 62. All Class members, including Plaintiff, were exposed to one or more of
24 Defendant's misrepresentations or omissions of material fact claiming that former
25 reference prices advertised prices were legitimate. Due to the scope and extent of
26 Defendant's consistent false sale prices, advertising scheme, disseminated in a years-
27 long campaign to California consumers, it can be reasonably inferred that such
28 misrepresentations or omissions of material fact were uniformly made to all

1 members of the Class. In addition, it can be reasonably presumed that all Class
2 members, including Plaintiff, affirmatively acted in response to the representations
3 contained in Defendant’s false advertising scheme when purchasing merchandise
4 sold at joybird.com and through Joybird retail showroom stores.

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

12 **IX. CAUSES OF ACTION**

13 **FIRST CAUSE OF ACTION**

14 **Violation of California’s Unfair Competition Law (“UCL”)**
15 **CAL. BUS. & PROF. CODE §§ 17200, *et seq.***

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

18 65. Plaintiff brings this claim individually and on behalf of the members of
19 the proposed Class against Defendant for violations of the UCL, Cal. Bus. & Prof.
20 Code §§ 17200, *et seq.*

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

24 67. The UCL imposes strict liability. Plaintiff and members of the proposed
25 Class need not prove that Defendant intentionally or negligently engaged in
26 unlawful, unfair, or fraudulent business practices—but only that such practices
27 occurred.
28

1 ***“Unfair” Prong***

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

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

14 70. The harm emanating from this practice to Plaintiff and members of the
15 proposed Class outweighs any utility it provides because Defendant’s practice of
16 advertising false discounts provides no utility. There were reasonably available
17 alternatives to further Defendant’s legitimate business interests other than the
18 misleading and deceptive conduct described herein.

19 ***“Fraudulent” Prong***

20 71. A business act or practice is “fraudulent” under the UCL if it is likely
21 to deceive members of the consuming public.

22 72. Defendant’s acts and practices alleged above constitute fraudulent
23 business acts or practices as Defendant has deceived Plaintiff and members of the
24 proposed Class and is highly likely to deceive members of the consuming public.
25 Plaintiff and members of the proposed Class relied on Defendant’s fraudulent and
26 deceptive representations regarding their false or outdated “original prices” for
27 products sold by Defendant at joybird.com and through Joybird retail showroom
28 stores. These misrepresentations played a substantial role in Plaintiff’s and members

1 of the proposed Class’s decision to purchase the product at a purportedly steep
 2 discount, and Plaintiff and members of the proposed Class would not have purchased
 3 the product without Defendant’s misrepresentations.

4 **“Unlawful” Prong**

5 73. A business act or practice is “unlawful” under the UCL if it violates any
 6 other law or regulation.

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

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

27 (b) A former price is not necessarily fictitious merely because no sales
 28 at the advertised price were made. The advertiser should be especially
 careful, however, in such a case, that the price is one at which the
 product was openly and actively offered for sale, for a reasonably
 substantial period of time, in the recent, regular course of his business,
 honestly and in good faith - and, of course, not for the purpose of
 establishing a fictitious higher price on which a deceptive comparison
 might be based. And the advertiser should scrupulously avoid any
 implication that a former price is a selling, not an asking price (for
 example, by use of such language as, “Formerly sold at \$ _____”),
 unless substantial sales at that price were actually made.

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

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

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

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

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

15 76. Defendant violates § 17501 because it advertises items, including the
16 items that Plaintiff purchased as described herein, with false former “original”
17 reference prices that greatly exceed the prevailing market price of those items.
18 Defendant’s own sales records will show that it normally sells its products, including
19 the item(s) purchased by Plaintiff, at prices lower than the advertised former
20 “original” price, thereby establishing that those prices exceed the prevailing market
21 price of Defendant’s merchandise in violation of Cal. Bus. & Prof. Code § 17501.

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

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

79. Defendant’s practices, as set forth above, misled Plaintiff, the proposed
Class, and the public in the past and will continue to mislead them in the future.

1 Consequently, Defendant's practices constitute an unlawful, fraudulent, and unfair
2 business practice within the meaning of the UCL.

3 80. Defendant's violations of the UCL, through its unlawful, unfair, and
4 fraudulent business practices, are ongoing and present a continuing threat to
5 Plaintiff, members of the proposed Class, and the public who, if Defendant's false
6 pricing scheme is permitted to continue, will be deceived into purchasing products
7 based on illegal price comparisons. These false comparisons created phantom
8 markdowns and lead to financial harm for consumers like Plaintiff and the members
9 of the proposed Class as described herein. Because of the surreptitious nature of
10 Defendant's deception, these injuries cannot be reasonably avoided and will
11 continue to be suffered by the consuming public absent a mandated change in
12 Defendant's practice.

13 81. Pursuant to Bus. & Prof. Code § 17203, Plaintiff and members of the
14 proposed Class are entitled to preliminary and permanent injunctive relief enjoining
15 Defendant from continuing to engage in this unfair competition alleged above, as
16 well as disgorgement and restitution to Plaintiff and the proposed Class of all
17 Defendant's revenues wrongfully obtained from them as a result of Defendant's
18 unfair competition, or such portion of those revenues as the Court may find
19 equitable.³³

20 _____
21 ³³ California permits broad discretion to fashion remedies as needed, and "the
22 appropriate measure of recovery [under the equitable provisions of California's
23 consumer protection laws] depends on the nature of the case and the alleged harm
24 that [a plaintiff] suffers." *Le*, 160 F. Supp. 3d at 1104. "California's consumer
25 protection laws...authorize multiple forms of restitutionary recovery." *Id.* at 1105;
26 *Pulaski & Middleman, LLC v. Google, Inc.*, 802 F.3d 979, 989 (9th Cir. 2015) ("[I]n
27 calculating restitution under the UCL and FAL, the focus is on the difference
28 between what was paid and what a reasonable consumer would have paid at the time
of purchase without the fraudulent or omitted information."); *Jacobo*, 2016 WL
3482041, at *7 ("Remedy for the alleged misconduct is not limited to the difference
between the value of the goods [p]laintiffs purchased and the price for those
goods."); *Russell v. Kohl's Dep't Stores, Inc.*, No. ED CV 15-1143 RGK (SPx),
2015 WL 12781206, at *3-4 (C.D. Cal. Oct. 6, 2015) (explaining why cost minus
value is not the exclusive method of measuring restitution); *Spann v. J.C. Penney
Corp.*, No. SA CV 12-0215 FMO (RNBx), 2015 WL 1526559, at *4 (C.D. Cal.
Mar. 23, 2015) ("[A]lthough California case law makes clear that [cost minus value]

1 **SECOND CAUSE OF ACTION**

2 **Violation of California’s False Advertising Law (“FAL”)**
3 **CAL. BUS. & PROF. CODE §§ 17500, *et seq.***

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

6 83. Plaintiff brings this claim individually and on behalf of the members of
7 the proposed Class against Defendant for violations of California’s FAL, Cal. Bus.
8 & Prof. Code §§ 17500, *et seq.*

9 84. Cal. Bus. & Prof. Code § 17500 provides:

10 It is unlawful for any . . . corporation . . . with intent directly or
11 indirectly to dispose of . . . personal property or to perform services,
12 professional or otherwise, or anything of any nature whatsoever or to
13 induce the public to enter into any obligation relating thereto, to make
14 or disseminate or cause to be made or disseminated . . . from this state
15 before the public in any state, in any newspaper or other publication,
16 or any advertising device, or by public outcry or proclamation, or in
17 any other manner or means whatever, including over the Internet, any
18 statement, concerning that . . . personal property or those services . . .
19 which is ***untrue or misleading***, and which is known, or which by the
20 exercise of reasonable care should be known, to be untrue or
21 misleading . . .

22 (emphasis added).

23 85. The “intent” required by section 17500 is the intent to make or
24 disseminate personal property (or cause such personal property to be made or
25 disseminated), and not the intent to mislead the public in the making or
26 dissemination of such property.

27 _____
28 can be a measure of restitution, defendant has not cited, nor has the court found, any
authority indicating that is the only way restitution can be calculated.”); *Johns v.*
Bayer Corp., No. 09-cv-1935-AJB (DHB), 2012 WL 1520030, at *5 (S.D. Cal.
Apr. 30, 2012) (finding that neither *In re Vioxx* nor any other case cited by the
defendant “suggest[ed] that the difference in price paid and value received is the
only proper measure of restitution”); *Stathakos*, 2016 WL 1730001, at *4 (challenge
to restitution methodology premature at motion to dismiss stage); *In re Tobacco*
Cases II, 240 Cal. App. 4th 779, 792 (2015) (explaining that *In re Vioxx Class Cases*,
180 Cal. App. 4th 116 (2009) did not limit measuring restitution to the price/value
differential).

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

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

16 88. As a direct and proximate result of Defendant’s misleading and false
17 advertisements, as well as Defendant’s deceptive and unfair acts and practices made
18 during the course of Defendant’s business, Plaintiff and members of the proposed
19 Class suffered economic injury.

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

1 **THIRD CAUSE OF ACTION**

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

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

6 91. Plaintiff brings this claim individually and on behalf of the members of
7 the proposed Class against Defendant for violations of the CLRA, Cal. Civ. Code
8 § 1750, *et seq.*

9 92. Plaintiff and each member of the proposed Class are “consumers” as
10 defined by Cal. Civ. Code § 1761(d). Defendant’s sale of products at joybird.com
11 and through its Joybird retail showrooms were “transactions” within the meaning of
12 Cal. Civ. Code § 1761(e). The products purchased by Plaintiff and members of the
13 proposed Class are “goods” or “services” within the meaning of Cal. Civ. Code
14 § 1761(a)-(b).

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

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

24 94. Plaintiff is a consumer who has suffered economic injury and damages,
25 including benefit of the bargain damages, as a result of Defendant’s use and
26 employment of the false and misleading reference pricing alleged herein. Pursuant
27 to Cal. Civ. Code § 1780(a), Plaintiff therefore seeks an order enjoining such
28 methods, acts, or practices as well as any other relief the Court deems proper.

1 Plaintiff additionally seeks costs and reasonable attorney's fees pursuant to Cal. Civ.
2 Code § 1780(e).

3 95. On May 29, 2024, Plaintiff, through counsel, sent a CLRA demand
4 letter by certified mail to Defendant that provided notice of Defendant's violation of
5 the CLRA and demanded Defendant correct, repair, replace, or otherwise rectify the
6 unlawful, unfair, false, and deceptive practices complained of herein. The letter also
7 stated that if Defendant refused to do so, Plaintiff would file a complaint seeking
8 damages in accordance with the CLRA. If Defendant does not respond to Plaintiff's
9 letter or agree to rectify the problems associated with the actions detailed above and
10 give notice to all affected consumers within 30 days of the date of written notice
11 pursuant to § 1782, Plaintiff will amend the complaint to seek actual, punitive, and
12 statutory damages, as appropriate against Defendant.

13 96. Filed concurrently is a declaration of venue pursuant to Cal. Civ.
14 Code §1780(d).

15 X. PRAYER FOR RELIEF

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

18 a. an order certifying the Class and designating Plaintiff as the
19 Class Representative and his counsel as Class Counsel;

20 b. awarding Plaintiff and the proposed Class members all
21 applicable damages;

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

26 d. awarding declaratory and injunctive relief as permitted by law or
27 equity, including: enjoining Defendant from continuing the unlawful practices
28 as set forth herein, and directing Defendant to identify, with Court

1 supervision, victims of its misconduct and pay them all money they are
2 required to pay;

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

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

8 g. ordering Defendant to engage in a corrective advertising
9 campaign;

10 h. awarding attorneys' fees and costs; and

11 i. for such other and further relief as the Court may deem necessary
12 or appropriate.

13 **XI. DEMAND FOR JURY TRIAL**

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

15 Dated: May 29, 2024

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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: [Class Action Lawsuit Claims Joybird Advertises Furniture, Home Décor at Fake Discounts](#)
