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13	IN THE UNITED STATES DISTRICT COURT									
14	SOUTHERN DISTRICT OF CALIFORNIA									
15		1470V44001 AD DOO								
16	KEVIN PARK, individually and on behalf of all others similarly situated,	Case No. <u>'17CV1422 LAB BGS</u>								
17		CLASS ACTION								
18	Plaintiff,	COMPLAINT FOR:								
19	v.									
20	COLE HAAN LLC a Dalayyara	1. VIOLATION OF CALIFORNIA'S UNFAIR								
21	COLE HAAN, LLC, a Delaware Limited Liability Company; and APAX PARTNERS WORLDWIDE	COMPETITION LAW, CAL. BUS. & PROF. CODE §17200								
22	LLP; a Limited Liability Partnership,	ETSEQ.;								
23		2. VIOLATION OF CALIFORNIA'S FALSE ADVERTISING LAWS.								
24	Defendants.	CAL. BUS. & PROF. CODE § 17500, <i>ET SEQ</i> .;								
		3. VIOLATIONS OF CALIFORNIA								
25		CONSUMER LEGAL REMEDIES ACT. CIV CODE §								
26		1750, ET SEQ.								
27		DEMAND FOR A JURY TRIAL								
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Plaintiff Kevin Park ("Plaintiff" or "Park"), individually and on behalf of all others similarly situated, alleges for his complaint against Defendant Cole Haan, Inc. and Defendant Apax Partners Worldwide LLP (collectively "Defendants") as follows:

#### **SUMMARY OF THE CLAIMS**

- This is a class action regarding Defendants' false and misleading pricing. 1. Specifically, Defendants own various retail stores and outlet stores throughout California. Defendants set "original" or "regular" prices for the items it sells at its outlet stores leading the consumer to believe the items they are purchasing items once priced at that rate (and thus sold in Defendants' retail store at some point). This however is not the case. Defendants manufacture a distinct line of products specifically made for its outlet stores. These items, contrary to Defendants representations, were never sold at the "original" and "regular" prices. The items were always sold at a discounted rate. Thus, the original price was a tactic designed to mislead consumers into believing they were receiving an item at a discounted rate.
- 2. During the Class Period, Defendants continually misled consumers by advertising the outlet items at "discounted" or "sale" prices when in fact the items were never sold at the "original" or "regular" price. The "original" or "regular" price is designed to mislead consumers into believing they are receiving a discount, when in fact, they are not.
- 3. Further, the Defendants manufacture merchandise specifically for the outlet stores are often of inferior quality. The general retail stores are often made of better leather, better stitching, etc. Defendants subtly mark the items made for the outlet stores by including a "II" after the items' name on the shoebox. For example, the outlet shoebox marks a shoe made specifically for the outlet as "Grand Crosscourt II."
- Because Defendants manufactures their items for sale in its own retail 4. stores and its own outlet stores, this scheme of setting the "original" or "regular" price on its outlet items is designed solely to mislead consumers. Consumers believe the

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original prices represent former prices of the items. Further, because of the "original" or "regular" price, consumers believe they are purchasing the same quality items from the retail store.

5. Cole Haan fraudulently concealed from, and intentionally failed to disclose to, Plaintiff, and others similarly situated, the fact that (1) they are buying items made specifically for the outlet and (2) the items were never sold at the "original" price. The product, the original price, and the discounted rate are material terms to the consumer purchasing one of defendants' products.

#### THE PARTIES

- **6. Plaintiff**: Kevin Park is an individual and is and was at all relevant times herein a citizen of California.
- **Defendant**: On information and belief, Defendant Cole Haan, Inc. is a 7. Delaware corporation with its principal place of business in New Hampshire. Cole Haan owns and operates hundreds of stores worldwide.
- **Defendant**: On information and belief, Defendant Apax Partners LLP is a 8. Limited Liability Partnership with its headquarters in London, England.

#### **JURISDICTION & VENUE**

- Plaintiff realleges by reference, as if fully set forth herein, all of the above 9. Paragraphs.
- 10. This Court has original jurisdiction over this Action under the Class Action Fairness Act, 28 U.S.C. § 1332(d), because this is a class action in which: (1) at least some members of the proposed Class have a different citizenship from Defendants; and (2) the claims of the proposed Class members exceed \$5,000,000.00 in the aggregate.
- 11. **Personal jurisdiction**: The Southern District of California has personal jurisdiction over defendants Cole Haan, LLC and Apax Partners, LLP because they have systematic and continuous contacts with the state of California. The Court also has specific personal jurisdiction over Cole Haan, LLC and Apax Partners, LLP,

because the claims alleged herein arise directly from its specific contacts with the state of California, namely its sales of Cole Haan products to California citizens using billing programs that violate California law.

**12. Venue**: Venue is proper in this District pursuant to 28 U.S.C. §1391, because, among other reasons, Plaintiff resides in San Diego County and because Plaintiff's and the Class's claims arose here.

#### FACTUAL BACKGROUND

- 13. As represented above, Defendants operate multiple retail and outlet stores both throughout the United States and worldwide. Additionally, Defendants operate an online website where consumers have the option to purchase items from the outlet.
- **14.** Defendants pride themselves by creating an image of quality and luxury "American craftsmanship and ingenuity." Cole Haan's website boasts:

Founded by Trafton Cole and Eddie Haan in 1928, Cole Haan is built on American craftsmanship and ingenuity. We combine traditional methods, timeless style and modern innovations to create footwear and accessories for optimists of all ages. This company was started to make good things for people who make good things happen; it still does.

Cole Haan recently returned to its roots as an independently owned company and is growing rapidly in the US and abroad, as people rediscover the value of quality goods made without compromises. It's about time.

- **15.** Additionally, Defendants strive to promote exclusivity of their brand by using celebrities, such as Maria Shariapova, to endorse their products.
- 16. As a result of the foregoing, consumers believe, when they purchase a Cole Haan product, they are purchasing exclusive and "quality goods without compromises." Thus, consumers are willing, and in fact do, pay higher prices.
- 17. However, in an effort to maximize their profits, Defendants devised a scheme where they would manufacture inferior products directly for their outlet stores but price them at retail store prices leading customers to believe they were buying retail

products. Defendants then discount the items to mislead customers into believing they were receiving a significant discount – when in fact they were not because the products were never sold at the higher rate. The outlet stores essentially allowed Defendants to market products as if they were retail store products (both in price and quality) but sell them at "sale" prices.

18. Customers of the outlet stores, relying on Defendants' representations, believed they were getting a bargain by receiving the Cole Haan quality retail product, once priced at the "original price" at a discounted rate. This was not the case.

#### **PLAINTIFF'S FACTS**

- 19. On June 25, 2017, Plaintiff purchased the Grand Crosscourt II for his wife. Defendants represented that the shoes were discounted 50% from the original prince of \$182.
- **20.** Plaintiff, believed his purchase, based on the discount, was a good deal. Plaintiff relied on the "original price" to determine whether he believed the shoes were a good deal and whether he should purchase the shoes.
- **21.** Plaintiff would not have purchased the item, or paid as much for the item, had he known the item was (1) never sold at the traditional retail store and (2) never sold at the "original price."

### **CLASS ACTION ALLEGATIONS**

1. Class Definition: Pursuant to Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure, Plaintiff brings this action on behalf of himself and the following class of similarly situated individuals defined as:

All persons who purchased a Cole Haan Outlet Product made for the Cole Haan Outlet in California bearing an original price at any time during the four years preceding the filing of this complaint. ("Class")

**2. Exclusion**: The Class excludes: (a) any officers, directors, or employees of Defendants; (b) any Judge assigned to hear this case (or spouse or immediate family

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member of any assigned Judge); any employee of the Court; (d) any juror selected to hear the case; and (e) any attorneys of record and their employees

- 3. **Reservation**: Plaintiff reserves the right to modify, expand, or amend the class description with greater particularity or further division into subclasses or limitation to particular issues.
- 4. Numerousity: Membership in the Class is so numerous that separate joinder of each member is impracticable. The number of Class members is unknown, but can be readily determined from Defendants' records.
- **Typicality**: Plaintiff is a member of the Class of victims described herein. 5. Plaintiff purchased products from Defendants. Defendants misled plaintiff as to both the product he purchased and the discounted value of the product.
- Commonality and Predominance: Defendants have engaged in a **6.** common course of misconduct by maintaining a practice of manufacturing products specifically for its outlet stores and misleading consumers as to the product they are purchasing the value of the product they are purchasing. There are numerous and substantial questions of law and fact common to all Class members that control this litigation and predominate over any individual issues. Included within these common questions are:
  - **a.** Whether Defendants' creation of the original price from which the shoes are discounted is deceptive;
  - **b.** Whether the original price is synonymous with an item's expected price, suggested sales price, or retail price;
  - c. Whether the original prices advertised by Defendants represent actual retail prices;
  - d. Whether the original prices advertised by Defendants are backed by actual sales data for those items;
  - e. Whether Defendants' outlet products are sold outside Defendants' outlet stores;

- **f.** Whether Defendants sold their outlet products outside their outlet stores at the original price;
- g. Whether Defendants ever sold their outlet products at the original price;
- **h.** Whether Defendants violated the Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*);
- i. Whether Defendants violated the Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*) by violating the Consumer Legal Remedies Act (Cal. Civ. Code §1750 *et seq.*);
- **j.** Whether Defendants violated the Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*) by violating the Federal Trade Commission Act (15 U.S.C. §§ 45(a)(1), 52(a));
- **k.** Whether Defendants use of false or deceptive price advertising constituted false advertising under California law;
- **1.** Whether the stated original prices were the prevailing market prices for the respective prices sold by Defendants during the three-month periods preceding the dissemination or publication of the advertised former prices;
- **m.** Whether Defendants violated the Consumers Legal Remedies Act (Cal. Civ. Code § 1750 *et seq.*);
- **n.** Whether Defendants misrepresented or failed to disclose material facts about their product pricing and discounts, including that the products were never sold for the original price;
- **o.** Whether Defendants misrepresented or failed to disclose material facts about their product, including that the product was manufactured specifically for the outlet stores;
- **p.** Whether Defendants made false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;
- **q.** Whether Defendants have been unjustly enriched as a result of its representations that the "sale" prices represented price reductions;

- r. Whether Defendants' conduct herein was intentional and knowing;
- **s.** Whether Defendants are likely to continue to use false, misleading, or illegal price comparisons such that an injunction is necessary;
- t. Whether the Plaintiff and Class Members are entitled to damages or consumer restitution and the proper measure of that loss; and
- **u.** The appropriate class-wide measure of damages.
- 7. Superiority and Manageability: This case is also appropriate for class certification as class proceedings are superior to all other available methods for the fair and efficient adjudication of this controversy. Joinder of all parties is impracticable. The damages suffered by the individual members of the Class will likely be relatively small, especially given the burden and expense required for individual prosecution of the complex litigation necessitated by Defendants' actions. Thus, it would be virtually impossible for the individual members of the Class to obtain effective relief from Defendants' misconduct. Even if members of the Class could sustain such individual litigation, it would still not be preferable to a class action because individual litigation would increase the delay and expense to all parties due to the complex legal and factual controversies presented in this Complaint. By contrast, a class action presents far fewer management difficulties and provides the benefits of single adjudication, economies of scale, and comprehensive supervision by a single Court. Economies of time, effort, and expense will be fostered and uniformity of decisions ensured.

### FIRST CAUSE OF ACTION

# Violation of California's Unfair Competition Law, §§ 17200 et seq. By Plaintiff and the Class Against Defendants

- **8.** Plaintiff incorporates all preceding paragraphs as though fully set forth herein.
- **9.** California's unfair competition law, codified in California Business & Professions Code § 17200 *et seq.*, makes actionable "any unlawful, unfair *or* fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising." *See*

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injunctive relief as well as restitution. Id. § 17203. The law's scope "is quite broad. . . . Because the statute is framed in the disjunctive, a business practice need only meet one of the three criteria to be considered unfair competition. McKell v. Wash. Mutual, Inc., 142 Cal. App. 4th 1457, 1471 (2006). Here, Defendants' practice meet the criteria, any of which would be sufficient to give rise to liability.

#### Unlawful

- Defendants' practice is "unlawful" because it violates the Cal. Bus. & 10. Prof. Code § 17200 et seq. (the "UCL"), Cal. Bus. & Prof. Code § 17500 et seq. (the "FAL"), the California Consumers' Legal Remedies Act, and Civil Code Section 1750 et seq. (the "CLRA"), and the Federal Trade Commission Act ("FTCA").
- By way of example, Defendants' conduct is unlawful in that it violates the 11. CLRA (Cal. Civ. Code § 1750 et seq.). Civ. Code § 1770(a)(7) prohibits a business from "[a]dvertising goods or services with intent not to sell them as advertised," and subsection (a)(13) prohibits a business from "[m]aking false or misleading statements of fact concerning reasons for, existence of, or amounts or price reductions."
- **12.** Because prices are a representation of quality and value, when Defendants represented they their outlet prices had a certain retail price, they represented that those products were of a higher standard, quality, or grade when they were of another. In representing that the sale price was less than the original price, Defendants represented that the items were being sold at a discount, when in fact the items were not bring sold at the discounted rate Defendants represented because the items were never sold at the original rate. Accordingly, Defendants made false and misleading statements of fact concerning the existence of, or amounts of price reductions.
- As another example, Defendants' conduct violated the FTCA (15 U.S.C. § 13. 45(a)(1) and 15 U.S.C. § 52(a)) which prohibits "unfair or deceptive practices in or affecting commerce and specifically prohibits false advertisements. The FTC has established regulatory guidelines that prohibit false pricing schemes, similar to

Defendants' pricing scheme described herein, as deceptive practices that would violate the FTCA. 16 C.F.R. § 233.1 et seq.

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Defendants' reference to an original price for its outlet shoes, from which markets and advertises a discount violated and continues to violate the FTCA, 15 U.S.C. §45(a)(1) and 15 U.S.C. §52(a) as well as FTC guidelines published at 16 C.F.R. §233, including but not limited to §233.3, "Advertising retail prices which have been established or suggested by manufacturers (or other nonretail distributors)," which

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states in part:

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(a) Many members of the purchasing public believe that a manufacturer's list price, or suggested retail price, is the price at which an article is generally sold. Therefore, if a reduction from this price is advertised, many people will believe that they are being offered a genuine bargain. To the extent that list or suggested retail prices do not in fact correspond to prices at which a substantial number of sales of the article in question are made, the advertisement of a reduction may mislead the consumer.

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(d) Typically, a list price is a price at which articles are sold, if not everywhere, then at least in the principal retail outlets which do not conduct their business on a discount basis. It will not be deemed fictitious if it is the price at which substantial (that is, not isolated or insignificant) sales are made in the advertiser's trade area (the area in which he does business). Conversely, if the list price is significantly in excess of the highest price at which substantial sales in the trade area are made, there is a clear and serious danger of the consumer being misled by an advertised reduction from this price.

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(i) It bears repeating that the manufacturer, distributor or retailer must in every case act honestly and in good faith in advertising a list price, and not with the intention of establishing a basis, or creating an instrumentality, for a deceptive comparison in any local or other trade area. For instance, a manufacturer may not

affix price tickets containing inflated prices as an accommodation to particular retailers who intend to use such prices as the basis for advertising fictitious price reductions. [Guide III]

16 C.F.R. § 233.3 (emphasis added).

- 15. Defendants deceived consumers into believing that they were offering value, discounts, and/or bargains at the outlet stores from an actual retail price, intended retail price, or expected retail price of the products sold that did not, in fact, exist.
- 16. As a result, consumers, including Plaintiff, believed they were purchasing products worth more and valued at more than what they received based on Defendants' misrepresentation of the original price. This perception has induced reasonable purchasers, including Plaintiff, to buy Defendants' products, which they otherwise would not have purchased, would not have paid as much for, or would not have paid the premium price for a luxury item.
- 17. Defendants' acts and practices as described herein have deceived Plaintiff and were highly likely to deceive members of the consuming public. Specifically, in deciding to purchase Defendants' outlet products, Plaintiff relied on Defendants' false, misleading, and deceptive representations regarding its original and discounted prices. Each of these factors played a substantial role in Plaintiff's decisions to purchase those products, and Plaintiff would not have purchased those items or would not have paid as much for those items in the absence of Defendants' misrepresentations. Accordingly, Plaintiff suffered monetary loss as a direct result of Defendants' pricing practices described herein.
- **18.** As a result of Defendants' unfair acts and practices, Plaintiff, Class members, and the general public have suffered injury in fact and have lost money or property. These violations have unjustly enriched Defendants at the expense of Plaintiff and the Class.
- 19. Under Section 17203 of the Business & Professions Code, Plaintiff and the other members of the California Subclass are entitled to (a) an injunction ordering

Defendants to cease engaging in any acts of unfair competition and to engage in a corrective advertising campaign in compliance with all applicable laws; (b) restitution and disgorgement of all unjustly retained profits paid to Defendants; (c) equitable relief; (d) pre- and post-judgment interest at the highest rate allowable by law; and (e) payment of attorneys' fees and costs pursuant to Section 1021.5 of the California Code of Civil Procedure.

**20.** THEREFORE, Plaintiff prays for relief as set forth below.

#### <u>Unfair</u>

- 21. California Business & Professions Code § 17200 prohibits any "unfair ... business act or practice." Defendants' acts, omissions, misrepresentations, and practices as alleged herein also constitute "unfair" business acts and practices within the meaning of the UCL in that its 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 attributable to such conduct. There were reasonably available alternatives to further Defendants' legitimate business interests, other than the conduct described herein. Plaintiff reserves the right to allege further conduct which constitutes other unfair business acts or practices. Such conduct is ongoing and continues to this date.
- 22. In order to satisfy the "unfair" prong of the UCL, a consumer must show that the injury: (1) is substantial; (2) is not outweighed by any countervailing benefits to consumers or competition; and, (3) is not one that consumers themselves could reasonably have avoided.
- **23.** Defendants committed, and continue to commit, "unfair" business acts or practices by, among other things:
  - **a.** Engaging in conduct for which the utility of the conduct, if any, is outweighed by the gravity of the consequences to Plaintiff and members of the Class;
  - **b.** Engaging in conduct that is immoral, unethical oppressive, unscrupulous,

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or substantially injurious to Plaintiff and the members of the Class; and

- **c.** Engaging in conduct that undermines or violates the spirit or intent of the consumer protection laws that this Class Action Complaint invokes.
- Specifically, Defendants engaged in unfair business acts or practices in 24. violation of the UCL by representing false original prices at which prices it never intended or expected to sell products. Defendants' corresponding posting of lower sales prices for its produces, and further price reductions, resulted in false, misleading, and deceptive illusions of discounts.
- 25. These acts and practices are unfair because they caused Plaintiff and other reasonable consumers to falsely believe that Defendants were offering value, discounts, or bargains from an actual retail price or a price at which the manufacturer expected the retailer to sell the products. The original price, however, did not, in fact, exist. For Defendants, the original price is a false and deceptive marker of value. As a result, purchasers, including Plaintiff, reasonably perceived that the products were worth more and valued at more than what they received. This perception has induced reasonable purchasers, including Plaintiff, to buy Defendants' Outlet Products, which they otherwise would not have purchased, would not have paid as much for, or would not have paid a premium price for a luxury item.
- The gravity of harm to members of the Class resulting from these unfair 26. acts and practices outweighed any business justifications for Defendants' deceptive acts and practices. By committing the acts and practices alleged herein, Defendants engaged in unfair business practices within the meaning of the UCL. Such acts and violations have not abated and will continue to occur unless enjoined.
- As a result of Defendants' unfair acts and practices, Plaintiff and members 27. of the Class have suffered injury in fact in that they have lost money or property due to Defendants' false representations of original prices and discounts thereto by manufacturing products specifically for its outlet stores and including original prices for the items at prices Defendants never intended or expected to sell the items for.

Defendants then marketed "sales" and "discounts" from the original price – even though the items were never sold for the original price.

- 28. Moreover, Defendants' conduct as alleged herein solely benefits Defendants while providing no benefit of any kind to any consumer. Such deception utilized by Defendants converted large sums of money from Plaintiff and Class members by misleading them as to the value of the product they purchased. This systematic scheme is tantamount to theft. Thus, the injury suffered by Plaintiff and the members of the Class is not outweighed by any countervailing benefits to consumers.
- 29. Finally, the injury suffered by Plaintiff and members of the Class is not an injury that these consumers could reasonably have avoided. Defendants misappropriated funds from Plaintiff and other consumers, and these consumers suffered injury in fact due to Defendants' misrepresentation as to material facts regarding their products. As such, Defendants took advantage of Defendants' position of perceived power in order to deceive Plaintiff and the Class members. Therefore, the injury suffered by Plaintiff and members of the Class is not an injury which these consumers could reasonably have avoided.
- 30. Pursuant to California Business & Professions Code § 17203, Plaintiff and the Class are entitled to: (a) an order requiring Defendants to cease the acts of unfair competition alleged herein; (b) an order enjoining Defendants from continuing to utilize this deceptive scheme; (c) full restitution and disgorgement by Defendants of all profits received by Defendants as a result of its wrongful practices; (d) interest at the highest rate allowable by law; and (e) the payment of their attorneys' fees pursuant to, *inter alia*, California Code of Civil Procedure § 1021.5.
  - **31.** THEREFORE, Plaintiff prays for relief as set forth below.

#### **Fraudulent**

**32.** California Business & Professions Code § 17200 prohibits any "unlawful, unfair, or fraudulent" act or practice, as well as any "unfair, deceptive, untrue, or misleading" advertising. Cal. Bus. & Prof. Code § 17200.

- **33.** A business act or practice is "fraudulent" under the UCL if it is likely to deceive members of the consuming public.
- 34. Defendants' marketing and advertising were "fraudulent" within the meaning of the UCL because they deceived Plaintiff, and were likely to deceive members of the class, into believing that Defendants were offering value, discounts, or bargains from the prevailing market value or worth of the products sold that did not, in fact, exist. As a result, purchasers, including Plaintiff reasonably perceived that they were receiving products that regularly sold in the retail marketplace at substantially higher prices (and were, therefor, worth more) than what they paid. This perception induced reasonable purchasers, including Plaintiff, to buy such products from Defendants, which they otherwise would not have purchased.
- 35. Under Section 17203 of the Business & Professions Code, Plaintiff and the other members of the California Subclass are entitled to (a) an injunction ordering Defendants to cease engaging in any acts of unfair competition and to engage in a corrective advertising campaign in compliance with all applicable laws; (b) restitution and disgorgement of all unjustly retained profits paid to Defendants; (c) equitable relief; (d) pre- and post-judgment interest at the highest rate allowable by law; and (e) payment of attorneys' fees and costs pursuant to Section 1021.5 of the California Code of Civil Procedure.
- 36. Defednants' acts and practices as described herein have deceived Plaintiff and were highly likely to deceive members of the consuming public. Specifically, in deciding to purchase a product from Defendants, Plaintiff relied on Defendants' misleading and deceptive representations regarding its "MSRP" and "sale" prices. Each of these factors played a substantial role in Plaintiff's decision to purchase those products, and Plaintiff would not have purchased those items but for Defendants' misrepresentations. Accordingly, Plaintiff suffered monetary loss as a direct result of Defendants' practices described herein.
  - 37. As a result of the conduct described above, Defendants have been unjustly

enriched by obtaining revenues and profits it would not have otherwise obtained absent its false, misleading, and deceptive conduct.

- 38. Under Section 17203 of the Business & Professions Code, Plaintiff and the Class are entitled to (a) an injunction ordering Defendants to cease engaging in any acts of unfair competition and to engage in a corrective advertising campaign in compliance with all applicable laws; (b) restitution and disgorgement of all unjustly retained profits paid to Defendants; (c) equitable relief; (d) pre- and post-judgment interest at the highest rate allowable by law; and (e) payment of attorneys' fees and costs pursuant to Section 1021.5 of the California Code of Civil Procedure.
  - **39.** THEREFORE, Plaintiff prays for relief as set forth below.

#### **SECOND CAUSE OF ACTION**

## Violation of California's Unfair Competition Law, § 17535 By Plaintiff and the Class Against Defendants

- **40.** Plaintiff incorporates all preceding paragraphs as though fully stated herein.
- **41.** The California False Advertising Law prohibits unfair, deceptive, untrue, or misleading advertising, including, but not limited to, false statements as to worth, value, and former price.
- **42.** Cal. Bus. & Prof. Code §17535 allows "any person who has suffered injury in fact and has lost money or property" to prosecute a civil action for violation of the UCL. People may bring such an action on behalf of themselves or themselves and others similarly situated who are affected by the unlawful, unfair, or fraudulent business practice.
- 43. Defendants' practice of advertising the original prices, which were materially greater than the true prevailing prices of those products, was an unfair, deceptive, and misleading advertising practice because it gave the false impression that the products sold by Defendants regularly sold in the retail marketplace at substantially higher prices (and were, therefore, worth more) than they actually were. In fact,

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obtained money from Plaintiff and the Class. As such, Plaintiff requests that the Court

cause Defendants to restore this money to Plaintiff and all Class members, and to enjoin

Defendants from continuing to violate the False Advertising Law as discussed herein

and/or from violating the UCL in the future. Otherwise, Plaintiff, the Class, and

members of the general public may be irreparably harmed and/or denied an effective

Through its unfair acts and practices, Defendants have improperly

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- **45.** Plaintiff and the Class requested relief as described below.

and complete remedy if such an order is not granted.

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### THIRD CAUSE OF ACTION

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# Violation of California's Consumer Legal Remedies Act, Cal. Civ. Code § 17250 et seq.

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#### By Plaintiff and the Class Against Defendants

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**46.** Plaintiff incorporates all preceding paragraphs as if fully set forth herein.

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**47.** Plaintiff and each member of the Class is a "consumer" within the meaning of California Civil Code § 1761(d).

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**48.** Defendants are "persons" that sell "goods" to "consumers" within the meaning of Sections 1761(c), (a), and (d) of the Civil Code. Each individual purchase of the Cole Haan Outlet Products constitutes a separate "transaction" under Section 1761(e) of the California Civil Code.

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49. As described herein, Defendants violated the CLRA by representing and creating a false original price and falsely representing the nature, existence, and amount of price discounts based on the false original price. Such a pricing scheme is in violation of California Civil Code Section 1770(a)(7), which prohibits "representing that goods ... are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another" and California Civil Code Section 1770(a)(9), which prohibits "[a]dvertising goods or services with intent not to sell them

as advertised."

- **50.** The pricing scheme is also in violation of California Civil Code Section 1770(a)(13), which prohibits "[m]aking false or misleading statements of fact concerning reasons for, existence of, or amounts of price reductions."
- **51.** Defendants' representations of false original prices and false representations of purported savings, discounts, and bargains were material to Plaintiff's decision to purchase Cole Haan Outlet Products.
- **52.** Plaintiff relied on Defendants' false representations in deciding to purchase Cole Haan Outlet Products. Plaintiff would not have purchased Cole Haan Outlet Products, or would not have paid as much as they did, absent Defendants' unlawful conduct.
- **53.** Defendants knew their conduct was deceptive and likely to mislead reasonable consumers, including Plaintiff and the Class.
- **54.** Defendants had a duty to affirmatively disclose that its original price is false because it is not intended or expected to represent an actual retail price or retail value of any product.
- **55.** Defendants failed to disclose that the Cole Haan Outlet Products were not ever sold at the original advertised price.
- **56.** Defendants intended to engage in the deceptive or fraudulent acts of misrepresenting and omitting the false pricing scheme.
- 57. As a direct and proximate result of Defendants' unlawful acts, the Plaintiff and all other members of the Class have suffered and will continue to suffer damages. Pursuant to Section 1780(a)(2) of the California Civil Code, Defendants should be enjoined from continuing to employ the unlawful methods, acts, and practices alleged in this Complaint to prevent any future harm to Plaintiff and the Class.
- **58.** Plaintiff, on behalf of himself and all others similarly situated, seek equitable relief in the form of an Order prohibiting Defendants from engaging in the alleged misconduct described herein, as well as other relief, such as corrective

CLASS ACTION COMPLAINT

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**DECLARATION OF KEVIN PARK** I, KEVIN PARK, hereby declare that: 1. I have personal knowledge of the following facts stated in this Declaration and could competently testify thereto if called upon to do so. 2. I am the named Plaintiff in this case. 3. I purchased the Cole Haan product, as described in Paragraph 19 of the Complaint in San Diego County, California. I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing Declaration is true and correct and was executed in San Diego County, California on July 13, 2017. Dated: July 13, 2017 Kevin Park KEVIN PARK, Declarant 

JS 44 (Rev. 06/17)

#### CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS			DEFENDANTS Cole Haan LLC and Apax Partners Worldwide							
Kevin Park, individually a	and on behalf of all other	ers similarly situate	ed		- 1 - p a					
(b) County of Residence of First Listed Plaintiff San Diego (ENCEPT IN U.S. PLAINTIFF CASES)				County of Residence of First Listed Defendant  (IN U.S. PLAINTIFF CASES ONLY)  NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.						
(c) Attorneys (Firm Name, Address, and Telephone Number) Alisa Martin, SBN 224037 600 W Broadway, Ste 700, San Diego, Lindsay David, SBN 149075, 2173 Salk Ave, Suite 250, Carlsbad, (760)730-9408				Attorneys (If Known)  17CV1422 LAB BGS						
II. BASIS OF JURISDI	CTION (Place an "X" in O	ne Box Only)	III. CI	TIZENSHIP OF PI	RINCIPA	L PARTIES				
1 U.S. Government 3 Federal Question Plaintiff (U.S. Government Not a Party)			(For Diversity Cases Only)  PTF DEF  Citizen of This State  X 1							
☐ 2 U.S. Government Defendant				Citizen of Another State						
				Citizen or Subject of a						
IV. NATURE OF SUIT	(Place an "X" in One Box On			ORFEITURE/PENALTY		here for: Nature o				
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment ♠ Enforcement of Judgment □ 151 Medicare Act □ 152 Recovery of Defaulted Student Loans (Excludes Veterans) □ 153 Recovery of Overpayment of Veteran's Benefits □ 160 Stockholders' Suits □ 190 Other Contract □ 195 Contract Product Liability □ 196 Franchise □ 210 Land Condemnation □ 220 Forcelosure □ 230 Rent Lease ♠ Ejectment □ 240 Torts to Land □ 245 Tort Product Liability □ 290 All Other Real Property	PERSONAL INJURY  □ 310 Airplane □ 315 Airplane Product Liability □ 320 Assault, Libel &	PERSONAL INJUR  PERSONAL INJUR  365 Personal Injury - Product Liability  Personal Injury - Product Liability  Personal Injury Product Liability  Personal Injury Product Liability  PERSONAL PROPEL  370 Other Fraud  371 Truth in Lending  380 Other Personal Property Damage Product Liability  PERSONAL PROPEL  379 Other Fraud  371 Truth in Lending  380 Other Personal Property Damage Product Liability  PRISONER PETITIO  Habeas Corpus:  463 Alien Detainee  510 Motions to Vacate Scattence  530 General  535 Death Penalty Other:  540 Mandamus & Oth 550 Civil Rights  555 Prison Conditions  560 Civil Detainee - Conditions of Confinement	N	25 Drug Related Scizure of Property 21 USC 881 00 Other	422 Appy   423 With 28 L	cal 28 USC 158 drawal ISC 157  RTY-RIGHTS rights at at - Abbreviated Drug Application emark SECURITY (1395ff) k Lung (923) (**C/DIWW (405(g)) D Title XVI	□ 375 False Cl □ 376 Qui Tan 3729(a) □ 400 State Rc □ 410 Antitrus □ 430 Banks a □ 450 Comme □ 460 Deporta □ 470 Rackete Corrupt □ 480 Consum □ 490 Cable/S □ 850 Securiti □ Exchan □ ¥30 Other S □ 891 Agricul □ 893 Environ □ 895 Freedor Act □ 896 Arbitrat □ 899 Admini Act/Rev	laims Act in (31 USC)) aapportionr it ind Banking ree ition organizationer Credit at TV ces/Commo ige tatutory Act tural Acts mental Mat in of Inform tion striative Pre- precision utionality of	ged and ions dities/ ctions tters nation	
V. ORIGIN (Place an "X" i.	n One Box Only)		·				<u> </u>			
X 1 Original □ 2 Re	moved from	Appellate Court		pened Another (specify)		☐ 6 Multidistr Litigation Transfer		Multidis Litigatio Direct Fi	on -	
VI. CAUSE OF ACTIO	ON Cal. Bus & Prof C	Code Section 17200	D; Cal B	Do not cite jurisdictional state us & Prof Code Secti and Misleading Prici	on 17500		Section 175	50		
VII. REQUESTED IN COMPLAINT:		IS A CLASS ACTIO		EMAND \$ 7 4000,0	96ð	CHECK YES only IURY DEMAND:		n complai □No		
VIII. RELATED CASE	E(S) (See instructions):	JUDGE			DOCKI	ET NUMBER				
DATE 07/13/2017 FOR OFFICE USE ONLY		SIGNATURE OF AT	TORNEY	OF RECORD						
	MOUNT	APPLYING IFP	(	JUDGE		MAG. JUD	OGE			

JS 44 Reverse (Rev. 06/17)

#### INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

#### Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- 1.(a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

  United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

  Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

  Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; NOTE: federal question actions take precedence over diversity cases.)
- III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit. Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: <u>Nature of Suit Code Descriptions</u>.
- Origin. Place an "X" in one of the seven boxes.
  - Original Proceedings. (1) Cases which originate in the United States district courts.
  - Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
  - Remanded from Appellate Court. (3) Check this box for eases remanded to the district court for further action. Use the date of remand as the filing date.
  - Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - Multidistrict Litigation Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
  - Multidistrict Litigation Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.

    PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statue.
- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

  Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.

  Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

# **ClassAction.org**

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Lawsuit: Cole Haan, Apax Falsely Advertise 'Inferior Quality' Outlet Store Products</u>