# EXHIBIT 2

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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA				
10	FOR THE COUNTY OF LOS ANGELES				
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13	SALVADOR CALDERA, on behalf of himself and all others similarly situated,	Case No. 25STCV18066			
14		CLASS ACTION			
15	Plaintiff,	CLASS ACTION COMPLAINT FOR:			
16 17	v. PNY TECHNOLOGIES, INC.; DPI, INC.;	(1) Violation of California Business & Professions Code section 17200, <i>et seq.</i> (Unfair Competition Law)			
18	DIGITAL PRODUCTS INTERNATIONAL, INC.; and DOES 1 to 50, inclusive,	(2) Violation of California Business &			
19	Defendants.	Professions Code section 17500, et seq. (False Advertising Law)			
20		(3) Violation of California's Consumers Legal Remedies Act, California Civil Code section 1750, et seq.			
21		(4) Breach of Contract			
22		<ul><li>(5) Breach of Implied Covenant of Good Faith</li></ul>			
23		and Fair Dealing			
24		(6) Breach of Express or Implied Warranty			
25		(7) Deceit			
26		(8) Unjust Enrichment			
27 28		DEMAND FOR JURY TRIAL			
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Plaintiff SALVADOR CALDERA (hereinafter, "Plaintiff") complains of Defendants PNY TECHNOLOGIES, INC., a Delaware corporation; DPI, INC., a Missouri corporation doing business as DIGITAL PRODUCTS INTERNATIONAL, INC.; DIGITAL PRODUCTS INTERNATIONAL, INC., a Delaware corporation; and Does 1 to 50, inclusive, (together, "Defendants") as follows:

## **NATURE OF ACTION**

- 1. This action seeks redress for Defendants' manufacturing, advertising, marketing, and sale of their USB flash drives, also known as thumb drives, data sticks, JumpDrives, pen drives, gig sticks, flash drives, disk keys, memory sticks, and USB sticks (hereinafter referred to as "flash drives") that provide less than the advertised amount of storage capacity.
- 2. California prohibits the advertising of products with the intent not to sell them as advertised. California also prohibits unlawful, unfair, and deceptive business practices in the advertising and sale of consumer products.
- 3. For at least the past four years and continuing to the present, Defendants falsely advertised the storage capacity of their USB flash drives. The front label of the USB flash drives advertises the purported storage capacity, e.g., 16, 32, 64, 128, 256, and 512 GB, and 1 Terabyte. This claim is made in very large, bold font at the top of the front of the package without any qualification. A reasonable customer purchasing Defendants' products would believe that he or she is receiving a USB flash drive that delivers at least 32 GB of storage.
- 4. In reality, the vast majority of users who purchase Defendants' flash drives actually receive less than the advertised amount. For example, Plaintiff purchased a 32 GB Memorex flash drive but upon inserting it into his computer learned that it only had 28.8 GB of storage capacity.
- 5. Defendants knew or should have known that their customers would not receive the advertised amount of storage but continued to make this misrepresentation on each and every product label.
- 6. On behalf of himself and other similarly situated customers, Plaintiff seeks redress for this false representation, including damages, restitution, and injunctive relief.

1 **PARTIES** 2 7. PNY Technologies, Inc. is a Delaware corporation that has its headquarters in 3 Parsippany, New Jersey. 4 8. DPI, Inc. is a Missouri corporation with its principal place of business in Saint Louis, 5 Missouri. 6 9. Digital Products International, Inc., is a Delaware corporation that, upon information 7 and belief, has its headquarters in Saint Louis, Missouri. 8 10. At all times mentioned herein Plaintiff was and is a resident of the State of California. 9 11. The true names and capacities, whether individual, corporate, associate, or whatever else, of the defendants sued herein as Does 1 to 50, inclusive, are currently unknown to Plaintiff, 10 11 who therefore sues these defendants by such fictitious names under Code of Civil Procedure § 474. 12 Plaintiff is informed and believes and thereon alleges that each of the defendants designated herein 13 as Does is legally responsible in some manner for the unlawful acts referred to herein. Plaintiff will 14 seek leave to amend this Complaint to reflect the true names and capacities of the defendants 15 designated herein as Does when their identities become known. 16 12. Plaintiff is informed and believes and thereon alleges that each defendant acted in all 17 respects pertinent to this action as the employee, agent, partner, alter-ego, and/or joint venturer of 18 the other defendants; that defendants carried out a joint scheme, business plan, or policy in all 19 respects pertinent hereto; and that the acts of each defendant are legally attributable to the other 20 defendants. 21 13. Venue is proper in this judicial district pursuant to Code of Civil Procedure § 395.5 22 because the obligations giving rise to liability occurred in the County of Los Angeles, State of 23 California. 24 **BACKGROUND** 25

14. Defendants manufacture and sell flash drives to customers throughout the United States.

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15. A flash drive is a small, portable storage device that allows users to store digital content externally from the hard drive of their computers or other electronic devices and can be

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written and rewritten according to the needs of the user. Defendants' flash drives that are the subject of this lawsuit connect to these electronic devices through a USB Type-A plug.<sup>2</sup>

- 16. Flash drives are sold based on the amount of storage capacity they contain. The more storage capacity, the higher the price.
- 17. Consumers prefer flash drives with greater storage capacity because they can store more data on such devices, typically without any noticeable increase in the physical size of the flash drive.
- 18. Defendants advertise and sell their Memorex flash drives with the following storage capacities: 16 GB, 32 GB, 64 GB, 128 GB, 256 GB, and 512 GB, and 1 Terabyte.<sup>3</sup>
- 19. A byte is the amount of storage required to store a single character of text.<sup>4</sup> In common parlance, a GB means gigabyte, which is defined as 1024 megabytes or 1,073,741,824 bytes.
- 20. This was the original technical definition of gigabyte (GB) that arose in computing and how all computer operating systems including Windows and Mac originally defined the term and abbreviation. It is still the definition used by the predominant Microsoft Windows operating system, which comprises 97 percent of all computer users. Consumers in turn understand the term and abbreviation as reflected by their operating system, that is, the vast majority of customers understand that gigabyte (GB) means 1024 megabytes or 1,073,741,824 bytes.
- 21. As a result of this common usage, every major dictionary (which defines words descriptively based on actual usage rather than prescriptively) defines gigabyte in the same way, i.e., as 1024 megabytes or 1,073,741,824 bytes.<sup>5</sup>
- 22. Defendants package their flash drives to advertise the amount of available storage capacity on the front of the package, such as 32 GB. The statement of available storage capacity is prominently displayed on the front of the package in large bold letters, much larger than the font

https://www.lifewire.com/what-is-a-flash-drive-2625794 (last accessed March 15, 2024).

<sup>&</sup>lt;sup>3</sup> https://www.pny.com/consumer/view-all-products/usb-flash-drives (last accessed March 27, 2024).

https://www.lifewire.com/terabytes-gigabytes-amp-petabytes-how-big-are-they-4125169 (last accessed March 15, 2024).

<sup>&</sup>lt;sup>5</sup> https://www.merriam-webster.com/dictionary/gigabyte (last accessed March 7, 2024); https://www.dictionary.com/browse/gigabyte (last accessed April 9, 2024); American Heritage College Dictionary (4th ed. 2010), s.v.



Image 1: Front label of Defendants' Memorex Flash Drive

23. Defendants also advertise their Memorex flash drives on third-party websites sites such as Amazon, Target.com, and Walmart.com in the same manner: displaying the number of purported GB in large font without any accompanying disclaimer or clarification relating to Defendants usage of the term or abbreviation (not even in the fine print), as well as the product's purported compatibility with PCs.

- 24. Consumers understand these labeling statements to mean that there is at least 32 GB of memory available for use by the consumer according to how their operating systems measures storage capacity. Defendants do not include any disclaimers or other qualifying language on the front label to indicate that consumers will receive less than the advertised amount or to dispel any confusion regarding its use of the term.
- 25. Defendants explicitly advertise that their flash drives are compatible with Windows operating systems.
- 26. Defendants' Memorex flash drives, however, do not deliver the storage capacity advertised on the front label; instead, they contain several gigabytes less than the advertised amount when inserted into a computer running a Windows operating system. For example, a 32 GB flash

drive actually provides only 29.8 GB or less of storage capacity. This disparity becomes greater as the flash storage capacity increases. In short, Defendants overstate the amount of memory available to the consumer (i.e., they overstate the amount of memory which the consumer can use to store his or her data).

- 27. Nevertheless, Defendants continued to advertise their Memorex flash drives in the manner described above, without any qualification or explanation on the front of the package or on the websites where such products are sold.<sup>6</sup>
- 28. Consumers like Plaintiff do not discover that their storage devices have less than the represented amount until after they purchase the product and start using it.
- 29. The vast majority of consumer electronic products run Windows operating systems. Defendants knew or reasonably should have known that their flash drives are primarily used by Windows users and therefore would not receive the advertised amount of storage capacity.
- 30. Defendants should have also known that while more recent Mac operating systems now measure storage capacity differently from Windows, Apple computers no longer include a USB-A port that would allow customers to insert Defendants' Memorex flash drives directly, thus further proving that Defendants' flash drives are postured toward Windows users.
- 31. Moreover, by representing that the flash drives are compatible with Windows operating systems, Defendants led consumers to understand that the flash drives delivered the represented storage capacity according to Windows specifications, i.e., that they provided 32 GB of storage as measured by Windows operating systems.
- 32. Additionally, regardless of operating system, the Memorex flash drives never provide the represented amount of storage capacity because, upon information and belief, some of the storage capacity is used for internal functions or otherwise inaccessible, a fact that is also never disclosed to customers. For example, when a new Memorex drive is inserted into a computer, the drive already contains a certain amount of "used space" or "inaccessible space," and this is true even after the flash drive has been reformatted.

<sup>&</sup>lt;sup>6</sup> See, e.g., <a href="https://www.amazon.com/Memorex-64GB-Flash-Drive-USB/dp/B083G72FZX">https://www.amazon.com/Memorex-64GB-Flash-Drive-USB/dp/B083G72FZX</a> (last visited on May 13, 2024); <a href="https://www.target.com/p/memorex-32gb-flash-drive-usb-2-0-red-32020003221/-/A-53360881#lnk=sametab">https://www.target.com/p/memorex-32gb-flash-drive-usb-2-0-red-32020003221/-/A-53360881#lnk=sametab</a> (last visited on May 13, 2024).

- 33. Reasonable consumers are deceived by this conduct in that they believe that they are paying for greater storage capacity than Defendants' flash drives provide, and they have suffered damages as a result.
- 34. Plaintiff purchased a 32 GB USB flash drive from a Target store in Los Angeles, California on or around October 23, 2023. Plaintiff saw the representation about storage capacity on the front of the package and purchased the product believing that it would provide 32 GB of storage. However, when Plaintiff inserted the flash drive into his computer, there were fewer than 32 GB of available storage.
- 35. On around May 8, 2024, Plaintiff purchased a 32 GB flash drive on Target.com. Memorex advertised the flash drive on the website as having 32 GB of storage and said it was compatible with PCs and did not provide any clarifying language regarding the storage capacity and no disclaimer indicating that he would receive less than the stated capacity. When Plaintiff inserted the flash drive into his computer, however, there were fewer than 32 GB of storage.

## **CLASS ACTION ALLEGATIONS**

36. Plaintiff brings this action as a class action pursuant to California Code of Civil Procedure § 382 on behalf of the following class:

**Class:** All persons in California who purchased a Memorex USB flash drive within the longest applicable limitations period.

- 37. Members of the class, as described above, will be referred to as "class members." Excluded from the class are: (1) Defendants, any entity or division in which any Defendants have a controlling interest, and their legal representatives, officers, directors, assigns, and successors; and (2) the judge to whom this case is assigned and the judge's staff and members of their immediate family. Plaintiff reserves the right to amend the above class and to add subclasses as appropriate based on investigation, discovery, and the specific theories of liability.
- 38. This action has been brought and may properly be maintained as a class action under California Code of Civil Procedure 382 because there is a well-defined community of interest in the litigation and the class members are easily ascertainable.

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## A. Numerosity

39. Although the precise number of class members has not been determined at this time, Plaintiff estimates that the class includes thousands of members and that the identity of such persons is readily ascertainable. Therefore it is reasonable that the class members are so numerous that joinder is impracticable, and the disposition of their claims in a class action will provide substantial benefits to the parties and the Court.

#### **B.** Common Questions Predominate

- 40. There are questions of law and fact common to the class that predominate over any questions affecting only individual putative class members. Thus proof of a common set of facts will establish the right of each class member to recovery. These common questions of law and fact include but are not limited to the following:
  - a. Whether Defendants unfairly, deceptively, unlawfully, and/or unconscionably marketed, advertised, and sold their USB flash drives as having a greater storage capacity than is actually available on the device;
  - b. Whether Defendants breached the terms of their contract with USB flash drive purchasers;
  - c. Whether Defendants adequately, conspicuously, or adequately disclosed to consumers the actual available storage capacity of their USB flash drives;
  - d. Whether Defendants had a duty to disclose the actual available storage capacity on the front of the package;
  - e. Whether Defendants violated the Consumers Legal Remedies Act (CLRA), Cal. Civ. Code § 1770(a)(9) by advertising the Memorex USB flash drives with the intent not to sell it as advertised;
  - f. Whether Defendant violated section 1770(a)(5) of the CLRA by representing that the USB flash drives have characteristics, ingredients, uses, benefits, or quantities that they do not have;
  - g. Whether Defendant violated section 1770(a)(7) of the CLRA by representing that the USB flash drives are of a particular standard, quality, or grade, or that goods

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- h. Whether Defendants violated California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq. and FAL, Cal. Bus. & Prof Code § 17500, et seq. by deceptively marketing, advertising, and selling their USB flash drives;

i. Whether Defendants intentionally or, alternatively, negligently represented the storage capacity of their USB flash drives;

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j. Whether Defendants breached their contracts with consumers to provide a flash drive with the specified storage capacity;

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k. Whether Defendants breached its express or implied warranties made to consumers by not providing flash drives with the warranted storage capacity;

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1. Whether Defendants were unjustly enriched by selling USB flash drives through their business practices;

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m. Whether Defendants' conduct described herein entitles Plaintiff and class members to actual, compensatory, statutory, and punitive damages; and

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n. Whether Defendants' conduct described herein violates Cal. Bus. & Prof. Code §§ 17200, *et seq.*, entitling Plaintiff and class members to equitable relief.

41. Plaintiff's claims are typical of the claims of class members because Defendants

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# C. Typicality

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manufactured, advertised, marketed, and sold their USB flash drives but failed to comply with California's consumer protection law and common law. Plaintiff and each class member sustained similar injuries arising out of Defendant's conduct in violation of law. The injuries of each class

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member were caused directly by Defendants' wrongful conduct. In addition, the factual

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underpinning of Defendants' misconduct is common to all class members and represents a common

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thread of misconduct resulting in injury to all class members. Plaintiff's claims arise from the same

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practices and course of conduct that give rise to the claims of the class members and are based on

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the same legal theories.

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## D. Adequacy

42. Plaintiff will fairly and adequately represent and protect the interests of class members. Counsel who represent Plaintiff and putative class members are experienced and competent in litigating consumer class actions.

## E. Superiority of Class Action

43. A class action is superior to other available means for the fair and efficient adjudication of this controversy. Individual joinder of putative class members is not practicable, and questions of law and fact common to class members predominate over any questions affecting only individual putative class members. Each class member has been damaged and is entitled to recovery as a result of the violations alleged herein. Moreover, because the damages suffered by individual class members may be relatively small, the expense and burden of individual litigation would make it difficult or impossible for individual class members to redress the wrongs done to them, while an important public interest will be served by addressing the matter as a class action. Class action treatment will allow those persons similarly situated to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Plaintiff is unaware of any difficulties in managing this case that should preclude class action.

## FIRST CAUSE OF ACTION

#### VIOLATION OF THE CAL. BUS. & PROF. CODE § 17200, et seq.

- 44. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.
- 45. California's Unfair Competition Law ("UCL"), California Business & Professions Code § 17200, *et seq.*, protects both consumers and competitors by promoting fair competition in commercial markets for goods and services. The UCL prohibits any unlawful, unfair, or fraudulent business act or practice. A business practice need only meet one of the three criteria to be considered unfair competition.
- 46. The UCL defines unfair business competition to include any "unlawful, unfair or fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading" advertising. Cal Bus. & Prof. Code § 17200.

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- 47. A business act or practice is "unfair" under the Unfair Competition Law if the reasons, justifications, and motives of the alleged wrongdoer are outweighed by the gravity of the harm to the alleged victims.
- 48. Defendants violated the unfair prong of the UCL by selling their USB flash drives to consumers by mispresenting the amount of storage capacity that the devices had. Plaintiff and other consumers were injured by the loss of money because they would not have purchased the flash drive had they known of its inferior capacity or would have paid less for the product commensurate with its actual capacity.
- 49. The gravity of the harm to members of the putative class resulting from these unfair acts and practices outweighs the reasons, justifications, or motives of Defendants. Defendants lacked any justification for failing to disclose the true storage capacity of the flash drives to consumers. Through their unfair acts and practices, Defendants improperly obtained money from Plaintiff and the putative class. Plaintiff requests that Defendants restore this money to Plaintiff and all class members.
- 50. A business act or practice is "fraudulent" under the UCL if it is likely to deceive members of the consuming public.
- 51. Defendants' advertising of their flash drives with a greater storage capacity than they actually have deceived their customers into buying products that they would have paid less for. As a result, customers, including Plaintiff, have reasonably perceived that they would have a greater amount of storage capacity to use on their flash drives than they actually did. Plaintiff and other customers relied on Defendants' misleading and deceptive representations when purchasing Defendants' flash drives.
- 52. As a result of the foregoing conduct, Defendants have been unjustly enriched at the expense of Plaintiff and the putative class. Defendants have been unjustly enriched by obtaining revenues and profits that they would not otherwise have obtained absent their false, misleading, and deceptive conduct.
- 53. Through their fraudulent acts and practices, Defendants have improperly obtained money from Plaintiff and the putative class. Plaintiff requests that this Court order Defendants to

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restore this money to Plaintiff and the putative class and to enjoin Defendant from continuing to violate the UCL.

- 54. An unlawful business practice is anything that can properly be called a business practice and that at the same time is forbidden by law. A business act or practice is "unlawful" under the UCL if it violates any other law.
- 55. Defendants' conduct is unlawful under the CLRA, Cal. Civ. Code §§ 1770(a)(5) (prohibiting "[r]epresenting that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have"); 1770(a)(7)(prohibiting "[r]epresenting that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another"), 1770(a)(9) (prohibiting "[a]dvertising goods or services with intent not to sell them as advertised"), and the common law as described throughout this complaint.
- 56. As described above, Defendants have violated the unlawful prong of the UCL by violating the CLRA and common law by advertising and selling their USB flash drives with less storage capacity than they actually have available.
- 57. Defendants' advertising of their USB flash drives at a greater storage capacity than they actually have available violates Cal. Bus. & Prof. Code § 17500, which outlaws untrue or misleading advertising, as described in greater detail hereinbelow.
- 58. As a result, Defendants have been unjustly enriched at the expense of Plaintiff and members of the proposed class. Defendants have obtained revenues and profits that they would not otherwise have obtained as a result of their false, deceptive, and misleading conduct.
- 59. Pursuant to California Business & Professions Code section 17203, Plaintiff seeks equitable relief, including money unlawfully obtained from Plaintiff and the putative class and an order enjoining Defendants from engaging in the unfair, fraudulent, and unlawful conduct described above.

## 1 **SECOND CAUSE OF ACTION** 2 VIOLATION OF CALIFORNIA'S FALSE ADVERTISING LAW, 3 BUS. & PROF. CODE § 17500, et seq. (THE "FAL") 4 60. Plaintiff hereby incorporates by reference the allegations contained in this 5 Complaint. 6 61. The California False Advertising Law prohibits unfair, deceptive, untrue, or 7 misleading advertising, including but not limited to making any statements as part of a plan or 8 scheme with the intent not to sell goods or services at the advertised price. 9 62. As alleged above, Defendants advertise their USB flash drives as having a particular amount of memory when in fact the flash drives contain less available storage capacity than 10 advertised. 11 12 63. Defendants' practice was unfair, deceptive, and misleading to consumers, who think 13 they are paying for flash drives with the amount of available storage capacity advertised on the front 14 of the package. 15 64. Through their unfair, deceptive, and misleading acts and practices, Defendants have improperly obtained money from Plaintiff and the putative class. Plaintiff respectfully requests that 17 the Court restore these funds to Plaintiff and the putative class and enjoin Defendants' continuing 18 violations of the FAL to prevent further irreparable harm to consumers. 19 THIRD CAUSE OF ACTION 20 VIOLATION OF CALIFORNIA'S CONSUMERS LEGAL REMEDIES ACT, 21 CAL. CIVIL CODE § 1750, et seg. (THE "CLRA") 22 65. Plaintiff hereby incorporates by reference the allegations contained in this 23 Complaint. 24 66. This cause of action is brought pursuant to the Consumers Legal Remedies Act, 25 California Civil Code § 1750, et seq. 26 67. Plaintiff and each member of the putative class are "consumers" within the meaning 27 of Civil Code § 1761(d). 28 ///

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- 68. Defendants' sale of flash drives constitutes "transactions" within the meaning of Civil Code § 1761(e).
- 69. The items purchased by Plaintiff and the putative class are "goods" or "services" within the meaning of Civil Code § 1761(a).
- 70. Defendants have engaged in unfair methods of competition and unfair and/or deceptive acts or practices against Plaintiff and the putative class in violation of the CLRA by falsely representing that consumers, including Plaintiff, would receive greater storage capacity on their flash drives than actually was available, in violation of Cal. Civ. Code sections 1770(a)(5) (prohibiting "[r]epresenting that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have"); 1770(a)(7)(prohibiting "[r]epresenting that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another"); 1770(a)(9) (prohibiting "[a]dvertising goods or services with intent not to sell them as advertised").
- 71. As a result of these acts and practices, Plaintiff and the putative class were damaged in that Defendants' unlawful and misleading acts and practices impacted the decisions of Plaintiff and the putative class when purchasing the flash drives, including the amount of storage capacity they received, and the price they paid.
- 72. Pursuant to Civil Code § 1782, on June 19, 2024, Plaintiff sent Defendants a letter, by certified mail, in which he outlined the foregoing violations of the CLRA and requested that Defendants remedy these violations as to Plaintiff and the putative class. Defendants did not agree to correct, repair, replace, or otherwise rectify the violations alleged herein within thirty (30) calendar days after Defendants' receipt of Plaintiff's letter. Consequently, pursuant to Civil Code section 1782(d), Plaintiff seeks damages, including actual, statutory, and punitive damages.
- 73. Pursuant to California Civil Code section 1780(a)(2), Plaintiff, on behalf of himself and the putative class, also requests that this Court issue an injunction prohibiting Defendants from engaging in the unlawful and deceptive methods, acts, and practices alleged above.

# **FOURTH CAUSE OF ACTION**

#### **BREACH OF CONTRACT**

74. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.

75. Plaintiff and each customer entered into written contracts with Defendants whereby Defendants promised to sell the USB flash drives that they manufactured, advertised, and marketed with a particular amount of storage capacity through the representations that they made on the front of the package. Defendants also represented that the flash drives were compatible with Windows and other operating systems. When consumers purchased the product, they accepted the offer presented on the front of the package.

76. In purchasing Defendants' product, Plaintiff and other customers entered into contracts with Defendants wherein Defendants promised that the product would perform as advertised.

77. Plaintiff and putative class members bought memory drives and paid the required purchase price, and thereby accepted Defendants' offer and entered into a contract with Defendants based on the promises that Defendants made on the front of the package regarding storage capacity.

78. Defendants breached these contracts by providing USB flash drives with less than the promised amount of storage capacity – in Plaintiff's case, less than 32 GB of storge capacity.

79. As a direct and proximate result of Defendants' breach, each customer was damaged in the amount of the value of the scanted storage capacity, in an overall amount to be established at trial.

## FIFTH CAUSE OF ACTION

#### BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

- 80. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.
- 81. Plaintiff and putative class members entered into contracts with Defendants, as alleged hereinabove. Implied in these contracts was a covenant of good faith and fair dealing by each party agreeing not to do anything that would deprive the other parties of the benefits of the

- 82. Plaintiff and putative class members have performed all conditions, covenants, and promises required of them under the contracts.
- 83. Defendants breached the implied covenant of good faith and fair dealing by failing to provide the purchased products as promised to Plaintiff and putative class members, and in doing so did not act fairly and in good faith.
- 84. As a direct and proximate cause of Defendants' breach of the implied covenant of good faith and fair dealing, Plaintiff and putative class members have been damaged, as alleged above, in an amount in excess of the jurisdictional limits of this Court to be proven at the time of trial.

#### SIXTH CAUSE OF ACTION

#### **BREACH OF EXPRESS OR IMPLIED WARRANTY**

- 85. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.
- 86. By advertising and selling the subject flash drives, Defendants made promises and affirmations of fact on the products' packaging and labeling, as described herein. This labeling and advertising constitutes express or implied warranties and became part of the basis of the bargain between Plaintiff and members of the class, and Defendants.
- 87. Defendants, through their advertising and labeling, created express or implied warranties that the purchased products comport with the representations identified hereinabove. Specifically, Defendants created express or implied warranties that the flash drives contain the represented amount of storage capacity, including when used in electronic devices running Windows operating systems.
- 88. The express or implied warranties appeared on the labels of Defendants' Memorex flash drives and specifically relate to the goods being sold.
- 89. Despite Defendants' express or implied warranties about the nature of their Memorex flash drives, these products do not comply with the foregoing representations. Thus, the flash drives were not what Defendant represented them to be.

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- 90. Accordingly, Defendants breached express or implied warranties about Memorex flash drives because these products did not conform to Defendants' affirmations and promises.
- 91. Plaintiff provided Defendants with pre-suit notice of the breach of warranty, including by letter dated June 19, 2024.
- 92. As a direct and proximate result of Defendants' breach of express or implied warranty, Plaintiff and members of the class were harmed in the amount of the scanted storage capacity. Further, Plaintiff and members of the proposed class have suffered and continue to suffer economic losses and other general and specific damages and any interest that would have accrued on those monies, in an amount to be proven at trial.

## **SEVENTH CAUSE OF ACTION**

#### **DECEIT**

- 93. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.
- 94. Defendants have intentionally, or in the alternative, negligently made material misrepresentations of fact concerning the available storage capacity of their USB flash drives. In particular, Defendants misrepresented that the flash drives had more storage capacity than they actually had. Rather than state the true capacity of the flash drives, Defendants overstated the storage capacity.
- 95. Defendants knew that the misrepresentations alleged herein were false at the time Defendants made them or had no reasonable grounds for believing them to be true.
- 96. Moreover, Defendants suppressed a material fact relating to the sale of its flash drives, namely, that the stated representation of storage capacity on the front of the package was different from, and greater than, the storage capacity that would be reflected by the operating systems used by most of Defendants' customers who purchased the subject flash drives. In addition, Defendants gave information of other facts (e.g., the flash drives' purported compatibility with Windows operating systems) which are likely to mislead consumers given Defendants' failure to communicate that their flash drives would deliver less storage capacity as measured by Windows operating systems. Further, Defendants knew about the likelihood of confusion regarding its

representation of storage capacity on the front of the product and use of the abbreviation "GB" without any asterisk or apparent qualification. Defendants also knew that their flash drives used memory for formatting and internal functions that resulted in customers receiving less than the stated storage capacity.

- 97. Defendants intended that Plaintiff and members of the putative class should rely on the false and deceptive representations and purchase Defendants' items.
- 98. Defendants' false and deceptive representations of the amount of storage capacity are objectively material to reasonable consumers, and therefore reliance upon such representations may be presumed as a matter of law.
- 99. Plaintiff and members of the putative class reasonably relied to their detriment on Defendants' intentional misrepresentations.
- 100. Defendants' misrepresentations and omissions were a substantial factor in causing Plaintiff and members of the putative class to suffer damages in the amount of the scanted storage.
- 101. Defendants have committed fraud through their misrepresentations, deceit, and/or concealment of material facts known to Defendants with the intent to cause injury to the purchasers of their items.
- 102. As a proximate result of Defendants' misrepresentations and omissions, Plaintiff and members of the putative class suffered an ascertainable loss and are entitled to relief and compensatory and punitive damages, in an amount to be determined at trial.

# EIGHTH CAUSE OF ACTION

#### **UNJUST ENRICHMENT**

- 103. Plaintiff hereby incorporates by reference the allegations contained in this Complaint.
- 104. Defendants received a benefit from Plaintiff and putative class members in the form of overstating the available storage capacity of their flash drives.
- 105. It is unjust for Defendants to retain the money they received from Plaintiff and putative class members because Defendants gained that money by deceiving Plaintiff and the putative class about the quality of the items they were purchasing, as alleged above.

1	JURY DEMAND				
2	Plaintiff hereby demands a jury trial on all issues so triable.				
3					
4	DATED: June 23, 2025 COUNSELONE, PC				
5					
6	By And				
7	Anthony J. Orshansky Alexandria R. Kachadoorian Justin Kachadoorian				
8	Attorneys for Plaintiff Salvador Caldera, on behalf of himself and others similarly situated				
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# DECLARATION OF PLAINTIFF SALVADOR CALDERA PURSUANT TO CAL. CIVIL CODE § 1780(d)

I, Salvador Caldera, declare:

6/20/2025

Executed on

- 1. I am over 18 years of age and the named plaintiff in this action. The information supplied herein is based on my own personal knowledge and/or has been supplied by my attorneys or other agents and is therefore provided as required by law. The information contained herein is true, except as to the matters which were provided by my attorneys or other agents, and, as to those matters, I am informed and believe that they are true. If called upon to testify to the information contained in this Declaration, I could and would competently do so.
- 2. The transactions that are the subject of this lawsuit occurred in Los Angeles County, State of California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

	Signed by:	

Salvador Caldera