UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE

similarly situated,))
Plaintiff,	Case No.
v.	NOTICE OF REMOVAL
SIERRA TRADING POST, INC., and DOES 1-20 inclusive,	,))
Defendants.)))

TO: THE CLERK OF THE ABOVE-CAPTIONED COURT

AND TO: WEIMIN CHEN, Plaintiff;

AND TO: DANIEL M. HATTIS of HATTIS & LUKACS, Attorneys for Plaintiff:

PLEASE TAKE NOTICE that defendant Sierra Trading Post, Inc. ("STP") hereby provides notice of the removal to the United States District Court for the Western District of Washington of the following action filed on October 5, 2018, in the King County Superior Court: *Chen v. Sierra Trading Post, Inc.*, Case No. 18-2-25019-6 SEA (the "State Court Action"). The following is a short, plain statement of the grounds for removal. *See* 28 U.S.C. § 1446(a).

I. <u>DESCRIPTION OF THE ACTION</u>

Plaintiff Weimin Chen ("Plaintiff") filed a Complaint in the State Court Action on October 5, 2018, and served the Complaint on STP on October 9, 2018. The claims against STP arise out of STP's purported use of allegedly false reference prices in its product advertisements

NOTICE OF REMOVAL - 1

LANE POWELL PC 1420 FIFTH AVENUE, SUITE 4200 P.O. BOX 91302 SEATTLE, WA 98111-9402 206.223.7000 FAX: 206.223.7107

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online and in stores in Washington state. Plaintiff purports to act on behalf of a putative class of "[a]ll persons who purchased in the State of Washington within the applicable limitations period from Sierra Trading Post, Inc., one or more products which Sierra Trading Post, Inc., advertised or promoted by displaying or otherwise disseminating a reference price or discount." *Complaint* at ¶ 94. The Complaint asserts the following causes of action: (a) violation of the Washington Consumer Protection Act, RCW Chapter 19.86; (b) breach of express warranty, RCW 62A.2-313; (c) permanent public injunctive relief, RCW § 19.86.093; and (d) relief under the Uniform Declaratory Judgments Act, RCW 7.24. *Id.* at 28-35.

The nature of the action is more fully stated in the Complaint, a true and correct copy of which is attached hereto as Exhibit A. A true and correct copy of Plaintiff's Demand for Jury Trial is attached hereto as Exhibit B.

II. BASIS FOR REMOVAL

The Court has jurisdiction over this action pursuant to the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d). CAFA provides that federal courts have original jurisdiction and removal jurisdiction in class actions where (a) minimal diversity of citizenship exists; (b) the amount in controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs; (c) the primary defendants are not states, state officials or government entities against whom the federal court may be foreclosed from ordering relief; and (d) there are more than 100 people in the putative class. 28 U.S.C. § 1332(d)(2); *see also Serrano v. 180 Connect, Inc.*, 478 F.3d 1018, 1020-21 (9th Cir. 2007). As set forth below, this action is removable under CAFA.

A. Diversity Of Citizenship Exists

Diversity of citizenship is established under CAFA for "a class action in which (A) any member of a class of plaintiffs is a citizen of a State different from any defendant" 28 U.S.C. § 1332(d)(2). Thus, only minimal diversity is required, and is satisfied where the sole named class member plaintiff is a citizen of a state different from the sole named defendant.

Minimal diversity is met here. Plaintiff was a resident and citizen of the State of Washington at the time of filing of the Complaint and at all times relevant to the action.

NOTICE OF REMOVAL - 2

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Complaint at ¶ 14. Further, as of the time of filing of this action and today, STP is a Wyoming 1 2 3 4 5 6

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corporation with its corporate headquarters in Framingham, Massachusetts; STP's principal operations are not based in Washington. See Complaint at ¶ 15; Declaration of Tyler Sparrow ("Sparrow Declaration") at ¶ 3. Thus, STP is **not** a citizen of Washington and, therefore, minimal diversity exists because the sole named plaintiff and sole named defendant are citizens of different states. See 28 U.S.C. § 1332(d)(2)(A).

В. The Amount In Controversy Exceeds \$5,000,000

Under CAFA, "the claims of the individual class members shall be aggregated to determine whether the matter in controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs." 28 U.S.C. § 1332(d)(2). "In determining the amount in controversy, courts first look to the complaint. Generally, the sum claimed by the plaintiff controls" for purposes of determining CAFA removal jurisdiction. *Ibarra v. Manheim Invs., Inc.*, 775 F.3d 1193, 1197 (9th Cir. 2015); cf. Gugliemino v. McKee Foods Corp., 506 F.3d 696, 700 (9th Cir. 2007) (the party seeking removal must "prove with legal certainty" the amount in controversy only when the state court complaint affirmatively alleges an amount in controversy less than the jurisdictional threshold).

Plaintiff prays, inter alia, "[f]or damages, including actual damages to Plaintiff and the Class in an amount to be determined at trial but which is more than \$100,000 and which is estimated to be approximately \$23 million." *Complaint* at 35 ¶ B. Plaintiff additionally requests additional damages up to an amount not to exceed three times the actual damages sustained, disgorgement or restitution of all revenues, profits and/or unjust enrichment obtained by Defendant directly or indirectly, and nominal damages, in addition to attorneys' fees and costs of complying with various prayed-for measures of injunctive relief. *Id.* at 35-36 ¶¶ C-K, O. These figures combined result in an amount prayed for in the Complaint that exceeds \$5,000,000.

C. **Class Size Exceeds 100 Class Members**

Plaintiff alleges in the Complaint that, while he does not know the exact number of potential class members, he "is informed and believes that the Class easily comprises 10,000 LANE POWELL PC NOTICE OF REMOVAL - 3

Washington State residents and could, by the date of entry of Judgment, number in excess of 20,000 Washington State residents." *Complaint* at ¶ 96. Because there is no dispute that the putative class—as currently defined by Plaintiff on the face of the Complaint—includes more than 100 people, the class size requirement of CAFA is met.

D. Defendant Is A Private Entity

Defendant is "a corporation chartered under the laws of the state of Wyoming." *Complaint* at ¶ 15. Thus, as disclosed on the face of the Complaint, Defendant is not a state, state official, or governmental entity. *See* 28 U.S.C. § 1332(d)(5). Accordingly, the defendant's legal status does not defeat removal jurisdiction.

III. THE NOTICE OF REMOVAL IS PROCEDURALLY PROPER

A case may be removed within thirty days of formal service on the removing defendant. 28 U.S.C. § 1446(b); *Murphy Bros. v. Michetti Pipe Stringing*, 526 U.S. 344, (1999) (30-day time period in which to remove triggered by date of formal service, not date when "courtesy copy" was faxed to defendant). Service of summons was made on an agent of defendant STP in the state of Washington on October 9, 2018. *See* Ex. A. This Notice of Removal is therefore timely because it is filed within thirty days of formal service on STP.

Venue is proper in the Western District of Washington pursuant to 28 U.S.C. §§ 1441(a) and 1446(a) because the State Court Action was filed and is pending in the Seattle Case Assignment Area of the Superior Court for King County, which is within this district.

Pursuant to 28 U.S.C. § 1446(d), STP is simultaneously submitting filings and giving appropriate notice to the State court and to the Plaintiff of this removal. Furthermore, STP will comply with Western District of Washington Local Rule 101(c) and submit a verification of state court records within fourteen days of this filing.

There are no other named defendants whose consent would be required for removal. *See* 28 U.S.C. § 1453(b).

NOTICE OF REMOVAL - 4

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IV. CONCLUSION AND REQUESTED RELIEF 1 For all the reasons set forth above, STP requests that the State Court Action pending 2 before the Superior Court of the State of Washington for the County of King be removed to the 3 United States District Court for the Western District of Washington as if originally filed herein. 4 DATED this 29th day October 2018. 5 6 LANE POWELL PC SHEPPARD, MULLIN, RICHTER & HAMPTON LLP 7 8 By: /s/ Rudy A. Englund By: /s/ P. Craig Cardon P. Craig Cardon, Cal. Bar No. 168646 Rudy A. Englund, WSBA No. 04123 9 englundr@lanepowell.com Pro Hac Vice to be Submitted ccardon@sheppardmullin.com 10 By: /s/ Jay T. Ramsey 11 By: /s/ Erin M. Wilson Jay T. Ramsey, Cal. Bar No. 273160 Erin M Wilson, WSBA No. 42454 12 Pro Hac Vice to be Submitted wilsonem@lanepowell.com jramsey@sheppardmullin.com 13 Lane Powell, PC Sheppard, Mullin, Richter & Hampton, LLP 14 PO Box 91302 1901 Avenue of the Stars, Suite 1600 1420 Fifth Avenue, Suite 4200 Los Angeles, California 90067-6055 Seattle, WA 98111-9402 15 Phone 310.228.3700 Tel: 206.223.7000 16 Fax: 206.223.7107 Fax 310.228.3701 17 Attorneys for Defendant Sierra Trading Post, Attorneys for Defendant Sierra Trading Post, Inc. Inc. 18 19 20 21 22 23 24 25 26 27 LANE POWELL PC NOTICE OF REMOVAL - 5

Case 2:18-cv-01581 Document 1 Filed 10/29/18 Page 6 of 6

CERTIFICATE OF SERVICE 1 I, hereby certify under penalty of perjury of the laws of the State of Washington that on 2 the 29th day of October 2018, I caused to be served a copy of the attached document to the 3 following person(s) in the manner indicated below at the following address(es): 4 by CM/ECF 5 Daniel M. Hattis Hattis & Lukacs $\overline{\mathbf{V}}$ by Electronic Mail by Facsimile Transmission PO Box 1645 6 Bellevue, WA 98009 by First Class Mail by Hand Delivery dan@hattislaw.com 7 by Overnight Delivery 8 9 DATED this 29th day of October 2018. 10 11 nanda Lund 12 Amanda Lund 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 LANE POWELL PC



TO:

Debra David, Paralegal The TJX Companies, Inc.

770 Cochituate Rd

Framingham, MA 01701-4666

RE:

Process Served in Washington

FOR:

Sierra Trading Post, Inc. (Domestic State: WY)

Service of Process Transmittal

10/09/2018

CT Log Number 534196303



ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION:

Weimin Chen, Pltf. vs. Sierra Trading Post, Inc., et al., Dfts.

DOCUMENT(S) SERVED:

Summons, Complaint

COURT/AGENCY:

King County Superior Court, WA Case # 182250196SEA

NATURE OF ACTION:

Complaint for consumer protection act

ON WHOM PROCESS WAS SERVED:

CT Corporation System, Olympia, WA

DATE AND HOUR OF SERVICE:

By Process Server on 10/09/2018 at 11:47

JURISDICTION SERVED:

Washington

APPEARANCE OR ANSWER DUE:

Within 20 days after service, exclusive of the day of service

ATTORNEY(S) / SENDER(S):

Daniel M. Hattis HATTIS & LUKACS P.O. Box 1645 Bellevue, WA 98009 650-980-1990

ACTION ITEMS:

CT has retained the current log, Retain Date: 10/10/2018, Expected Purge Date:

10/15/2018

Image SOP

Email Notification, Debra David debra_david@tjx.com

SIGNED:

ADDRESS:

CT Corporation System 711 Capitol Way S.

Suite 204

TELEPHONE:

Olympia, WA 98501 602-277-4792

Page 1 of 1 / DA

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9		JRT OF WASHINGTON ING COUNTY
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12	WEIMIN CHEN for Himself and All	No. 18-2-25019-6 SEA
13	Others Similarly Situated,	SUMMONS (20 DAYS)
14	Plaintiff,	
15	v.	
16	SIERRA TRADING POST, INC., and DOES 1-20, inclusive,	
17	Defendants.	
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28	SUMMONS	HATTIS & LUKACS
	PAGE 1 OF 2	P.O. BOX 1645 BELLEVUE, WA 98009 (650) 980-1990

TO THE DEFENDANT: A lawsuit has been started against you in the above entitled court by WEIMIN CHEN, plaintiff. Plaintiff's claim is stated in the written complaint, a copy of which is served upon you with this summons.

In order to defend against this lawsuit, you must respond to the complaint by stating your defense in writing, and by serving a copy upon the person signing this summons within 20 days after the service of this summons, excluding the day of service, or a default judgment may be entered against you without notice. A default judgment is one where plaintiff is entitled to what he asks for because you have not responded. If you serve a notice of appearance on the undersigned person, you are entitled to notice before a default judgment may be entered.

You may demand that the plaintiff file this lawsuit with the court. If you do so, the demand must be in writing and must be served upon the person signing this summons. Within 14 days after you serve the demand, the plaintiff must file his lawsuit with the court, or the service on you of this summons and complaint will be void.

If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your written response, if any, may be served on time.

This summons is issued pursuant to rule 4 of the Superior Court Civil Rules of the State of Washington.

DATED this 4th day of October, 2018.

Presented by:

HATTIS & LUKACS

Daniel M. Hattis, WSBA # 50428

HATTIS & LUKACS P.O. Box 1645

Bellevue, WA 98009

Telephone: (650) 980-1990 Facsimile: (425) 412-7171 Email: dan@hattislaw.com

Attorneys for Plaintiff and the Proposed Class

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12	WEIMIN CHEN	No
13	for Himself and All Others Similarly Situated,	
14	Plaintiff,	CLASS ACTION COMPLAINT FOR
15	v.	DAMAGES, INJUNCTIVE AND DECLARATORY RELIEF UNDER THE
16	SIERRA TRADING POST, INC., and DOES 1-20, inclusive,	CONSUMER PROTECTION ACT, RCW 19.86, AND THE WASHINGTON COMMERCIAL CODE, RCW 62A.2-313
17	Defendants.	COMMERCIAL CODE, RC W 02A.2-313
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	CLASS ACTION COMPLAINT FOR DAMAGES AND INJUNCTIVE AND DECLARATORY RELIEF PAGE 1 OF 37	HATTIS & LUKACS P.O. BOX 1645 BELLEVUE, WA 98009 (650) 980-1990

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	-	
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Plaintiff WEIMIN CHEN, demanding trial by jury as to all issues so triable in a separate document filed herewith, alleges as follows, on personal knowledge and/or on information and belief, against Defendant Sierra Trading Post, Inc. ("Sierra Trading Post"), and Defendants Does 1 through 20, inclusive:

I. INTRODUCTION AND SUMMARY

- 1. The popular retailer Sierra Trading Post engages in false and misleading advertising which harms Washington State consumers.
- 2. Defendant Sierra Trading Post, Inc. ("Sierra Trading Post"), is a discount retailer which sells men's and women's apparel, outdoor gear, sporting goods and home fashions directly to consumers. While Sierra Trading Post operates about 30 brick-and-mortar retail stores nationwide (including two Washington State stores, in Bellingham and Silverdale), Sierra Trading Post generates the bulk of its revenues through sales on its website and from its downloadable mobile application ("mobile app"), which are utilized by consumers nationwide, including in Washington State.
- 3. When customers visit the website www.sierratradingpost.com or browse using the Sierra Trading Post downloadable mobile app, the customers see clothes, camping gear and outdoor apparel being sold for what Sierra Trading Post claims is a significant discount.
- 4. Sierra Trading Post makes ubiquitous use of "reference prices," which are the prices by which the retailer communicates the former price or value of the product, and thus the size of the discount being offered.
- 5. Almost every item offered by Sierra Trading Post on its website, through its mobile app, and in its retail stores is advertised using a reference price (variously called the "Compare at" price or the "retail price)." But most of the reference prices displayed by Sierra Trading Post are false, deceptive or misleading because the reference prices are not the former price or market price of that particular product being sold.
- 6. For example, but without limitation, Sierra Trading Post's advertising contains reference prices which are <u>not</u> the price at which that same item was offered or sold in appropriate quantities by other retailers in the relevant market, and likewise are not Sierra Trading Post's

previous offering price for that item. In some instances, Sierra Trading Post's reference prices are estimates. lack evidence, or are simply made up. Many items have never been sold at the reference price from which the item is supposedly discounted.

- 7. Sierra Trading Post claims and represents to consumers that it is able to offer such terrific "deals," as represented by discounts from its reference prices, because it supposedly buys excess inventory from other retailers or manufacturers at cut-rate prices. "So when a manufacturer overproduces or other stores overbuy, we swoop in, negotiate the lowest possible price, and pass the savings on!" Sierra Trading Post identifies most of the products it offers as a supposed "Closeout," which Sierra Trading Post defines as being "last year's model or color... Closeouts are often a high percentage off the retail price."
- 8. But this carefully crafted image of a discounter who primarily sells close-outs and excess inventory which were previously offered by other retailers at the advertised "retail price" or "Compare at" price, is a lie. For example, Sierra Trading Post is still offering on its website, 3 years later, the very same Marmot Optima Gore-Tex PacLite Jacket that Plaintiff Weimin Chen purchased on the Sierra Trading Post website in November 2015. And Sierra Trading Post is still, 3 years later, falsely advertising the jacket as a "Closeout" which was "last year's model or color." Meanwhile, Sierra Trading Post deceptively advertises such items by displaying reference prices at which no retailer has offered the products in the recent past.
- 9. In fact, many if not most of the products offered by Sierra Trading Post were specially ordered by and exclusively manufactured for Sierra Trading Post, and have never been offered by other retailers at all, let alone at the invented "Compare at" or "retail" reference price.
- 10. Sierra Trading Post also advertises many products by displaying the reference price of similarly styled but in fact different and often higher quality products (e.g., Sierra Trading Post's lower-priced products may have lower quality materials and workmanship). These are unlawful apples-to-oranges comparisons.

^{&#}x27; See "Sierra Trading Post: How we do it" at https://www.sierratradingpost.com/lp2/how-we-do-it.

Sierra Trading Post's fraudulent advertising scheme harms Washington consumers

like Plaintiff Weimin Chen by causing them to pay more than they otherwise would have paid

discounts Sierra Trading Post promised them, and the items are not in fact worth the amount that

Sierra Trading Post's false reference price advertising also harms all of its

and to buy more than they otherwise would have bought. Customers do not enjoy the actual

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customers by fraudulently increasing demand for all of its products, enabling Sierra Trading Post to charge all of its customers higher prices than it otherwise could have charged for its products and to generate more sales that it otherwise would have generated.

13. Fortunately for Washington State consumers, the Court has been equipped by the Legislature with multiple tools for remedying Sierra Trading Post's unlawful behavior. In addition to actual damages (which can be trebled) and attorneys' fees and court costs, this Court can and should enter a permanent injunction which polices Sierra Trading Post's use of reference

II. PARTIES

prices in its advertising.

11.

Sierra Trading Post represents to them.

- 14. Plaintiff Weimin Chen is a citizen of the United States of America and an individual and a natural adult person who currently resides and who at all relevant times in the past resided in the City of Bellevue, King County, Washington State.
- 15. Defendant Sierra Trading Post, Inc., is a corporation chartered under the laws of the State of Wyoming which currently has and at all relevant times in the past has had its headquarters, executive office, principal place of business or nerve center in Laramie County, State of Wyoming.
- 16. Defendants Doe 1 through Doe 20, inclusive, aided and/or abetted Defendant Sierra Trading Post, Inc., in such a manner that Doe 1 through Doe 20, inclusive, are each directly, contributorily, vicariously, derivatively and/or otherwise liable for the acts or omissions of Defendant Sierra Trading Post, Inc. Plaintiff is currently unaware of the true identities of Doe 1 through Doe 20, inclusive; Plaintiff anticipates that, upon learning the true identities of any of

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Doe 1 through Doe 20, inclusive, Plaintiff will either freely amend the operative complaint or request leave from the Court to amend the operative complaint.

III. JURISDICTION AND VENUE

- 17. This Court has subject matter jurisdiction over this civil action pursuant to, without limitation, Section 6 of Article IV of the Washington State Constitution (Superior Court jurisdiction, generally), Section 7.24.146 of the Revised Code of Washington (court of record jurisdiction over prayers for declaratory relief) and Section 19.86.090 of the Revised Code of Washington (Superior Court jurisdiction over Consumer Protection Act claims).
- This Court has personal jurisdiction over each of the defendants pursuant to, 18. without limitation, Revised Code of Washington section 4.28.185. Defendant Sierra Trading Post, Inc., has, without limitation, transacted business within the State of Washington (including, without limitation, operating the www.sierratradingpost.cm website and mobile app and operating brick-and-mortar Sierra Trading Post stores in Bellingham, Washington, and in Silverdale, Washington), and/or has committed tortious acts within the State of Washington (as alleged, without limitation, throughout this Complaint).
- 19. With regard to the cause of action brought pursuant to the Washington Consumer Protection Act, this Court has personal jurisdiction over each of the defendants pursuant to Revised Code of Washington section 19.86.160. Defendant Sierra Trading Post, Inc., has engaged in conduct in violation of Chapter 19.86 of the Revised Code of Washington which has had an impact in Washington State which said chapter reprehends.
- Venue is proper in King County Superior Court because, without limitation, 20. Plaintiff resides in King County; a significant portion of the acts giving rise to this civil action occurred in King County; Defendant Sierra Trading Post, Inc., intended to and did have a substantial and foreseeable effect on trade or commerce in King County; the acts and omissions of Defendant Sierra Trading Post, Inc., pled herein affected the prices advertised and paid and the volume of sales or revenues obtained from King County; and/or Defendant Sierra Trading Post,

- 26. For example, on November 15, 2015, Mr. Chen placed order number E27383630 on the Sierra Trading Post website for the following 3 items:
 - Mizuno Wave Paradox Running Shoes (For Men), Item #9825P-01-12-2E
 - Mizuno Wave Hayate Trail Running Shoes (For Women), Item #9825T-01-7-B
 - Mizuno Wave Creation 16 Running Shoes (For Women), Item #9825R-01-6.5-B

Sierra Trading Post offered these 3 items for a total of \$139.88, at an advertised dollar amount "savings" of \$265.09 and at an advertised 65% off.

- 27. For each of the 90 items in these 34 orders, Mr. Chen viewed and relied on Sierra Trading Post's reference price and discount percentage representations, including: (1) the "Compare at \$xx" reference price representations on the list pages containing multiple products; (2) the "Compare at \$xx" and "Save xx%" representations on the individual product webpages; (3) the "Save xx%" discount representations in the shopping cart; and (4) the "Your savings so far: \$xxx.xx (xx%) on this order compared to retail prices!" dollar and percentage claimed discounts.
- 28. Mr. Chen reasonably believed and understood that the advertised higher reference price, i.e., the "Compare at \$xx" price, and the advertised dollar and percentage savings from that reference price, represented the price at which that *specific item* (and <u>not</u> a different or supposedly similarly styled item) was currently or in the recent past offered by representative retail stores in the local marketplace or by Sierra Trading Post itself.
- 29. With regard to all of his purchases from Sierra Trading Post, Mr. Chen believed and understood the reference prices and the "Compare at" and "retail price" terminology to be truthful, consistent and lawful.
- 30. Contrary to Sierra Trading Post's representations, for at least some of the items purchased by Mr. Chen, the items were never previously offered by any retailer at the reference price. For at least some of the items purchased by Mr. Chen, no retailer offered the items for sale at the reference price in an appropriate quantity and/or for an appropriate duration. For at least some of the items purchased by Mr. Chen, the reference prices were estimates or simply made up.

- 31. The advertised reference prices and discounts were material representations and inducements to Mr. Chen's purchase of the allegedly discounted products and to Mr. Chen's decision to become a repeat customer of Sierra Trading Post.
- 32. Mr. Chen reasonably relied on Sierra Trading Post's material misrepresentations concerning the purported discounts on, and the nature of, these items.
 - 33. If Mr. Chen had known the truth, he would have acted differently.
- 34. The false or misleading nature of Sierra Trading Post's discounts and reference pricing was, at all relevant times, masked or concealed or hidden such that an ordinary consumer exercising reasonable care under all of the circumstances would not have known of or discovered their false or misleading nature.
- 35. As a direct and proximate result of Sierra Trading Post's acts and omissions, Mr. Chen was harmed, suffered an injury in fact and has lost money or property.
- 36. Sierra Trading Post's false discount advertising harmed Mr. Chen by causing him to pay more than he otherwise would have paid and to buy more than he otherwise would have bought. Mr. Chen did not enjoy the actual discounts Sierra Trading Post promised him, and the items were not in fact worth the amount that Sierra Trading Post had represented to him.
- 37. Sierra Trading Post's false reference pricing scheme harmed all of its customers by fraudulently increasing demand for all of its products, enabling Sierra Trading Post to charge all of its customers higher prices than it otherwise could have charged for its products and to generate more sales that it otherwise would have generated.
- 38. Mr. Chen has a legal right to rely, now and in the future, upon the truthfulness and accuracy of Sierra Trading Post's representations regarding discounts or reference prices. Mr. Chen will be harmed if, in the future, Mr. Chen is left to guess as to whether Sierra Trading Post is providing accurate reference prices and stated discounts.
- 39. If Mr. Chen were to order again from Sierra Trading Post without Sierra Trading Post changing the unlawful conduct alleged herein, Mr. Chen would be harmed on an ongoing basis and/or would be harmed once or more or on an ongoing basis in the future.

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- 40. On July 27, 2018, Mr. Chen served a pre-litigation notice letter upon Sierra Trading Post, Inc., detailing his allegations and demanding that Sierra Trading Post take corrective action within 30 days.
- 41. Sierra Trading Post received the pre-litigation notice letter on July 30, 2018. In the thirty calendar days following July 30, 2018, Sierra Trading Post did not comply with any of the demands made in Mr. Chen's letter.
- 42. At all relevant times, Plaintiff Chen had no knowledge of the existence or content of Sierra Trading Post's Terms of Use.
 - 43. Plaintiff Chen never assented or agreed to Sierra Trading Post's Terms of Use.
- 44. At all relevant times, Mr. Chen did not see or know of the existence of Sierra Trading Post's "Comparison Pricing" disclosure.
- 45. Plaintiff Chen brings each cause of action in this Complaint on behalf of himself individually, on behalf of the Class (defined below) and as a private attorney general on behalf of the general public.

V. REFERENCE PRICING OVERVIEW

- 46. A "reference price" is a stated price presented alongside the retailer's actual offering price, which retailers use to convince consumers that they are getting a good deal.
- 47. Over the past forty years, a substantial body of research on the effects of reference prices (also referred to in the relevant literature as "advertised reference prices," "external reference prices" and "comparative prices") shows that reference prices: (i) impact consumers' perceptions of the value of the sales deal; (ii) impact consumers' willingness to make the purchase; (iii) decrease consumers' intentions to search for a lower price; and (iv) allow sellers that utilize reference prices to charge higher prices and make increased sales. Consumers form an "internal reference price," also known as an "expected price," an "aspirational price" (a price the consumer would like to pay) or a "normative price" (a price that is "fair"). Consumers store and retrieve the "internal reference price" from memory to judge the merits of a specific price offer. Even where an advertised reference price is exaggerated and not itself completely believed,

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perceptions of value increase in comparison to a promotion with no advertised reference price. Thus, retailers' use of reference prices influences consumers' "internal reference price" and subsequently, increases consumers' willingness to purchase the product.²

- 48. When a reference price is bona fide and truthful, it may help consumers in making informed purchasing decisions. In contrast, consumers are harmed when merchants advertise their products with inflated and false reference prices, because the false reference prices deceive consumers, deprive consumers of a fair opportunity to accurately evaluate the offer, and result in purchasing decisions based on false pretenses.
- 49. False reference pricing causes consumers to pay more than they otherwise would have paid for products. False reference pricing also fraudulently increases consumer demand for products, enabling retailers to charge higher prices than they otherwise could have charged.
- 50. Beyond the adverse impact upon consumers' welfare, the practice of employing false reference pricing also negatively affects the integrity of competition in retail markets. A retailer's use of false reference prices constitutes an unfair method of competition, injuring honest competitors that sell the same or similar products, or otherwise compete in the same market, using valid and accurate reference prices. Businesses who play by the rules and the investors in those businesses are penalized if the unlawful advertising practices of their competitors go unchecked.

² See, e.g., Rajesh Chandrashekaran & Dhruv Grewal, Assimilation of Advertised Reference Prices: The Moderating Role of Involvement, 79 J. Retailing 53 (2003); Pilsik Choi & Keith S. Coulter, It's Not All Relative: The Effects of Mental and Physical Positioning of Comparative Prices on Absolute Versus Relative Discount Assessment, 88 J. Retailing 512 (2012); Larry D. Compeau & Dhruv Grewal, Comparative Price Advertising: An Integrative Review, 17 J. Pub. Pol'y & Mktg. 257 (1998); Larry D. Compeau, Dhruv Grewal & Rajesh Chandrashekaran, Comparative Price Advertising: Believe It or Not, 36 J. Consumer Aff. 284 (2002); David Friedman, Reconsidering Fictitious Pricing, 100 Minn. L. Rev. 921 (2016); Dhruv Grewal & Larry D. Compeau, Consumer Responses to Price and its Contextual Information Cues: A Synthesis of Past Research, a Conceptual Framework, and Avenues for Further Research. in 3 Rev. of Mktg. Res. 109 (Naresh K. Malhotra ed., 2007); Daniel J. Howard & Roger A. Kerin, Broadening the Scope of Reference Price Advertising Research: A Field Study of Consumer Shopping Involvement, 70 J. Mktg. 185 (2006); Aradhna Krishna, Richard Briesch, Donald R. Lehmann & Hong Yuan, A Meta-Analysis of the Impact of Price Presentation on Perceived Savings, 78 J. Retailing 101 (2002); Balaji C. Krishnan, Sujay Dutta & Subhash Jha, Effectiveness of Exaggerated Advertised Reference Prices: The Role of Decision Time Pressure, 89 J. Retailing 105 (2013); and Tridib Mazumdar, S. P. Raj & Indrahit Sinha, Reference Price Research: Review and Propositions, 69 J. Mktg. 84 (2005).

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VI. LAWS PROHIBITING FALSE REFERENCE PRICING

- 51. "The [Consumer Protection Act], first enacted in 1961, is Washington's principal consumer protection and antitrust statute. The consumer protection provisions of the CPA were modeled after Section 5 of the Federal Trade Commission Act, 15 U.S.C.A. § 45." Washington Pattern Jury Instruction No. 310.00 (Consumer Protection Act Introduction).
- 52. The Washington Consumer Protection Act is codified as Chapter 19.86 of the Revised Code of Washington. Its principal substantive provision declares unfair methods of competition and unfair or deceptive acts or practices to be unlawful. RCW 19.86.020. "Private rights of action may now be maintained for recovery of actual damages, costs, and a reasonable attorney's fee. RCW 19.86.090. A private plaintiff may be eligible for treble damages ... Private consumers may obtain injunctive relief, even if the injunction would not directly affect the individual's own rights. RCW 19.86.090." Washington Pattern Jury Instruction No. 310.00 (Consumer Protection Act Introduction).
- 53. The Washington Legislature has declared the purpose and intent of the Consumer Protection Act: "The legislature hereby declares that the purpose of this act is to complement the body of federal law governing restraints of trade, unfair competition and unfair, deceptive, and fraudulent acts or practices in order to protect the public and foster fair and honest competition. It is the intent of the legislature that, in construing this act, the courts be guided by final decisions of the federal courts and final orders of the federal trade commission interpreting the various federal statutes dealing with the same or similar matters ..." RCW 19.86.920.
 - A. Advertising The Former Price Charged By That Retailer For That Same Product.
- 54. With regard to the practice of a retailer advertising the former price charged by that retailer for that same product, the Federal Trade Commission ("FTC") states:

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

inflated price was established for the purpose of enabling the subsequent offer of a large reduction -- the "bargain" being advertised is a false one; the purchaser is not receiving the unusual value he expects. In such cases, the 'reduced price' is, in reality, probably just the seller's regular price.

16 C.F.R § 233.1(a) (Emphasis added).

- 55. When a retailer is advertising its own former price for that same product, the retailer may lawfully advertise or display the former price with a slash through it, the percentage of discount (e.g., "xx% OFF") or statements such as "You Save: \$xx" or "You Save: xx%." See, e.g., WAC § 308-66-152 (regulation, promulgated under the Consumer Protection Act, regarding the advertising of former prices of cars).
 - B. Advertising The Price Charged By Other Retailers For That Same Product.
- 56. With regard to the practice of a retailer advertising, as the reference price, the price charged by other retailers for that same product, the Federal Trade Commission states:
 - (a) Another commonly used form of bargain advertising is to offer goods at prices lower than those being charged by others for the same merchandise in the advertiser's trade area (the area in which he does business). This may be done either on a temporary or a permanent basis, but in either case the advertised higher price must be based upon fact, and not be fictitious or misleading. Whenever an advertiser represents that he is selling below the prices being charged in his area for a particular article, he should be reasonably certain that the higher price he advertises does not appreciably exceed the price at which substantial sales of the article are being made in the area that is, a sufficient number of sales so that a consumer would consider a reduction from the price to represent a genuine bargain or saving. Expressed another way, if a number of the principal retail outlets in the area are regularly selling Brand X fountain pens at \$10, it is not dishonest for retailer Doe to advertise: "Brand X Pens, Price Elsewhere \$10, Our Price \$7.50".
 - (b) The following example, however, illustrates a misleading use of this advertising technique. Retailer Doe advertises Brand X pens as having a "Retail Value \$15.00, My Price \$7.50," when the fact is that only a few small suburban outlets in the area charge \$15. All of the larger outlets located in and around the main shopping areas charge \$7.50, or slightly more or less. The advertisement here would be deceptive, since the price charged by the small suburban outlets would have no real significance to Doe's customers, to whom the advertisement of "Retail Value \$15.00" would suggest a prevailing, and not merely an isolated and unrepresentative, price in the area in which they shop.

16 C.F.R § 233.2(a),(b) (Emphasis added.).

57. When a retailer is advertising the price charged by <u>other retailers</u> for the <u>same</u> <u>product</u>, the retailer may lawfully use the terms "Compare" or "Compare at" in its advertising. See, e.g., People v. Overstock.Com., Inc., 12 Cal. App. 5th 1064, 1080 (2017).

C. Advertising The Price Charged By That Retailer Or Other Retailers For A Similar Quality But Different Product.

58. With regard to the practice of a retailer advertising, as the reference price, the price charged by that retailer or other retailers for a similar quality but different product, the Federal Trade Commission states:

A closely related form of bargain advertising is to offer a reduction from the prices being charged either by the advertiser or by others in the advertiser's trade area for other merchandise of like grade and quality - in other words, comparable or competing merchandise - to that being advertised. Such advertising can serve a useful and legitimate purpose when it is made clear to the consumer that a comparison is being made with other merchandise and the other merchandise is, in fact, of essentially similar quality and obtainable in the area. The advertiser should, however, be reasonably certain, just as in the case of comparisons involving the same merchandise, that the price advertised as being the price of comparable merchandise does not exceed the price at which such merchandise is being offered by representative retail outlets in the area. For example, retailer Doe advertises Brand X pen as having "Comparable Value \$15.00". Unless a reasonable number of the principal outlets in the area are offering Brand Y, an essentially similar pen, for that price, this advertisement would be deceptive.

16 C.F.R § 233.2(c) (Emphasis added).

- 59. When a retailer is advertising the price charged for a similar quality but different product, the retailer may lawfully use a term like "Compare Similar" which signals the nature of the comparison. See People v. Overstock.Com., Inc., 12 Cal. App. 5th 1064, 1080 (2017). However, in such a situation, the retailer is engaging in false, deceptive or misleading advertising if the retailer uses the terms "Compare" or "Compare at," which the ordinary consumer exercising reasonable care would instead understand to mean the former price for that identical product.

 Ibid. See also WAC § 246-881-020 (regulation, promulgated under the Consumer Protection Act, forbidding the advertising of generic drugs in any manner which implies that the brand name drug is being offered for sale).
- 60. Courts have acknowledged the misleading effect that false reference prices have on customers. For example, the Ninth Circuit in *Hinojos v. Kohl's Corp.*, explained:

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Most consumers have, at some point, purchased merchandise that was marketed as being "on sale" because the proffered discount seemed too good to pass up. Retailers, well aware of consumers' susceptibility to a bargain, therefore have an incentive to lie to their customers by falsely claiming that their products have previously sold at a far higher "original" price in order to induce customers to purchase merchandise at a purportedly marked-down "sale" price. Because such practices are misleading — and effective — the California legislature has prohibited them.

718 F.3d 1098, 1101, 1105-06 (9th Cir. 2013) (citing Dhruv Grewal & Larry D. Compeau, Comparative Price Advertising: Informative or Deceptive?, 11 J. of Pub. Policy & Mktg. 52, 55 (Spring 1992)).

61. (To be clear, Plaintiff Chen is bringing all of his claims in this Complaint under state law. He is bringing no claims under federal law, which is being cited, as per RCW 19.86.920, for purposes of interpretation.)

VII. COMMON FACTUAL ALLEGATIONS OF SIERRA TRADING POST'S UNLAWFUL SCHEME

- 62. Defendant Sierra Trading Post, Inc. ("Sierra Trading Post"), is a discount retailer which sells men's and women's apparel, outdoor gear, sporting goods and home fashions directly to consumers. While Sierra Trading Post operates about 30 brick-and-mortar retail stores nationwide (including two Washington State stores, in Bellingham and Silverdale), Sierra Trading Post generates the bulk of its revenues through its website and from its downloadable mobile app.
- 63. Sierra Trading Post ships more than 7 million pieces of merchandise each year. Sierra Trading Post ships more than 7,000 items per day and, during the Christmas season, more than 20,000 items per day. At a minimum, about 2.27% of Sierra Trading Post's sales were made to consumers in Washington State (reflecting the fact, according to the Census Bureau, that Washington's 2017 population of 7,405,743 represents 2.27% of the United States' 2017 population of 325,719,178). In reality, the percentage of Sierra Trading Post's customers who are Washington State residents is higher due to the outdoor lifestyle and relative affluence of Washingtonians.

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- 64. When customers visit the website www.sierratradingpost.com or browse the Sierra Trading Post mobile app, they see clothes, camping gear and outdoor apparel being sold for what Sierra Trading Post claims is a significant discount.
- 65. Sierra Trading Post makes ubiquitous use of "reference prices," which are the prices by which the retailer communicates the former price or value of the product, and thus the size of the discount being offered. Almost every item offered by Sierra Trading Post on its website, through its mobile app, and in its retail stores is advertised using a reference price.
- 66. Sierra Trading Post claims and represents to consumers that it is able to offer such terrific "deals," as represented by discounts from its reference prices, because it primarily buys excess inventory from other retailers or manufacturers at cut-rate prices. On a page on its website called "Sierra Trading Post: How we do it", available at https://www.sierratradingpost.com/lp2/how-we-do-it, Sierra Trading Post spins the tale. "So when a manufacturer overproduces or other stores overbuy, we swoop in, negotiate the lowest possible price, and pass the savings on!" "Never the same selection twice." *Id.* "The store managers don't even know what's coming until they throw open the delivery truck doors!" *Id.* Sierra Trading Post identifies most of the products it offers as a supposed "Closeout," which Sierra Trading Post defines as being "last year's model or color... Closeouts are often a high percentage off the retail price."
- 67. But this carefully crafted image of a discounter who primarily sells close-outs and excess inventory which were previously and regularly sold at the advertised "retail price" or "Compare at" reference price is a lie.
- 68. Sierra Trading Post engages in at least four distinct but interrelated forms of false advertising with regard to its reference prices.
- 69. False Reference Prices In General. Almost every item sold by Sierra Trading
 Post in its retail stores, on its website and through its mobile app is advertised using a reference
 price. But most of the reference prices displayed by Sierra Trading Post are false, deceptive or
 misleading in the sense that the reference prices are not the former price, market price, or value of
 that particular product being sold. For example, but without limitation, Sierra Trading Post's

advertising contains reference prices which are <u>not</u> the price at which that same item was sold in appropriate quantities by other retailers in the relevant market or in the past by Sierra Trading Post. In some instances, Sierra Trading Post's reference prices are estimates, lack evidence, or are simply made up. Certain items have never been offered or sold at the price from which the item is supposedly discounted.

- 70. Exclusive, Specially Manufactured Items With False Reference Prices. Certain products are specially ordered by and exclusively manufactured for Sierra Trading Post and are only available for purchase from Sierra Trading Post. Sierra Trading Post advertises some of these items by displaying reference prices at which Sierra Trading Post never offered the items and/or did not offer the items for an appropriate quantity or for an appropriate period of time.
- 71. Reference Prices Using Different-Quality Comparisons. Sierra Trading Post advertises certain products by displaying the reference price of similarly styled but in fact different and higher quality products (e.g., Sierra Trading Post's lower-priced products may have lower quality materials and workmanship). These are unlawful apples-to-oranges comparisons.
- advertise almost every item for sale on its website and mobile app. By law, the term "Compare at" must refer to the former price or market price for that exact same item. But Sierra Trading Post uses the term indiscriminately and deceptively. Sometimes, as noted above, Sierra Trading Post uses "Compare at" to refer to a price at which the item was never offered or was not offered in an appropriate quantity for an appropriate period of time. Sometimes, Sierra Trading Post uses "Compare at" to refer to a price at which another retailer may have offered a similar-looking but different and typically higher-quality product, in comparison to the lower-quality product being offered by Sierra Trading Post. It is impossible for an ordinary consumer exercising reasonable care to know what "Compare at" means with regard to any particular item; Sierra Trading Post's use of "Compare at" is hopelessly confusing. Sierra Trading Posts' hidden "Comparison Pricing" disclosure, even if it were seen by a consumer, is no help to the consumer, because it defines "Compare at" and "retail price" in such an unnatural way as to render the terms virtually meaningless because they can refer to multiple different types of comparisons.

73. The site's standard practice is to display the price of a product in prominent black print and then to display, to the right of the price, a statement in smaller light-gray font which reads "Compare at" followed by a price. The "Compare at" price is always substantially higher than the price at which the Sierra Trading Post website is offering the product for sale. This is an example taken from the Sierra Trading Post website on October 1, 2018:

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74. When a customer clicks on one specific product on the website or the mobile app, that product's individual page appears. To the right of the product is a line which provides the current price, which is followed by the phrase "Save xx%", which is followed by the phrase in black normal text "Compare at \$xx.xx." Most items are also described as "Closeouts" which are "last year's model or color" that are "a high percentage off retail prices." Below is an example taken from the Sierra Trading Post website on October 1, 2018:

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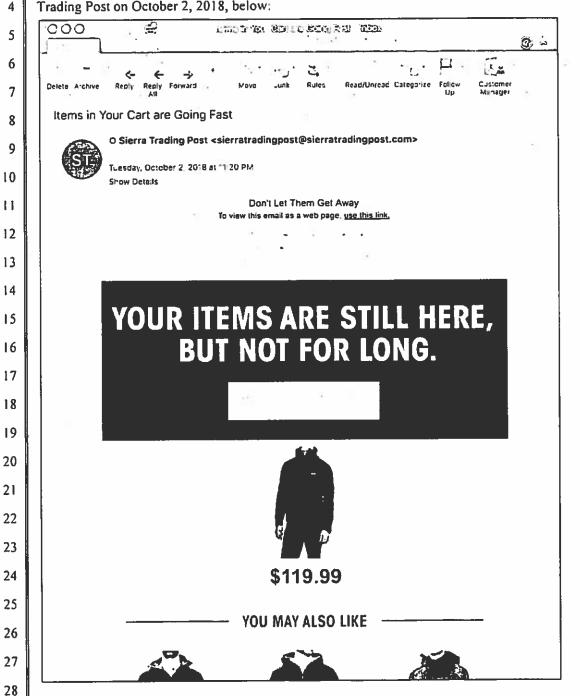
typical of other offerings on the website, was not previously offered at the (\$200.00) reference price in the recent past if ever, and is not a "Closeout" which is "last year's model or color." This identical Marmot Optima Gore-Tex PacLite Jacket was purchased 3 years earlier by Plaintiff Weimin Chen from Sierra Trading Post's website, and has been perpetually, and exclusively, offered by Sierra Trading Post since then as a continually stocked product, always offered far below \$200.00. Sierra Trading Post's representations that the jacket was previously and regularly sold at the advertised \$200.00 "retail price" or "Compare at" reference price is a lie. After a customer adds a product to the online shopping cart, Sierra Trading Post continues to make false representations that the advertised reference prices represent the retail price at which the product was regularly offered. During shopping cart check-out process, Sierra Trading Post states: "Your savings so far: \$xx.xx (xx%) on this order compared to retail prices!" Below is a shopping cart example taken from the Sierra Trading Post website on October 1, 2018:

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76. If the consumer leaves a product in the shopping cart, then Sierra Trading Post sends a reminder email, urging the customer to quickly come back and purchase the item because the item is "Going Fast" and is "Still Here But Not For Long." See the email sent by Sierra Trading Post on October 2, 2018, below:



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- 77. The representations and statements in this email that the product is "Going Fast" and will be sold out soon are lies. In fact, this "Going Fast" item is the very same Marmot Optima Gore-Tex PacLite Jacket that was purchased 3 years earlier by Plaintiff Weimin Chen from Sierra Trading Post's website, and which has been continuously stocked and re-stocked by Sierra Trading Post. Sierra Trading Post makes these false representations to buttress its carefully crafted but false narrative that it is a discounter with limited-time clearance offerings of products that it recently purchased at close-out from other retailers and manufacturers.
- 78. Unfortunately for Washington State consumers, the way in which Sierra Trading Post is advertising its discounts is false, misleading or deceptive.
- 79. The law is simple and clear: If a retailer uses reference prices in its advertising (which can include newspaper or television ads, price tags, in-store displays, or the text promoting an item on the retailer's website or mobile app), then the reference prices cannot be false, deceptive or misleading. But Sierra Trading Post has broken that law.
- 80. These many types of false or misleading reference prices used by Sierra Trading Post permeate the customer experience, especially for customers who purchase products thought the www.sierratradingpost.com website or the mobile app.
- 81. Based on information and belief, Sierra Trading Post engages in the same form of false advertising in its retail stores, including its two retail stores in Washington State. For example, and without limitation, the Sierra Trading Post stores prominently display signs offering large but false, deceptive or misleading discounts from inflated reference prices which suffer from the same or similar defects as do the online and mobile app advertisements.
- 82. Sierra Trading Post attempts to exculpate itself from its deceptive scheme with a hidden disclaimer which is intentionally designed to ensure that no customers actually see it. The disclaimer is accessible from only two places: (1) from the website footer, by clicking on a small link labeled "Comparison Pricing" which is adjacent and buried next to 43 other similar looking small links; and (2) from the individual product page, by clicking on plain black text labeled "Compare at" adjacent to the price which gives absolutely no indication it is a hyperlink, but when it is clicked, causes a popup dialog box to appear with a description of the comparison

pricing policy. Below is a screenshot demonstrating Sierra Trading Post's intentional hiding of the link to the comparison pricing policy on the individual product webpage taken on October 1, 2018 (the presentation is substantially similar on the desktop website, mobile website, and mobile app):



To the right of product, the price \$119.99 is listed in bold text. To the right of that, there is bold orange text stating "Save 40%". To the right of that is black, thin text stating "Compare at \$200.00."

83. There is absolutely no indication that the phrase "Compare at \$200.00" is a hyperlink (which when clicked opens a popup dialog box describing Sierra Trading Post's comparison pricing policy). The display of this "Compare at \$xxx.xx" hyperlink violates all Internet norms regarding the presentation of a hyperlink. The text is black, not blue or some other color. The text is not underlined. The text is not bolded. The hidden link is not presented with an

asterisk or other indicator that a click will lead to additional information, and is not presented with an "i" or other graphic noting that additional information is available with a click. Sierra Trading Post has intentionally designed this link to ensure that no ordinary consumer exercising reasonable care would realize it was a hyperlink, let alone click on it. Discovery will show that virtually no customers who purchase or have purchased products from Sierra Trading Post have clicked on the hidden link let alone read the resulting pop-out dialog box. The hidden link appears to be merely a bad-faith attempt by Sierra Trading Post to exculpate itself from its deceptive pricing scheme.

84. Meanwhile, even if an ordinary consumer exercising reasonable care were to read Sierra Trading Post's comparison pricing definition, the consumer would still have no clear understanding of what the "Compare at" and "retail price" reference price representations mean. The pricing policy text is intentionally ambiguous. The hidden disclosure reads as follows:

Many of our price tags include comparison prices, which are references to regular retail prices of the same or similar items at full-price department or specialty retailers. Where identical items are not available, we compare to products of a similar type, quality and style. Prices vary among other sellers and change over time, but our buying staff's goal is always to provide you with a useful comparison based on prices at which we believe substantial sales of the same or a similar item have been made at full-price department or specialty retailers in the area or online. Our mission is always to bring you and your family exceptional value every day—it is the foundation of our business.

- 85. Sierra Trading Post appears to be attempting to define "Compare at" and "retail price" in such an unnatural way as to render the terms virtually meaningless. Sierra Trading Post defines its reference pricing terms in a way contrary to the dictionary definitions of "Compare at" and "retail price." Sierra Trading Post's comparison pricing policy is also directly contrary to the standards and definitions in the FTC guidelines, by which the Washington State legislature has stated that Washington courts should be guided when construing the Washington Consumer Protection Act. See RCW 19.86.920; 16 C.F.R § 233.1 et al.
- 86. Just as virtually no consumers have knowledge of or view Sierra Trading Post's pricing policy disclosure, similarly very few (at best) who purchase products from Sierra Trading Post's website have knowledge of the existence or content of Sierra Trading Post's Terms of Use.

Customers who purchase from the Sierra Trading Post mobile website or mobile app are not presented with and are not required to assent to the Terms of Use. Customers who purchase from the Sierra Trading Post desktop website do not assent to the Terms of Use because, without limitation, the "browsewrap" Terms of Use provided by Sierra Trading Post to desktop website users is inconspicuous, does not provide actual or constructive notice, and would not be seen by the ordinary consumer exercising reasonable care.

- 87. The false discounts and false reference price representations by Sierra Trading
 Post were material to Washington consumers' decision to purchase each product. Because of the
 "Compare at" and "retail price" reference price representations and the stated percentage and
 dollar discounts, Washington consumers reasonably believed they would be enjoying a significant
 discount if they purchased these products, and consumers purchased these products from Sierra
 Trading Post on the basis of these representations in order to enjoy the stated discounts.
- 88. Sierra Trading Post advertised inflated reference prices in order to make consumers think the products were worth much more than they actually were. Sierra Trading Post advertised fraudulent reference prices in order to trick its customers into paying more than they otherwise would have paid.
- 89. Additionally, Sierra Trading Post falsely represented that it is a discounter who primarily sells close-outs and excess inventory, in order to further deceive customers into believing that its products were previously and/or regularly offered at the advertised "retail price" or "Compare at" price.
- 90. The false or misleading nature of Sierra Trading Post's discounts and reference pricing was, at all relevant times, masked or concealed or hidden such that an ordinary Washington consumer exercising reasonable care under all of the circumstances would not have known of or discovered their false or misleading nature.
- 91. As a direct and proximate result of Sierra Trading Post's acts and omissions, all Washington consumers who have purchased a product from Sierra Trading Post that was advertised by Sierra Trading Post with a false or misleading reference price or false percentage

and dollar amount discount have been harmed, have suffered an injury in fact and have lost money or property.

- 92. Sierra Trading Post continues to display false reference prices and false percentage and dollar amount discounts to this day. There is no reason to believe that Sierra Trading Post will voluntarily and permanently cease its unlawful practices.
- 93. In acting toward Washington consumers and the general public in the manner alleged herein, Sierra Trading Post acted with and was guilty of malice, fraud and/or oppression.

VIII. CLASS ACTION ALLEGATIONS

94. Plaintiff Chen brings this class-action lawsuit on behalf of himself and the members of the following class (the "Class"):

All persons who purchased in the State of Washington within the applicable limitations period from Sierra Trading Post, Inc., one or more products which Sierra Trading Post, Inc., advertised or promoted by displaying or otherwise disseminating a reference price or discount.

- 95. Specifically excluded from the Class are each defendant, any entity in which a defendant has a controlling interest or which has a controlling interest in a defendant, a defendant's agents and employees and attorneys, the bench officers to whom this civil action is assigned, and the members of each bench officer's staff and immediate family.
- 96. Numerosity. Plaintiff does not know the exact number of Class members but is informed and believes that the Class easily comprises 10,000 Washington State residents and could, by the date of entry of Judgment, number in excess of 20,000 Washington State residents. As such, Class members are so numerous that joinder of all members is impracticable.
- 97. Commonality and predominance. Well-defined, nearly identical legal or factual questions affect the members of the Class. These questions predominate over questions that might affect individual Class members. These common questions include, but are not limited to, the following:
- a. Sierra Trading Post's policies and actions regarding its use of reference price advertising;
 - b. The accuracy of Sierra Trading Post's advertised reference prices;

expense required to litigate each of their claims individually, so it would be impracticable for Class members to seek individual redress for each defendant's illegal and deceptive conduct;

- b. Even if Class members could afford individual litigation, the court system could not. Individual litigation creates the potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and to the court system. By contrast, a class action presents far fewer management difficulties and provides the benefits of single adjudication, economy of scale, and comprehensive supervision by a single court; and
 - c. Plaintiff anticipates no unusual difficulties in managing this class action.

CAUSES OF ACTION

COUNT I

Violation of the Washington Consumer Protection Act (RCW Chapter 19.86)
AGAINST DEFENDANT SIERRA TRADING POST, INC.
AND DEFENDANT DOES 1 TO 20

- 103. Plaintiff realleges and incorporates by reference Paragraphs 1 through 102, inclusive, as though alleged in full in this Count.
- 104. The acts and omissions of Defendant Sierra Trading Post and Does 1 through 20, inclusive, constitute unfair methods of competition and/or unfair or deceptive acts or practices which directly or indirectly affect the people of the State of Washington and which have injured Plaintiff Weimin Chen and the members of the Class in his or her or its business or property and been the cause of said injury.
- 105. Defendant Sierra Trading Post and Does 1 through 20, inclusive, engage in the conduct of trade or commerce. For example, and without limitation, Defendant Sierra Trading Post engages in the sale of assets (including the tangible personal property that the defendant sells) and engaged in commerce directly or indirectly affecting the people of the State of Washington.
- 106. As a direct, substantial and/or proximate result of these violations, Plaintiff and the members of the Class suffered injury to business or property. Plaintiff and the members of the Class paid more than they otherwise would have paid for the products they purchased from the

defendants and they bought more than they otherwise would have bought from the defendants.

The defendants' false reference pricing scheme fraudulently increased demand from consumers, enabling them to charge higher prices than they otherwise could have charged.

- 107. The acts and/or omissions of each defendant pled herein are injurious to the public interest because said acts and/or omissions: violate a statute that incorporates Chapter 19.86 of the Revised Code of Washington, violate a statute that contains a specific legislative declaration of public interest impact, injures other persons, had the capacity to injure other persons, and/or has the capacity to injure other persons.
- 108. The unlawful acts and omissions pled herein were committed in the course of the defendants' business. The unlawful acts and omissions pled herein were, are and continue to be part of a pattern or generalized course of conduct. The unlawful acts and omissions pled herein were repeatedly committed prior to the acts involving Plaintiff Chen. There is a real and substantial potential for repetition of the defendants' conduct after the act involving Plaintiff Chen; indeed, the conduct continues to this day with regard to many consumers. This Complaint is not based upon a single transaction. The acts and omission of the defendants pled herein were and are not reasonable in relation to the development and preservation of business.
- 109. The defendants should be ordered to pay actual damages to Plaintiff and to the members of the Class in an amount at least equal to all monies improperly accepted, received or retained.
- 110. The defendants should, either in the alternative or cumulatively or otherwise, be ordered to disgorge or make restitution of all monies improperly accepted, received or retained.
- 111. The balance of the equities favors the entry of permanent injunctive relief against the defendants. Plaintiff, the members of the Class and the general public will be irreparably harmed absent the entry of permanent injunctive relief against the defendants. Plaintiff, the members of the Class and the general public lack an adequate remedy at law. A permanent injunction against the defendants is in the public interest. The defendants' unlawful behavior is ongoing as of the date of the filing of this pleading; absent the entry of a permanent injunction,

the defendants' unlawful behavior will not cease and, in the unlikely event that it voluntarily ceases, is likely to reoccur.

COUNT II

Breach of Express Warranty (RCW 62A.2-313) AGAINST DEFENDANT SIERRA TRADING POST, INC., AND DEFENDANT DOES 1 TO 20

- 112. Plaintiff realleges and incorporates by reference Paragraphs 1 through 102, inclusive, as though alleged in full in this Count.
- 113. The reference pricing advertised by Sierra Trading Post, as pled herein, constitutes, for each product so advertised, an affirmation of fact or promise made by the seller to the buyer which relates to the goods and becomes part of the basis of the bargain. The advertised reference prices therefore create an express warranty that the goods shall conform to the affirmation or promise.
- 114. The reference pricing advertised by Sierra Trading Post, as pled herein, constitutes, for each product so advertised, a description of the goods which is made part of the basis of the bargain. The advertised reference prices create an express warranty that the goods shall conform to the description.
- opinion or commendation of the goods. Sierra Trading Post's reference prices constitute affirmations of fact or promises, for example, but without limitation, that the same item was previously sold by Sierra Trading Post at the reference price in an appropriate quantity for an appropriate period of time, that the same item was sold for the reference price in an appropriate quantity by a comparable retailer for an appropriate length of time, that the quality of the item being sold matches the quality of the item whose reference price is being advertised, that the references prices comply with Washington State law, and/or that the reference prices comply with the rules of the Federal Trade Commission.
- 116. Plaintiff Chen and the members of the Class relied upon said express warranty when purchasing products from Sierra Trading Post.

- 117. Sierra Trading Post has breached these express warranties. Without limitation, for example, the former price or market price of each product purchased by Plaintiff Chen and the members of the Class was not the reference price stated by Sierra Trading Post in its corresponding advertising. For example, the reference price advertised by Sierra Trading Post for many products was not the former price or market price of that product, but was instead the price of a different and often higher quality product.
- 118. Sierra Trading Post has breached its warranties, and, by those breaches, has harmed Mr. Chen and the members of the Class.
- 119. By a letter dated July 27, 2018, Plaintiff Chen notified Sierra Trading Post in writing of the misconduct which constituted a breach of its express warranties. Sierra Trading Post did not rectify the situation.
- 120. As a consequence of Sierra Trading Post's breach of these express warranties, Plaintiff Chen and the members of the Class has been harmed in his or her or its money, business or property, with the failure of the products to be as represented a substantial factor in causing the harm.
- 121. The balance of the equities favors the entry of permanent injunctive relief against the defendants. Plaintiff, the members of the Class and the general public will be irreparably harmed absent the entry of permanent injunctive relief against the defendants. Plaintiff, the members of the Class and the general public lack an adequate remedy at law. A permanent injunction against the defendants is in the public interest. The defendants' unlawful behavior is ongoing as of the date of the filing of this pleading; absent the entry of a permanent injunction, the defendants' unlawful behavior will not cease and, in the unlikely event that it voluntarily ceases, is likely to reoccur.

COUNT III

Permanent Public Injunctive Relief
(RCW § 19.86.093)
AGAINST DEFENDANT SIERRA TRADING POST, INC.,
AND DEFENDANTS DOES 1 TO 20

- 122. Plaintiff realleges and incorporates by reference Paragraphs 1 through 102, inclusive, as though alleged in full in this Count.
- 123. This is a private action in which an unfair or deceptive act or practice is alleged under Section 19.86.020 of the Revised Code of Washington.
- 124. The acts and omissions of Defendant Sierra Trading Post and Does 1 through 20, inclusive, constitute unfair methods of competition and/or unfair or deceptive acts or practices which directly or indirectly affect the people of the State of Washington and which have injured Plaintiff Chen and the members of the Class in his or her or its business or property and been the cause of said injury.
- 125. Defendant Sierra Trading Post and Does 1 through 20, inclusive, engage in the conduct of trade or commerce. For example, and without limitation, Defendant Sierra Trading Post engages in the sale of assets (including the tangible personal property that the defendant sells) and engaged in commerce directly or indirectly affecting the people of the State of Washington.
- 126. As a direct, substantial and/or proximate result of these violations, Plaintiff Chen and the members of the Class suffered injury to business or property. Plaintiff Chen and the members of the Class paid more than they otherwise would have paid for the products they purchased from the defendants and they bought more than they otherwise would have bought from the defendants. The defendants' false reference pricing scheme fraudulently increased demand from consumers, enabling them to charge higher prices than they otherwise could have charged.
- 127. The acts and/or omissions of each defendant pled herein are injurious to the public interest because said acts and/or omissions: violate a statute that incorporates Chapter 19.86 of the Revised Code of Washington, violates a statute that contains a specific legislative declaration of public interest impact, injures other persons, had the capacity to injure other persons, and/or has the capacity to injure other persons.
- 128. The unlawful acts and omissions pled herein were committed in the course of the defendants' business. The unlawful acts and omissions pled herein were, are and continue to be

part of a pattern or generalized course of conduct. The unlawful acts and omissions pled herein were repeatedly committed prior to the acts involving Plaintiff Chen. There is a real and substantial potential for repetition of the defendants' conduct after the act involving Plaintiff Chen; indeed, the conduct continues to this day with regard to many consumers. This Complaint is not based upon a single transaction.

- 129. The defendants have an affirmative duty under the law to advertise their products in a manner which is not false, deceptive or misleading. Plaintiff Chen and the rest of the public should not be put to the burden of having to guess or take extraordinary efforts to ascertain which discounts or other representations made by a defendant in its advertising are true or false, accurate or misleading. Mr. Chen and the general public have the right to assume that all of the defendant's advertising conforms with the law.
- 130. If not enjoined by order of this Court, the defendants will or may continue to injure Plaintiff Chen and consumers through the misconduct alleged herein. Without the entry of a permanent injunction, the defendants' unlawful behavior is capable of repetition, re-occurrence or increase.
- the defendants. Plaintiff Chen, the members of the Class and the general public will be irreparably harmed absent the entry of permanent injunctive relief against the defendants. Plaintiff Chen, the members of the Class and the general public lack an adequate remedy at law. A permanent injunction against the defendants is in the public interest. The defendants' unlawful behavior is ongoing as of the date of the filing of this pleading; absent the entry of a permanent injunction, the defendants' unlawful behavior will not cease and, in the unlikely event that it voluntarily ceases, is likely to reoccur or is otherwise capable of reoccurring.

COUNT IV

Uniform Declaratory Judgments Act (RCW 7.24)
AGAINST DEFENDANT SIERRA TRADING POST, INC.,
AND DEFENDANTS DOES 1 TO 20

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27 28 reasonable care.

136. Plaintiff Chen and each member of the Class are persons interested under a purported deed, will, written contract or other writing purportedly constituting a contract and/or are persons whose rights, status or other legal relations are affected by a purported statute, municipal ordinance, contract or franchise.

PRAYER FOR RELIEF

Plaintiff WEIMIN CHEN, on behalf of himself individually, on behalf of a class composed of all others similarly situated and/or as a private attorney general seeking the imposition of public injunctive relief, hereby respectfully requests that this Court order relief and enter judgment against Defendant Sierra Trading Post, Inc., and Defendants Does 1 through 20, inclusive, individually and/or jointly and/or severally and/or as otherwise appropriate, as follows:

- A. That the Court enter an order certifying the proposed Class and appointing Plaintiff and his counsel to represent the Class;
- B. For damages, including actual damages to Plaintiff and the Class in an amount to be determined at trial but which is more than \$100,000 and which is estimated to be approximately \$23 million;
- C. For additional damages up to an amount not to exceed three times the actual damages sustained by the Plaintiff and the members of the Class up to any applicable statutory maximum:
- D. For disgorgement or restitution, including, without limitation, disgorgement of all revenues, profits and/or unjust enrichment that each defendant obtained, directly or indirectly, from Plaintiff and the members of the Class or otherwise as a result of the unlawful conduct alleged herein;
 - E. For nominal damages;
- F. For an order that each defendant be permanently enjoined from the unlawful conduct alleged herein;
- G. For an order that each defendant must, on its websites and mobile apps and advertising and all communications to the public, limit use of the terms "Compare at" or "retail

DATED this 4th day of October, 2018. Presented by: **HATTIS & LUKACS** Daniel M. Hattis, WSBA #50428 HATTIS & LUKACS P.O. Box 1645 Bellevue, WA 98009 Telephone: (650) 980-1990 Facsimile: (425) 412-7171 Email: dan@hattislaw.com Attorneys for Plaintiff and the Proposed Class

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON IN AND FOR THE COUNTY OF KING

Weimin Chen

Plaintiff(s).

18-2-25019-6 SEA NO.

ORDER SETTING CIVIL CASE SCHEDULE

Y5.

ASSIGNED JUDGE: Ruhl, John, Dept. 8

Sierra Trading Post, Inc. et al.

Respondent(s)

FILED DATE: 10/5/2018

TRIAL DATE: 10/7/2019

SCOMIS CODE: *ORSCS

A civil case has been filed in the King County Superior Coun and will be managed by the Case Schedule on Page 3 as ordered by the King County Superior Court Presiding Judge.

I. NOTICES

NOTICE TO PLAINTIFF: The Plaintiff may serve a copy of this Order Setting Case Schedule (Schedule) on the Defendant(s) along with the Summons and Complaint/Petition. Otherwise, the Plaintiff shall serve the Schedule on the Defendant(s) within 10 days after the later of: (1) the filing of the Summons and Complaint/Perition or (2) service of the Defendant's first response to the Complaint/Petition, whether that response is a Notice of Appearance, a response, or a Civil Rule 12 (CR 12) motion. The Schedule may be served by regular mail, with proof of mailing to be filed promptly in the form required by Civil Rule 5 (CR 5).

"I understand that I am required to give a copy of these documents to all parties in this case."

SIGN NAME

1. NOTICES (continued)

NOTICE TO ALL PARTIES:

All attorneys and parties should make themselves familiar with the King County Local Rules [KCLCR] -- especially those referred to in this Schedule. In order to comply with the Schedule, it will be necessary for attorneys and parties to pursue their cases vigorously from the day the case is filed. For example, discovery must be undertaken promptly in order to comply with the deadlines for joining additional parties, claims, and defenses, for disclosing possible witnesses [See KCLCR 26], and for meeting the discovery cutoff date [See KCLCR 37(g)].

CROSSCLAIMS, COUNTERCLAIMS AND THIRD PARTY COMPLAINTS:

A filing fee of \$240 must be paid when any answer that includes additional claims is filed in an existing case.

KCLCR 4.2(a)(2)

A Confirmation of Joinder, Claims and Defenses or a Statement of Arbitrability must be filed by the deadline in the schedule. The court will review the confirmation of joinder document to determine if a hearing is required. If a Show Cause order is issued, all parties cited in the order must appear before their Chief Civil Judge.

PENDING DUE DATES CANCELED BY FILING PAPERS THAT RESOLVE THE CASE:

When a final decree, judgment, or order of dismissal of <u>all parties and claims</u> is filed with the Superior Court Clerk's Office, and a courtesy copy delivered to the assigned judge, all pending due dates in this *Schedule* are automatically canceled, including the scheduled Trial Date. It is the responsibility of the parties to 1) file such dispositive documents within 45 days of the resolution of the case, and 2) strike any pending motions by notifying the bailiff to the assigned judge.

Parties may also authorize the Superior Court to strike all pending due dates and the Trial Date by filing a *Notice of Settlement* pursuant to KCLCR 41, and forwarding a courtesy copy to the assigned judge. If a final decree, judgment or order of dismissal of <u>all parties and claims</u> is not filed by 45 days after a *Notice of Settlement*, the case may be dismissed with notice.

If you miss your scheduled Trial Date, the Superior Court Clerk is authorized by KCLCR 41(b)(2)(A) to present an Order of Dismissal, without notice, for failure to appear at the scheduled Trial Date.

NOTICES OF APPEARANCE OR WITHDRAWAL AND ADDRESS CHANGES:

All parties to this action must keep the court informed of their addresses. When a Notice of Appearance/Withdrawalor Notice of Change of Address is filed with the Superior Court Clerk's Office, panies must provide the assigned judge with a courtesy copy.

ARBITRATION FILING AND TRIAL DE NOVO POST ARBITRATION FEE:

A Statement of Arbitrability must be filed by the deadline on the schedule if the case is subject to mandatory arbitration and service of the original complaint and all answers to claims, counterclaims and cross-claims have been filed. If mandatory arbitration is required after the deadline, parties must obtain an order from the assigned judge transferring the case to arbitration. Any party filing a Statement must pay a \$220 arbitration fee. If a party seeks a trial de novo when an arbitration award is appealed, a fee of \$250 and the request for trial de novo must be filed with the Clerk's Office Cashiers.

NOTICE OF NON-COMPLIANCE FEES:

All parties will be assessed a fee authorized by King County Code 4A.630.020 whenever the Superior Court Clerk must send notice of non-compliance of schedule requirements and/or Local Civil Rule 41.

King County Local Rules are available for viewing at www.kingcountv.gov/courts/clerk.

II. CASE SCHEDULE

J	CASE EVENTS	DATE				
V						
	Case Filed and Schedule Issued.	10/5/2018				
V	Last Day for Filing Statement of Arbitrability without a Showing of Good Cause for Late Filing (See	3/15/2019				
	KCLMAR2.1(a) and Notices on page 2]. \$220 Arbitration fee must be paid					
V	DEADLINE to file Confirmation of Joinder if not subject to Arbitration [See KCLCR 4.2(a) and					
	Notices on page 2]					
	DEADLINE for Hearing Motions to Change Case Assignment Area [KCLCR 82(e)]	3/29/2019				
	DEADLINE for Disclosure of Possible Primary Witnesses [See KCLCR 26(k)]	5/6/2019				
	DEADLINE for Disclosure of Possible Additional Witnesses [KCLCR 26(k)]	6/17/2019				
	DEADLINE for Jury Demand [See KCLCR 38(b)(2)]	7/1/2019.				
	DEADLINE for Change in Trial Date [See KCLCR 40(e)(2)]	7/1/2019				
	DEADLINE for Discovery Cutoff [See KCLCR 37(g)]	8/19/2019				
	DEADLINE for Engaging in Alternative Dispute Resolution (See KCLCR16(b))					
	DEADLINE for Exchange Witness & Exhibit Lists & Documentary Exhibits [See KCLCR 4(j)]	9/16/2019				
V	DEADLINE to file Joint Confirmation of Trial Readiness [See KCLCR 16(a)(1)]	9/16/2019				
	DEADLINE for Hearing Dispositive Pretrial Motions [See KCLCR 56, CR56]	9/23/2019				
V	Joint Statement of Evidence [See KCLCR 4(k)]	9/30/2019				
	DEADLINE for filing Trial Briefs, Proposed Findings of Fact and Conclusions of Law and Jury	9/30/2019				
	Instructions (Do not file proposed Findings of Fact and Conclusion of Law with the Clerk)					
	Trial Date [See KCLCR 40]	10/7/2019				

The Vindicales a document that must be filed with the Superior Court Clerk's Office by the date shown.

III. ORDER

Pursuant to King County Local Rule 4 [KCLCR 4], IT IS ORDERED that the parties shall comply with the schedule listed above. Penalties, including but not limited to sanctions set forth in Local Rule 4(g) and Rule 37 of the Superior Court Civil Rules, may be imposed for non-compliance. It is FURTHER ORDERED that the party filing this action must serve this Order Setting Civil Case Schedule and attachment on all other parties.

		Colore Cartina
DATED:	10/5/2018	
		PRESIDING JUDGE

IV. ORDER ON CIVIL PROCEEDINGS FOR ASSIGNMENT TO JUDGE

READ THIS ORDER BEFORE CONTACTING YOUR ASSIGNED JUDGE.

This case is assigned to the Superior Court Judge whose name appears in the caption of this case schedule. The assigned Superior Court Judge will preside over and manage this case for all pretrial matters.

COMPLEX LITIGATION: If you anticipate an unusually complex or lengthy trial, please notify the assigned court as soon as possible.

APPLICABLE RULES: Except as specifically modified below, all the provisions of King County Local Civil Rules 4 through 26 shall apply to the processing of civil cases before Superior Court Judges. The local civil rules can be found at www.kingcountv.gov/courts/clerk/rules/Civil.

CASE SCHEDULE AND REQUIREMENTS: Deadlines are set by the case schedule, issued pursuant to Local Civil Rule 4.

THE PARTIES ARE RESPONSIBLE FOR KNOWING AND COMPLYING WITH ALL DEADLINES IMPOSED BY THE COURT'S LOCAL CIVIL RULES.

A. Joint Confirmation regarding Trial Readiness Report

No later than twenty one (21) days before the trial date, parties shall complete and file (with a copy to the assigned judge) a joint confirmation report setting forth whether a jury demand has been filed, the expected duration of the trial, whether a settlement conference has been held, and special problems and needs (e.g., interpreters, equipment).

The Joint Confirmation Regarding Trial Readiness form is available at www.kingcountv.gov/courts/sctoms. If parties wish to request a CR 16 conference, they must contact the assigned court. Plaintiff's/petitioner's counsel is responsible for contacting the other parties regarding the report.

B. Settlement/Mediation/ADR

- a. Forty five (45) days before the trial date, counsel for plaintiff/petitioner shall submit a written settlement demand. Ten (10) days after receiving plaintiff's/petitioner's written demand, counsel for defendant/respondent shall respond (with a counter offer, if appropriate).
- b. Twenty eight (28) days before the trial date, a Settlement/Mediation/ADR conference shall have been held. FAILURE TO COMPLY WITH THIS SETTLEMENT CONFERENCE REQUIREMENT MAY RESULT IN SANCTIONS.

C. Trial

.. .

Trial is scheduled for 9:00 a.m. on the date on the case schedule or as soon thereafter as convened by the court. The Friday before trial, the parties should access the court's civil standby calendar on the King County Superior Court website www.kingcounty.gov/courts/superiorcourt to confirm the trial judge assignment.

MOTIONS PROCEDURES

A. Noting of Motions

Dispositive Motions: All summary judgment or other dispositive motions will be heard with oral argument before the assigned judge. The moving party must arrange with the hearing judge a date and time for the hearing, consistent with the court rules. Local Civil Rule 7 and Local Civil Rule 56 govern procedures for summary judgment or other motions that dispose of the case in whole or in part. The local civil rules can be found at www.kingcounty.gov/courts/clerk/rules/Civil.

Non-dispositive Motions: These motions, which include discovery motions, will be ruled on by the assigned judge without oral argument, unless otherwise ordered. All such motions must be noted for a date by which the ruling is requested; this date must likewise conform to the applicable notice requirements. Rather than noting a time of day, the

Note for Motion should state "Without Oral Argument." Local Civil Rule 7 governs these motions, which include discovery motions. The local civil rules can be found at www.kingeountv.gov/courts/cletk/ntles/Givil.

Motions in Family Law Cases not involving children: Discovery motions to compel, motions in limine, motions relating to trial dates and motions to vacate judgments/dismissals shall be brought before the assigned judge. All other motions should be noted and heard on the Family Law Motions calendar. Local Civil Rule 7 and King County Family Law Local Rules govern these procedures. The local rules can be found at www.kingcounty.gov/counts/clerk/rules.

Emergency Motions: Under the court's local civil rules, emergency motions will usually be allowed only upon entry of an Order Shortening Time. However, some emergency motions may be brought in the Ex Parte and Probate Department as expressly authorized by local rule. In addition, discovery disputes may be addressed by telephone call and without written motion, if the judge approves in advance.

B. Original Documents/Working Copies/ Filing of Documents: All original documents must be filed with the Clerk's Office. Please see information on the Clerk's Office website at www.kingcountv.gov/counts/clerk regarding the requirement outlined in LGR 30 that attorneys must e-file documents in King County Superior Court. The exceptions to the e-filing requirement are also available on the Clerk's Office website. The local rules can be found at www.kingcountv.gov/courts/clerk/rules.

The working copies of all documents in support or opposition must be marked on the upper right corner of the first page with the date of consideration or hearing and the name of the assigned judge. The assigned judge's working copies must be delivered to his/her courtroom or the Judges' mailroom. Working copies of motions to be heard on the Family Law Motions Calendar should be filed with the Family Law Motions Coordinator. Working copies can be submitted through the Clerk's office E-Filing application at www.kingcountv.gov/courts/clerk/documents/eWC.

Service of documents: Pursuant to Local General Rule 30(b)(4)(B), e-filed documents shall be electronically served through the e-Service feature within the Clerk's eFiling application. Pre-registration to accept e-service is required. E-Service generates a record of service document that can be e-filed. Please see the Clerk's office website at www.kingcountv.gov/courts/elerk/documents/eliting regarding E-Service.

Original Proposed Order: Each of the parties must include an original proposed order granting requested relief with the working copy materials submitted on any motion. Do not file the original of the proposed order with the Clerk of the Court. Should any party desire a copy of the order as signed and filed by the judge, a pre-addressed, stamped envelope shall accompany the proposed order. The court may distribute orders electronically. Review the judge's website for information: www.kingcountv.gov/courts/SuperiorCourt/judges.

Presentation of Orders for Signature: All orders must be presented to the assigned judge or to the Ex Parte and Probate Department, in accordance with Local Civil Rules 40 and 40.1. Such orders, if presented to the Ex Parte and Probate Department, shall be submitted through the E-Filing/Ex Parte via the Clerk application by the attorney(s) of record. E-filing is not required for self-represented parties (non-attorneys). If the assigned judge is absent, contact the assigned court for further instructions. If another judge enters an order on the case, counsel is responsible for providing the assigned judge with a copy.

Proposed orders finalizing settlement and/or dismissal by agreement of all parties shall be presented to the Ex Parte and Probate Department. Such orders shall be submitted through the E-Filing/Ex Parte via the Clerk application by the attorney(s) of record. E-filing is not required for self-represented parties (non-attorneys). Formal proof in Family Law cases must be scheduled before the assigned judge by contacting the bailiff, or formal proof may be entered in the Ex Parte Department. If final order and/or formal proof are entered in the Ex Parte and Probate Department, counsel is responsible for providing the assigned judge with a copy.

C. Form

Pursuant to Local Civil Rule 7(b)(5)(B), the initial motion and opposing memorandum shall not exceed 4,200 words and reply memoranda shall not exceed 1,750 words without authorization of the court. The word count includes all portions of the document, including headings and footnotes, except 1) the caption; 2) table of contents and/or authorities, if any; and 3): the signature block. Over-length memoranda/briefs and motions supported by such memoranda/briefs may be stricken.

IT IS SO ORDERED. FAILURE TO COMPLY WITH THE PROVISIONS OF THIS ORDER MAY RESULT IN DISMISSAL OR OTHER SANCTIONS. PLAINTIFF/PEITITONER SHALL FORWARD A COPY OF THIS ORDER AS SOON AS PRACTICABLE TO ANY PARTY WHO HAS NOT RECEIVED THIS ORDER.

> Burn Company PRESIDING JUDGE

SUPERIOR COURT OF WASHINGTON COUNTY OF KING

Weimin Chen

NO. 18-2-25019-6 SEA

VS

Sierra Trading Post, Inc. et al.

CASE INFORMATION COVER SHEET AND AREA DESIGNATION

CAUSE OF ACTION

(TTO) - TORT, OTHER (MSC 2)

AREA DESIGNATION

SEATTLE - Defined as all King County north of Interstate 90 and including all of Interstate 90 right of way, all of the cities of Seattle, Mercer Island, Issaquah, and North Bend, and all of Vashon and Maury Islands.

PLAINTIFF'S DEMAND FOR JURY TRIAL PAGE 1 OF ${\bf 2}$

HATTIS & LUKACS P.O. BOX 1645 BELLEVUE, WA 98009 (650) 980-1990

Case 2:18-cv-01581 Document 1-2 Filed 10/29/18 Page 2 of 2

1	TO: The Clerk of the Court for Judge Ruhl								
2	AND TO: Sierra Trading Post, Inc.								
3	Plaintiff elects to have all claims and issues in the above captioned case tried by a jury of								
4	twelve persons. Plaintiff has paid to the Clerk of the Court for Judge Ruhl the jury fee required by								
5	law.								
6	DATED this 8th day of October, 2018.								
7									
8	Presented by:								
9	HATTIS & LUKACS								
10	By: Da								
11	Daniel M. Hattis, WSBA #50428								
12	HATTIS & LUKACS P.O. Box 1645								
13	Bellevue, WA 98009 Telephone: (650) 980-1990								
14	Facsimile: (425) 412-7171 Email: dan@hattislaw.com								
15	Fee paid: \$250								
16	Attorneys for Plaintiff and the Proposed Class								
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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 purpose of initiating the civil de	t. This form, approved by tocket sheet. (SEE INSTRUC	he Judicial Conference of the TIONS ON NEXT PAGE OF THE	ne United States in September 1 HIS FORM.)	1974, is required for the use of	the Clerk of Court for the			
I. (a) PLAINTIFFS Weimin Chen			DEFENDANTS Sierra Trading Pos	DEFENDANTS Sierra Trading Post, Inc.				
	XCEPT IN U.S. PLAINTIFF CA		NOTE: IN LAND CO	THE TRACT OF LAND INVOLVED.				
(c) Attorneys (Firm Name, American Daniel M. Hattis, WSBA P.O. Box 1645, Bellevue t: (650) 980-1990; f: (425)	#50428, Hattis & Luka , WA 98009	r) CS	Rudy A. Englund, 1420 Fifth Avenue	Attorneys (If Known) Rudy A. Englund, WSBA #04123, Lane Powell PC 1420 Fifth Avenue, Suite 4200, P.O. Box 91302, Seattle, WA 98111-9402 t: (206) 223-7000; f: 206-223-7107				
II. BASIS OF JURISDI	ICTION (Place an "X" in C	One Box Only)	I. CITIZENSHIP OF P (For Diversity Cases Only)	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintif			
☐ 1 U.S. Government Plaintiff	☐ 3 Federal Question (U.S. Government Not a Party)		P	TF DEF K 1				
☐ 2 U.S. Government Defendant	■ 4 Diversity (Indicate Citizenship of Parties in Item III)		Citizen of Another State	2				
			Citizen or Subject of a					
IV. NATURE OF SUIT		nly) ORTS	FORFEITURE/PENALTY	Click here for: Nature of Su BANKRUPTCY	it Code Descriptions. OTHER STATUTES			
□ 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 REAL PROPERTY □ 210 Land Condemnation □ 220 Foreclosure □ 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 & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury Medical Malpractice CIVIL RIGHTS 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 448 Education	PERSONAL INJURY 365 Personal Injury - Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage Product Liability PERSONAL PROPERTY 370 Other Fraud 371 Truth in Lending 385 Property Damage Product Liability PRISONER PETITIONS Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty Other: 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement	☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 690 Other LABOR	□ 422 Appeal 28 USC 158 □ 423 Withdrawal 28 USC 157 PROPERTY RIGHTS □ 820 Copyrights □ 830 Patent □ 840 Trademark SOCIAL SECURITY □ 861 HIA (1395ff) □ 862 Black Lung (923) □ 863 DIWC/DIWW (405(g)) □ 864 SSID Title XVI □ 865 RSI (405(g)) FEDERAL TAX SUITS □ 870 Taxes (U.S. Plaintiff or Defendant) □ 871 IRS—Third Party 26 USC 7609	□ 375 False Claims Act □ 376 Qui Tam (31 USC			
VI. CAUSE OF ACTIO	moved from 3 Cite the U.S. Civil State Removal of cons Brief description of ci	Appellate Court atute under which you are fi umer protection claims ause:	Reinstated or Reopened 5 Transft Another Another Specify. Iling (Do not cite jurisdictional states under Class Action Fair attes Wash. Consumer Programme Programme)	er District Litigation Transfer tutes unless diversity): ness Act (28 U.S.C. 133) rotection Act, warranty (F	Litigation - Direct File 2, 1441, & 1446) RCW 19.86, 62A.2-313)			
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER RULE 2	IS A CLASS ACTION 3, F.R.Cv.P.	DEMAND \$	CHECK YES only JURY DEMAND:	if demanded in complaint: Yes □ No			
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE John R. Ru	uhl	DOCKET NUMBER KO	CSC 18-2-25019-6 SEA			
DATE 10/29/2018	0/29/2018 s/Rudy A. Englund							
FOR OFFICE USE ONLY	MOUNT	APPLYING IFP	JUDGE	MAC HI	DGE			
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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:

- **I.(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: Nature of Suit Code Descriptions.
- **V. 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 cases 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>Sierra Trading Post Named in Class Action Over Allegedly Fraudulent 'Reference' Price Discounts</u>