UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS:

Lina M. Khan, Chair Noah Joshua Phillips Rebecca Kelly Slaughter Christine S. Wilson

In the Matter of

FASHION NOVA, LLC, a limited liability company. DOCKET NO.

COMPLAINT

The Federal Trade Commission, having reason to believe that Fashion Nova, LLC, a limited liability company ("Respondent"), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Fashion Nova, LLC is a California limited liability company with its principal office or place of business at 2801 E. 46th Street, Vernon, California 90058.

2. Respondent has advertised, labeled, offered for sale, sold, and distributed Fashion Nova brand apparel.

3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act.

Course of Conduct

4. Respondent has sold its Fashion Nova brand apparel primarily online through the fashionnova.com website.

5. Respondent specializes in "fast fashion" apparel designed and manufactured quickly and inexpensively to allow the mainstream consumer to buy the latest fashion trends. Most Fashion Nova merchandise sells for under \$49.99. Respondent has added as many as 1,000 or more new clothing designs per week.

6. Each product page on the Fashion Nova website provides consumers with the opportunity to review the product and rate it on a five-star scale. At the bottom of each product page is a section entitled "REVIEWS." Next to that is a button labeled "WRITE A REVIEW." Consumers who click on the button are encouraged to give the product a star rating from one to five, write a review, and "POST" it. If there are no customer reviews for a particular product,

consumers are encouraged to "BE THE FIRST TO WRITE A REVIEW." Fashion Nova also sent its customers emails soliciting product reviews of the customers' recent purchases.

7. Each product page with existing reviews displayed the product's average star rating and a summary graph of the number of reviews with each star rating, followed by individual consumers' reviews and ratings.

8. Fashion Nova installed a third-party online product review management interface. The interface allows users to choose to have certain reviews automatically post based upon their star ratings and hold lower-starred reviews for client approval prior to posting.

9. From as early as late 2015 through mid-November 2019, Fashion Nova chose to have four- and five-star reviews automatically post to the website, but did not approve or publish hundreds of thousands lower-starred, more negative reviews.

Count I Deceptive Review Practices

10. In connection with the advertising, promotion, offering for sale, or sale of Fashion Nova brand apparel, Respondent has, through the means described in Paragraphs 6 and 7, represented, directly or indirectly, expressly or by implication, that the product reviews on the Fashion Nova website accurately reflect the views of all purchasers who submitted reviews of Fashion Nova products to the website.

11. In fact, the product reviews on the Fashion Nova website did not accurately reflect the views of all purchasers who submitted reviews of the products because in numerous instances the Respondent suppressed product reviews with ratings lower than four stars. Therefore, the representation set forth in Paragraph 10 is false or misleading.

Violations of Section 5

12. The acts and practices of Respondent as alleged in this complaint constitute unfair or deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this _____ day of _____, 20__, has issued this Complaint against Respondents.

By the Commission.

April J. Tabor Secretary

SEAL: ISSUED: