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10		DISTRICT COURT	
11	CENTRAL DISTRIC	CT OF CALIFORNIA	
12	WESTERN	NDIVISION	
13	JAMES HOROSNY, an individual;)	CASE NO.: 2:15-cv-05005	
14	JENNIFER PRICE, an individual; individually) and on behalf of all others similarly situated,	CLASS ACTION	
15	Distriction	COMPLAINT FOR:	
16	Plaintiffs,)	1. UNFAIR BUSINESS PRACTICES	
17	VS.	(California Business & Professions Code §17200 et seq.);	
18	BURLINGTON COAT FACTORY OF CALIFORNIA LLC a California Limitad	2. FRAUDULENT BUSINESS PRACTICES (California Business &	
19	CALIFORNIA, LLC, a California Limited Liability Company; and DOES 1 through 100,	Professions Code §17200 et seq.); 3. UNLAWFUL BUSINESS PRACTICES (California Pusiness &	
20	inclusive,	PRACTICES (California Business & Professions Code §17200 et seq.);	
21	Defendants.	4. FALSE ADVERTISING (California Business & Professions Code §17500 et seq.); and,	
22)	5. VIOLATION OF CALIFORNIA CONSUMER LEGAL REMEDIES	
23		ACT (California Civil Code §1750 et seq.)	
24		3 cq .)	
25		DEMAND FOR JURY TRIAL	
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	COMP	PLAINT	

Comes now Plaintiffs JAMES HOROSNY ("HOROSNY") and JENNIFER PRICE ("PRICE") (collectively referred to herein as "Plaintiffs"), individually and on behalf of all others similarly situated (collectively referred to as "Class Members"), and for causes of action against Defendants and each of them, based upon personal knowledge, information and belief, and investigation of his counsel, alleges as follows:

JURISDICTION AND VENUE

- 1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §1332(d) (the Class Action Fairness Act of 2005 ("CAFA")) because the amount in controversy exceeds the value of \$5,000,000, exclusive of interest and costs, because the class consists of 100 or more putative Class Members, and because at least one putative Class Member is diverse from Defendant BURLINGTON COAT FACTORY OF CALIFORNIA, LLC. ("BURLINGTON" or "Defendant"), a California limited liability company with its principal place of business in Burlington, New Jersey.
- 2. This is a civil action brought under and pursuant to California Business & Professions Code §17200, *et seq*. (the Unfair Competition Law or "UCL"), California Business & Professions Code §17500, *et seq*. (the False Advertising Law or "FAL"), and California Civil Code §1750, *et seq*. (the California Consumer Legal Remedies Act or "CLRA").
- 3. Venue is proper in the Western Division of the Central District of California because Defendant transacts business, resides, and/or is found in this District, Plaintiff HOROSNY resides in Los Angeles County, California, and the transactions which form the basis of HOROSNY's claims against Defendant occurred in the city of West Hills, in Los Angeles County, California.
- 4. The Central District of California has personal jurisdiction over the Defendant named in this action because Defendant is a California limited liability company or other business entity authorized to do business in the State of California and registered with the California Secretary of State to do business, with sufficient minimum contacts in California, with its corporate headquarters and principal place of business in Burlington, New Jersey, and/or otherwise intentionally avails itself of the California market through

the ownership and operation of approximately 61 retail stores within the State of California, such that the exercise of jurisdiction over Defendant by the California courts is consistent with traditional notions of fair play and substantial justice.

The Defendant, BURLINGTON, transacts business within the county of Los Angeles, and elsewhere throughout the State of California. The violations of law alleged herein have been carried out within the County of Los Angeles and throughout the State of California.

INTRODUCTION

This is a consumer protection class action lawsuit against Defendant, which owns and operates a chain of department stores in California known as Burlington Coat Factory ("Burlington") stores, for labeling the products it sells in its California stores with false and/or misleading comparative prices which purport to be prices charged by other merchants for the same products. In its direct marketing to consumers via price tags affixed to products sold in its stores, in-store advertising displays, print advertising, and/or via its internet website (www.burlingtoncoatfactory.com), Defendant advertises, and/or has advertised throughout the period from July 1, 2011, to the present (the "Class Period"), false and/or misleading comparative prices and corresponding false discounts and/or savings for its apparel and other merchandise.

PARTIES

7. Plaintiff HOROSNY is, and at all times relevant hereto has been, an individual and a resident of Los Angeles County, California. On over 5 occasions throughout the Class Period, HOROSNY purchased products from Defendant's West Hills, California, Burlington store which were falsely and/or misleadingly labeled as being sold at other retailers for a specific, yet false and/or misleading, comparative price. The marked "Compare" prices for the products which HOROSNY purchased from Defendant were not actual prices that other retailers sold those products for, as alleged more fully herein. HOROSNY purchased products from Defendant throughout the Class Period in reliance on Defendant's false and deceptive advertising, marketing and pricing schemes, which he would not otherwise have purchased absent Defendant's false advertising and pricing

- 8. Plaintiff PRICE is, and at all times relevant hereto has been, an individual and a resident of San Diego County, California. On over 10 occasions throughout the Class Period, PRICE purchased products from Defendant's San Diego, California, Burlington store on Claremont Mesa Blvd., which were falsely and/or misleadingly labeled as being sold at other retailers for a specific, yet false and/or misleading, comparative price. The marked "Compare" prices for the products which PRICE purchased from Defendant were not actual prices that other retailers sold those products for, as alleged more fully herein. PRICE purchased products from Defendant throughout the Class Period in reliance on Defendant's false and deceptive advertising, marketing and pricing schemes, which he would not otherwise have purchased absent Defendant's false advertising and pricing scheme, and PRICE has lost money and/or property, and has been damaged as a result.
- 9. Plaintiffs are informed and believe, and on that basis allege, that Defendant BURLINGTON COAT FACTORY, LLC (hereinafter "BURLINGTON" or "Defendant") is a California limited liability company, organized under the laws of the state of California and licensed by the California Secretary of State to conduct business in the state of California, and which does conduct substantial business on a regular and continuous basis in the state of California. Defendant's principal place of business is in Burlington, New Jersey.
- 10. The true names and capacities of the defendants named herein as DOES 1 through 100, inclusive, whether individual, corporate, associate or otherwise, are unknown to Plaintiffs who therefore sue such defendants under fictitious names. Plaintiffs are informed and believe, and on that basis allege, that these defendants, DOES 1 through 100, are in some manner or capacity, and to some degree, legally responsible and liable for the damages of which Plaintiffs complain. Plaintiffs will seek leave of Court to amend this Complaint to set forth the true names and capacities of all fictitiously-named defendants within a reasonable time after they become known.

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- 11. Defendant owns and operates approximately 61 Burlington stores throughout the state of California.
- 12. Unless otherwise stated, on each and every day throughout the Class Period Defendant committed each and every act alleged in paragraphs 13 through 69.
- 13. During the Class Period Defendant routinely and systematically made untrue and misleading comparative advertising claims about the prices of its products.
- 14. Defendant compared the prices of its products, labeled as the "Our Low Price," with higher prices supposedly charged by other merchants for the same products. Defendant labeled those higher comparative prices as the "Compare" prices for those products.
- 15. The price tags placed by Defendant on the products it sells to consumers in its California Burlington stores include, and have included, that price at which Defendant offered the particular product to consumers called the "Our Low Price." The price tags also include, and have included, a different, and higher price representing the price at which other merchants supposedly sell the same product called the "Compare" price. The Compare price, however, is, and has been throughout the Class Period, false, deceptive, and/or misleading.
- 16. In advertising the "Compare" price for a product, Defendant was not actually presenting the prevailing market price for that product, i.e. the price at which other merchants were selling the identical product. Rather, Defendant used vague, misleading, and/or subjective measures to inflate the comparative prices, and thus artificially increase the discounts it claimed to be offering consumers.
- 17. The price tags on Defendant's products simply present a "Compare" price to the consumer to compare to the significantly lower "Our Low Price," with no other definition or explanation of what the "Compare" price is. In addition, many products at Defendant's Burlington stores in California have an additional price tag which advertises a supposed, yet false, "retail," "suggested retail," or "MSRP" price alongside the Burlington price tag.

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- 19. Defendant provides no explanation to consumers on its price tags, or anywhere near the products being offered for sale, of what the "Compare" price actually represents.
- 20. Except for those items that are accompanied by a supposed retail or "suggested retail" price tag, consumers have no way of knowing what Defendant's "Compare" price actually represents.
- For those items that are accompanied by a supposed "retail," "suggested retail," or 21. "MSRP" price tag, along with Defendant's standard "Compare" / "Our Low Price" tag, Defendant's comparative price advertising suggests that the items regularly retail at the listed "retail," "suggested retail," or "MSRP" price.
- The FTC Guides Against Deceptive Pricing ("Pricing Guides"), 16 C.F.R. §233.2, 22. provide rules for merchants such as Defendant that claim "to offer goods at prices lower than those being charged by others for the same merchandise in the advertiser's trade area."
- The FTC Pricing Guides require that when a merchant such as Defendant uses advertising 23. that compares its prices to higher comparative prices for the same merchandise, "the advertised higher price must be based on fact, and not be fictitious or misleading."

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Burlington stores was a price that Defendant alleges to be the price of similar items.

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comparison price may have represented an actual "recent documented selling price" of

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law prohibits them.

down "Our Low Price." Because such practices are misleading, yet effective, California

- Plaintiffs are informed and believe, and on that basis allege, that Defendant's false comparative price advertising scheme, disseminated to California consumers via representations on price tags, as well as in-store advertising, print advertising, and/or internet advertising, has been rampant throughout California as part of a massive, yearslong, pervasive campaign and has been consistent across all of Defendant's apparel and other merchandise at all of its Burlington stores throughout California. For example, Defendant's pricing scheme has throughout the Class Period been prominently displayed directly on the price tag of each item sold, with express references to alleged comparative retail prices that have never existed and/or do not, and/or did not then, currently constitute the prevailing market retail prices for such apparel and/or other merchandise.
- 51. Plaintiffs and all other Class Members were each exposed to Defendant's false, untrue, deceptive and/or misleading comparative price advertising as described herein.
- 52. Plaintiffs are informed and believe and on that basis allege, that tens of thousands, if not hundreds of thousands, of California consumers have been victims of Defendant's deceptive, misleading and unlawful pricing scheme.
- 53. Defendant knows and has known, should reasonably know, or should have known, that its comparative price advertising scheme is, and has been, false, deceptive, misleading, unfair and/or unlawful under California law.
- 54. Defendant has fraudulently concealed from, and intentionally failed to disclose to,
 Plaintiffs and other Class Members the truth about its alleged comparative prices.
- 55. At all times relevant herein, Defendant has been under a duty to Plaintiffs and all other Class Members to disclose the truth about its alleged "Compare" prices.
- The facts that Defendant misrepresented and/or failed to disclose are material facts that a reasonable person would have considered material; i.e., facts that would contribute to a reasonable person's decision to purchase apparel and/or other merchandise offered for sale by Defendant. Defendant's false representations of discounts from false comparative prices, and false representations of purported savings, discounts and/or bargains, are objectively material to the reasonable consumer, and therefore reliance upon such

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- The result of Defendant's ignorance of the accuracy of its "Compare" prices, and its failure to verify that accuracy, was that consumers were misled into believing that they were receiving substantial savings on the purchase of Defendant's products when compared to prices charged for those same products at other retailers. Plaintiffs are informed and believe, and on that basis allege, that consumers were on occasion misled into paying more for Defendant's products than they would have paid for identical products sold by other merchants.
- In those circumstances where Defendant believed that there was no comparable price for 66. the product sold. Defendant could have refrained from advertising a "Compare" price and allowed consumers to do their own comparative shopping to decide whether the product offered sufficient value at the "Our Low Price." Defendant's decision to advertise a price which did not actually exist was likely to deceive consumers by representing that the marketplace had assigned a retail price to that product, and that Defendant's discount off that retail price made Defendant's price attractive. Defendant's representation of the "Compare" price as an actual price being charged for that product was unlawful, unfair, and/or fraudulent.
- 67. Defendant knew or should have known that creating either a fictitious or inflated "Compare" price to create either a fictitious or inflated discount or savings, was unlawful.



72. In addition to HOROSNY's purchase on October 23, 2014, HOROSNY made numerous other purchases of products from Defendant's West Hills, California, Burlington store throughout the Class Period. With respect to each such purchase, including the October 23, 2014, purchase, HOROSNY purchased those products from Defendant after viewing and relying on Defendant's advertising which included false and/or misleading comparison prices placed on the price tags of the items which HOROSNY purchased. Plaintiffs are informed and believe, and on that basis allege, that the comparison prices, and the corresponding price reductions and/or savings, were false and deceptive. Plaintiffs are further informed and believe, and on that basis allege, that the prevailing retail prices for the items that he purchased from Defendant were materially lower than the "Compare" prices advertised by Defendant. HOROSNY would not have purchased any such product from Defendant in the absence of Defendant's false, and/or deceptive, and/or misleading advertising, and/or misrepresentations.

73. Plaintiff PRICE purchased numerous products throughout the Class Period from Defendant's Burlington store on Claremont Mesa Blvd., in San Diego, California, in reliance on Defendant's false advertising and false price comparisons, which she would not otherwise have purchased but for Defendant's false advertising and false price

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With respect to each such purchase, PRICE purchased those products from Defendant

misrepresentations.

comparison scheme as described herein.

misleading "Compare" comparison prices placed on the price tags of the items which

PRICE purchased. Plaintiffs are informed and believe, and on that basis allege, that the

"Compare" comparison prices, and the corresponding price reductions and/or savings,

were false and deceptive. Plaintiffs are further informed and believe, and on that basis

Defendant were materially lower than the "Compare" prices advertised by Defendant.

PRICE would not have purchased any such product from Defendant in the absence of

CLASS ACTION ALLEGATIONS

All persons who, while in the State of California, and between July 1, 2011, and

the present (the "Class Period"), purchased from BURLINGTON one or more

items at any Burlington store in the State of California with a price tag that

contained a "Compare" price which was higher than price listed as "Our Low

Price" on the price tag, and who have not received a refund or credit for their

purchase(s). Excluded from the Class are Defendant, as well as its officers,

employees, agents or affiliates, and any judge who presides over this action, as

well as all past and present employees, officers and directors of BURLINGTON.

Plaintiffs reserve the right to expand, limit, modify, or amend this class definition,

certification, or at any other time, based upon, among other things, changing

circumstances and/or new facts obtained during discovery.

including the addition of one or more subclasses, in connection with his motion for class

Each member of the proposed Class herein has been exposed to Defendant's false and/or

Plaintiffs brings this action on behalf of themselves and on behalf of all other persons

allege, that the prevailing retail prices for the items that PRICE purchased from

Defendant's false, and/or deceptive, and/or misleading advertising, and/or

similarly situated (the "Class" or "Class Members"), namely:

after viewing and relying on Defendant's advertising which included false and/or

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-17-**COMPLAINT**

members of the proposed Class which would or may establish incompatible standards of conduct for Defendant and which would also create a risk of adjudications with respect to individual members of the proposed Class herein which would, as a practical matter, be dispositive of the interests of other members of the proposed Class not parties to the particular individual adjudications, and/or would or may substantially impede or impair the ability of those other members to protect their interests.

- Plaintiffs are each adequate representatives of the Class because each is a member of the Class and their interests do not conflict with the interests of the Class Members they seek to represent. Plaintiffs will fairly and adequately represent and protect the interest of the Class because they are not antagonistic to the Class. Plaintiffs have no conflict of interest with any other Class Member. Plaintiffs have retained counsel who are competent and experienced in the prosecution of consumer fraud and class action litigation. Plaintiffs and their counsel will prosecute this action vigorously on behalf of the Class.
- 104. Plaintiffs are informed and believe, and on that basis allege, that Defendant keeps extensive computerized records of its customers through, among other things, customer loyalty programs, email lists, and general marketing programs. Plaintiffs are informed and believe, and on that basis allege, that Defendant has one or more databases through which a significant majority of Class Members may be identified and ascertained, and it maintains contact information, including email and home mailing addresses, through which notice of this action could be disseminated in accordance with due process requirements.

FIRST CAUSE OF ACTION

UNFAIR BUSINESS PRACTICES

(California Business & Professions Code §17200 et seq.)

(By Plaintiffs on behalf of themselves and all others similarly situated, and the general public)

- 105. Plaintiffs re-allege and incorporate by reference, as though fully set forth herein, paragraphs 1 through 104 of this Complaint.
- 106. The UCL defines unfair business competition to include any "unlawful, unfair or

- paragraphs 1 through 125 of this Complaint.
- 127. The California False Advertising Law ("FAL") prohibits unfair, deceptive, untrue, or misleading advertising, including, but not limited to, false statements as to worth, value and former price.
- Defendant's practice of advertising allegedly comparative "Compare" prices associated with its apparel and other merchandise, which were materially greater than the true prevailing prices of those products, and/or not true comparative prices for those products, as alleged more fully herein, was an unfair, deceptive and misleading advertising practice because it gave the false impression that the products sold by Defendant regularly sold in the retail marketplace at substantially higher prices (and were, therefore, worth more) than they actually were. In fact, the apparel and other merchandise sold by Defendant at its Burlington stores in California did not have a prevailing market price close to the "Compare" prices advertised.
- 129. On each day throughout the Class Period, Defendant, with the intent to induce members of the public to purchase products offered at its California Burlington stores, made or caused to be made each of the untrue and/or misleading statements, claims, and/or representations described herein.
- 130. On each day throughout the Class Period, Defendant, with the intent to induce members of the public to purchase products offered at its California Burlington stores, made or caused to be made untrue and/or misleading claims to consumers throughout California including, but not limited to, the following claims with respect to products offered for sale at its California Burlington stores:
 - a. That a product offered by Defendant was identical to a product offered by another merchant (such that the price charged was comparable), when in fact Defendant's product was unique or otherwise not offered for sale elsewhere, and no such comparable product existed.
 - b. That when other merchants did offer an identical product for sale, that Defendant had previously ascertained and/or determined the price at which those merchants

and unjust enrichment that Defendant obtained from Plaintiffs and the Class as a result of

1	its unlawful, unfair and fraudulent business practices described herein.	
2	3. An order enjoining Defendant from continuing to violate the UCL and/or FAL as	
3	described herein, and/or an order enjoying Defendant from violating the UCL and/or FAL	
4	in the future.	
5	4. A judgment awarding Plaintiffs their costs of suit; including reasonable attorneys' fees	
6	pursuant to Code of Civil Procedure §1021.5 and as otherwise permitted by statute or	
7	law; and pre- and post-judgment interest; and,	
8	5. For such other and further relief as the Court may deem proper.	
9	VIOLATION OF CIVIL CODE §1770:	
10	6. An order enjoining Defendant from continuing to violate the CLRA as described herein,	
11	and/or an order enjoying Defendant from violating the CLRA in the future;	
12	7. A judgment awarding Plaintiffs their costs of suit; including reasonable attorneys' fees	
13	pursuant to Civil Code §1780(d) and as otherwise permitted by statute; and pre- and post-	
14	judgment interest; and,	
15	8. For such other and further relief as the Court may deem proper.	
16	DEMAND FOR JURY TRIAL	
17	Plaintiffs hereby demand a trial by jury for all claims so triable.	
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20	Dated: July 1, 2015 LAW OFFICE OF CHRISTOPHER J. MOROSOFF	
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22	By: CHRISTONIED I MODOSOFF	
23	CHRISTOPHER J. MOROSOFF Attorneys for Plaintiffs	
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