| 1  | ØŠÖÖ  |   |  |
|----|---|---|--|
| 2  | G€GHÁRWÞÁH€Á⊌KEJK€€ÁÐE<br>SOÞŐÁÐUWÞVŸ   |   |  |
| 3  | ÙWÚỜŨŨIÂŬUWÜVÂÔŠÒÜS<br>ÒĒZŠÒÖ   |   |  |
| 4  | ÔŒÙÒÂKÁGHËGËFFÌ FGËEÂÙÒŒ  |   |  |
| 5  |   |   |  |
| 6  |   |   |  |
| 7  | IN THE SUPERIOR COURT OF T<br>COUNTY (  |   |  |
| 8  | MERRILL SHAPIRO, on behalf of herself and all others similarly situated,                                | Case No.:   |  |
| 9  | Plaintiff,  | CLASS ACTION COMPLAINT FOR<br>VIOLATION OF THE CONSUMER     |  |
| 10 | V.  | PROTECTION ACT, RCW 19.86, AND<br>THE COMMERCIAL ELECTRONIC |  |
| 11 | GOOD AMERICAN, LLC,   | MAIL ACT, RCW 19.190  |  |
| 12 | Defendant.  | DEMAND FOR TRIAL BY JURY                                    |  |
| 13 |   |   |  |
| 14 | I. NATURE OF THE ACTION   |   |  |
| 15 | 1. This is a class action against Defer   | dant, Good American, LLC ("Good American"                   |  |
| 16 | or "Defendant") for false and misleading email marketing.   |   |  |
| 17 | 2. Good American sends emails containing false or misleading information in the                         |   |  |
| 18 | subject lines to Washington consumers. For example, Good American sends emails that misstate            |   |  |
| 19 | the length of sales, in an effort to drive sales by creating a false sense of urgency. The subject line |   |  |
| 20 | of these kinds of emails falsely claims that a certain sale or discount is limited to a specific time   |   |  |
| 21 | or about to expire, such as "limited time only," "final hours," "last day," "ending soon," "ends        |   |  |
| 22 | tonight," or "one day left," when, in reality, the offer lasts longer than advertised. As another       |   |  |
| 23 | example, Good American sends emails with subject lines claiming that a sale or discount has been        |   |  |
| 24 | "extended," when, in reality, Good American always planned the sale to continue during the              |   |  |
| 25 | advertised extension.   |   |  |
| 26 | 5   |   |  |
| 27 |   |   |  |
| 28 | COMPLAINT - 1 TEL: 206.816.6603 • FAX 206.319.5450 www.terrellmarshall.com                              |   |  |

Good American uses its planned "sale extensions" as an excuse to send consumers
 additional emails purporting to notify them that a sale is ending or that a sale has been extended.
 This practice floods consumers' inboxes with spam.

Good American's practice of sending serial emails about sales with imaginary time
 limits, fake extensions, and illusory special offers violates the Washington Commercial Electronic
 Mail Act ("CEMA"), RCW 19.190, and the Washington Consumer Protection Act, RCW 19.86.

5. By sending emails with false and misleading information to Plaintiff and the Class
(defined below), Good American clogs consumers' email inboxes with false information, seduces
Plaintiff and the Class into opening emails based on false pretenses, undermines Plaintiff's and
Class members' faith in legitimate email advertising, and violates Plaintiff's and Class members'
right to be free from commercial e-mails with deceptive subject lines.

6. Plaintiff brings this action as a class action on behalf of Washington consumers
who also received Good American's false and misleading emails. Plaintiff seeks an injunction to
end these practices, an award to Plaintiff and Class members of statutory and exemplary damages
for each illegal email, and an award of attorneys' fees and costs.

16

#### II. PARTIES

17 7. Plaintiff Merrill Shapiro is a citizen of Washington State, residing in King County,18 Washington.

B. Defendant Good American, LLC is a limited liability company chartered under the
 laws of the State of Delaware, and maintains its principal place of business in, and is thus a resident
 and citizen of, Los Angeles, California. Good American, LLC currently is, and at all relevant times
 in the past has, engaged in substantial business activities in the State of Washington and in King
 County.

9. Good American owns and operates a large online marketplace open to consumers
in the state of Washington and in King County, and sends the marketing emails at issue in this
Complaint to consumers throughout Washington.

#### **III. JURISDICTION AND VENUE**

10. 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), RCW 19.86.090 (Superior Court jurisdiction over Consumer Protection
Act claims) and RCW 19.190.090 (Superior Court jurisdiction over Commercial Electronic Mail
Act claims).

11. This Court has personal jurisdiction over Good American under RCW 4.28.185.
This Court may exercise personal jurisdiction over the out-of-state Good American because the
claims alleged in this civil action arose from, without limitation, Good American's purposeful
transmission of electronic mail messages to consumers within the State of Washington. In addition,
Good American intended, knew, or is chargeable with the knowledge that its out-of-state actions
would have a consequence within Washington.

13 12. This Court also has personal jurisdiction over Good American under RCW
14 19.86.160. For example, Good American engaged and is continuing to engage in conduct in
15 violation of RCW 19.86 which has had and continues to have an impact in Washington.

16 13. Venue is proper in King County Superior Court because, at all relevant times,
17 Plaintiff has resided in Seattle, Washington and received the alleged false and misleading emails
18 while residing in this County. RCW 4.12.020. Venue is also proper because Good American has
19 transacted business in King County, including without limitation by sending the marketing emails
20 alleged herein to residents of King County, conducted substantial online retail sales and business
21 with residents in King County, and shipped clothing and other consumer goods to residents in King
22 County. RCW 4.12.025.

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# IV. LEGAL FRAMEWORK

# A. The CEMA prohibits initiating or conspiring to initiate the transmission of commercial e-mails with false or misleading subject lines.

26 14. Washington's Commercial Electronic Mail Act (CEMA) regulates deceptive email

27 marketing.

CEMA prohibits sending an email advertisement to a Washington resident that
 "[c]ontains false or misleading information the subject line." RCW 19.190.020(1)(b). A violation
 of this prohibition is an unfair or deceptive act that occurs in trade or commerce and violates the
 public interest under the Consumer Protection Act. RCW 19.190.030(3).

16. "CEMA's prohibition on sending commercial e-mails with false or misleading
subject lines . . . creates a substantive right to be free from deceptive commercial e-mails." *Harbers v. Eddie Bauer, LLC*, 415 F. Supp. 3d 999, 1011 (W.D. Wash. 2019) (holding that the plaintiff
sufficiently pleaded concrete injury-in-fact for alleged CEMA violations based on her receipt of
marketing emails from the defendant containing allegedly false "xx% off" statements in the subject
line). Washington courts have held that "[t]he harms resulting from deceptive commercial e-mails
resemble the type of harms remedied by nuisance or fraud actions." *Id.* at 1008.

12 17. An injury occurs anytime a commercial e-mail is transmitted that contains false or
13 misleading information in the subject line. *Id.* at 1011.

14 18. Under CEMA, it is irrelevant whether misleading commercial e-mails were15 solicited. *Id.* 

16 19. CEMA creates a private of right of action for injunctive relief for people who
17 receive commercial emails with subject lines containing false or misleading information. RCW
18 19.190.090(1). A plaintiff who successfully alleges and proves such a violation may obtain, among
19 other things, an injunction against the person who initiated the transmission. RCW 19.190.090(1).
20 *Wright v. Lyft, Inc.*, 189 Wn.2d 718, 728 n.3 (2017) ("we note that a plaintiff may bring an action
21 to enjoin any CEMA violation.").

22 20. It is a violation of the Consumer Protection Act (RCW 19.86 *et seq.*) to send or 23 conspire with another person to send an email that contains false or misleading information in the 24 subject line. RCW 19.190.030(1); *see also* RCW 19.190.030(2) (providing "that the practices 25 covered by this chapter are matters vitally affecting the public interest for the purpose of applying 26 the consumer protection act, chapter 19.86 RCW. The Legislature declared that a violation of

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section 030 is not reasonable in relation to the development and preservation of business and is an
 unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose
 of applying the consumer protection act, chapter 19.86 RCW.").

4 21. Damages for a violation of the prohibition on sending an email with false or
5 misleading information in the subject line are \$500 or actual damages, whichever is greater. RCW
6 19.190.040.

7 22. To establish a violation of Washington's Consumer Protection Act ("CPA"), a 8 claimant must establish five elements: (1) an unfair or deceptive act or practice, (2) in trade or 9 commerce, (3) that affects the public interest, (4) injury to plaintiff's business or property, and (5) causation. Hangman Ridge Stables, Inc. v. Safeco Title Ins. Co., 719 P.2d 531, 533 (Wash. 1986). 10 11 Washington and federal courts have held that a plaintiff states a CPA claim solely by alleging a 12 violation of the CEMA. See State v. Heckel, 143 Wash.2d 824, 24 P.3d 404, 407 (2001) ("RCW 13 19.190.030 makes a violation of [CEMA] a per se violation of the [CPA]."). Indeed, by alleging a 14 CEMA violation of RCW 19.190.020, a plaintiff alleges all five elements of a CPA violation. See 15 Gordon v. Virtumundo, Inc., 575 F.3d 1040, 1065 (9th Cir. 2009) (citing Hangman Ridge Training Stables, Inc. v. Safeco Title Ins. Co., 105 Wash.2d 778, 719 P.2d 531, 535-37 (1986)); Wright, 16 406 P.3d at 1155 ("We conclude that RCW 19.190.040 establishes the injury and causation 17 18 elements of a CPA claim as a matter of law.").

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#### V. FACTUAL ALLEGATIONS

A. Good American initiates (or conspires to initiate) the transmission of commercial emails with false or misleading subject lines.

22 23. Good American has initiated (or conspired to initiate) the transmission of dozens 23 uniform commercial electronic mail messages with false or misleading subject lines to Plaintiff 24 and the Class, which Good American sends as email blasts to consumers in Washington and 25 nationwide. The emails were electronic mail messages, in that they were each an electronic 26 message sent to an electronic mail address; the emails from Good American also referred to an

internet domain, whether or not displayed, to which an electronic mail message can or could be
 sent or delivered.

3

24. Good American sent the emails for the purpose of promoting its goods for sale.

4 25. The emails were sent by Good American or at Good American's direction and were
5 approved by Good American.

6 26. Good American's emails frequently advertise the "limited" nature of sales,
7 discounts, and prices. For example, on January 11, 2023, Good American sent an email with a
8 subject line, "25% OFF SITEWIDE - LIMITED TIME ONLY." By stating that a sale is only for
9 a limited time, Good American suggests an offer's rarity or urgency, stimulating consumers' desire
10 to get the deal before it's gone while simultaneously inducing fear of missing a good buy.

27. Good American designs the subject lines of its marketing emails to tap into
consumers' fear of missing out—going so far as to feature images of hourglasses and clocks in the
email subject line itself next to words such as "TIME IS RUNNING OUT," or "ENDING SOON."
Other email subject lines spur the recipient to make purchases, prompting the recipient that it is
their "LAST CHANCE," and "DON'T MISS OUT."

28. Good American also repeatedly sends emails purportedly granting recipients "VIP
EARLY ACCESS" to a sale even though the email is disseminated to all consumers rather than a
select subgroup of "very important people" and the everyone has access to the offers. There is
nothing "early" about the advertised sale—it simply marks the planned start of a promotion.

20 29. The fact that such statements are false and misleading has been recognized by the
21 Federal Trade Commission, which directs that sellers should not "make a 'limited' offer which, in
22 fact, is not limited." 16 C.F.R. § 233.5.

30. Research has also shown that emails that convey a sense of urgency in email
 subject lines (e.g., "BUY NOW," "HURRY"), have higher open rates than emails without such
 (e.g., "BUY NOW," "HURRY"), have higher open rates than emails without such
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subject lines.<sup>1</sup> Here, the urgency conveyed by Good American's email subject lines is false, and
 thus consumers are being seduced into opening emails that they would not have opened if the
 subject lines had been truthful.

4 31. Good American also uses the purportedly limited nature of its offers to send more 5 emails to consumers than it otherwise might, which imposes costs on consumers receiving these emails and clogs up their inboxes. Good American may send a single consumer up to three 6 7 marketing emails per day, and commonly sends 2 marketing emails every day, many of them 8 advertising short-duration sale offers (e.g., "limited time only," "ending soon," or "ending today"). 9 For example, Good American has a pattern and practice of sending a series of emails related to a sale by sending: (1) an initial email offering "early access" to a sale; (2) a second email describing 10 the sale as "limited time only"; (3) a third email stating that the sale "ends soon," "ends tomorrow," 11 12 or is within its "final hours"; (4) a fourth email stating "last call", creating a sense of urgency in 13 consumers to make purchases before the sale ends, only for Good American to ultimately send (5) 14 a fifth email after the purported expiration time of the sale stating that the sale has been "extended." 15 32. Below is an example of a series of emails Good American recently sent to Plaintiff: 16 Sent: Wed 4/26/2023 7:04:16 AM (UTC-07:00)

 Sent: Wed 4/20/2023 7:04:10 AM (CTC-07:00)

 From: "Haley @ GOOD AMERICAN" <help@goodamerican.com>

 Subject: Early Access: FLASH SALE

 Sent: Sat 4/29/2023 2:01:54 PM (UTC-07:00)

 From: "GOOD AMERICAN" <noreply@goodamerican.com>

 Subject: There's Still Time for 25% off

 Sent: Sun 4/30/2023 2:00:18 PM (UTC-07:00)

 From: "Haley @ Good American" <help@goodamerican.com>

 Subject: Final Hours! 25% off sitewide!

28 COMPLAINT - 7

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<sup>23</sup> <sup>1</sup> See The Ultimate 2023 Email Marketing Stats List, https://codecrew.us/email-marketing-statsyou-need-to-know-the-ultimate-list/ ("subject lines with a sense of urgency (BUY NOW, 24 HURRY) have a 22% open rate. That's quite a bit higher than normal."); Urgency Emails: An All-Inclusive Guide For Marketers Maximum To Drive Conversions, 25 https://email.uplers.com/blog/complete-guide-to-urgency-emails/; Email Subject Line Tips That Guarantee High Open Rates, https://www.loginradius.com/blog/growth/email-subject-line-tips-26 for-high-open-rates/ ("subject lines displaying exclusivity and urgency increases open rates upto 27 22%").

Sent: Mon 5/1/2023 7:07:46 AM (UTC-07:00) From: "GOOD AMERICAN" <noreply@goodamerican.com> Subject: EXTENDED: 25% Off Sitewide

Sent: Tue 5/2/2023 12:00:47 PM (UTC-07:00) From: "Haley @ Good American" <help@goodamerican.com> Subject: EXTENDED! 25% off sitewide!

6 33. Good American violates CEMA because the statements in the email subject lines intended to seduce consumers into opening the email advertisements are false and misleading, and 7 Good American's conduct in mispresenting the true subjects of its promotional advertisements in 8 the email subject lines deprives consumers of the ability make informed choices about which 9 emails to open and spend time reading, or to delete. There are numerous examples of Good American emails that can be shown to have false and misleading information in the subject lines just by reviewing the subject lines of other Good American emails. While there are too many examples to include them all here, the facts alleged below show the types of false and misleading email subject lines Good American deploys. 14

34. Specifically, Good American engages in a pattern and practice of mispresenting the 15 length of sales, both as to the start and end of the sale, by sending emails stating that it is offering 16 "early access" to a sale, that the sale is ending soon and then, after the sale purportedly ends, 17 sending another email "extending" sale. These emails are false and misleading for several reasons. 18

19 35. First, there is nothing "early" about Good American's "early access" sales. Discovery will show that the "early" access was offered to all consumers receiving Good 20 21 American's emails and that Good American always planned to start the sale for everyone on that 22 date.

36. Good American sent Plaintiff fifteen emails containing a subject line stating that 23 Good American was granting Plaintiff "early access" to a sale: 24

**Date Sent Email Subject** 8/30/2022 Early Access: 20% off Sitewide! 9/13/2022 EARLY ACCESS: 25% OFF SITEWIDE

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|    |   | 10/13/2022     | EARLY ACCESS: 20% Off   |        |
|----|---|----------------|---|--------|
| 1  | 10/13/2022EARLT ACCESS: 20/0 OII11/3/2022Early access to shop our sale!                               |                |   |        |
| 2  |   | 11/9/2022      | VIP Early Access: 20% Off Sitewide  |        |
| 3  |   | 11/20/2022     | Black Friday Early Access: 30% OFF SITEWIDE   |        |
| 4  |   | 11/22/2022     | Re: Black Friday Early Access: 30% OFF SITEWIDE   |        |
| 4  |   | 11/27/2022     | Cyber Monday Early Access: 30% OFF EVERYTHING   |        |
| 5  |   | 12/7/2022      | GIFTING SALE EARLY ACCESS - 20% off!  |        |
| 6  |   | 12/14/2022     | Early Access: End of Season Sale!   |        |
| 0  |   | 1/11/2023      | Early Access: 25% Off Sitewide  |        |
| 7  |   | 2/2/2023       | VIP Early Access: \$50 OFF!   |        |
| 8  |   | 2/16/2023      | VIP Early Access: \$89 - \$139 Denim  |        |
| 0  |   | 4/5/2023       | VIP Early Access: \$50 OFF!   |        |
| 9  |   | 4/26/2023      | Early Access: FLASH SALE  |        |
| 10 |   |                |   |        |
| 11 | 37.   | Second, the    | emails for "extended" sales are often sent following long ho  | oliday |
| 12 | weekends wh   | en consumers   | s are back at their computers or on their phones after a weeker   | nd of  |
| 13 | activity. How   | ever, discover | ry will show that Good American employees did not gather at the   | e end  |
| 14 | of the planned  | d sale and det | ermine that the sale should be extended. Instead, the sale was al   | ways   |
| 15 | planned to continue such that the advertised "extension" is fake.                                     |                |   |        |
| 16 | 38. Between August 2022 and May 2023, Good American engaged in this pattern and                       |                |   | n and  |
| 17 | practice of sending false and misleading emails in relation to seven different sales, as shown below. |                |   | elow.  |
| 18 | 39. <u>September 2022</u> : Defendant sent Plaintiff more than 15 emails regarding a 25% Off          |                |   | % Off  |
| 19 | sale, including the following emails:   |                |   |        |
| 20 |   | DATE<br>SENT   | EMAIL SUBJECT LINE  |        |
| 21 |   | 9/13/2022      | EARLY ACCESS: 25% OFF SITEWIDE  |        |
|    |   | 9/19/2022      | Final Hours! Get 25% Off EVERYTHING!  |        |
| 22 |   | 9/20/2022      | LAST DAY: 25% OFF EVERYTHING  |        |
| 23 |   | 9/20/2022      | TIME IS RUNNING OUT   |        |
| 24 |   | 9/21/2022      | Image: |        |
| 24 |   | 9/21/2022      | <b>]]</b> SALE EXTENDED: 25% OFF EVERYTHING <b>]]</b>   |        |
| 25 | 40.   | The subject    | line of the email sent on September 13, 2022 was false and mislea   | ading  |
| 26 | because there was nothing "early" about the sale being offered that day—it was offered to all email   |                | email   |        |
| 27 |   |                |   |        |
| 28 | COMPLAINT   | - 9            | TERRELL MARSHALL LAW GROUP PLLC<br>936 North 34th Street, Suite 300<br>Seattle, Washington 98103-8869<br>TEL. 206.816.6603 • FAX 206.319.5450<br>www.terrellmarshall.com  |        |

1 recipients and was always scheduled to start on that day. The subject lines of the emails sent on 2 September 19 and 20 stating "Final Hours!," "LAST DAY," and "TIME IS RUNNING OUT" 3 were false and misleading because the sale did not end on September 20. The subject line of the email sent on September 21 stating "SALE EXTENDED" was false and misleading because, 4 5 discovery will show, the sale was always scheduled to continue to September 21, 2023.

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41. November 2022: Good American sent Plaintiff 25 emails regarding its 30% Off "Black Friday" and "Cyber Monday" sales, including the following emails:

| DATE<br>SENT | EMAIL SUBJECT LINE                              |
|--------------|---|
| 11/20/2022   | Black Friday Early Access: 30% OFF SITEWIDE     |
| 11/22/2022   | Re: Black Friday Early Access: 30% OFF SITEWIDE |
| 11/26/2022   | ENDING SOON - Black Friday Sale                 |
| 11/26/2022   | EXTENDED! 30% OFF EVERYTHING!                   |
| 11/27/2022   | FINAL HOURS   BLACK FRIDAY SALE                 |
| 11/27/2022   | Cyber Monday Early Access: 30% OFF EVERYTHING   |
| 11/28/2022   | Last Call! 30% off everything ends at midnight! |
| 11/30/2022   | CYBER WEEK SALE EXTENDED                        |

15 42. The subject lines of the emails sent on November 20, 22, and 27 were false and misleading because there was nothing "early" about offers-it was offered to all email recipients 16 17 and was always scheduled to be offered on those days. The subject lines of the emails sent on 18 November 26, 27, and 28 stating "ENDING SOON," "FINAL HOURS," and "Last Call!" were 19 false and misleading because the 30% off sale did not end but continued through December 1, 20 2022. The subject lines the emails sent on November 26 and 30 stating the sale was "EXTENDED" 21 were false and misleading because, as discovery will show, Good American had long planned to 22 offer the sale through December 1, 2022.

- 23 43. December 2022: Good American sent Plaintiff two emails regarding a 50% off markdowns sale, advertised as a "Sale on Sale" or its "End of Season" sale: 24
- 26 27 28 COMPLAINT - 10

| 1        |   | DATE SENT              | EMAIL SUBJECT LINE   |
|----------|---|------------------------|--|
| 2        |   | 12/14/2022             | Early Access: End of Season Sale!                                    |
| 3        |   | 12/19/2022             | Extra 50% off Markdowns starting NOW!                                |
| 3<br>4   | 44.   | The subject line       | e of the email sent on December 14 was false and misleading becaus   |
| 5        | there was no  | thing "early" ab       | out the sale being offered that day-it was offered to all emain      |
| 6        | recipients and  | l was always so        | heduled to start on that day. The subject line the email sent of     |
| 7        | December 19   | stating "Extra         | 50% off Markdowns starting NOW!" was false and misleading            |
| 8        | because the sa  | ale had been offe      | red since December 14.   |
| 9        | 45.   | January 2023: 1        | Defendant sent 14 emails about a 25% off sale for the long weekend   |
| 10       | for Martin Lu   | ther King, Jr. Da      | y, including the following emails:                                   |
| 11       |   | DATE SEN               |  |
| 11       |   | 1/11/2023              | Early Access: 25% Off Sitewide                                       |
| 12       |   | 1/16/2023              | Ending Soon! 25% Off Sitewide!                                       |
| 13       |   | 1/16/2023<br>1/17/2023 | LAST CHANCE: 25% OFF SITEWIDE*<br>SALE EXTENDED: 25% off sitewide*   |
| 13       | 46.   |                        | e the email sent on January 11 was false and misleading becaus       |
| 15       | there was no  | ·                      | out the sale being offered that day—it was offered to all emai       |
| 16       |   |                        | eduled to start on that day. The subject lines of the emails sent or |
| 10       | January 16 stating "Ending Soon!" and "LAST CHANCE" were false and misleading because the         |                        |  |
| 17       | 25% off sale did not end but continued through January 17. The subject lines of the email sent on |                        |  |
|          | January 17 stating the sale was "EXTENDED" was false and misleading because, as discovery         |                        |  |
| 19<br>20 | will show, Good American had long planned to offer the sale through January 17.                   |                        |  |
| 20       |   |                        |  |
| 21       | 47.   | <u>March 2023</u> : D  | efendant sent Plaintiff more than 15 emails about a 25% off sale. O  |
| 22       | those email ad  |                        | cluding the following emails:  |
| 23       |   | DATE<br>SENT           | EMAIL SUBJECT LINE   |
| 24       |   |                        | NDING SOON - Friends & Family sale                                   |
| 25       |   |                        | % OFF EVERYTHING ENDS TODAY<br>XTENDED: 25% OFF EVERYTHING           |
|          | 48.   |                        | es of the emails sent on March 22 and 23 stating "ENDING SOON"       |
| 26       |   | -                      | false and misleading because the 25% off sale did not end bu         |
| 27       |   |                        |  |
| 27<br>28 |   |                        | TERRELL MARSHALL LAW GROUP PLLC<br>936 North 34th Street, Suite 300  |

continued through March 26. The subject line of the email sent on March 24 stating the sale was
 "EXTENDED" was false and misleading because, as discovery will show, Good American had
 long planned to continue the sale.

4 49. <u>March 2023</u>: Defendant sent Plaintiff 3 emails about a 30% off "flash sale," as
5 shown below:

| DATE SENT | EMAIL SUBJECT LINE                        |
|-----------|---|
| 3/29/2023 | Flash Sale! 30% OFF!                      |
| 3/30/2023 | ENDS TONIGHT: 30% Off Select Styles       |
| 3/31/2023 | Flash Sale Extended! 30% Off Spring Picks |

50. "Flash sales" are commonly understood by consumers to mean a sale of short duration.

51. The subject line of the email sent on March 30 stating "ENDS TONIGHT" was
false and misleading because the sale did not end but continued through March 31. The subject
line of the email sent on January 17 stating the sale was "Extended" was false and misleading
because, as discovery will show, Good American had long planned to offer the sale through
March 31.

16 52. <u>April-May 2023</u>: Defendant sent Plaintiff 9 emails about a 25% off "flash sale,"
17 four of which are shown below:

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DATE SENTEMAIL SUBJECT LINE4/26/2023Early Access: FLASH SALE4/30/2023Final Hours! 25% off sitewide!5/1/2023EXTENDED: 25% Off Sitewide5/2/2023EXTENDED! 25% off sitewide!

53. The subject line of the email sent on April 26 advertising "Early Access" to a "FLASH SALE" was false and misleading because (i) there was nothing "early" about the sale being offered that day—it was offered to all email recipients and was always scheduled to start on that day; and (ii) the sale lasted for a week and was not a "flash" sale. The subject line of the email sent on April 30 stating "Final Hours!" was false and misleading because the sale did not end but continued through May 3. The subject lines of the emails sent on May 1 and 2 stating the sale was

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"EXTENDED" were false and misleading because, as discovery will show, Good American had
 long planned to offer the sale through those dates.

3 54. These sorts of emails with false and misleading subject lines mask the true subject
4 of the email advertisements, undermine consumer confidence in online commerce, and harm
5 legitimate marketers that provide truthful information about their goods and services for sale.

### 6

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# B. Good American Sends Commercial Emails to Consumers Whom It Knows, Or Has Reason to Know, Reside In Washington.

55. Good American sent the misleading commercial emails to email addresses that
Good American knew, or had reason to know, belong to Washington residents, either because (i)
Good American had a physical Washington address that was associated with the recipient; (ii)
Good American had access to data regarding the recipient indicating that they were in Washington
state; or (iii) information was available to Good American upon request from the registrant of the
internet domain name contained in the recipient's electronic mail address.

14

56. Good American knows where many of its email recipients reside.

15 57. First, for any person that places an order online from Good American, Good
16 American associates an email address with a shipping address and/or billing address.

58. Second, Good American encourages online shoppers to create online accounts
associated with their email addresses. Customers save shipping addresses, billing addresses, and
phone numbers in their Good American accounts.

59. Third, discovery will show that Good American employs methods to track the effectiveness of its marketing emails and to identify consumers that click on links contained in Good American's marketing emails, including by identifying their physical location. For example, discovery will show that Good American gathers information such as geocoordinates and IP addresses from individuals who click on links in Good American commercial emails, and that Good American can use such information to determine whether the recipient is in Washington.

26 60. Fourth, discovery will show Good American also utilizes cookies, pixels, and other
27 online tracking technologies to identify and locate the consumers that sign up for email

advertisements on its website or click on links contained in Good American's advertisements and
marketing emails. For example, Good American advertises on Facebook and Instagram and
encourages consumers that click on those ads to sign up for marketing emails as soon as they land
on the Good American website and deploys the Meta Pixel on its website, which tracks persons
who sign up for email advertisements and links that activity to consumers' Facebook profiles and
information shared from those profiles, including geographic location.

7 61. Fifth, discovery will also show that Good American employs sophisticated third
8 parties who create profiles of customers and potential customers, including their email address and
9 physical location.

10 62. Sixth, Good American routinely collects and uses consumers' state of residence to
11 calculate sales tax on consumers' purchases.

63. Lastly, Good American knew, should have known, or had reason to know that it sends marketing emails to Washington residents due to the tracking information available from the methods described above, its large volume of commerce in the state, and the volume of marketing emails it sends to people around the country. *See Heckel*, 122 Wash. App. at 6 (holding as a matter of law that a defendant had a reason to know that he sent emails to Washington residents by sending over 100,000 emails a week to people around the country).

18 64. Discovery will show that, at the time it sent the emails with false and misleading
19 subject lines, Good American had access to the data described above regarding the location of
20 consumers in Washington to whom it sent the emails.

C. Good American initiated (or conspired to initiate) the transmission of illegal emails to Plaintiff.

65. At all times relevant to this Complaint, Plaintiff resided in Washington State.

66. Plaintiff has received Good American emails since at least August 2022. Plaintiff
has received hundreds of marketing emails from Good American since that date, and typically
receives 1-3 emails every day.



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67. Plaintiff receives emails from Good American at a gmail.com email address.

Plaintiff pays for storage from Google at \$1.99 per month. Plaintiff currently has at least 498 emails
 from Good American in her inbox.<sup>2</sup> The emails with the false and misleading subject lines
 identified herein are taking up limited space in Plaintiff's inbox.

68. Good American knows, or has reason to know, that Plaintiff's email address is held
by a Washington resident. Plaintiff signed up for email advertisements from Good American after
clicking on an ad displayed to her on social media (Facebook or Instagram) and Plaintiff has shared
her location with Facebook. Plaintiff has also repeatedly clicked on links contained in Good
American emails from her computer, which was registered to an IP address in Washington at all
relevant times, or from her smart phone, which was located in Washington unless Plaintiff
happened to be traveling.

69. Plaintiff received the emails with false and misleading subject lines alleged above,
and received additional emails that are similarly false and misleading as the examples alleged
above.

70. Plaintiff was deceived by the emails because she believed that Good American was
accurately representing the length of its sales in the email subject lines. These emails abridged
Plaintiff's right to be free from misleading commercial mail messages provided by the Washington
legislature.

18 71. Every email Good American has sent to Plaintiff was sent for the purpose of19 promoting Good American's goods for sale.

20 72. Good American initiated the transmission or conspired to initiate the transmission
21 of these commercial electronic mail messages to Plaintiff.

22 73. Plaintiff never solicited emails with false and misleading subject lines from Good
23 American and does not want to receive these spam messages.

74. The email subject lines disguised the true subject of the email (e.g., a sale that was
not in its "final hours") in an effort to trick Plaintiff into opening the email.

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<sup>27</sup> <sup>2</sup> Discovery may show that Plaintiff has received more emails that she has deleted.

75. Plaintiff would like to continue receiving truthful information from Good
 American regarding its products. However, due to Good American's conduct, Plaintiff cannot tell
 which emails from Good American contain truthful information or which emails are spam with
 false and misleading information designed to cause her to open an email unnecessarily and make
 a purchase in a hurry.

76. 6 Good American sent Plaintiff false and misleading emails—such as the examples 7 alleged herein-between August 2, 2022 to May 11, 2023, showing that Good American engaged 8 in this conduct throughout the relevant time period. Plaintiff continues to receive emails with false 9 and misleading subject lines. However, because Plaintiff may have deleted some of the emails she 10 has received from Good American, she is not presently able to identify all the emails with false 11 and misleading subject lines she has received. Good American is aware of all the emails it has sent Plaintiff and discovery will show the full number of illegal spam emails Good American has sent 12 13 throughout the relevant time period.

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#### VI. CLASS ACTION ALLEGATIONS

15 77. <u>Class Definition</u>. Plaintiff brings this case as a class action under Civil Rule
16 23(b)(3) on behalf of a Class defined as:

All Washington residents<sup>3</sup> who, within four years before the date of the filing of this complaint until the date any order certifying a class is entered, received an email from or at the behest of Good American, LLC that contained a false or misleading subject line, including but not limited to subject lines stating or implying that (1) the consumer is being granted "early" access but in fact the sale was accessible to everyone at the same time; (2) there is a finite duration or time remaining before a sale ends and the sale ran longer

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<sup>&</sup>lt;sup>3</sup> "Residents" shall have the same meaning as "persons" as defined in RCW 19.190.010(11) and RCW 19.86.010(a).

| 1  | than stated or implied; or (3) a sale was "extended" but in fact the  |  |  |
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| 2  | sale was planned to run through the stated or implied extension.  |  |  |
| 3  | Excluded from the Class are Good American, any entity in which Good American has a controlling  |  |  |
| 4  | interest or that has a controlling interest in Good American, and Good American's legal   |  |  |
| 5  | representatives, assignees, and successors. Also excluded are the judge to whom this case is  |  |  |
| 6  | assigned and any member of the judge's immediate family.  |  |  |
| 7  | 78. <u>Numerosity</u> . The Class is so numerous that joinder of all members is impracticable.  |  |  |
| 8  | The Class has more than 1,000 members. Moreover, the disposition of the claims of the Class in a  |  |  |
| 9  | single action will provide substantial benefits to all parties and the Court.   |  |  |
| 10 | 79. <u>Commonality</u> . There are numerous questions of law and fact common to Plaintiff   |  |  |
| 11 | and members of the Class. The common questions of law and fact include, but are not limited to:   |  |  |
| 12 | a. Whether Good American sent commercial electronic mail messages with  |  |  |
| 13 | false and misleading information in the subject lines;  |  |  |
| 14 | b. Whether Good American initiated the transmission or conspired to initiate  |  |  |
| 15 | the transmission of commercial electronic mail messages to recipients residing in Washington  |  |  |
| 16 | State in violation of RCW 19.190.020;   |  |  |
| 17 | c. Whether a violation of RCW 19.190.020 establishes all the elements of a  |  |  |
| 18 | claim under Washington's Consumer Protection Act, RCW 19.86 et seq.;  |  |  |
| 19 | d. Whether Plaintiff and the proposed Class are entitled to an injunction   |  |  |
| 20 | enjoining Good American from sending the unlawful emails in the future; and   |  |  |
| 21 | e. The nature and extent of Class-wide injury and damages.  |  |  |
| 22 | 80. <u>Typicality</u> . Plaintiff's claims are typical of the claims of the Class. Plaintiff's  |  |  |
| 23 | claims, like the claims of the Class arise out of the same common course of conduct by Good   |  |  |
| 24 | American and are based on the same legal and remedial theories.   |  |  |
| 25 | 81. <u>Adequacy</u> . Plaintiff will fairly and adequately protect the interests of the Class.  |  |  |
| 26 | Plaintiff has retained competent and capable attorneys with significant experience in complex and   |  |  |
| 27 |   |  |  |
| 28 | COMPLAINT - 17 TERRELL MARSHALL LAW GROUP PLLC 936 North 34th Street, Suite 300 Seattle, Washington 98103-8869 TEL. 206.816.6603 • FAX 206.319.5450 www.terrellmarshall.com |  |  |

class action litigation, including consumer class actions and class actions involving violations of
 CEMA. Plaintiff and her counsel are committed to prosecuting this action vigorously on behalf of
 the Class and have the financial resources to do so. Neither Plaintiff nor her counsel have interests
 that are contrary to or that conflict with those of the proposed Class.

82. <u>Predominance</u>. Good American has a standard practice of initiating or conspiring
to initiate commercial electronic mail messages to email addresses held by Washington State
residents. The common issues arising from this conduct predominate over any individual issues.
Adjudication of these issues in a single action has important and desirable advantages of judicial
economy.

83. <u>Superiority</u>. Plaintiff and members of the Class have been injured by Good
American's unlawful conduct. Absent a class action, however, most Class members likely would
find the cost of litigating their claims prohibitive. Class treatment is superior to multiple individual
suits or piecemeal litigation because it conserves judicial resources, promotes consistency and
efficiency of adjudication, provides a forum for small claimants, and deters illegal activities. The
members of the Class are readily identifiable from Good American's records and there will be no
significant difficulty in the management of this case as a class action.

17 84. <u>Injunctive Relief</u>. Good American's conduct is uniform as to all members of the
18 Class. Good American has acted or refused to act on grounds that apply generally to the Class, so
19 that final injunctive relief or declaratory relief is appropriate with respect to the Class as a whole.
20 Plaintiff further alleges, on information and belief, that the emails described in this Complaint are
21 substantially likely to continue in the future if an injunction is not entered.

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COMPLAINT - 18

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## VII. CAUSES OF ACTION FIRST CLAIM FOR RELIEF

#### (Violations of Washington's Commercial Electronic Mail Act, RCW 19.190 et seq.)

85. Plaintiff realleges and incorporates by reference each and every allegation set forth
in the preceding paragraphs.

86. Washington's CEMA prohibits any "person," as that term is defined in RCW
19.190.010(11), from initiating or conspiring to initiate the transmission of a commercial
electronic mail message from a computer located in Washington or to an electronic mail address
that the sender knows, or has reason to know, is held by a Washington resident that contains false
or misleading information in the subject line.

11 87. Good American is a "person" within the meaning of the CEMA, RCW12 19.190.010(11).

13 88. Good American initiated the transmission or conspired to initiate the transmission
14 of one or more commercial electronic mail messages to Plaintiff and proposed Class members with
15 false or misleading information in the subject line, as alleged in greater detail herein.

89. Good American's acts and omissions violated RCW 19.190.020(1)(b).

17 90. Good American's acts and omissions injured Plaintiff and proposed Class18 members.

91. The balance of the equities favors the entry of permanent injunctive relief against
Good American. Plaintiff, the members of the Class and the general public will be irreparably
harmed absent the entry of permanent injunctive relief against Good American, which is in the
public interest. Good American's unlawful behavior is ongoing as of the date of the filing of this
pleading; absent the entry of a permanent injunction, Good American's unlawful behavior will not
cease and, in the unlikely event that it voluntarily ceases, is likely to reoccur.

25 92. Plaintiff and Class members are therefore entitled to injunctive relief in the form of
26 an order enjoining further violations of RCW 19.190.020(1)(b).

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| 1  | SECOND CLAIM FOD DELIFE  |  |  |
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| 1  | SECOND CLAIM FOR RELIEF  |  |  |
| 2  | ( <i>Per se</i> violation of Washington's Consumer Protection Act, RCW 19.86 <i>et seq.</i> )  |  |  |
| 3  | 93. Plaintiff realleges and incorporates by reference each and every allegation set forth  |  |  |
| 4  | in the preceding paragraphs.   |  |  |
| 5  | 94. Plaintiff and Class members are "persons" within the meaning of the CPA, RCW   |  |  |
| 6  | 19.86.010(1).  |  |  |
| 7  | 95. Good American violated the CEMA by initiating or conspiring to initiate the  |  |  |
| 8  | transmission of commercial electronic mail messages to Plaintiff and Class members' that contain   |  |  |
| 9  | false or misleading information in the subject line.   |  |  |
| 10 | 96. A violation of CEMA is a "per se" violation of the Washington Consumer   |  |  |
| 11 | Protection Act ("CPA"), RCW 19.86.010, et seq. RCW 19.190.030.   |  |  |
| 12 | 97. A violation of the CEMA establishes all five elements of Washington's Consumer   |  |  |
| 13 | Protection Act as a matter of law.   |  |  |
| 14 | 98. Good American's violations of the CEMA are unfair or deceptive acts or practices   |  |  |
| 15 | that occur in trade or commerce under the CPA. RCW 19.190.100; RCW 19.190.030(3).  |  |  |
| 16 | 99. Good American's unfair or deceptive acts or practices vitally affect the public  |  |  |
| 17 | interest and thus impact the public interest for purposes of applying the CPA. RCW 19.190.100;   |  |  |
| 18 | RCW 19.190.030(3).   |  |  |
| 19 | 100. Pursuant to RCW 19.19.040(1), damages to each recipient of a commercial   |  |  |
| 20 | electronic mail message sent in violation of the CEMA are the greater of \$500 for each such   |  |  |
| 21 | message or actual damages, which establishes the injury and causation elements of a CPA claim  |  |  |
| 22 | as a matter of law. Lyft, 406 P.3d at 1155.  |  |  |
| 23 | 101. Good American engaged in a pattern and practice of violating the CEMA. As a   |  |  |
| 24 | result of Good American's acts and omissions, Plaintiff and Class members have sustained   |  |  |
| 25 | damages, including \$500 in statutory damages, for each and every email that violates the CEMA.  |  |  |
| 26 | The full amount of damages will be proven at trial. Plaintiff and Class members are entitled to  |  |  |
| 27 |  |  |  |
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1 recover actual damages and treble damages, together with reasonable attorneys' fees and costs, 2 pursuant to RCW 19.86.090. 3 102. Under the CPA, Plaintiff and members of the Class are also entitled to, and do seek, 4 injunctive relief prohibiting Good American from violating the CPA in the future. 5 **VIII. REQUEST FOR RELIEF** 6 WHEREFORE, Plaintiff, on their own behalf and on behalf of the members of the Class, 7 request judgment against Good American as follows: 8 That the Court certify the proposed Class; A. 9 Β. That the Court appoint Plaintiff as Class Representative. 10 C. That the Court appoint the undersigned counsel as counsel for the Class; 11 D. That the Court should grant injunctive relief as permitted by law to ensure that 12 Good American will not continue to engage in the unlawful conduct described in this Complaint; E. 13 That the Court enter a judgment awarding any other injunctive relief necessary to 14 ensure Good American's compliance with the CEMA; 15 F. That Good American be immediately restrained from altering, deleting or 16 destroying any documents or records that could be used to identify members of the Class; 17 G. That Plaintiff and all Class members be awarded statutory damages in the amount 18 of \$500 for each violation of the CEMA pursuant to RCW 19.190.020(1)(b) and treble damages 19 pursuant to RCW 19.86.090; 20 H. That the Court enter an order awarding Plaintiff reasonable attorneys' fees and 21 costs; and 22 I. That Plaintiff and all Class members be granted other relief as is just and equitable 23 under the circumstances. 24 **TRIAL BY JURY** IX. Plaintiff demands a trial by jury for all issues so triable. 25 26 27 TERRELL MARSHALL LAW GROUP PLLC 28 936 North 34th Street, Suite 300 Seattle, Washington 98103-8869 **COMPLAINT - 21** TEL. 206.816.6603 • FAX 206.319.5450 www.terrellmarshall.com

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