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17 and the Proposed Class

18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA**

20 BRUNILDA STEPHENS, on behalf of herself
21 and all others similarly situated

22 Plaintiffs,

23 v.

24 NORDSTROM, INC.; HAUTELOOK, INC.

25 Defendants.

Civil Case No.

CLASS ACTION COMPLAINT

Nationwide Class Representation

Jury Trial Requested

26 Plaintiff BRUNILDA STEPHENS, by and through her undersigned counsel, hereby files
27 this Class Action Complaint, individually, and on behalf of all others similarly situated—and makes
28 these allegations on the basis of information and belief and/or which are likely to have evidentiary
support after a reasonable opportunity for further investigation and discovery— against Defendants
Nordstrom, Inc. (“Nordstrom”) HauteLook, Inc. (“HauteLook”), collectively referred to as
“Defendants,” as follows:

I. INTRODUCTION

1
2 1. Defendants have made false, misleading statements that are likely to deceive
3 consumers. Defendants have offered authentic vintage Rolex brand watches (the “Product”) for sale
4 to the general public, which watches are damaged, in poor condition, contain non-Rolux and inferior
5 parts. Defendants represent that the watches are shipped from the brand, but they are shipped
6 instead from various jewelry stores. Defendants further misrepresent the value of these watches,
7 as the watches’ true value is significantly less than the purchase price. Defendants further mislead
8 the consumer into believing that the watches are being sold at a 50% to 75% discount from their
9 true value. Defendants further provide the consumer with a false appraisal, purporting to appraise
10 the watch that the consumer is purchasing, when in fact, the shipped watch has not been appraised
11 at all. Defendants provide photographs of the watch which the consumer believes he/she is
12 purchasing, but the photograph is not of the watch that is being sold. Defendants requires that the
13 consumer purchase the watches, sight unseen, as is, without the option of returning the watch if the
14 consumer is unhappy with it.

II. VENUE AND JURISDICTION

15
16
17 2. This Court has jurisdiction over the subject matter presented by this Complaint
18 because it is a class action arising under the Class Action Fairness Act of 2005 (“CAFA”), Pub. L.
19 No. 109-2, 119 Stat. 4 (2005), which explicitly provides for the original jurisdiction of the Federal
20 Courts of any action in which any member of the plaintiff class is a citizen of a state different from
21 any Defendant, and in which the matter in controversy exceeds in the aggregate the sum of
22 \$5,000,000, exclusive of interest and costs.

23 3. Plaintiff alleges that the total claims of the individual members of the Plaintiff Class
24 in this action are in excess of \$5,000,000 in the aggregate, exclusive of interest and costs, as
25 required by 28 U.S.C. §1332(d)(2), (5). As set forth below, Plaintiff is a citizen of Maryland and
26 HauteLook is a Delaware corporation, whose principal place of business is in Los Angeles,
27 California. Therefore, diversity of citizenship exists under CAFA and diversity citizenship, as
28 required by 28 U.S.C. §§ 1332(a)(1), (d)(2)(A). Furthermore, Plaintiff alleges on information and

1 belief that more than two-thirds of all of the members of the proposed Plaintiff Class in the
2 aggregate are citizens of a state other than California, where this action is originally being filed, and
3 that the total number of members of the proposed Plaintiff Class is greater than 100, pursuant to 28
4 U.S.C. §1332(d)(5)(B).

5 4. Venue in this judicial district is proper pursuant to 28 U.S.C. §1391(a) because, as
6 set forth below, HauteLook conducts business in, and may be found in, this district.

7
8 **III. PARTIES**

9 5. Plaintiff is an individual more than 18 years old and is a citizen of Baltimore,
10 Maryland. Plaintiff respectfully requests a jury trial on all damage claims. On August 14, 2015,
11 Plaintiff purchased a vintage Rolex watch from Defendants.

12 6. In purchasing the Product, Plaintiff read and relied on the material representation that
13 she was receiving an authentic vintage Rolex watch, and further that the watch was in the same
14 excellent condition as the photograph that was referenced in the solicitation materials, and further
15 that the watch contained all Rolex parts, and further that the watch was being shipped by the brand,
16 and further that the watch was being sold at a discount of 50% to 75% of retail value, and further
17 that the watch was worth significantly more than the purchase price, and further relied on the
18 certified appraisal provided by HauteLook as to the value of the watch.

19 7. Defendant Nordstrom, Inc. (“Nordstrom”) is a corporation organized and existing
20 under the laws of the State of Washington, with its principal place of business at 1617 Sixth
21 Avenue, Seattle, Washington 98101. On information and belief, Plaintiff alleges that Nordstrom
22 owns and controls HauteLook, Inc. Nordstrom can be considered a “citizen” of the State of
23 Washington for purposes of diversity jurisdiction or diversity of citizenship.

24 8. Defendant HauteLook, Inc. (“HauteLook”) is a corporation organized and existing
25 under the laws of the State of Delaware, with its principal place of business at 1212 South Flower
26 Street, Suite 300, Los Angeles, California 90015. HauteLook can be considered a “citizen” of the
27 State of California for purposes of diversity jurisdiction or diversity of citizenship. HauteLook and
28 Nordstrom are collectively referred to herein as “Defendants.”

1 9. Plaintiff is informed and believe and thereon allege, that all times relevant herein,
2 each of the Defendants was the agent, employee, partners, joint venturer, or co-conspirator of the
3 remaining Defendants, and in doing the things alleged herein was acting within the scope of such
4 agency, employment, partnership, joint venture, or conspiracy. Plaintiff is informed and believes,
5 and thereon alleges, that the conduct of each Defendant as alleged herein was known to and ratified
6 by each of the other Defendants, and that the benefits thereof were accepted by each of the
7 Defendants.

8 10. Plaintiff is informed and believes and on that basis alleges that at all times relevant
9 herein, Defendants, and each of them, were and remain the alter-egos of each other, that they did
10 and still do dominate, influence and control each other, that there existed and still exists a unity of
11 ownership between them, that the individuality and separateness of each entity was and remains
12 non-existent, and that an injustice and fraud upon Plaintiff will result if the theoretical separateness
13 of the defendant entities is not disregarded and each such defendant held liable for all relief being
14 sought herein.

15 11. Plaintiff is informed and believes and on that basis alleges that at all times herein,
16 Defendants, and each of them, knowingly and willfully conspired, joined and participated with each
17 other in the conduct alleged in furtherance of a conspiracy between and among Defendants to enrich
18 themselves at Plaintiff's expense, and that each such defendant is therefore liable with each other
19 defendant for the conduct herein alleged, for the damages suffered by Plaintiff and for the relief
20 being sought herein.

21 22 **IV. FACTUAL ALLEGATIONS**

23 12. HauteLook is a "flash sales site" that has been in business since 2007. In 2011,
24 HauteLook was acquired by Nordstrom. A person must become a member in order to purchase
25 products from HauteLook. HauteLook essentially means "fashionable look" or "high-class look."
26 HauteLook's promotional materials indicate that it is able to offer drastically reduced prices on
27 name brand items. Since it is advertised as Nordstrom-owned, the underlying idea is that a shopper
28 is getting the same sort of quality items, including the same brand, as they would if they were

1 purchasing directly from the brand manufacturer. HauteLook's caché is that a shopper will be privy
2 to some really great deals—deals that are not otherwise available in a retail store—as a result of their
3 online membership.

4 13. HauteLook hypes how much they can save consumers, although there are indications
5 that they inflate the retail prices in order to make it appear that the savings are significantly larger
6 than they truly are.

7 14. One of the key selling points of HauteLook is the promise that “our merchandise is
8 100% authentic and comes direct from the brands.” Although, HauteLook began, at some point,
9 including a disclaimer that watches may come from other vendors, the disclaimer is in small print
10 and difficult to locate.

11 15. This action relates solely to Defendants' sale of vintage Rolex watches. In this
12 regard, HauteLook, from time to time, displays on their website and/or sends solicitations to
13 consumers, regarding vintage Rolex watches available at a drastically-reduced prices from retail
14 price. The online pages reflect a photograph of the particular watch (in new condition), including
15 a description of the watch. The online page also indicates the purchase price of the watch and
16 indicates the retail price, although a line is drawn through the retail price. Typically, the Rolex
17 watches are offered at a discount of 50% to 75% off the retail price.

18 16. Purchasers are promised a certified appraisal of the watch, once the watch is
19 purchased. The certified appraisal sent to purchasers indicates that it is to be used for insurance
20 purposes and establish the retail value of the watch in the current market. Consumers are led to
21 believe that if they are receiving an incredible bargain, one that would not be available without
22 HauteLook's buying power and clout.

23 17. In reality, the Rolex watches are not sent from the brand, but come from various
24 different vendors. In reality, the Rolex watches are not authentic, often containing a mixture of used
25 parts. In reality, the bezel is often glued and many parts are not Rolex. The Rolex watch sent to
26 consumers is worth substantially less than the price paid by the consumer. Furthermore, the
27 certified appraisal does not come close to establishing the watch's true value, even if it were new.
28 The certified appraisal certainly contemplates that the watches are authentic in every sense, though

1 they are vintage.

2 18. The watches are sold “as is” and are not returnable. Thus, a consumer does not have
3 the ability to inspect the watch before purchasing it. Rather, the consumer must accept and pay for
4 the watch, sight unseen.

5 19. Plaintiff and Class members received a “certified appraisal” from a company
6 identified as Swiss Watch Appraisers. According to the appraisal supplied by Defendants, the
7 appraisal’s “purpose” is “to establish the retail value in the current market” of the Product and to
8 provide “an appraisal report ... for insurance purposes.” There is no contact information for Swiss
9 Watch Appraisers on the appraisal. In fact, although there is a website entitled “Swiss Watch
10 Appraisers” with the same logo as noted on the appraisal, the only contact information offered is
11 a telephone number which has been disconnected or is not working.

12 20. On the basis of information and belief, Plaintiff and Class members allege that
13 Defendants formed, organized, sponsored, funded and/or aided in the formation and/or creation of
14 SwissWatchAppraisals for the express purpose of providing fraudulent appraisals that purport to
15 provide a value of the watch, though the specific watches sold have not been examined by
16 SwissWatchAppraisals. Defendants knew that the appraisals would be relied upon by prospective
17 and actual purchasers of the watch, in deciding whether to purchase the watch or not. Defendants
18 further knew that their ability to sell the watches would be enhanced significantly if potential
19 purchasers believed that they were getting a great deal on the watch at the purchase price offered
20 by Defendants.

21 21. In reality, there is no appraisal of the actual watch. Rather, the appraisal is only of
22 an authentic Rolex watch as described in the appraisal, and not the one actually shipped.

23 22. Consumers believe they are getting a watch worth a great deal of money and a great
24 bargain. In reality, they are getting a decidedly inferior product that is worth far less than the
25 appraisal and substantially less than the purchase price.

26 23. Plaintiff, like members of the Class, purchased the Product relying on the material
27 representation made by Defendants that the Product was an authentic vintage Rolex watch at the
28 time of the purchase.

1 24. Plaintiff, like members of the Class, believed the material representation made by
2 Defendants that she was receiving a vintage Rolex watch at a price which was 50% to 75% off the
3 retail price of the watch.

4 25. Plaintiff, like members of the Class, believed that she was receiving a watch which
5 would be shipped directly from the brand.

6 26. Plaintiff, like members of the Class, received an inferior Rolex-packaged watch,
7 which contained many non-Rolux parts. Plaintiff, like members of the Class, received a watch
8 containing scratch marks and other damage. Plaintiff, like members of the Class, received a watch
9 which contained parts from other watches that didn't go with the model he purchased (certain parts
10 were from different model watches than that purchased by Plaintiff). Plaintiff, like other members
11 of the Class, received a watch where non-congruent parts appeared to be glued together.

12 27. Plaintiff, like members of the Class, would not have purchased the Product if she
13 had known that Defendants' Product was inferior, worth substantially less than advertised,
14 contained non-Rolux parts, was damaged and in poor condition, did not conform to the photograph
15 in HauteLook's solicitation.

16 28. Plaintiff and members of the Class have been economically damaged by their
17 purchase of the Product, because the Product is worth significantly less than represented, contains
18 non-Rolux parts, was not shipped from the brand, is inferior to the watch represented in Defendants'
19 solicitation materials, contained damage and was in poor condition, and has a value far below the
20 appraisal provided.

21 29. Plaintiff brings this action to secure, among other things, equitable relief and
22 damages for the Class against Defendants for false and misleading advertising in violation of
23 California Business & Professions Code §17200, *et seq.*, §17500, *et seq.*, for violation of Consumer
24 Legal Remedies Act, California Civil Code §1750, *et seq.*, for unjust enrichment, for breach of the
25 warranty of merchantability, and for breach of express warranty, and for such other relief as may
26 be determined appropriate at trial.

V. CLASS ACTION ALLEGATIONS

30. Plaintiff re-alleges and incorporates by reference the allegations set forth in each of the preceding paragraphs of this Complaint.

31. Pursuant to Federal Rule of Civil Procedure 23, Plaintiff brings this class action and seeks certification of the claims and certain issues in this action on behalf of a Class defined as:

all United States persons who have purchased vintage Rolex watches from Defendants at any time four years prior to the filing date of this Complaint (“Class Period”). Excluded from the Class are Defendants’ officers and directors and the immediate families of the Defendant’s officers and directors. Also excluded from the Class are Defendant’s legal representatives, heirs, successors or assigns, and any entity in which Defendant has or had a controlling interest.

32. For purposes of the Complaint, the phrase “Class Members” and/or “Class” refers collectively to all members of this Class, including the named Plaintiff.

33. Plaintiff reserves the right to amend the Class definition if further investigation and discovery indicates that the Class definition should be narrowed, expanded, or otherwise modified.

34. Defendants’ practices and omissions were applied uniformly to all members of the Class, including any subclass arising out of the California statutory claims alleged herein, so that the questions of law and fact are common to all members of the Class and any subclass.

35. All members of the Class and any subclass were and are similarly affected by the deceptive solicitation of the Product, and the relief sought herein is for the benefit of Plaintiff and members of the Class and any subclass.

36. Based on the annual sales of the Product and the popularity of the Product, it is apparent that the number of consumers in both the Class and any subclass is so large as to make joinder impractical, if not impossible.

37. Questions of law and fact common to Plaintiff’s Class and any subclass exist that predominate over questions affecting only individual members, including, inter alia:

a. Whether Defendants committed fraud in the marketing, solicitation and sales of the Product;

b. Whether Defendants’ conspired to commit fraud in the marketing, solicitation and sales of the Product;

- 1 c. Whether Defendants' practices and representations relating to the marketing,
2 solicitation and sales of the Product were unfair, deceptive, misleading
3 and/or unlawful in any respect, thereby violating Business and Professions
4 Code §17200, *et seq.*;
- 5 d. Whether Defendants' practices and representations relating to the marketing,
6 solicitation and sales of the Product were fraudulent in any respect, thereby
7 violating Business and Professions Code §17200, *et seq.*;
- 8 e. Whether Defendants' practices and representations relating to the marketing,
9 solicitation and sales of the Product constituted untrue advertising, thereby
10 violating Business and Professions Code §17500, *et seq.*;
- 11 f. Whether Defendants' practices and representations relating to the marketing,
12 solicitation and sales of the Product were unfair, deceptive and/or unlawful
13 in any respect, thereby violating the Consumer Legal Remedies Act, Calif.
14 Civil Code §1750, *et seq.*;
- 15 g. Whether Defendants were unjustly enriched as a result of Defendants'
16 marketing, solicitation and sales of the Product as herein described;
- 17 h. Whether, by its actions as herein alleged, Defendants breached the implied
18 warranty of merchantability;
- 19 i. Whether, by its actions as herein alleged, Defendants breached express
20 warranties; and
- 21 j. Whether, and to what extent, injunctive relief should be imposed on
22 Defendants to prevent such conduct in the future.

23 38. The claims asserted by Plaintiff in this action are typical of the claims of the
24 members of the Plaintiff Class and any subclass, as the claims arise from the same course of
25 conduct by Defendants, and the relief sought within the Class and any subclass is common to the
26 members of each.

27 39. Plaintiff will fairly and adequately represent and protect the interests of the members
28 of the Plaintiff Class and any subclass.

1 40. Plaintiff has retained counsel competent and experienced in both consumer
2 protection and class action litigation.

3 41. Certification of this class action is appropriate under Federal Rule of Civil Procedure
4 23 because the questions of law or fact common to the respective members of the Class and any
5 subclass predominate over questions of law or fact affecting only individual members. This
6 predominance makes class litigation superior to any other method available for a fair and efficient
7 resolution of the claims.

8 42. Absent a class action, it would be highly unlikely that the representative Plaintiff or
9 any other members of the Class or any subclass would be able to protect their own interests because
10 the cost of litigation through individual lawsuits might exceed expected recovery.

11 43. Certification is also appropriate because Defendants acted, or refused to act, on
12 grounds generally applicable to both the Class and any subclass, thereby making appropriate the
13 relief sought on behalf of the Class and any subclass as respective wholes. Further, given the large
14 number of consumers of the Product, allowing individual actions to proceed in lieu of a class action
15 would run the risk of yielding inconsistent and conflicting adjudications.

16 44. A class action is a fair and appropriate method for the adjudication of the
17 controversy, in that it will permit a large number of claims to be resolved in a single forum
18 simultaneously, efficiently, and without the unnecessary hardship that would result from the
19 prosecution of numerous individual actions and the duplication of discovery, effort, expense, and
20 burden on the courts that individual actions would engender.

21 45. The benefits of proceeding as a class action, including providing a method of
22 obtaining redress for claims that would not be practical to pursue individually, outweigh any
23 difficulties that might be argued with regard to the management of this class action.

24
25 **FIRST CAUSE OF ACTION**
26 **(Common Law Fraud)**

27 46. Plaintiff re-alleges and incorporates by reference the allegations set forth in the
28 preceding paragraphs of this Complaint.

1 47. Defendants made material misrepresentations to Plaintiff concerning the Rolex
2 watches that they offered to Plaintiff and Class members, including:

- 3 • Watches were authentic vintage Rolex watches, containing Rolex parts;
- 4 • True value of the watches were significantly less than the purchase price;
- 5 • Watches were being sold at a 50% to 75% discount from market value;
- 6 • The photograph of the offered watch was an actual picture of the watch being sold;
- 7 • Watches would be shipped directly to the consumer from the brand;
- 8 • Watches had been appraised by an independent appraisal service, establishing a
9 value for the watch significantly higher than the purchase price;
- 10 • Watches were in good condition.

11 48. Each of the above representations were false, including:

- 12 • Watches were not authentic vintage Rolex watches, but rather contained many non-
13 Rolex parts;
- 14 • The true value of the watches was significantly less than the purchase price;
- 15 • The photograph of the offered watch was not an actual picture of the watch being
16 sold;
- 17 • Watches were not sold directly from the brand, but rather from small jewelry stores;
- 18 • Watches had not been appraised by an independent appraisal service; in fact, the
19 watches had not been appraised at all;
- 20 • Watches were not in good condition, but contained scratches and other damage;
21 watches failed to maintain accurate time.

22 49. At the time that Defendants made the above representations, Defendants knew that
23 the representations were false.

24 50. Defendants made the representations with the intent that Plaintiff and Class members
25 purchase the offered watch at the price they set.

26 51. Plaintiff and Class members relied upon the representations made by Defendants in
27 purchasing the watch, including the representation that the watches were vintage Rolex watches,
28 with authentic Rolex parts, that they were getting a great bargain at the price offered by Defendants,

1 that the watches had been appraised by an independent appraisal service for a prices far above the
2 purchase price, that the watches were in good condition, that the watches were being shipped from
3 the brand. If Plaintiff and Class members had known the true facts, Plaintiff and Class members
4 would not have purchased the watches.

5 52. As a direct and proximate result of Defendants' misrepresentations and fraud,
6 Plaintiff and Class members purchased watches which were worth substantially less than the price
7 they paid Defendants for the watches. Plaintiff and Class members have therefore suffered damages
8 between the value of the watch represented by Defendants and the purchase price paid by Plaintiffs,
9 along with other damages which shall be proven at trial.

10 53. Defendants conduct, as described above, was willful, oppressive, and malicious and
11 was done with total disregard of the rights of Plaintiff and Class members, in that each of the
12 Defendants was aware that the watches being sold were inferior, contained parts other than Rolex
13 parts, were in poor condition, were not being shipped from the brand, were worth substantially less
14 than the selling price, and that the appraisal provided to the purchaser was not an appraisal of the
15 actual watch and the price contained on the appraisal was far more than what the watches were
16 worth, and Defendants wrongful acts were not justified and were done with the knowledge and
17 actual intent that such misconduct would cause substantial injury to Plaintiff and Class members
18 and be oppressive to them. As a result, in addition to whatever other remedies the Plaintiff and
19 Class members may be entitled, Plaintiff and each of the Class members are entitled to recover
20 punitive damages from each of the Defendants in an amount to be proven at trial and to make an
21 example of and punish said Defendants and to deter them and others from engaging in similar
22 fraudulent and deceptive conduct in the future.

23 54. At all times relevant herein Nordstrom, HauteLook and SwissWatchAppraisers
24 decided to develop, establish, create and form a combination to carry out the fraudulent practices
25 and actions set forth in the First Cause of Action and elsewhere in this Complaint. In particular,
26 Nordstrom, HauteLook and SwissWatchAppraisers created a fraudulent scheme whereby they
27 would sell inferior vintage Rolex watches to the public at prices far above the actual value of the
28 watch. In doing so, Nordstrom, HauteLook and SwissWatchAppraisers realized that consumers

1 would want some assurances that the consumers were receiving a watch worth equal to or greater
2 than the purchase price being paid. Consequently, Nordstrom and HauteLook made arrangements to
3 establish, create, fund, or assist in the formation of SwissWatchAppraisals for the express purpose
4 of providing appraisals to the consumers that would indicate that the purchase price of the watch
5 was far below the retail value, and that thereby consumers were getting a great bargain. Defendants
6 knew that SwissWatchAppraisals would not be appraising individual watches, but rather would be
7 providing a generic appraisal for a similar watch. Defendants knew that the appraisal from
8 SwissWatchAppraisals would not take into consideration the damage to the watch, the fact that
9 inferior and non-Rolux parts were being used, and that the watch was not being shipped from the
10 brand. Defendants further conspired to commit the acts alleged in the First Cause of Action and
11 as set forth elsewhere in this Complaint.

12 55. Defendants, and each of them, did the acts and things alleged herein pursuant to and
13 in furtherance of their conspiracy to sell inferior watches to the public at an inflated price, with the
14 public believing that they were receiving a great bargain. In particular, Defendants committed the
15 acts alleged herein in further and pursuant to the conspiracy in marketing and selling watches to
16 Plaintiff and Class members.

17 56. Nordstrom further conspired with HauteLook by cooperating with, lending aid and/or
18 encouraging HauteLook to commit the fraudulent acts alleged herein, and Nordstrom further ratified
19 and adopted the acts of HauteLook in marketing and selling the watches in the fraudulent manner
20 described herein.

21 57. Defendants' conduct, as described above, was willful, oppressive, and malicious and
22 was done with total disregard of the rights of Plaintiff and Class members, in that each of the
23 Defendants was aware that the watches being sold were inferior, contained parts other than Rolex
24 parts, were in poor condition, were not being shipped from the brand, were worth substantially less
25 than the selling price, and that the appraisal provided to the purchaser was not an appraisal of the
26 actual watch and the price contained on the appraisal was far more than what the watches were
27 worth, and Defendants' wrongful acts were not justified and were done with the knowledge and
28 actual intent that such misconduct would cause substantial injury to Plaintiff and Class members

1 and be oppressive to them. As a result, in addition to whatever other remedies the Plaintiff and
 2 Class members may be entitled, Plaintiff and each of the Class members are entitled to recover
 3 punitive damages from each of the Defendants in an amount to be proven at trial and to make an
 4 example of and punish said Defendants and to deter them and others from engaging in similar
 5 fraudulent and deceptive conduct in the future.

6 58. As a direct and proximate result of Defendant fraudulent actions, Plaintiff and Class
 7 members have been damaged in an amount to be determined at trial.

8 59. THEREFORE, Plaintiff asks for relief as set forth herein.

9
 10 **SECOND CAUSE OF ACTION**
 11 **(Business and Professions Code §17200, *et seq.* -**
 12 **Unlawful Business Acts and Practices**

13 60. Plaintiff re-alleges and incorporates by reference the allegations set forth in the
 14 preceding paragraphs of this Complaint.

15 61. The acts of Defendants described above constitute unlawful business acts and
 16 practices.

17 62. The business practices alleged above are unlawful under the Consumers Remedy
 18 Act, Cal. Civ. Code §1750, *et seq.* (“CLRA”), which forbids deceptive advertising.

19 63. The business practices alleged above are unlawful under §17200, *et seq.* by virtue
 20 of violating §17500, *et seq.*, which forbids untrue advertising and misleading advertising.

21 64. As a result of the business practices described above, Business and Professions Code
 22 §17203 entitles Plaintiff and Class Members to an order enjoining future conduct on the part of
 23 Defendants and such other orders and judgments which may be necessary to disgorge Defendants’
 24 ill-gotten gains and to restore to any person in interest any money paid for a vintage Rolex watch
 25 as a result of the wrongful conduct of Defendants.

26 65. The above-described unlawful business acts and practices of Defendants present a
 27 threat and reasonable likelihood of deception to Plaintiff and members of the Class in that
 28 Defendants have systematically perpetrated and continued to perpetrate such acts or practices on
 members of the Class by means of their deceptive soliciting, marketing, distributing and selling of

1 the Product.

2 66. THEREFORE, Plaintiff asks for relief as set forth herein.

3
4 **THIRD CAUSE OF ACTION**
5 **(Business and Professions Code §17200, *et seq.* -**
6 **Unfair Business Acts and Practices**

7 67. Plaintiff re-alleges and incorporates by reference the allegations set forth in the
8 preceding paragraphs of this Complaint.

9 68. Such acts of Defendants, as described above, and each of them, constitute unfair
10 business acts and practices.

11 69. Plaintiff, and other members of the Class who purchased the Product, suffered a
12 substantial injury of buying a product that they would not have purchased absent Defendants' unfair
13 soliciting and marketing, or by paying an excessive premium price for the unfairly marketed Product.

14 70. There is no benefit to consumers or competition by deceptively marketing the
15 Product (vintage Rolex watches as authentic, shipped from the brand). Indeed, the harm to
16 consumers and competition is substantial.

17 71. Plaintiff and other members of the Class who purchased the Product had no way of
18 knowing that the Product they bought was not actually as marketed. Thus, they could not have
19 reasonably avoided the injury each of them has suffered.

20 72. The gravity of the consequences of Defendants' conduct as described above
21 outweighs any justification, motive or reason therefore, particularly considering the available legal
22 alternatives which exist in the marketplace, and is immoral, unethical, unscrupulous, offends
23 established public policy, or is substantially injurious to Plaintiff and other members of the Class.

24 73. As a result of the business acts and practices described above, Plaintiffs and the
25 Class, pursuant to Business and Professions Code §17203, are entitled to an order enjoining such
26 future conduct on the part of Defendants, and such other orders and judgments which may be
27 necessary to disgorge Defendants' ill-gotten gains and to restore to any person in interest any money
28 paid for the Product as a result of the wrongful conduct of Defendants.

FOURTH CAUSE OF ACTION
(Business and Professions Code §17200, *et seq.* -
Fraudulent Business Acts and Practices

74. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs of this Complaint.

75. Such acts of Defendants as described above, and each of them, constitute fraudulent business practices under California Business and Professions Code §17200, *et seq.*

76. As more fully described above, Defendants' deceptive marketing of the Product is likely to deceive reasonable consumers. Indeed, Plaintiff and other members of the Class were unquestionably deceived regarding the quality, characteristics and true value of the Product sold by Defendants, as Defendants' marketing of the Product omits the true quality, characteristics and value of the Product. Said acts are deceptive business acts and practices.

77. This deception caused Plaintiff and members of the Class to purchase the Product or pay more than they would have for the Product, had they known or understood the true nature and quality of the Product.

78. As a result of the business acts and practices above, Plaintiff and the Class, pursuant to Business, pursuant to Business and Professions Code §17203 are entitled to an order enjoining such future conduct on the part of Defendants, and such other orders and judgments which may be necessary to disgorge Defendants' ill-gotten gains and to restore to any person in interest any money paid for the Product as a result of the wrongful conduct of HauteLook.

FIFTH CAUSE OF ACTION
(Business and Professions Code §17500, *et seq.* -
Misleading and Deceptive Advertising

79. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs of this Complaint.

80. Such acts of Defendants as described above, and each of them, constitute misleading and deceptive advertising under California Business and Professions Code §17500, *et seq.*

81. At all material times, Defendants engaged in a scheme of offering their Product for sale to Plaintiff and other members of the Class by way of, *inter alia*, commercial marketing. These

1 marketing materials misrepresented or omitted the true content, quality, characteristics, condition
2 and value of the Product. Said advertisements and inducements were made within the State of
3 California and come within the definition of advertising as contained in Business and Professions
4 Code § 17500, *et seq.* in that such marketing materials were intended as inducements to purchase
5 the Product and are statements disseminated by Defendants to Plaintiff and the Class and were
6 intended to reach members of the Class. Defendants knew, or in the exercise of reasonable care
7 should have known, that these statements were deceptive.

8 82. In furtherance of said plan and scheme, Defendants prepared and distributed within
9 California and the United States via commercial marketing, statements that deceptively represent
10 the contents, quality, characteristics, condition and value of the Product. Consumers, including
11 Plaintiffs, necessarily and reasonably relied on these materials concerning the Product. Consumers,
12 including Plaintiff and the Class, were among the intended targets of such representations.

13 83. The above acts of Defendants, in disseminating said deceptive statements throughout
14 the State of California to consumers, including Plaintiff and members of the Class, were and are
15 likely to deceive reasonable consumers, including Plaintiff and other members of the Class, by
16 obfuscating the true contents, quality, characteristics, condition and value of the Product, all in
17 violation of the “misleading prong” of California Business and Professionals Code §17500.

18 84. As a result of the above violations of the “misleading prong” of the Business and
19 Professions Code § 17500, *et seq.*, Defendants have been unjustly enriched at the expense of
20 Plaintiff and the other members of the Class. Plaintiff and the Class, pursuant to Business and
21 Professions Code § 17535, are entitled to an order of this Court enjoining such future conduct on
22 the part of Defendants, and such other orders and judgments which may be necessary to disgorge
23 Defendants’ ill-gotten gains and restore to any person in interest any money paid for the Product
24 as a result of the wrongful conduct of Defendants.

25 85. THEREFORE, Plaintiffs ask for relief as set forth below.

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28 ///

SIXTH CAUSE OF ACTION
(Business and Professions Code §17500, *et seq.* -
Untrue Advertising

86. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs of this Complaint.

87. Such acts of Defendants as described above, and each of them, constitute untrue advertising under California Business and Professions Code § 17500, *et seq.*

88. At all times, Defendants engaged in a scheme of offering the Product for sale to Plaintiffs and other members of the Class by way of, *inter alia*, commercial marketing and advertising materials. These materials misrepresented the true nature, condition, quality, characteristics, content and value of the Product. Said advertisements and inducements were made within California and the United States and come within the definition of advertising as contained in Business and Professions Code §17500, *et seq.* in that such promotional materials were intended as inducements to purchase the Product and are statements disseminated by Defendants to Plaintiff and the Class and were intended to reach members of the Class. Defendants knew, or in the exercise of reasonable care should have known, that these statements were untrue.

89. In furtherance of said plan and scheme, Defendants have prepared and distributed within the State of California and the United States via commercial marketing, that deceptively tout the nature, content, quality, characteristics, condition and value of the Product. Consumers, including Plaintiff and Class members, are among the intended targets of such representations and would reasonably be deceived by such materials.

90. The above acts of Defendants in disseminating said untrue advertising throughout the State of California and the United States deceived Plaintiff and other members of the Class by obfuscating the nature, quality, characteristics, condition, content and value of the Product, all in violation of the “untrue prong” of California Business and Professions Code §17500.

91. As a result of the above violations of the “untrue prong” of the Business and Professions Code §17500, *et seq.*, Defendants have been unjustly enriched at the expense of Plaintiff and the other members of the Class. Plaintiff and the Class, pursuant to Business and Professions Code §17535, are entitled to an order of this Court enjoining such future conduct on

1 the part of Defendants, and such other orders and judgments which may be necessary to disgorge
 2 Defendants' ill-gotten gains and restore to any person in interest any money paid for the Product
 3 as a result of the wrongful conduct of Defendants.

4 92. THEREFORE, Plaintiffs ask for relief as set forth below.

5
 6 **SEVENTH CAUSE OF ACTION**
(Consumer Legal Remedies Act - Cal. Civ. Code §1750, *et seq.*)
(Injunctive Relief Only)

7
 8 93. Plaintiff re-alleges and incorporates by reference the allegations set forth in the
 9 preceding paragraphs of this Complaint.

10 94. This cause of action is brought pursuant to the California Consumers Legal
 11 Remedies Act, Cal. Civ. Code § 1750, *et seq.* ("CLRA"). This cause of action does not seek
 12 monetary damages at this point, but is limited solely to injunctive relief. Plaintiffs will amend this
 13 Class Action Complaint to seek damages in accordance with CLRA after providing Defendants with
 14 notice pursuant to Cal. Civ. Code §1782.

15 95. Defendants' actions, representations, and conduct, as described above, and each of
 16 them, have violated and continue to violate the CLRA, because they extend to transactions that are
 17 intended to result, or which have resulted, in the sale of goods or services to consumers.

18 96. Plaintiff and other Class members are "consumers" as that term is defined by the
 19 CLRA in Cal. Civ. Code §1761(d).

20 97. The Product that Plaintiff and other members of the Class purchased from
 21 HauteLook were "goods" within the meaning of Cal. Civ. Code §1761(a).

22 98. By engaging in the actions, misrepresentations, and misconduct set forth in this Class
 23 Action Complaint, Defendants have violated, and continues to violate, §1770(a)(7) of the CLRA.
 24 Specifically, in violation of Cal. Civ. Code §1770(a)(7), Defendants' acts and practices constitute
 25 deceptive methods of competition, in that they misrepresent the particular standard, quality, or grade
 26 of the goods.

27 99. By engaging in the actions, misrepresentations, and misconduct set forth in this Class
 28 Action Complaint, Defendants have violated, and continue to violate, §1770(a)(16) of the CLRA.

Specifically, in violation of Cal. Civ. Code §1770(a)(16), Defendants' acts and practices constitute deceptive methods of competition, in that they represent that a subject of a transaction has been supplied in accordance with a previous representation when they have not.

100. Plaintiffs request that this Court enjoin Defendants from continuing to employ the unlawful methods, acts, and practices alleged herein to Cal. Civ. Code §1780(a)(2). If Defendants are not restrained from engaging in these types of practices in the future, Plaintiff and other members of the Class will continue to suffer harm.

101. THEREFORE, Plaintiffs ask for relief as set forth below.

EIGHTH CAUSE OF ACTION
(Breach of Implied Warranty of Merchantability)

102. Plaintiff re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs of this Complaint.

103. Plaintiff and other Class members purchased the Product, which was marketed as an authentic vintage Rolex watch, shipped from the brand, in good condition and without damage, with authentic Rolex parts, at a retail value far in excess of the purchase price, and as more fully set forth above. Pursuant to these sales, Defendants impliedly warranted that the Product would be merchantable and fit for the ordinary purposes for which such goods are used and conform to the promises or affirmations of fact made in Defendants' marketing, packaging, and labeling. As a result, Plaintiff and Class members relied on Defendants' representations that the Product was in good condition, worked properly, had authentic Rolex parts, thereby insuring that it would operate as expected by a high-quality Rolex watch and with a longevity associated with a high-quality Rolex watch. By Defendants' representations regarding the reputable nature of the Product and the manufacturer thereof, and by their marketing, packaging, and labeling of the Product, Defendants warranted that the Product was in good condition, worked properly, had authentic Rolex parts, thereby insuring that it would operated as expected by a high-quality Rolex watch and with the longevity associate with a high-quality Rolex watch. Plaintiff and Class members bought Defendants' Product, relying Defendants' representations as set forth above. The representations

1 made by Defendants do not conform to the Product provided by Defendants to Plaintiff and Class
2 members.

3 104. Defendants breached the warranty implied at the time of the sale in that Plaintiff and
4 Class members did not receive the condition, quality, characteristics, content and value of the
5 Product as represented, but instead received a much inferior product that contained many non-Rolux
6 parts, including watches which did not keep correct time, and, thus, the goods were not
7 merchantable as fit for the ordinary purposes for which such goods are used or as marketed.

8 105. As a proximate result of this breach of warranty by Defendants, Plaintiff and Class
9 members have suffered damages in an amount to be determined at trial in that, amount other things,
10 they purchased and paid a premium for the Product that did not conform to what was promised in
11 Defendants' marketing, packaging and labeling. In addition, Plaintiff and Class members were
12 deprived of the benefit of their bargain and spent money on the Product, when it had less value than
13 warranted. Plaintiff and Class members would not have purchased the Product, or would not have
14 purchased the Product at a premium, had they known the true facts about the product.

15 106. THEREFORE, Plaintiffs ask for relief as set forth below.

16
17 **NINTH CAUSE OF ACTION**
18 **(Breach of Express Warranty)**

19 107. Plaintiff re-alleges and incorporates by reference the allegations set forth in the
20 preceding paragraphs of this Complaint.

21 108. Plaintiff is informed and believes and thereon alleges that Defendants made express
22 warranties, including but not limited to the quality, condition, characteristics, content and value of
23 the Product, including the fact that the Product was in good condition, was similar in view as to the
24 photograph in the solicitation materials, that the Product was an authentic vintage Rolex watch, that
25 the Product was not damaged, that the Product contained non-Rolux parts, that the Product was
26 worth significantly more than the purchase price, and that the Product was being sold at a 50% to
27 75% discount from retail price, that the certified appraisal provided by Defendants was a valid
28 appraisal of the Product.

REQUEST FOR TRIAL BY JURY

Plaintiffs hereby request that all causes of action, other than equitable relief, be tried before a jury in this matter.

Dated: August ____, 2017

COLTON LAW GROUP

Roland C. Colton

-and-

L.A. TRIAL LAWYERS
Alexander H. Escandari

*Attorneys for Plaintiff Brunilda Stephens and the
Proposed Class*