

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**KEVIN BRANCA, individually and on behalf  
of all others similarly situated,**

*Plaintiff,*

*-against-*

**RALPH LAUREN CORP.;**

*Defendant.*  
-----X

**Case No.: 14-CV-7097 (CM)**

**FIRST AMENDED  
CLASS ACTION COMPLAINT  
JURY TRIAL DEMANDED**

**FIRST AMENDED CLASS ACTION COMPLAINT**

Plaintiff, KEVIN BRANCA (“Plaintiff”), on behalf of himself and all others similarly situated, alleges the following based upon personal knowledge as to allegations regarding Plaintiff and on information and belief as to other allegations:

**INTRODUCTION**

1. This is a civil class action seeking monetary damages, restitution, injunctive and declaratory relief from Defendant, Ralph Lauren Corp., (“Ralph Lauren”) arising from its deceptive and misleading labeling and marketing of merchandise it sells at its company-owned Polo Ralph Lauren Factory (“Polo Factory”) stores.

2. During the Class Period (defined below), Ralph Lauren misrepresented the existence, nature and amount of price discounts on products manufactured exclusively for Polo Factory stores (“Polo Factory Products”) by purporting to offer steep discounts off of fabricated, inflated and false former prices.

3. Specifically, Ralph Lauren represented—on the price tags of its Polo Factory Products—“Value Was” prices that were extremely overstated and did not represent a bona fide price at which Ralph Lauren formerly sold Polo Factory Products. Nor were the advertised

“Value Was” prices prevailing market retail prices within three months immediately preceding the publication of the advertised former prices, as required by California law.

4. Having touted a false “Value Was” price, Ralph Lauren then offered, on the same sales labels, to sell Polo Factory Products for a price termed “Our Price,” which supposedly represented a deep discount off of the false “Value Was” price.

5. But the “Value Was” prices used by Ralph Lauren, that represented to consumers the purported former price of Polo Factory Products, were a sham. In fact, Ralph Lauren manufactures certain goods for *exclusive sale* at its Polo Factory stores, which means that such items were never sold—or even intended to be sold—at the “Value Was” price listed on their labels. Polo Factory Products were never offered for sale in Ralph Lauren’s non-outlet stores in California, or any other state, or in non-outlet retailers carrying Ralph Lauren products.

6. The “Value Was” prices listed on Polo Factory Products did not represent a former price at all—much less a former price in the preceding three months. They are fictional creations designed to enable Ralph Lauren’s phantom markdowns. The entire label – indeed the entire “outlet store” motif – is designed to falsely convince consumers that they are buying high quality Ralph Lauren products at a reduced price. In fact, they are buying lower quality goods that were never offered or sold as genuine quality Ralph Lauren clothing.

7. The Federal Trade Commission (“FTC”) explicitly describes the fictitious pricing scheme employed at Polo Factory stores as deceptive:

- (a) Many members of the purchasing public believe that a manufacturer's list price, or suggested retail price, is the price at which an article is generally sold. Therefore, if a reduction from this price is advertised, many people will believe that they are being offered a genuine bargain. To the extent that list or suggested retail prices do not in fact correspond to prices at which a substantial number of sales of the article in question are made, the advertisement of a reduction may mislead the consumer.

- (i) It bears repeating that the manufacturer, distributor or retailer must in every case act honestly and in good faith in advertising a list price, and not with the intention of establishing a basis, or creating an instrumentality, for a deceptive comparison in any local or other trade area. For instance, a manufacturer may not affix price tickets containing inflated prices as an accommodation to particular retailers who intend to use such prices as the basis for advertising fictitious price reductions.

16 C.F.R. § 233.3.

8. Similarly, California statutory and regulatory law expressly prohibits false pricing schemes. *Business & Professions Code* § 17501, entitled “*Value determinations; Former price advertisements,*” states:

For the purpose of this article the worth or value of anything advertised is the prevailing market price, wholesale if the offer is at wholesale, retail if the offer at retail, at the time of publication of such advertisement in the locality wherein the advertisement is published.

*No price shall be advertised as a former price of any advertised thing, unless the alleged former price was the prevailing market price as above defined within three months next immediately preceding the publication of the advertisement or unless the date when the alleged former price did prevail is clearly, exactly and conspicuously stated in the advertisement.*

(emphasis added).

9. The Polo Factory pricing scheme was prominently displayed on all products available for sale at Polo Factory stores in California. To illustrate, a merchandise price tag for an item sold at a Polo Factory store is pictured below:



10. Upon information and belief, thousands of California consumers were victims of Ralph Lauren’s deceptive, misleading and unlawful false pricing scheme and thousands more will be deceived if the practices continue.

11. Ralph Lauren fraudulently concealed from, and intentionally failed to disclose to, Plaintiff and others similarly situated, the truth about its “Value Was” prices and advertised price discounts from those supposedly former prices.

12. Ralph Lauren’s false representations of original prices and false representations of purported savings, discounts and bargains are objectively material to a reasonable consumer.

13. Plaintiff relied upon such false representations of “Value Was” prices and discounts when purchasing apparel from a Polo Factory store in California. Plaintiff would not have made such purchase, or would not have paid the amount he did, but for Ralph Lauren’s false representations of the former price of the items he purchased, as compared with the supposedly discounted “Value Was” price at which the Polo Factory store offered the items for sale.

14. Plaintiff, in short, believed the truth of the price tags attached to the products he purchased at the Polo Factory store, which expressly told him that he was getting a terrific bargain on his purchase. In fact, he was not getting a bargain at all.

15. Through its false and deceptive marketing, advertising and pricing scheme, Ralph Lauren violated (and continues to violate) California law prohibiting advertising goods for sale as discounted from former prices which are false, and prohibiting misleading statements about the existence and amount of price reductions. Specifically, Ralph Lauren violated (and continues to violate) California's *Business & Professions Code* §§ 17200, *et seq.* (the "UCL"), California's *Business and Professions Code* §§ 17500, *et seq.* (the "FAL"), the California Consumers' Legal Remedies Act, *Civil Code* §§1750, *et seq.* (the "CLRA"), and the Federal Trade Commission Act ("FTCA"), which prohibits "unfair or deceptive acts or practices in or affecting commerce" and specifically prohibits false advertisements. 15 U.S.C. §§ 52(a) and 15 U.S.C. § 45(a)(1).

16. Plaintiff, individually and on behalf of all others similarly situated, seeks restitution and other equitable remedies, including an injunction under the UCL, FAL and CLRA.

### **PARTIES**

17. Plaintiff, Kevin Branca is an individual who is a citizen of the City of San Marcos, County of San Diego, State of California. In reliance on Ralph Lauren's false and deceptive advertising, marketing and pricing schemes, Mr. Branca purchased items from a Polo Factory store located in Carlsbad, California on July 16, 2013, and as detailed herein, was damaged as a result thereof.

18. Defendant Ralph Lauren Corp, is a corporation duly organized and existing under the laws of the State of Delaware, with its principal place of business at 650 Madison Avenue, New York, NY 10022.

19. Ralph Lauren operates 14 Polo Ralph Lauren Factory stores in California.

### **JURISDICTION AND VENUE**

20. This Court has original jurisdiction of this action under the Class Action Fairness Act of 2005. Pursuant to 28 U.S.C. §§ 1332(d)(2) and (6), this Court has original jurisdiction because the aggregate claims of the members of the putative Class exceed \$5 million, exclusive of costs, and at least one of the members of the proposed Class is a citizen of a different state than Ralph Lauren.

21. The Southern District of New York has personal jurisdiction over Ralph Lauren because Ralph Lauren is a corporation or other business entity with its principal place of business at 650 Madison Avenue, New York, NY 10022.

22. Venue is proper in this District pursuant to 28 U.S.C. § 1391, because Ralph Lauren's principal place of business is found within this District, and a substantial part of the events giving rise to Plaintiff's claims arose here, including the creation of the scheme alleged in this Complaint.

### **FACTUAL ALLEGATIONS**

23. Traditionally, retail outlet stores were located in remote areas and typically maintained an inventory of defective and excess merchandise. Customers often flocked to these outlets in hopes of finding steep discounts and bargains. *See* <http://www.forbes.com/sites/investopedia/2012/12/29/7-tips-for-outlet-mall-shopping/> (last visited August 11, 2014).

24. However, in an effort to increase profits, major retailers such as Ralph Lauren have, without notice to consumers, begun using company-owned “outlet” stores to sell made-for-outlet goods that are never intended to be sold at non-outlet stores.

25. In California, such “outlet” stores are located in purpose-built malls touted as “outlets,” or “premium outlets.” For example, Plaintiff Branca purchased his Polo Factory Products at the Carlsbad Premium Outlets. The very term “outlet” conveys to reasonable consumers that products are comprised of merchandise formerly offered for sale at full-price retail locations. The location of a Polo Factory store in “outlet” malls deceives reasonable consumers into believing they are receiving true “outlet” merchandise, when they are not.

26. Instead, retailers like Ralph Lauren create the illusion of traditional outlet discounts and bargains by offering the made-for-outlet goods at prices reduced from fabricated, arbitrary, and false prices. In short, outlet stores such as Polo Factory are using false and fraudulent price comparison tactics. *See <http://www.buzzfeed.com/sapna/customers-finally-aware-that-most-outlet-merchandise-is-now>* (last visited August 11, 2014).

27. The intentional use of false and fraudulent price comparison tactics is increasingly deceiving consumers in the market. To illustrate, on January 30, 2014, four Members of Congress demanded an FTC investigation of misleading marketing practices by outlet stores across the United States. The four Members of Congress described a pricing scheme similar to the one implemented at Polo Factory stores and stated, “[i]t is a common practice at outlet stores to advertise a retail price alongside the outlet store price—even on made-for-outlet merchandise that does not sell at regular retail locations. Since the item was never sold in the regular retail store or at the retail price, the retail price is impossible to substantiate. We believe this practice may be a violation of the FTC’s Guides Against Deceptive Pricing (16 CFR 233).” *See*

<http://www.whitehouse.senate.gov/news/release/sens-and-rep-to-ftc-outlet-stores-may-be-misleading-consumers> (last visited August 11, 2014).

28. This is precisely the practice used by Ralph Lauren.

### **Plaintiff's Purchase**

29. On July 16, 2013, Plaintiff entered the Polo Factory store located in Carlsbad, California. He observed that merchandise was advertised with price tags that represented a “Value Was” price directly on top of a significantly reduced “Our Price” value. Enticed by the idea of paying significantly less than the “Value Was” price charged outside of Polo Factory, Plaintiff was induced to purchase 6 items with a “Value Was” price significantly higher than the price shown on Plaintiff’s receipt.

30. By purchasing the items for the “Our Price” value instead of the “Value Was” price, Plaintiff was led to believe that he saved a significant percentage on his purchases. In reality, Ralph Lauren never intended, nor did they ever, sell the items at the represented “Value Was” indication. Thus, Plaintiff was deceived by the false price comparison into making a full retail purchase with no discount.

31. Plaintiff’s and class members’ reliance on Ralph Lauren’s false price comparison advertising was reasonable. In fact, empirical marketing studies provide an incentive for retailers to engage in this false and fraudulent behavior:

[c]omparative price advertising offers consumers a basis for comparing the relative value of the product offering by suggesting a monetary worth of the product and any potential savings . . . [A] comparative price advertisement can be construed as deceptive if it makes any representation, . . . or involves any practice that may materially mislead a reasonable consumer.

*Comparative Price Advertising: Informative or Deceptive?*, Dhruv Grewal and Larry D. Compeau, *Journal of Public Policy & Marketing* , Vol. 11, No. 1, at 52 (Spring 1992). In short:

[b]y creating an impression of savings, the presence of a higher reference price enhances subjects' perceived value and willingness to buy the product...Thus, if the reference price is not truthful, a consumer may be encouraged to purchase as a result of a false sense of value.

*Id.* at 55, 56.

32. Despite the “Value Was”/“Our Price” Scheme used at Polo Factory stores, Plaintiff would purchase Polo Factory Products in the future from Polo Factory stores and/or other retail establishments, if product labels accurately reflect “former” prices and discounts. Currently, however, Plaintiff and California consumers have no realistic way to know which—if any—of Polo Factory label price comparisons are not false or deceptive. If the Court were to issue an injunction ordering Ralph Lauren to comply with California’s comparative price advertising laws, and prohibiting Ralph Lauren’s use of the deceptive practices discussed herein, Plaintiff would likely shop for Polo Factory Products again in the near future at Polo Factory stores.

### **CLASS ALLEGATIONS**

33. Plaintiff incorporates and realleges by reference each and every allegation contained in the preceding paragraphs as if set forth herein in full.

34. Plaintiff brings this action on behalf of herself and the members of the proposed Class. The proposed Class consists of:

All individuals residing in the State of California who, within the applicable statute of limitations preceding the filing of this action, purchased apparel from a Polo Ralph Lauren Factory store.

35. Excluded from the Class are Ralph Lauren, its parents, subsidiaries, affiliates, officers and directors, any entity in which Ralph Lauren has a controlling interest, all customers who make a timely election to be excluded, governmental entities, and all judges assigned to hear any aspect of this litigation, as well as their immediate family members.

36. The members of the Class are so numerous that joinder is impractical. The Class consists of thousands of members, the precise number which is within the knowledge of and can be ascertained only by resort to Ralph Lauren's records.

37. There are numerous questions of law and fact common to the Class which predominate over any questions affecting only individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) Whether, during the Class Period, Ralph Lauren used false price representations and falsely advertised price discounts on its merchandise sold at Polo Factory stores;
- (b) Whether, during the Class Period, the "Value Was" prices advertised by Ralph Lauren were the prevailing market prices for the respective merchandise sold at Polo Factory stores during the three month periods preceding the dissemination and/or publication of the advertised former prices;
- (c) Whether Ralph Lauren's use of false or deceptive price advertising constituted false advertising under California Law;
- (d) Whether Ralph Lauren engaged in unfair, unlawful and/or fraudulent business practices under California law;
- (e) Whether Ralph Lauren misrepresented and/or failed to disclose material facts about its product pricing and discounts.
- (f) Whether Ralph Lauren has made false or misleading statements of fact concerning the reasons for, existence of, or amounts of price reductions;
- (g) Whether Ralph Lauren's conduct, as alleged herein, was intentional and knowing;

- (h) Whether Class members are entitled to damages and/or restitution, and in what amount;
- (i) Whether Ralph Lauren is likely to continue using false, misleading or illegal price comparisons such that an injunction is necessary; and
- (j) Whether Plaintiff and Class members are entitled to an award of reasonable attorneys' fees, pre-judgment interest and costs of suit.

38. Plaintiff's claims are typical of the claims of the members of the Class and, like all members of the Class, purchased goods from a Polo Factory that falsely conveyed a "Value Was" price and a fictitious discount. Accordingly, Plaintiff has no interests antagonistic to the interests of any other member of the Class.

39. Plaintiff is a representative who will fully and adequately assert and protect the interests of the Class, and has retained counsel who is experienced in prosecuting class actions. Accordingly, Plaintiff is an adequate representative and will fairly and adequately protect the interests of the Class.

40. A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit, because individual litigation of the claims of all members of the Class is economically unfeasible and procedurally impracticable. While the aggregate damages sustained by the Class are in the millions of dollars, the individual damages incurred by each member of the Class resulting from Ralph Lauren's wrongful conduct are too small to warrant the expense of individual lawsuits. The likelihood of individual Class members prosecuting their own separate claims is remote, and, even if every member of the Class could afford individual litigation, the court system would be unduly burdened by individual litigation of such cases.

41. The prosecution of separate actions by members of the Class would create a risk of establishing inconsistent rulings and/or incompatible standards of conduct for Ralph Lauren. For example, one court might enjoin Ralph Lauren from performing the challenged acts, whereas another might not. Additionally, individual actions may be dispositive of the interests of the Class, although certain class members are not parties to such actions.

42. The conduct of Ralph Lauren is generally applicable to the Class as a whole and Plaintiff seeks, *inter alia*, equitable remedies with respect to the Class as a whole. As such, the systematic policies and practices of Ralph Lauren make declaratory relief with respect to the Ralph Lauren California class as a whole appropriate.

**COUNT I**  
**(Violation of the “Unfair” Prong of the UCL)**

43. Plaintiff incorporates and realleges by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

44. The UCL defines unfair business competition to include any “unlawful, unfair or fraudulent” act or practice, as well as any “unfair, deceptive, untrue or misleading” advertising. *Business & Professions Code* § 17200.

45. A business act or practice is “unfair” under the UCL if the reasons, justifications and motives of the alleged wrongdoer are outweighed by the gravity of the harm to the alleged victims.

46. Ralph Lauren has violated the “unfair” prong of the UCL by representing a false “Value Was” price and corresponding percentage discount price for goods exclusively manufactured for sale at Polo Factory stores. As a result, the inflated “Value Was” price and corresponding “Our Price” value was nothing more than a false, misleading and deceptive illusion of a discount.

47. These acts and practices are unfair because they caused Plaintiff, and are likely to cause consumers, to falsely believe that Polo Factory stores are offering values, discounts or bargains from the prevailing market worth of the products sold that did not, in fact, exist. As a result, purchasers, including Plaintiff, reasonably perceived that they were receiving products that regularly sold in the non-outlet retail marketplace at substantially higher prices (and were, therefore, worth more) than what they paid. This perception has induced reasonable purchasers, including Plaintiff, to buy such products, which they otherwise would not have purchased.

48. The gravity of the harm to members of the Class resulting from these unfair acts and practices outweighed any conceivable reasons, justifications and/or motives of Ralph Lauren for engaging in such deceptive acts and practices. By committing the acts and practices alleged above, Ralph Lauren engages in unfair business practices within the meaning of California Business & Professions Code §§ 17200, *et seq.*

49. Through its unfair acts and practices, Ralph Lauren has improperly obtained money from Plaintiff and the Class. As such, Plaintiff requests that this court cause Ralph Lauren to restore this money to Plaintiff and all Class members, and to enjoin Ralph Lauren from continuing to violate the UCL as discussed herein and/or from violating the UCL in the future. Otherwise, Plaintiff and the Class may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

**COUNT II**  
**(Violation of the “Fraudulent” Prong of the UCL)**

50. Plaintiff incorporates and realleges by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

51. The UCL defines unfair business competition to include any “unlawful, unfair or fraudulent” act or practice, as well as any “unfair, deceptive, untrue or misleading” advertising. Cal. Bus. & Pro. Code § 17200.

52. A business act or practice is “fraudulent” under the UCL if it is likely to deceive members of the consuming public.

53. Polo Factory labels and advertising materials concerning false former prices were fraudulent within the meaning of the UCL because they deceived Plaintiff, and were likely to deceive members of the class, into believing that Ralph Lauren was offering value, discounts or bargains at Polo Factory stores from the prevailing market value or worth of the products sold that did not, in fact, exist.

54. Ralph Lauren deceived consumers into believing that it was offering value, discounts or bargains at Polo Factory stores from the prevailing market value or worth of the products sold that did not, in fact, exist.

55. As a result, purchasers, including Plaintiff, reasonably perceived that they were receiving products that regularly sold in the non-outlet retail marketplace at substantially higher prices (and were, therefore, worth more) than what they paid. This perception induced reasonable purchasers, including Plaintiff, to buy such products from Polo Factory stores, which they otherwise would not have purchased.

56. Ralph Lauren acts and practices as described herein have deceived Plaintiff and were highly likely to deceive members of the consuming public. Specifically, in deciding to purchase merchandise from a Polo Factory store, Plaintiff relied on Ralph Lauren’s misleading and deceptive representations regarding its “Value Was” and “Our Price” values. Each of these factors played a substantial role in Plaintiff’s decision to purchase those products, and Plaintiff

would not have purchased those items in the absence of Ralph Lauren's misrepresentations. Accordingly, Plaintiff suffered monetary loss as a direct result of Ralph Lauren's pricing practices described herein.

57. As a result of the conduct described above, Ralph Lauren has been unjustly enriched at the expense of Plaintiff and members of the proposed Class. Specifically, Ralph Lauren has been unjustly enriched by obtaining revenues and profits that it would not otherwise have obtained absent its false, misleading and deceptive conduct.

58. Through its unfair acts and practices, Ralph Lauren has improperly obtained money from Plaintiff and the Class. As such, Plaintiff requests that this court cause Ralph Lauren to restore this money to Plaintiff and all Class members, and to enjoin Ralph Lauren from continuing to violate the UCL as discussed herein and/or from violating the UCL in the future. Otherwise, Plaintiff and the Class may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

**COUNT III**  
**(Violation of the "Unlawful" Prong of the UCL)**

59. Plaintiff incorporates and realleges by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

60. The UCL defines unfair business competition to include any "unlawful, unfair or fraudulent" act or practice, as well as any "unfair, deceptive, untrue or misleading" advertising. *Business & Professions Code* § 17200.

61. A business act or practice is "unlawful" under the UCL if it violates any other law or regulation.

62. California statutory and regulatory law also expressly prohibits false former pricing schemes. *Business & Professions Code* § 17501, entitled “*Value determinations; Former price advertisements,*” states:

For the purpose of this article the worth or value of anything advertised is the prevailing market price, wholesale if the offer is at wholesale, retail if the offer at retail, at the time of publication of such advertisement in the locality wherein the advertisement is published.

*No price shall be advertised as a former price of any advertised thing, unless the alleged former price was the prevailing market price as above defined within three months next immediately preceding the publication of the advertisement or unless the date when the alleged former price did prevail is clearly, exactly and conspicuously stated in the advertisement. [Emphasis added.]*

63. *Civil Code* § 1770, subsection (a)(9), prohibits a business from “[a]dvertising goods or services with intent not to sell them as advertised,” and subsection (a)(13) prohibits a business from “[m]aking false or misleading statements of fact concerning reasons for, existence of, or amounts of price reductions.”

64. Ralph Lauren also violated and continues to violate *Business & Professions Code* § 17501, and *Civil Code* § 1770, sections (a)(9) and (a)(13) by advertising false discounts from purported former prices that were, in fact, not the prevailing market prices within three months next preceding the publication and dissemination of advertisements containing the false former prices.

65. The FTCA prohibits “unfair or deceptive acts or practices in or affecting commerce” and specifically prohibits false advertisements. (15 U.S.C. § 45(a)(1) and 15 U.S.C. § 52(a)). The FTC has established Guidelines which prohibit false pricing schemes, similar to Ralph Lauren “Value Was”/“Our Price” Scheme in material respects, as deceptive practices that would violate the FTCA:

- (a) Many members of the purchasing public believe that a manufacturer's list price, or suggested retail price, is the price at which an article is generally sold. Therefore, if a reduction from this price is advertised, many people will believe that they are being offered a genuine bargain. To the extent that list or suggested retail prices do not in fact correspond to prices at which a substantial number of sales of the article in question are made, the advertisement of a reduction may mislead the consumer.
- (i) It bears repeating that the manufacturer, distributor or retailer must in every case act honestly and in good faith in advertising a list price, and not with the intention of establishing a basis, or creating an instrumentality, for a deceptive comparison in any local or other trade area. For instance, a manufacturer may not affix price tickets containing inflated prices as an accommodation to particular retailers who intend to use such prices as the basis for advertising fictitious price reductions.

16 C.F.R. § 233.3.

66. Ralph Lauren's use of and reference to a materially false "Value Was" price in connection with its marketing and advertisements concerning the merchandise sold at Polo Factory stores violated and continues to violate the FTCA, 15 U.S.C. § 45(a)(1) and 15 U.S.C. § 52(a), as well as FTC Guidelines published at 16 C.F.R. § 233.

67. As a result of the conduct described above, Ralph Lauren has been unjustly enriched at the expense of Plaintiff and members of the proposed Class. Specifically, Ralph Lauren has been unjustly enriched by obtaining revenues and profits that it would not otherwise have obtained absent its false, misleading and deceptive conduct.

68. Through its unlawful acts and practices, Ralph Lauren has improperly obtained money from Plaintiff and the Class. As such, Plaintiff requests that this court cause Ralph Lauren to restore this money to Plaintiff and all Class members, and to enjoin Ralph Lauren from continuing to violate the UCL as discussed herein and/or from violating the UCL in the future. Otherwise, Plaintiff and the Class may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

**COUNT IV**  
**(Violation of the California False Advertising Law,  
California Business & Professions Code Sections 17500, *et seq.*)**

69. Plaintiff incorporates and realleges by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

70. California's *Business and Professions Code* §§ 17500, *et seq.* prohibits unfair, deceptive, untrue, or misleading advertising, including, but not limited to, false statements as to worth, value and former price.

71. Ralph Lauren's practice of advertising "Value Was" prices on exclusive, made for Polo Factory merchandise, which were materially greater than the actual prices of those products was an unfair, deceptive and misleading advertising practice because it gave the false impression that the products sold at Polo Factory stores were regularly sold in the non-outlet retail marketplace at substantially higher prices (and were, therefore, worth more) than they actually were. In fact, the exclusive, made for Polo Factory merchandise did not have a prevailing market price anywhere close to the "Value Was" price advertised because the merchandise was always sold under the percentage discounted price when placed on sale at the Polo Factory stores.

72. Through its unfair acts and practices, Ralph Lauren has improperly obtained money from Plaintiff and the Class. As such, Plaintiff requests that this court cause Ralph Lauren to restore this money to Plaintiff and all Class members, and to enjoin Ralph Lauren from continuing to violate the FAL as discussed herein and/or from violating the FAL in the future. Otherwise, Plaintiff and the Class may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

**COUNT V**  
**(Violation of the Consumers Legal Remedies Act,  
California Civil Code Sections 1750, *et seq.*)**

73. Plaintiff incorporates and realleges by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

74. This cause of action is brought pursuant to the CLRA.

75. Plaintiff and each member of the proposed class are “consumers” within the meaning of California Civil Code § 1761(d).

76. Ralph Lauren’s selling of goods manufactured exclusively for sale at Polo Factory stores to Plaintiff and the Class were “transactions” within the meaning of California *Civil Code* § 1761(e). The products purchased by Plaintiff and the Class are “goods” within the meaning of *Civil Code* §1761(a).

77. As described herein, Ralph Lauren violated the CLRA by falsely representing the nature, existence and amount of price discounts by fabricating inflated labeled “Value Was” prices. Such a pricing scheme is in violation of *Civ. Code* § 1770, subsection (a)(9) (“[a]dvertising goods or services with intent not to sell them as advertised”) and subsection (a)(13) (“[m]aking false or misleading statements of fact concerning reasons for, existence of, or amounts of price reductions”).

78. Plaintiff relied on Ralph Lauren’s false representations in deciding to purchase goods at a Polo Factory store. Plaintiff would not have purchased such items absent Ralph Lauren’s unlawful conduct.

79. On September 3, 2014, counsel for Plaintiff provided proper notice of his intent to pursue claims under the CLRA and an opportunity to cure to Defendants via certified mail to their principal place of business at 650 Madison Avenue, New York, NY 10022. The certified letter was signed for by Ralph Lauren on September 4, 2014.

80. Plaintiff requests this Court enjoin Ralph Lauren from continuing to violate the CLRA as discussed herein and/or from violating the UCL in the future and to order restitution to Plaintiff and each member of the proposed class. Otherwise, Plaintiff, the Class and members of the general public may be irreparably harmed and/or denied effective and complete remedy if such an order is not granted.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff and the members of the Class demand a jury trial on all claims so triable and judgment against Defendant, Ralph Lauren Corp., as follows:

A. An order certifying that this action may be maintained as a class action, that Plaintiff be appointed Class Representative and Plaintiff's counsel be appointed Class Counsel;

B. A judgment awarding Plaintiff and all members of the Class restitution and/or other equitable relief, including, without limitation, restitutionary disgorgement of all profits and unjust enrichment that Ralph Lauren obtained from Plaintiff and the Class as a result of its unlawful, unfair and fraudulent business practices described herein;

C. An order enjoining Ralph Lauren from continuing to violate the UCL, False Advertising Law and CLRA as described herein.

D. A judgment awarding Plaintiff his costs of suit; including reasonable attorneys' fees pursuant to California Civil Code § 1780(d), Code of Civil Procedure § 1021.5 and as otherwise permitted by statute; and pre and post-judgment interest; and

E. Such other and further relief as may be deemed necessary or appropriate.

