1 2 3 4 5 6	JOHN H. DONBOLI (SBN: 205218) JL SEAN SLATTERY (SBN: 210965) CASEY M. ROCHA (SBN: 269582) DEL MAR LAW GROUP, LLP 12250 El Camino Real, Suite 120 San Diego, CA 92130 Telephone: (858) 793-6244 Facsimile: (858) 793-6005 Attorneys for Plaintiff: EINAT NOIMAN, an indof all others similarly situated	lividual a	ELECTRONICALLY FILED Superior Court of California, County of San Diego 01/07/2015 at 04:17:06 PM Clerk of the Superior Court By Andrea Santiago, Deputy Clerk and on behalf		
7	SUPERIOR COURT OF CALIFORNIA				
8	COUNTY OF SAN DIEGO				
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10	EINAT NOIMAN, an individual and on behalf of all others similarly situated,) CASE)	E NO. 37-2015-00000566-CU-BT-CTL		
11	Plaintiff,	CLAS	SS ACTION		
12	vs. COMPLAINT FOR:		PLAINT FOR:		
13	HUDSON CLOTHING, LLC, a California)) (1)	VIOLATION OF BUSINESS &		
14 15	Limited Liability Company; and DOES 1 through 100, inclusive,)))	PROFESSIONS CODE SECTIONS 17200 ET SEQ. (CALIFORNIA UNFAIR COMPETITION LAW);		
16	Defendants.)) (2)			
17		(2)))	VIOLATION OF BUSINESS & PROFESSIONS CODE § 17533.7 (FALSE "Made in U.S.A." CLAIM);		
18)) (3)	VIOLATION OF CONSUMERS		
19 20)))	LEGAL REMEDIES ACT (CIVIL CODE SECTION 1750 ET SEQ.);		
21		(4)	NEGLIGENT		
22		,))	MISREPRESENTATION		
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COMES NOW, plaintiff EINAT NOIMAN ("Plaintiff"), as an individual and on behalf of the general public and all others similarly situated, by her undersigned attorneys, and alleges as follows:

NATURE OF THE CASE

- 1. This is a California class action case brought on behalf of all purchasers of Hudson jeans manufactured, distributed, marketed, and/or sold by HUDSON CLOTHING, LLC ("Hudson") that were labeled as "Made in USA" but that contained foreign-made component parts (hereinafter referred to as "Jeans"). The Jeans are sold at various retail stores in California. The Jeans are also sold by Hudson via its website (www.hudsonjeans.com) directly to consumers throughout the United States.
- 2. As stated by the California Supreme Court in *Kwikset v. Superior Court* (January 27, 2011) 51 Cal.4th 310, 328-29:

Simply stated: labels matter. The marketing industry is based on the premise that labels matter, that consumers will choose one product over another similar product based on its label and various tangible and intangible qualities they may come to associate with a particular source....In particular, to some consumers, the "Made in U.S.A." label matters. A range of motivations may fuel this preference, from the desire to support domestic jobs, to beliefs about quality, to concerns about overseas environmental or labor conditions, to simple patriotism. The Legislature has recognized the materiality of this representation by specifically outlawing deceptive and fraudulent "Made in America" representations. (§ 17533.7; see also Civ.Code, § 1770, subd. (a)(4) [prohibiting deceptive representations of geographic origin].) The object of section 17533.7 "is to protect consumers from being misled when they purchase products in the belief that they are advancing the interests of the United States and its industries and workers...

Id. (emphasis added).

3. Through an unlawful, deceptive and unfair course of conduct, Hudson, and DOES 1 through 100 (collectively "Defendants"), manufactured, distributed, marketed, and/or sold a variety of Jeans to various consumers throughout California with the false designation and representation that Defendants' Jeans were "Made in USA" during the relevant four year

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statutory time period. The "Made in USA" label was clearly printed on the product. Contrary to the "Made in USA" claim, however, the offending Jeans were manufactured or produced from component parts that were manufactured outside of the United States in violation of California law.

PARTIES

- 4. Plaintiff is an individual currently, and at all relevant times to this action, residing in San Diego, California.
- 5. Plaintiff is informed and believes, and on that basis alleges, that Defendant Hudson Clothing, LLC is a California limited liability company that is organized and exists under the laws of the State of California. Its business address (as listed on the California Secretary of State website) is 1231 S. Gerhart Ave., Commerce, CA 90022. Hudson can be served in California via its registered agent for service of process: Jorge Arciniega, 2049 Century Park East, Suite 3800, Los Angeles, CA 90022.
- 6. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as DOES 1-100, inclusive; therefore, Plaintiff sues these defendants by such fictitious names. Plaintiff is informed and believes that each of the fictitious named defendants are legally responsible in some manner for the occurrences herein alleged, assisted in and about the wrongs complained herein by providing financial support, advice, proprietary resources or other assistance. Plaintiff will amend the complaint to allege their true names and capacities when ascertained.
- 7. Plaintiff is informed and believes that all defendants were agents, servants and employees of their co-defendants, and in doing the things hereinafter mentioned, were acting within the scope of their authority as such agents, servants and employees with the permission and consent of their co-defendants.

JURISDICTION AND VENUE

- 8. This Court has jurisdiction in this matter because Defendants routinely transact business in San Diego County.
 - 9. Venue in this Court is proper pursuant to Code of Civil Procedure §§ 395 and

395.5 and Business & Professions Code §§ 17203 and 17204 because Defendants do business in San Diego County and Plaintiff's transaction took place in San Diego County.

GENERAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

- 10. Plaintiff incorporates herein each and every allegation contained in paragraphs 1 through 9, inclusive, as though fully set forth herein.
- 11. During the relevant four-year statutory time period, Defendants manufactured, marketed, distributed and/or sold Jeans with a "Made in USA" label.
- 12. Contrary to the "Made in USA" claim, however, the Jeans were made, manufactured or produced with <u>component parts</u> that are manufactured outside of the United States. On information and belief, the Jeans are made with foreign-made buttons, rivets, zipper assembly, thread, and/or fabric in violation of California law and/or federal apparel labeling laws.
- 13. Not only did Defendants market and falsely represent to consumers that their Jeans were "Made in USA," but Defendants concealed the true country of origin of their "Made in USA" labeled Jeans to the California general public. Defendants' disclosure of this information was necessary in order to avoid misleading its consumers. Defendants possess superior knowledge of the true facts which were not disclosed, thereby tolling the running of any applicable statute of limitations.
- 14. Consumers are particularly vulnerable to these deceptive and fraudulent practices. Most consumers possess very limited knowledge of the likelihood that products, including the component parts therein, claimed to be made in the United States are in fact made in foreign countries. This is a material factor in many individuals' purchasing decisions, as they believe they are supporting American companies and American jobs.
- 15. Consumers generally believe that "Made in USA" products are of higher quality than their foreign-manufactured counterparts. In addition, consumers regularly pay higher prices for products that they believe are American made. As alleged herein, due to Defendants' scheme to defraud the market, members of the general public were fraudulently induced to purchase Defendants' products. California laws are designed to protect consumers from this type of false

representation and predatory conduct. Defendants' scheme to defraud consumers is ongoing and will victimize consumers each and every day until altered by judicial intervention.

THE PLAINTIFF TRANSACTION

- 16. On or about around October 30, 2014, Plaintiff purchased Hudson jeans from Bloomingdale's online (bloomingdales.com) to be shipped to her home in San Diego. At the time of purchase, the actual product was marked with a "Made in USA" designation. In making her purchasing decision, Plaintiff saw and relied upon the "Made in USA" claim on bloomingdales.com (as it relates to the specific pair of jeans she purchased). Plaintiff paid \$245.00 for the Jeans, plus sales tax of \$19.60 for a grand total of \$264.60.
- 17. Defendants were not entitled to lawfully make a "Made in USA" representation because California law requires 100% U.S.-made component parts within a product to qualify for a "Made in USA" or "Made in the USA" country of origin designation (as it relates to selling in California).
- 18. When Plaintiff, and Class Members, purchased Jeans from Defendants, they saw and relied upon the unqualified "Made in USA" representation (whether it was purchased online or in retail stores on the actual product) to make their purchasing decisions, which is typical of most California consumers, and they were deceived as a result of Defendants' actions. These purchasing decisions were supported by the "Made in USA" representation made by Defendants, which is absent from many of Defendants' competitors (that are made in Mexico or Pakistan). Plaintiff believed at the time she purchased the Jeans that she was in fact supporting American jobs and the American economy.
- 19. Plaintiff suffered an "injury in fact" because Plaintiff's money was taken by Defendants as a result of Defendants' false "Made in USA" claim set forth on the offending product (through its customary retail channels). Furthermore, she suffered an "injury in fact" by paying for something she believed was genuinely manufactured in the USA, when it was not.
- 20. On information and belief, the Jeans at issue in this litigation were manufactured with substandard foreign-made parts that are of inferior quality to their U.S.-manufactured counterparts. Essentially, the Jeans are not worth the purchase price paid. Class Members are

entitled to monetary damages or restitution (the specific measure of which is the realm of expert testimony).

- 21. U.S.-made component parts are subject to strict regulatory requirements, such as environmental, labor, and safety standards. Foreign-made component parts are not subject to the same U.S. manufacturing standards and are inherently of lower quality than their U.S.-made counterparts. Moreover, foreign-made component parts are less reliable and durable than their U.S.-made counterparts. As such, the offending Jeans, made with foreign-made component parts (yet unlawfully labeled "Made in USA"), are of inferior quality, less reliable, and fail more often.
- 22. Plaintiff and Class Members were undoubtedly injured as a result of Defendants' false "Made in USA" representations that are at issue in this litigation.

CLASS ALLEGATIONS

- 23. Plaintiff brings this action on behalf of herself as an individual and on behalf of all other persons similarly situated in California who purchased Defendants' Jeans. Specifically excluded from the class are any persons who have a controlling interest in Defendants, any of Defendants' parent companies, subsidiaries, and Defendants' officers, directors, managers, shareholders and members of their immediate families, and their heirs, successors and assigns (the "Class"), pursuant to Code of Civil Procedure § 382 and Business & Professions Code § 17200 et seq. The class also does not include any persons who previously filed suit against Defendants for similar violations of California law and/or the Hon. Judge presiding over this matter and his or her judicial staff.
 - 24. Plaintiff alleges no federal claims.
- 25. All causes of action herein have been brought and may properly be maintained as a class action pursuant to the provisions of Code of Civil Procedure § 382 because there is a well-defined community of interest in the litigation and the proposed class is easily ascertainable:
- a. <u>Numerosity</u>: On information and belief, the Class is so numerous that the individual joinder of all members would be impracticable. The exact number and identities of the members of the Class are readily ascertainable from the records in Defendants' possession or

Code § 17200 et seq.

c. Typicality: On information and belief, Plaintiff's claims are typical of the claims of the members of the Class. Plaintiff and all members of the Class sustained damages arising out of Defendants' common course of conduct complained herein.

constitute an unfair, unlawful, or fraudulent business practice pursuant to Business & Professions

exist as to all members of the Class, and those questions clearly predominate over any questions

that might affect members individually. These common questions of law and fact include, for

misrepresenting the country of origin of the Jeans because component parts within the product

are manufactured outside the United States and whether Defendants' actions in this regard

example, whether Defendants violated Business & Professions Code § 17533.7 by

Common Questions Predominate: Common questions of law and fact

- d. <u>Adequacy</u>: Plaintiff will fairly and adequately protect the interests of the members of the Class because Plaintiff has no interests which are adverse to the interests of absent class members and because Plaintiff has retained counsel who possesses significant litigation experience regarding violations of consumer statutes.
- e. <u>Superiority</u>: A class action is superior to other available means for the fair and efficient adjudication of this controversy since individual joinder of all members would be impracticable. Class action treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently and without the unnecessary duplication of effort and expense that numerous individual actions would engender. Furthermore, since most class members' individual claims for damages are likely to be modest, the expenses and burdens of litigating individual actions would make it difficult or impossible for individual members of the Class to redress the wrongs done to them. An important public interest will be served by addressing the matter as a class action, substantial economies to the litigants and to the judicial system will be realized and the potential for inconsistent or contradictory judgments will be avoided.

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FIRST CAUSE OF ACTION

(Violation of Business & Professions Code § 17200 et seq. Against All Defendants)

- 26. Plaintiff realleges and incorporates herein by reference all of the allegations contained in Paragraphs 1 through 25, inclusive, of this complaint as though fully set forth herein.
- 27. Business & Professions Code § 17200 et seq. provides that unfair competition means and includes "any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading marketing."
- 28. By and through their conduct, including the conduct detailed above, Defendants engaged in activities which constitute unlawful, unfair, and fraudulent business practices prohibited by Business & Professions Code § 17200 et seq. Beginning at an exact date unknown as yet and continuing up through the present Defendants committed acts of unfair competition, including those described above, by engaging in a pattern of "unlawful" business practices, within the meaning of Business & Professions Code § 17200 et seq., by manufacturing, distributing, marketing, and/or selling products with a false country of origin designation and violating Business & Professions Code § 17533.7 by falsely claiming that the products referenced herein are "Made in USA" when they are in fact made with component parts manufactured outside of the United States.
- Beginning at an exact date unknown as yet and continuing up through the present, Defendants committed acts of unfair competition that are prohibited by Business & Professions Code § 17200 et seq. Defendants engaged in a pattern of "unfair" business practices that violate the wording and intent of the statutes, by engaging in practices that threaten an incipient violation of law, or violate the policy or spirit of laws because its effects are comparable to or the same as a violation of the law by manufacturing, distributing, and marketing products with a false country of origin designation and violating Business & Professions Code § 17533.7 by falsely claiming that the products referenced herein are "Made in USA" when they are in fact made with component parts manufactured outside of the United States.
 - a. Alternatively, Defendants engaged in a pattern of "unfair" business

practices that violate the wording and intent of the statutes, by engaging in practices that are immoral, unethical, oppressive or unscrupulous, the utility (if any) of which conduct is far outweighed by the harm done to consumers and public policy by manufacturing, distributing, marketing, and advertising products with the false claim that the products referenced herein are "Made in USA."

- b. Alternatively, Defendants engaged in a pattern of "unfair" business practices that violate the wording and intent of the statutes, by engaging in practices wherein: (1) the injury to the consumer was substantial; (2) the injury was not outweighed by any countervailing benefits to consumers or competition; and (3) the injury was of the kind that the consumers themselves could not reasonably have avoided by manufacturing, distributing, marketing, and advertising products with the false claim that the products referenced herein are "Made in USA."
- 30. Beginning at an exact date unknown as yet and continuing up through the present, Defendants committed acts of unfair competition, including those described above, prohibited by Business & Professions Code § 17200 *et seq.* by engaging in a pattern of "fraudulent" business practices within the meaning of Business & Professions Code § 17200 *et seq.*, by manufacturing, distributing, marketing, and/or selling products with a false country of origin designation and violating Business & Professions Code § 17533.7 by falsely claiming that the products referenced herein are "Made in USA."
- 31. Defendants engaged in these unlawful, unfair and fraudulent business practices for the primary purpose of collecting unlawful and unauthorized monies from Plaintiff and all others similarly situated, thereby unjustly enriching Defendants.
- 32. As a result of the repeated violations described herein, Defendants received unearned commercial benefits at the expense of their competitors and the public.
- 33. Defendants' unlawful, unfair and fraudulent business practices present a continuing threat to the public in that Defendants continues to engage in unlawful, misleading conduct.
 - 34. Such acts and omissions are unlawful, unfair and/or fraudulent and constitute a

COMPLAINT

the premise that labels matter, that consumers will choose one product over another similar product based on its label and various tangible and intangible qualities they may come to associate with a particular source....In particular, to some consumers, the "Made in U.S.A." label matters. A range of motivations may fuel this preference, from the desire to support domestic jobs, to beliefs about quality, to concerns about overseas environmental or labor conditions, to simple patriotism. The Legislature has recognized the materiality of this representation by specifically outlawing deceptive and fraudulent "Made in America" representations. (§ 17533.7; see also Civ.Code, § 1770, subd. (a)(4) [prohibiting deceptive representations of geographic origin].) The object of section 17533.7 "is to protect consumers from being misled when they purchase products in the belief that they are advancing the interests of the United States and its industries and workers...

Id. (emphasis added).

- 42. Defendants violated Business & Professions Code § 17533.7 by manufacturing, selling and/or offering to sell merchandise in the State of California with the "Made in USA" label as fully set forth herein. The Jeans in this case contain component parts that are manufactured outside of the United States.
- 43. It is alleged on information and belief that Defendants' violations of Business & Professions Code § 17533.7 were done with awareness of the fact that the conduct alleged was wrongful and were motivated solely for increased profit. It is also alleged on information and belief that Defendants did these acts knowing the harm that would result to Plaintiff and that Defendants did these acts notwithstanding that knowledge.
- 44. As a direct and proximate result of Defendants' violations of Business & Professions Code § 17533.7, Plaintiff and Class members are entitled to restitution of excess monies paid to Defendants by Plaintiff and Class members relating to the false "Made in USA" claims on Defendants' Jeans.
- 45. Plaintiff suffered an "injury in fact" because Plaintiff's money was taken by Defendants as a result of Defendants' false "Made in USA" claims set forth on the Jeans. Furthermore, she suffered an "injury in fact" by paying for something she believed was genuinely manufactured in the USA, when it was not. See also Paragraphs 18-22 herein.

- 46. Plaintiff and Class Members were undoubtedly injured as a result of Defendants' false "Made in USA" representations that are at issue in this litigation.
- 47. In prosecuting this action for the enforcement of important rights affecting the public interest, plaintiff seeks to recover attorneys' fees pursuant to Code of Civil Procedure § 1021.5, which is available to a prevailing plaintiff who wins relief for the general public.

THIRD CAUSE OF ACTION

(Violation of Consumers Legal Remedies Act Against Defendants)

- 48. Plaintiff realleges and incorporates herein by reference all of the allegations contained in Paragraphs 1 through 47, inclusive, of this complaint as though fully set forth herein.
- 49. California Civil Code § 1750 et seq. (entitled the Consumers Legal Remedies Act) provides a list of "unfair or deceptive" practices in a "transaction" relating to the sale of "goods" or "services" to a "consumer." The Legislature's intent in promulgating the Consumers Legal Remedies Act is expressed in Civil Code § 1760, which provides, *inter alia*, that its terms are to be:

[C]onstrued liberally and applied to promote its underlying purposes, which are to protect consumers against unfair and deceptive business practices and to provide efficient and economical procedures to secure such protection.

- 50. Defendants' jean products are "goods" as defined in Civil Code § 1761(a).
- 51. Plaintiff, and Class members, are each a "Consumer" as defined in Civil Code § 1761(d).
- 52. Plaintiff's purchase of Defendants' Jeans constituted a "transaction" as defined in Civil Code § 1761(e).
- 53. Civil Code § 1770(a)(4) and (9) provides that "[t]he following unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer are

unlawful: Using deceptive representations or designations of geographic origin in connection with goods or services....Advertising good or services with intent not to sell them as marketed."

- 54. Defendants violated Civil Code § 1770(a)(4) and (9) by marketing and representing that their products are "Made in USA" when they actually contain component parts that are manufactured outside of the United States.
- 55. It is alleged on information and belief that Defendants' violations of the Consumer Legal Remedies Act set forth herein were done with awareness of the fact that the conduct alleged was wrongful and were motivated solely for increased profit. It is also alleged on information and belief that Defendants did these acts knowing the harm that would result to Plaintiff and that Defendants did these acts notwithstanding that knowledge.
- day notice, which was sent pursuant to the Consumer Legal Remedies Act ("CLRA"). The 30-day notice complied with the relevant provisions of the CLRA as it was a demand to correct, repair, replace, or otherwise rectify the false country of origin designation as it relates to offending and violative Jeans sold in California pursuant to California Civil Code § 1782(a). Plaintiff sent a follow-up letter on or about December 4, 2014. As of the date of the filing of this Complaint, however, Hudson has not yet responded to Plaintiff's CLRA letter. As such, Plaintiff seeks "actual damages" and/or punitive damages pursuant to the CLRA from Hudson.
- As a direct and proximate result of Defendants' violations of the Consumers Legal Remedies Act, Plaintiff and Class members are entitled to the following remedies: (a) statutory damages; (b) a declaration that Defendants violated the Consumers Legal Remedies Act, (c) an injunction preventing Defendants' unlawful actions; and (d) punitive damages.
- 58. Plaintiff suffered an "injury in fact" because Plaintiff's money was taken by Defendants as a result of Defendants' false claims set forth on their Jeans. Furthermore, she suffered an "injury in fact" by paying for a substandard product that she believed was genuinely manufactured in the USA, when it was not.
- 59. Plaintiff and Class Members were undoubtedly injured as a result of Defendants' false "Made in USA" representations that are at issue in this litigation.

60. Plaintiff is filing an Affidavit of Venue along with this Complaint to be in compliance with the requirement set forth in Civil Code § 1780(c).

FOURTH CAUSE OF ACTION

(For Negligent Misrepresentation Against All Defendants)

- 61. Plaintiff re-alleges and incorporates herein by reference each and every allegation contained in Paragraphs 1 through 60, as though set forth in full.
- 62. During the relevant statutory time period, Defendants made false "Made in USA" country of origin designations to Plaintiff and Class Members as it pertains to the sale of the Jeans.
- 63. The representation that Defendants' Jeans were "Made in USA" was false as defined by California law. The true facts are that Defendants sold "Made in USA" labeled Jeans with foreign-made component parts in violation of California and federal law.
- 64. When Defendants made the representations set forth above, they had no reasonable grounds for believing them to be true.
- 65. Defendants made the representations with the intention of inducing Plaintiff and Class Members to act in reliance upon these representations in the manner hereafter alleged, or with the expectation that they would so act.
- 66. Plaintiff and Class Members, at the time the representations were made by Defendants, and at the time Defendants took the actions herein alleged, were ignorant of the falsity of the representations and believed them to be true. In reliance on these representations, Plaintiff and Class Members were induced to and did pay monies to purchase Defendants' products.
- 67. Had Plaintiff and Class Members known the actual facts, they would not have taken such action. Furthermore, Plaintiff and other California consumers had no reason to believe that Defendants would act otherwise than as to rely on the "Made in USA" country of origin designation.
- 68. Without knowledge, Plaintiff and Class Members acted on the false country of origin designation and purchased products they did not truly want. Had Plaintiff and Class

COMPLAINT

1	10.	For costs of suit incurred herein;		
2	11.	For prejudgment interest as allowed by law; and		
3	12.	For such other and further relief as this Court finds just, equitable and proper,		
4	including, bu	t not limited to, the remedy of disgorgement.		
5	Dated: Janua	ary 7, 2015 D	EL MAR LAW GROUP, LLP	
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7		В	y: John H. Donboli	
8			JI Sean Slattery Casey M. Rocha	
9			Attorneys for: EINAT NOIMAN, an individual and on behalf of all others similarly situated	
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