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ELECTRONICALLY
FILED

Superior Court of California,
County of San Francisco

06/09/2023
Clerk of the Court
BY: AUSTIN LAM
Deputy Clerk

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8 **SUPERIOR COURT OF CALIFORNIA**
9 **COUNTY OF SAN FRANCISCO**

10
11 ALI REZAEI, an individual,

12 Plaintiff,

13 vs.

14 SHREVE & CO. JEWELERS, LTD., a California
15 Corporation; and DOES 1 through 10, inclusive,

16 Defendant.
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Case No.:

COMPLAINT FOR:

CGC-23-606973

1. **BREACH OF CONTRACT;**
2. **PROMISSORY ESTOPPEL;**
3. **INTENTIONAL MISREPRESENTATION (FRAUDULENT INDUCEMENT);**
4. **NEGLIGENT MISREPRESENTATION;**
5. **FRAUDULENT CONCEALMENT;**
6. **FALSE PROMISE;**
7. **BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING; and**
8. **UNFAIR BUSINESS PRACTICES [CAL. BUS. & PROF. CODE SECTION 17200, ET SEQ.]**

Action Filed:

Trial Date: TBD

25 Plaintiff Ali Rezaei ("Plaintiff") alleges against Defendant Shreve & Co. Jewelers, Ltd.
26 ("Shreve" or "Defendant") as follows:
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1 **GIST OF THE ACTION**

2 1. Defendant owns and operates boutiques that sell luxury watches and jewelry. This
3 case arises from Defendant's failure to perform on its promise to offer Plaintiff a Patek Philippe
4 5980/1R-001 watch if he first built up a purchase history with them by buying other expensive
5 merchandise. Plaintiff did his part by purchasing over \$220,000 in merchandise from Defendant
6 over a period of 18 months, during which time he was encouraged to continue building his purchase
7 history to receive the watch, and after which he was assured he would receive the watch. However,
8 Plaintiff was never offered the watch that he bargained for. Further, Defendant knew that it was
9 losing its status as an authorized Patek Philippe dealer, but withheld this information and induced
10 Plaintiff to purchase such merchandise for many months, so that it could benefit from the leveraged
11 sales of other merchandise.

12 **THE PARTIES**

13
14 2. At all times mentioned herein, Plaintiff Ali Rezaei is an individual residing in Orange
15 County, California.

16 3. At all times mentioned herein, Defendant Shreve & Co. Jewelers, Ltd. is a California
17 corporation doing business in San Francisco County.

18 4. The true names and capacities, whether individual, corporate, associate or otherwise,
19 of Defendant named herein as Does 1 through 10, inclusive, are unknown to Plaintiff, which
20 therefore sues said Defendant by such fictitious names. Plaintiff is informed and believes and
21 thereon alleges that each of the Defendant designated herein as a Doe is legally responsible in some
22 manner for the acts, omissions and events alleged herein and proximately caused damages and injury
23 to plaintiff as herein alleged. Plaintiff will seek leave to amend this complaint to show the true names
24 and capacities of such fictitiously named Defendant when they have been ascertained.

25 **JURISDICTION AND VENUE**

26 5. Defendant has sufficient contacts with California or otherwise purposefully avail
27 themselves of the benefits in the State, so as to render the exercise of jurisdiction over each by a
28 California Court consistent with traditional notions of fair play and substantial justice.

6. Venue is proper in this Court because Plaintiff suffered injuries and damages alleged herein in San Francisco County, California. Defendant conducts business in San Francisco County, including the boutique at 150 Post St, San Francisco, CA 94108.

GENERAL ALLEGATIONS

7. Shreve & Co. owns and operates boutiques that sell luxury watches and jewelry, including the boutique located at 150 Post St, San Francisco, CA 94108 (the “Boutique”).

8. On or about September of 2020, Plaintiff visited Defendant's Boutique and expressed interest in purchasing a Patek Phillipe 5980/1R-001 watch (the "Promised Watch"). Defendant informed Plaintiff that it could not sell the Promised Watch to him outright. However, Defendant assured Plaintiff that if he built up his "purchase history" by buying a sufficient amount of other merchandise over time (*i.e.*, the "Leveraged Merchandise" or "Leveraged Sales"), that they would offer the Promised Watch to him (hereinafter the "Agreement"). In accordance with the Agreement, and Defendant's continued representation that the Agreement was still valid, Plaintiff began building up his purchase history by making numerous purchases over the next 18 months:

- On September 10, 2020, Plaintiff purchased from an Patek Philippe 5905R 18KR 42mm Flyback Chrono for \$70,947.56 (Leveraged Sale #1);
- On or about November 10, 2021 Plaintiff purchased a Patek Philippe Women's 38.8mm 18K Rose Gold Diamond Bezel Aquanaut Luce White Dial Strap for \$49,914.00 (Leveraged Sale #2);
- On or about December 16, 2021 Plaintiff purchased an Patek Philippe 18KR 30mm \$47,155.71 (Leveraged Sale #3); and
- On or about March 15, 2022 Plaintiff purchased an 18K White Gold Round Brilliant Diamond Bracelet for \$52,797.50 (Leveraged Sale #4). Following this purchase, Defendant's sales associate Jason Krepka assured Plaintiff that he was certain Defendant would offer him the Promised Watch that year.

These Leveraged Sales totaled over \$220,814. Throughout this 18-month period, Defendant continued to encourage and induce Plaintiff to purchase the Leveraged Merchandise in order to be offered the Promised Watch pursuant to the Agreement. But for the Agreement, Plaintiff had no

interest in purchasing, and would not have purchased, the Leveraged Merchandise. Although Plaintiff held up his end of the Agreement, Defendant did not hold up its end of the bargain and never offered him the Promised Watch.

9. On or about April 11, 2021 Plaintiff discovered that Defendant had lost its status as an authorized Patek Philippe. Further, and on information and belief, Defendant knew it was going to lose its dealership status long before it actually did in April of 2022, such that Defendant knew it would not be able to offer Plaintiff the Promised Watch but continued to encourage and induce Plaintiff to purchase Leveraged Merchandise under the false impression that he was getting the Promised Watch. On information and belief, Defendant did not inform its sales representatives (or Plaintiff) when it learned that it was going to lose its Patek Philippe authorized dealer status (which was at least several months before it actually lost the status). Defendant did so in order to continue to reap additional sales revenue (Leveraged Sales) for as long as possible by inducing its customers (including Plaintiff) to purchase merchandize that they would not have otherwise purchased (Leveraged Merchandise) in order to be offered certain high demand Patek Philippe watches. On information and belief, as of the time of Leveraged Sale #2 or Leveraged Sale #3, Defendant knew that it had lost its Patek Philippe authorized dealer status, but failed to disclose that fact to its sales staff, or to Plaintiff. In any event, Plaintiff was never offered the Promised Watch that he bargained for pursuant to the Agreement.

FIRST CAUSE OF ACTION

(Breach of Contract – Common Law)

10. Plaintiff and Defendant entered into an agreement based on oral and written representations. Under the Agreement, Defendant was to offer Plaintiff the Promised Watch if he purchased certain merchandise.

11. Plaintiff substantially performed all of its obligations under the Agreement.

12. Defendants breached the Agreement by failing to offer the Promised Watch.

13. As a proximate and direct result of Defendant's breach of their contractual obligations under the Agreement, Plaintiff was harmed and suffered damages.

14. Plaintiff is not only entitled to benefit of the bargain damages, including but not limited to actual and compensatory damages in an amount according to proof.

SECOND CAUSE OF ACTION

(Promissory Estoppel – Common Law)

15. Plaintiff realleges and incorporates by reference all the preceding paragraphs as though fully set forth herein.

16. Defendant promised Plaintiff that he would receive the Promised Watch if he purchased various other merchandise from Defendant.

17. Plaintiff actually relied on this representation in purchasing watches and jewelry from Defendant in the amount of approximately \$220,000 over the course of 18 months.

18. Defendant did not perform on its promise.

19. During the course of Plaintiff's purchases, Defendant continued this representation to Plaintiff, even when Plaintiff knew it could not deliver on its promise.

20. Plaintiff relied on Defendant's promises to his detriment, including purchasing \$220,000 worth of merchandise that he otherwise did not want to purchase (and would not have purchased), and being deprived of the watch that he was promised.

21. Plaintiff is entitled to compensatory damages resulting from Defendant's breach.

THIRD CAUSE OF ACTION

(Intentional Misrepresentation – Common Law)

22. Starting in September 2020, Defendant's sales associate Jason Krepka represented to Plaintiff that he would be offered the Promised Watch if he first built up a purchase history with Defendant by purchasing other high-value merchandise pursuant to the Agreement. These representations were continuing over the following 18 months. The sales associate reiterated and confirmed this Agreement prior to each of Plaintiff's subsequent purchases of the Leveraged Merchandise on 9/10/2020 (Leveraged Sale #1), 11/10/2021 (Leveraged Sale #2), 12/16/2021 (Leveraged Sale #3), and 3/15/2022 (Leveraged Sale #4). As of the time of Leveraged Sale #2 or Leveraged Sale #3, Defendant knew that it was losing its status as an authorized dealer for Patek Philippe, and knew that it could not hold up its end of the Agreement, *i.e.* it could not provide

1 Plaintiff with the Promised Watch. However, Defendant did not inform its sales associates (or
2 Plaintiff) of this fact and these sales associates continued to encourage and induce Plaintiff to
3 purchase Leveraged Merchandise pursuant to the Agreement. Instead, Defendant continued to
4 falsely represent that it could perform under the Agreement from the time of Leveraged Sales #2
5 through Leveraged Sale #4. Thus, throughout this 18-month period, Defendant continued to
6 encourage and induce Plaintiff to purchase the Leveraged Merchandise in order to be offered the
7 Promised Watch pursuant to the Agreement.

8 23. On information and belief, Defendant did not inform its sales representatives (or
9 Plaintiff) when it discovered that it *was going to lose* its Patek Philippe authorized dealer status, and
10 continued to falsely represent that it could provide the Promised Watch pursuant to the Agreement.
11 Defendant did so in order to continue to reap additional sales revenue (Leveraged Sales) by inducing
12 its customers to purchase merchandize that they would not have otherwise purchased (Leveraged
13 Merchandise) in order to be offered certain high demand Patek Philippe watches.

14 24. At all relevant times, Defendant knew its representations were false when it made
15 them, or made the representation recklessly and without regard for their truth.

16 25. Defendant intended that Plaintiff rely on the representations in order to continue
17 making the Leverages Sales. Defendant knew that if Plaintiff knew the truth, he would not buy the
18 Leveraged Merchandise and Defendant would not make the associated income.

19 26. Plaintiff reasonably relied on Defendant's representations that Defendant would offer
20 him the Promised Watch pursuant to the Agreement.

21 27. Plaintiff was harmed as a result of these misrepresentations.

22 28. Plaintiff's reliance on Defendant's representation was a substantial factor in causing
23 his harm.

24 29. Defendants' conduct was willful and consciously disregarded Plaintiff's rights and
25 subjected him to unjust hardship so as to constitute malice, oppression or fraud under California
26 Civil Code Section 3294, thereby entitling Plaintiff to punitive and exemplary damages in an amount
27 appropriate to punish or set an example of Defendants.

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1 **FOURTH CAUSE OF ACTION**

2 **(Negligent Misrepresentation – Common Law)**

3 30. Starting in September 2020, Defendant's sales associate Jason Krepka represented to
4 Plaintiff that he would be offered the Promised Watch if he first built up a purchase history with
5 Defendant by purchasing other high-value merchandise pursuant to the Agreement. These
6 representations were continuing over the following 18 months. The sales associate reiterated and
7 confirmed this Agreement prior to each of Plaintiff's subsequent purchases of the Leveraged
8 Merchandise on 9/10/2020 (Leveraged Sale #1), 11/10/2021 (Leveraged Sale #2), 12/16/2021
9 (Leveraged Sale #3), and 3/15/2022 (Leveraged Sale #4). On information and belief, as of the time
10 of Leveraged Sale #2 or Leveraged Sale #3, Defendant knew that it was losing its status as an
11 authorized dealer for Patek Philippe, and knew that it could not hold up its end of the Agreement,
12 *i.e.* it could not provide Plaintiff with the Promised Watch. However, Defendant did not inform its
13 sales associates, or Plaintiff, of this fact. Instead, Defendant continued to falsely represent that it
14 could perform under the Agreement from the time of Leveraged Sales #2 through Leveraged Sale
15 #4. Thus, throughout this 18-month period, Defendant continued to encourage and induce Plaintiff
16 to purchase the Leveraged Merchandise in order to be offered the Promised Watch pursuant to the
17 Agreement.

18 31. On information and belief, Defendant did not inform its sales representatives (or
19 Plaintiff) when it discovered that it *was going to lose* its Patek Philippe authorized dealer status, and
20 continued to falsely represent that it could provide the Promised Watch pursuant to the Agreement.
21 Defendant did so in order to continue to reap additional sales revenue (Leveraged Sales) by inducing
22 its customers to purchase merchandise that they would not have otherwise purchased (Leveraged
23 Merchandise) in order to be offered certain high demand Patek Philippe watches.

24 32. Although Defendant may have honestly believed that its representations were true,
25 Defendant had no reasonable grounds for believing the representations were true when it made them.

26 33. Defendant intended that Plaintiff rely on the representations in order to continue
27 making the Leverages Sales. Defendant knew that if Plaintiff knew the truth, he would not buy the
28 Leveraged Merchandise and Defendant would not make the associated income.

34. Plaintiff reasonably relied on Defendant's representations that Defendant would offer him the Promised Watch pursuant to the Agreement.

35. Plaintiff was harmed as a result of these misrepresentations.

36. Plaintiff's reliance on Defendant's representation was a substantial factor in causing his harm.

FIFTH CAUSE OF ACTION

(Fraudulent Concealment – Common Law)

37. Plaintiff was a customer of, and had an Agreement with, Defendant.

38. Starting in September 2020, Defendant's sales associate Jason Krepka represented to Plaintiff that he would be offered the Promised Watch if he first built up a purchase history with Defendant by purchasing other high-value merchandise pursuant to the Agreement. These representations were continuing over the following 18 months. The sales associate reiterated and confirmed this Agreement prior to each of Plaintiff's subsequent purchases of the Leveraged Merchandise on 9/10/2020 (Leveraged Sale #1), 11/10/2021 (Leveraged Sale #2), 12/16/2021 (Leveraged Sale #3), and 3/15/2022 (Leveraged Sale #4). Thus, throughout this 18-month period, Defendant continued to encourage and induce Plaintiff to purchase the Leveraged Merchandise in order to be offered the Promised Watch pursuant to the Agreement.

39. Defendant concealed critical facts from Plaintiff. As of the time of Leveraged Sale #2, Defendant knew that it was losing its status as an authorized dealer for Patek Philippe, and knew that it could not hold up its end of the Agreement, *i.e.* it could not provide Plaintiff with the Promised Watch. However, Defendant did not inform its sales associates, or Plaintiff, of this fact. Instead, Defendant continued to falsely represent that it could perform under the Agreement from the time of Leveraged Sales #2 through Leveraged Sale #4. Further, and on information and belief, Defendant did not inform its sales representatives (or Plaintiff) when it discovered that it *was going to lose* its Patek Philippe authorized dealer status, and continued to falsely represent that it could provide the Promised Watch pursuant to the Agreement. Defendant did so in order to continue to reap additional sales revenue (Leveraged Sales) by inducing its customers to purchase merchandize that they would

1 not have otherwise purchased (Leveraged Merchandise) in order to be offered certain high demand
2 Patek Philippe watches.

3 40. Plaintiff did not know of these concealed facts.

4 41. Defendant intentionally failed to disclose these facts to Plaintiff, facts that were only
5 known to Defendant and that Plaintiff could not have discovered. Indeed, Defendant withheld these
6 facts from its own sales associates to ensure that customers would remain ignorant to the truth and
7 continue purchasing leveraged merchandise.

8 42. Defendant intended to deceive, and in fact did deceive, Plaintiff by concealing the
9 facts.

10 43. Had the omitted information been disclosed, Plaintiff would have behaved differently.
11 Namely, Plaintiff would not have continued to purchase expensive merchandise (the Leveraged
12 Merchandise) from Defendant.

13 44. Plaintiff was harmed as a result of the concealment.

14 45. Defendant's concealment was a substantial factor in causing Plaintiff's harm.

15 46. Defendants' conduct was willful and consciously disregarded Plaintiff's rights and
16 subjected him to unjust hardship so as to constitute malice, oppression or fraud under California
17 Civil Code Section 3294, thereby entitling Plaintiff to punitive and exemplary damages in an amount
18 appropriate to punish or set an example of Defendants.

19 **SIXTH CAUSE OF ACTION**

20 **(False Promise – Common Law)**

21 47. Defendant made promises to Plaintiff pursuant to the Agreement. Starting in
22 September 2020, Defendant's sales associate Jason Krepka represented to Plaintiff that he would be
23 offered the Promised Watch if he first built up a purchase history with Defendant by purchasing
24 other high-value merchandise pursuant to the Agreement. These representations were continuing
25 over the following 18 months.

26 48. Defendant did not intend to perform on its promises at the times it made them. The
27 sales associate reiterated and confirmed the Agreement prior to each of Plaintiff's subsequent
28 purchases of the Leveraged Merchandise on 9/10/2020 (Leveraged Sale #1), 11/10/2021 (Leveraged

1 Sale #2), 12/16/2021 (Leveraged Sale #3), and 3/15/2022 (Leveraged Sale #4). Thus, throughout
2 this 18-month period, Defendant continued to encourage and induce Plaintiff to purchase the
3 Leveraged Merchandise in order to be offered the Promised Watch pursuant to the Agreement. As
4 of the time of Leveraged Sale #2, Defendant knew that it was losing its status as an authorized dealer
5 for Patek Philippe, and knew that it could not hold up its end of the Agreement, i.e. it could not
6 provide Plaintiff with the Promised Watch. However, Defendant did not inform its sales associates
7 (or Plaintiff) of this fact. Instead, Defendant continued to falsely represent that it could perform
8 under the Agreement from the time of Leveraged Sales #2 through Leveraged Sale #4. On
9 information and belief, Defendant did not inform its sales representatives (or Plaintiff) when it
10 discovered that it *was going to lose* its Patek Philippe authorized dealer status, and continued to
11 falsely represent that it could provide the Promised Watch pursuant to the Agreement. Defendant
12 did so in order to continue to reap additional sales revenue (Leveraged Sales) by inducing its
13 customers to purchase merchandize that they would not have otherwise purchased (Leveraged
14 Merchandise) in order to be offered certain high demand Patek Philippe watches.

15 49. Defendant intended that Plaintiff rely on these promises. Defendant did so in order to
16 continue benefiting from the Leverages Sales it was making as a result of the promises. Defendant
17 knew that if Plaintiff knew the truth, he would not buy the Leveraged Merchandise from Defendant.

18 50. Plaintiff reasonably relied on Defendant's promises.

19 51. Defendant did not perform on its promises, as it did not offer Plaintiff the Promised
20 Watch after he performed pursuant to the Agreement by purchasing the Leveraged Merchandise.

21 52. Plaintiff was harmed as a result of the broken promises.

22 53. Plaintiff's reliance on Defendant's promises was a substantial factor in causing his
23 harm.

24 54. Defendants' conduct was willful and consciously disregarded Plaintiff's rights and
25 subjected him to unjust hardship so as to constitute malice, oppression or fraud under California
26 Civil Code Section 3294, thereby entitling Plaintiff to punitive and exemplary damages in an amount
27 appropriate to punish or set an example of Defendants.

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1 **SEVENTH CAUSE OF ACTION**

2 **(Breach of Covenant of Good Faith and Fair Dealing – Common Law)**

3 55. Plaintiff realleges and incorporates by reference all the preceding paragraphs as though
4 fully set forth herein.

5 56. Defendant as a merchant of high-end luxury merchandise (*i.e.*, watches and jewelry)
6 had a duty to exercise reasonable care to protect its customers from unfair, unethical and illegal
7 business practices, if they can reasonably anticipate the conduct.

8 57. Defendant did not take adequate and reasonable steps under the circumstances.

9 58. Plaintiff was harmed by Defendant's failure to exercise reasonable care, including loss
10 of time and capital, loss of the Promised Watch that he bargained for, and emotional and mental
11 distress.

12 59. Defendant knew or should have known about the improper practices and its impact on
13 Plaintiff. Further, even after Defendant knew that it was going to lose its status as an authorized
14 dealer for Patek Philippe and could not deliver on its promise, it failed to inform Plaintiff of this fact
15 and continued to allow Plaintiff to purchase expensive merchandise under the false understanding
16 that he would be offered the Promised Watch.

17 60. Plaintiff is entitled to compensatory damages resulting from Defendant's breach of its
18 duty to Plaintiff, including emotional and mental distress, all in a sum to be proven and determined
19 at trial.

20 **EIGHTH CAUSE OF ACTION**

21 **(Unfair Business Practices, Pursuant to Cal. Bus. & Prof. Code Section 17200 et seq.)**

22 61. Plaintiff hereby incorporates by reference the allegations in the above paragraphs of
23 this Complaint as though fully set forth herein.

24 62. By the conduct described above, namely by engaging in unfair, unlawful, and
25 fraudulent activity, Defendant has violated the provisions of the Unfair Competition Law, codified
26 at Business and Professions Code sections 17200 et seq.

27 63. Specifically, for example, Defendant has violated the provisions of Business and
28 Professions Code sections 17200 et seq. by not informing Plaintiff (and other customers) that it was
losing its status as an authorized dealer for Patek Philippe, and by encouraging and inducing Plaintiff

1 (and other customers) to purchase merchandise that they did not otherwise want in order to be able
2 to purchase the merchandise that they wanted, even when Defendant knew it could not deliver (or
3 was unlikely to deliver) on its promise.

4 64. As a direct and proximate result of Defendant's wrongful conduct, Plaintiff has
5 suffered injury-in-fact, including but not limited to, loss of time and capital, loss of the Promised
6 Watch that he bargained for, and emotional distress, all as a direct result of the above-mentioned
7 unlawful and unfair business practices.

8 65. The unlawful and unfair business practices conducted by Defendant are ongoing and
9 present a threat and likelihood of continuing harm against current and future customers.
10 Accordingly, Plaintiff seeks permanent injunctive relief.

11 66. As a further result of Defendant's wrongful conduct, Plaintiff is also entitled to
12 attorneys' fees and costs pursuant to California Code of Civil Procedure section 1021.5.

13 **PRAYER FOR RELIEF**

14 **WHEREFORE**, Plaintiffs prays for judgment against Defendant, and each of them, as
15 follows:

- 16 1. For general and special damages according to proof but not less than \$500,000.00;
- 17 2. For pre-judgment interest as permitted by law;
- 18 3. For exemplary and punitive damages;
- 19 4. For specific performance;
- 20 5. For specific injunctive relief;
- 21 6. For the costs of the suit herein; and
- 22 7. For such other and further relief as this Court may deem just and proper.

23
24 DATED: June 9, 2023

SHALCHI BURCH LLP

25
26 By: /Ali Shalchi/
27 Ali Shalchi, Esq.
Attorneys for Plaintiff