

U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA

JULIA GENEVY,)	
)	
Plaintiff)	
)	
v.)	Case No. 1:20-CV-20531
)	
DIAMONDS INTERNATIONAL, LLC;)	
ROYAL MEDIA PARTNERS, LLC;)	
ROYAL CARIBBEAN CRUISES, LTD.;)	
and JANE DOE;)	
)	
Defendants.)	

COMPLAINT AND JURY DEMAND

The Plaintiff, Julia Genevy (“Plaintiff” or “Ms. Genevy”), through undersigned counsel, files this Complaint against Defendants Diamonds International, LLC (“Diamonds International”), Royal Media Partners, LLC (“Royal Media”), Royal Caribbean Cruises, LTD. (“Royal Caribbean”), and Jane Doe. Based on information and belief, the Plaintiff states as follows to the Court and Jury for her causes of action against the Defendants:

JURISDICTION AND VENUE

1. Plaintiff Julia Genevy is a natural person who is a citizen and domicile of the state of Arizona.
2. Diamonds International, LLC (hereinafter “Diamonds International”) is a New York limited liability company with its principle place of business located in Bronx County, New York. Diamonds International does business in Alaska and Florida within the United States of America and over one hundred locations throughout the Caribbean. For purposes of diversity jurisdiction, Diamonds International is a domicile of the state of New York.

3. The only member of Diamonds International is Gary Wirth, Esq. Gary Wirth, Esq. is a citizen of the State of New York, who either resides or does business at 60 East 42nd St, New York, New York 10165.

4. Diamonds International has a continuous presence, and does business in the State of Florida, including in the Southern District of Florida. Diamonds International owns and operates a Diamonds International jewelry retail location at 129 Duval St., Key West, FL 33040.

5. Diamonds International may be served through its registered agent, Gary Wirth of the law firm Altier Kushner Miuccio & Frind, PC at 60 East 42nd St, New York, New York 10165.

6. Defendant Royal Media Partners, LLC (hereinafter "Royal Media") is a Florida limited liability company with its principle place of business at 960 Alton Rd., Miami Beach, FL 33139. Royal Media's filings with the Florida Secretary of State identify its only managing member as Phillip Levine. Phillip Levine is a citizen of Florida. For the purpose of subject matter jurisdiction, Royal Media is a citizen of Florida.

7. Royal Media may be served through its registered agent, Sylvia Berkshire, at 960 Alton Rd., Miami Beach, FL 33139.

8. Defendant Royal Caribbean Cruises Ltd. d/b/a "Royal Caribbean International" (hereinafter "Royal Caribbean") is a Liberian Company, with its principle place of business located in Miami-Dade County at 1050 Caribbean Way, Miami, FL 31132. For the purpose of subject matter jurisdiction, Royal Caribbean is a citizen of both Liberia and Florida.

9. Royal Caribbean may be served through its registered agent, Bradley H. Stein, at 91050 Caribbean Way, Miami FL 33132.

10. This Court has personal jurisdiction over Defendant Diamonds International by virtue of the fact that Diamonds International has purposefully availed itself of the privilege of

conducting business within the state of Florida, including because it owns and operates retail jewelry stores in Orlando, Florida and in Key West, Florida.

11. This Court has personal jurisdiction over Defendant Royal Media because it is headquartered and domiciled in Florida.

12. This Court has personal jurisdiction over Defendant Royal Caribbean because it has a purposeful and sustained presence in the state of Florida, including because its headquarters is located in Miami, Florida.

13. Venue is proper before this Court, in the Southern District of Florida, pursuant to 28 U.S.C. § 1391(b)(1) and 28 U.S.C. § 1391(d) because all three Defendants are deemed to reside in this district for purposes of venue, pursuant to 28 U.S.C. § 1391(c)(2).

14. This Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332 because the Plaintiff and the Defendants are completely diverse, and the amount in controversy exceeds \$75,000.

15. Jane Doe was an employee and agent of Royal Media, an apparent/ostensible employee and agent of Royal Caribbean, and a loaned servant to Diamonds International at all times relevant hereto. Her first name was believed to be “Ericka,” but her complete real name is not currently known to Plaintiff. When her real name becomes known, the Plaintiff will ask leave of this Court to amend this Complaint to insert her true name, together with other proper changes.

STATEMENT OF FACTS

a. Defendants’ Relationships with Each Other, Systemic Business Practices, and Knowledge of Diamonds International’s Wrongdoing.

16. Diamonds International is a jewelry retailer that sells massively overpriced jewelry to port-city tourists in one-off transactions, by employing a series of unfair, deceptive, and unethical business practices, including misleading customers and outright fraud.

17. Diamonds International has approximately 140 locations, nearly all of which are in port cities in the Caribbean, such as Nassau, Grand Turk, Playa Del Carmen, Cozumel, Antigua, etc. Albert Gad – the President of Diamonds International – has stated “wherever cruise lines go, you will find a Diamonds International...”

18. Diamonds International operates almost exclusively out of port cities because its business model is reliant upon a steady stream of one-off transactions with unsuspecting cruise ship passengers who (1) are on vacation; (2) are not familiar with Diamond International’s reputation for misleading and cheating customers; and (3) have been primed to buy from Diamonds International by the cruise line and/or its associates.

19. Diamonds International is headquartered in the United States and a large percentage of Diamonds International’s customers are American citizens, like the Plaintiff.

20. Each of Diamonds International’s locations, including those located in Curacao, Aruba, and St. Kitts, are controlled and directed by Diamonds International’s main office in New York. The founders of Diamonds International – Morris Gad, Albert Gad, Donna Gad, Abe Tarapani, and Wendy Tarapani – “personally oversee every aspect of [Diamonds International’s] daily operations” from the New York office. The New York office is even involved in – sometimes in real time – directing discrete overseas transactions, including directing sales strategy, and authorizing the terms and financing offered to customers for specific jewelry purchases.

21. Consumer review websites like the Better Business Bureau (NYC), Ripoff Report, Trip Advisor, ComplaintsBoard.com, resellerratings.com, and my3cents are replete with consumer horror stories and warnings about Diamonds International’s unfair and deceptive business practices.¹ The Better Business Bureau has issued a “Red Alert” for Diamonds International and

¹ There are also many videos on YouTube, including local news investigative pieces detailing how Diamonds International have scammed other customers.

warns that “BBB files indicate a pattern of complaint concerning jewelry purchased from a Diamonds International (DI) location while on a vacation or cruise.”² The pattern of the complaints to the Better Business Bureau is that Diamonds International sells “flawed or inferior merchandise” for massively inflated prices and then stonewalls customers when they return from vacation and want to return their jewelry for their money back. Before falling victim to the Defendants’ scheme, as detailed herein, the Plaintiff was not aware of Diamonds International’s reputation.

22. Royal Caribbean is one of the largest and most profitable cruise lines in the world. Royal Caribbean has a fleet of over twenty-six cruise ships and offers a large variety of cruises of different lengths and to different destinations.

23. A typical week-long Royal Caribbean cruise offers its passengers several day-long stops at port cities along the way and various on-board amenities/activities for passengers while the cruise ship is traveling between ports.

24. Royal Caribbean offers cruise tickets for deeply discounted fares. Whether a particular cruise will be a financial success depends largely on the amount of revenue Royal Caribbean can extract from its passengers *after* they board the ship, either directly or by selling third-party vendors access to their passengers.

25. Royal Media is a sales company that contracts with Royal Caribbean for the opportunity to have its “Shopping Guides” *be onboard to channel* Royal Caribbean’s passengers to buy merchandise from Royal Media clients when the ship arrives to a port city.

26. In February 2011, Royal Media and Royal Caribbean announced a contract granting Royal Media the exclusive right to provide “Port Shopping services” onboard Royal Caribbean cruises.

² Available at: <https://www.bbb.org/us/ny/new-york/profile/jewelry-stores/diamonds-international-0121-7969/details#all-alerts>

27. While passengers are onboard Royal Caribbean cruise ships, Royal Caribbean markets and holds various official events to introduce passengers to “Shopping Guides” employed by Royal Media, including “Port Shopping talks” and “Diamond and Gemstone seminars.” At these events, the Royal Media Shopping Guides appear to be employees of Royal Caribbean.

28. The Shopping Guides hold themselves out as local shopping “experts,” who are onboard to provide another *service* or *benefit* to passengers as part of passengers’ Royal Caribbean cruise package.³ In reality, the Shopping Guides are neither shopping “experts,” nor onboard to “help” passengers find the best shopping deals. Rather, Shopping Guides are aggressive salespeople that begin targeting a *captive, onboard* sales audience on behalf of port retailers like Diamonds International who have contracted with Royal Media.

29. Royal Media, in conjunction with Royal Caribbean, hosts multiple onboard events that are promoted to passengers as educational seminars.⁴ Passengers are led to believe they will be learning information that will give them an edge in making smart, value-driven buying decisions, but in reality, these events are an opportunity for Shopping Guides to identify marks and to begin driving sales toward Diamonds International and other retailers who pay significant kickbacks to Royal Media.

30. Shopping Guides routinely claim that they have vetted the local stores in upcoming ports in order to find the best values and are onboard for the benefit of passengers to share their expertise. In reality, the Shopping Guides make recommendations and push cruise line passengers

³ Similar claims about the Shopping Guides’ role onboard Royal Caribbean ships are made in “The Official Port & Shopping Guide of Royal Caribbean,” which states as follows about the Shopping Guides: “The Port Shopping program is a comprehensive – and entirely complimentary – service with a multitude of resources available to save [passengers] both time and money in the ports of call. And the best part is you can shop with confidence. The cruise line’s shopping experts invited only the top stores in each destination to be a part of the Port Shopping program and guarantee any purchases made at stores listed in the official Port Shopping Map.” (emphasis added).

⁴ Royal Caribbean also offers other educational programming, such as a class on how to make sushi.

to stores like Diamonds International because those stores are kicking back a portion of the revenues from such sales to Royal Media and/or Royal Caribbean.

31. Royal Media's website provides information about being a Royal Media "Shopping Guide" to recruit prospective employees. According to Royal Media's website, the position of "Shopping Guide" is a "highly sales driven position with *unlimited* earning potential." Royal Media expressly acknowledges on its website that a Shopping Guide's focus is to "driv[e] purchases at the retailers on our program in the ports of call."

32. In an example four-day cruise itinerary for prospective Shopping Guides on Royal Media's website, the Shopping Guide is supposed to spend most of day one "mingling with guests, [and] handing out special invitations to attend your Port Shopping Talk and Diamond & Gemstone Seminar." On the morning of day two, the Shopping Guide leads a "Port Shopping Talk" attended by "hundreds of cruise guests." The Shopping Guide "work[s] the crowd into a frenzy at [their] exciting and informative Port Shopping Talk..." Later in the day, the Shopping Guide holds a "Diamond & Gemstone Seminar." The Shopping Guide thereafter meets with guests one-on-one and is supposed to give out "Targeted VIP Referrals" that "direct guests to specific retailers in the ports of call."

33. During the "Diamond and Gemstone Seminars" hosted by the Shopping Guides, passengers are led to believe that they will be learning about diamond and gemstone buying from industry "experts." In reality, these seminars are just another opportunity for Shopping Guides to drive passengers to buy jewelry from Diamonds International under false pretenses.

34. Royal Caribbean also publishes and distributes content called "The Official Port & Shopping Guide of Royal Caribbean" to its onboard passengers, which is created in conjunction with Royal Media. As with Royal Caribbean passengers' in-person interactions with the Shopping

Guides, “The Official Port & Shopping Guide of Royal Caribbean” appears – by all indications – to be the work of Royal Caribbean, not some other third party. The first page of the content is a note from Royal Caribbean President and CEO Michael Bayley that begins “On behalf of Royal Caribbean International...” “The Official Port & Shopping Guide of Royal Caribbean” holds itself out as a “guide to the best shops in port” and claims that the Caribbean is a “shopper’s paradise” where passengers can buy “designer jewelry...at prices up to 50 percent less than what you’ll pay for the same items on the US mainland.”

35. In “The Official Port & Shopping Guide of Royal Caribbean,” “Port Shopping Talks” are described to passengers as an opportunity for passengers to meet “experts” who will share “insider tips” to help passengers to “learn how to get the best price for whatever it is you’re looking for, such as...couture tanzanite, and diamond pendant necklaces.”

b. The Value of Diamonds and Diamond Jewelry

36. Most diamond jewelry, including the diamond jewelry at issue in this case, features a diamond center stone. Typically, the diamond center stone will be the most expensive and valuable component of the jewelry, not the ring/bracelet/setting.

37. The value of a diamond can vary dramatically – from hundreds of dollars to hundreds of thousands of dollars – based on characteristics that are not easily discernable to the unsophisticated customer.

38. A diamond has four (4) specific qualities that generally serve to establish its value: carat weight, color, clarity, and cut. Collectively, these are called the “4Cs” of the diamond. Carat weight is the weight of the diamond expressed in carats. Clarity is the degree to which the diamond does not have visible blemishes, inclusions or other defects. The industry standard is to grade diamond clarity from flawless to I2. Cut refers to the quality of the symmetry, proportioning and

polish of the cut of the diamond. Cut does not refer to the diamond's shape (round, pear, princess, etc.). Clear diamonds are graded from D (colorless) to Z (pale yellow). The more yellow the diamond, the less valuable the diamond. "Fancy" yellow colored diamonds are given a grade from "fancy light yellow" to "vivid yellow" based on the intensity of yellow color of the diamond:



39. Diamonds of the same shape, carat weight, color, clarity, and cut generally sell for very similar prices with only a narrow range of variation.

40. A four carat, radiant cut, "fancy yellow" diamond, with "very slightly included" clarity, and a "very good" to "excellent" cut grade can generally be purchased from a retailer in the United States for between \$7,500 to \$12,000 per carat. If the same diamond is "fancy deep yellow," the retail price will range from \$9,000 to \$15,000 per carat. The generally accepted retail markup for diamonds such as this ranges from as low as 20% (*e.g.* online retailers) to as high as 50% (*e.g.* for brick and mortar stores in more expensive locations, such as Beverly Hills).

41. Given the importance of the 4Cs to a diamond's value, diamonds – particularly diamonds over 2 carats or \$10,000 – are typically sold with a certificate from a reputable third-party lab, such as the GIA or IGI, identifying the 4Cs of the diamond.

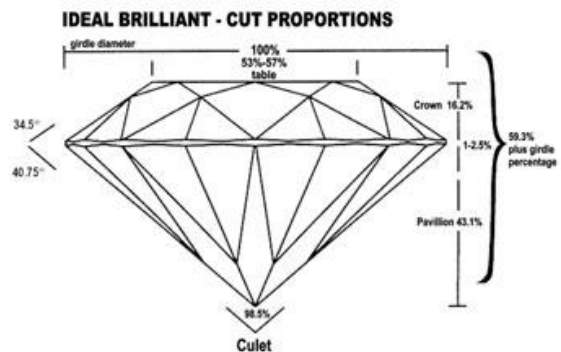
42. It is contrary to industry norms and considered an unfair and deceptive trade practice to sell a large or expensive diamond based on a grading certificate from a unrecognized lab and/or a lab known to overstate the qualities of a diamond, such as EGL/GHI.

43. For many years, EGL was known to fraudulently overstate the qualities of diamonds in its certificates. On September 9, 2014, the world's largest diamond exchange, RapNet, announced it was de-listing all EGL diamonds and banning their trade among wholesalers and retailers on its exchange. The basis for the decision was EGL-I's practice of fraudulently misrepresenting the qualities and characteristics of the diamonds it graded. On September 17, 2014, Polygon, the world's largest online community and trading network of certified jewelers, followed suit – banning the trade of EGL-International diamonds on its site. A statement by Polygon's senior director acknowledged that, "the industry does not support the trade of these stones based on EGL International grading reports."

44. After the sale of EGL-graded diamonds was banned from major marketplaces and customers could easily find information about EGL-graded diamonds on the internet, the owner of EGL-USA launched "GHI" as a new laboratory without the baggage or bad publicity of the "EGL" name.

45. GHI is not recognized as a reputable lab in the diamond industry.

46. Most round diamonds are cut in the modern "round brilliant" design, with 57-58 facets, because this design has been shown to maximize the sparkle and the market value of a round diamond. However, the tradeoff with cutting a round brilliant



diamond to these ideal proportions is that only approximately 50% of the rough diamond is utilized.

47. Diamonds International uses an alternative 90-facet cut for round diamonds that it has branded as a “Crown of Light” cut. This “Crown of Light” cut makes the top of the diamond look like a miniature golf ball:



Crown of Light cut Diamond

Golf ball

48. This “Crown of Light” cut is considered by the diamond industry and the global diamond market to be a lower quality, inferior cut than the round brilliant, but it wastes less from the original rough diamond, resulting in a higher carat weight from the same rough diamond and a lower manufacturing cost to Diamonds International per carat weight of the finished diamond.

49. Diamonds International is the only diamond seller in the world that sells Crown of Light cut diamonds. Diamonds International claims that this is because it has a US patent on the Crown of Light cut.

50. To sell Crown of Light diamonds, Diamonds International and Royal Media Shopping Guides routinely, and falsely, claim that Crown of Light diamonds are *worth more* than a similar-sized round brilliant diamond of comparable 4Cs, and are a significant value for the prices charged by Diamonds International. Diamonds International and Royal Media Shopping

Guides buttress this false claim with an entirely misleading claim to shoppers that jewelry purchased from Diamonds International is guaranteed to appraise for at least the sales price.

51. When customers thereafter discover that Crown of Light diamonds are considered inferior to standard diamonds, with little to no market outside of Diamonds International selling them to unsuspecting cruise ship passengers, the Defendants refuse to accept any appraisal evidencing this fact unless – tautologically – the appraisal used the sales price to value the jewelry.

52. When customers complain that their items are not worth anywhere near the amount they paid after being assured that jewelry would appraise for the sales price, Diamonds International claims that a post-sale appraisal of jewelry including Crown of Light diamonds is only valid if the appraisal used the *sales price* Diamonds International charged for the item to determine its value.

53. Diamonds International attempts to justify this position by claiming that Crown of Light diamonds are so special and unique that they cannot be compared to other types of diamonds, and their value can only be measured by the purchase price that Diamonds International charges.

54. At the front end of the transaction, Diamonds International claims that its Crown of Light diamonds are a significant value, and the guarantee that they will appraise for the purchase price is proof of same. However, that guarantee turns out to be entirely tautological and illusory because Diamonds International will only acknowledge the legitimacy of an appraisal when that appraisal is based entirely on Diamonds International's sales price.

55. Diamonds International claims that any jewelry containing Crown of Light diamonds – even just as melee (accent) diamonds – is a “designer” piece and therefore, can only be appraised based on their sales price, no matter what Diamonds International charges.

56. Royal Caribbean, Royal Media, and Diamonds International receive a large volume of complaints from passengers who have returned home from cruises to learn that they were tricked into purchasing massively overpriced jewelry from Diamonds International that was not of the quality, or of the value, that the Shopping Guides and Diamonds International led them to believe they were purchasing.

57. Royal Caribbean and Royal Media have known for years that Diamonds International has been ripping off Royal Caribbean passengers and that many passengers complain that they feel cheated and scammed upon returning home and learning the true quality and value of the jewelry they bought from Diamonds International. Nonetheless, Royal Caribbean and Royal Media have continued to channel cruise passengers to Diamonds International stores by making claims that they knew were misleading and false, including that Royal Media Shopping Guides are “expert” jewelry buyers, that Royal Caribbean has vetted Diamonds International, and that Diamonds International sells jewelry for prices that are significantly lower than in the United States.

58. Diamonds International is a vertically integrated company that buys diamonds from its corporate parent/affiliate, Almod Diamonds. Almod Diamonds is one of only ~80 companies that have “sightholder” status with De Beers Group. De Beers is the largest diamond producer in the world. Only “sightholders” can purchase bulk rough diamonds from De Beers.

59. Due to its lower acquisition costs, Diamonds International *should* be able to sell diamonds for much cheaper prices than other retailers, and this is the story they tell to customers, playing up their connection with De Beers. Instead, Diamonds International charges a retail markup for diamond jewelry that is well above and beyond the high-end reasonable retail markup charged anywhere in in the United States.

c. **Ms. Genevy's February 3, 2019 Freedom of the Seas Cruise**

60. On February 3, 2019, Ms. Genevy embarked on a seven (7) night "Freedom of the Seas" Bahamas cruise with Royal Caribbean from San Juan, Puerto Rico.

61. Ms. Genevy is a retired public librarian. In February 2019, Ms. Genevy was 67 years old. She went on this Freedom of the Seas cruise with a "square dancing" group as a cabin-mate for one of the groups' organizers whose husband had passed away.

62. In February 2019, Ms. Genevy was not a sophisticated jewelry buyer.

63. While aboard the Freedom of the Seas, Ms. Genevy attended a diamond and gemstone seminar that Royal Caribbean had listed on its official calendar of activities and events. Royal Caribbean had delivered the calendar promoting this event directly to Ms. Genevy's room.

64. Jane Doe, and another Shopping Guide employed by Royal Media, led the diamond and gemstone seminar that Ms. Genevy attended. At the time, Ms. Genevy believed Jane Doe and the other Shopping Guide were employees of Royal Caribbean because they presented themselves as another service offered by Royal Caribbean for the benefit of passengers. They did not disclose that they were working for a third-party sales company that was being paid by Diamonds International, and kicking back money to Royal Caribbean, to direct customers to Diamonds International.

65. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide held themselves out to Ms. Genevy and others present as diamond and gemstone experts who were there to help Ms. Genevy and others learn about diamonds and gemstones.

66. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide falsely represented to Ms. Genevy and others present that the prices of jewelry were significantly cheaper in the Caribbean at Diamonds International than in the United States due to tax laws ("duty

free”) and because Diamonds International is one of the few companies in the world who can purchase diamonds directly from De Beers and sells high volume and low margin,⁵ therefore sells comparable diamonds for cheaper prices than other retailers who do not buy directly from DeBeers or sell lower volume. In reality, Diamonds International’s prices are significantly higher for comparable diamonds and jewelry than in the United States.

67. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide falsely represented to Ms. Genevy and others present that Crown of Light cut diamonds disperse more light than a brilliant cut diamond, and therefore sparkles more.

68. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide displayed pictures and/or videos of Crown of Light diamonds in a manner that artificially and misleadingly made the Crown of Light diamonds appear to disperse more light than other diamonds.

69. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide falsely represented to Ms. Genevy and others present that Crown of Light cut diamonds were significantly more valuable than similar size and quality round brilliant cut diamonds. In reality, Crown of Light cut diamonds are significantly less valuable than similar quality round brilliant cut diamonds.

70. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide misleadingly represented that Royal Caribbean had vetted all of the local stores at the upcoming ports for the best values and recommended Diamonds International based on its great values. In reality, the Shopping Guides were being paid to drive cruise passenger sales to Diamonds

⁵ Almod Diamonds, Ltd. – a parent company of Diamonds International – is one of only ~80 companies with DeBeers’ “sightholder” status. However, the related claim that Diamonds International’s sales price for similar diamond jewelry due to this status is false. Diamonds International does appear to have cheaper access to diamonds, but simply charges a massive margin and markup.

International, even though Royal Caribbean and Royal Media knew that Diamonds International massively overcharges for inferior quality jewelry and many Royal Caribbean passengers complain about being cheated and scammed by Diamonds International after returning home and learning the true facts of their transaction.

71. At the diamond and gemstone seminar, Jane Doe and the other Shopping Guide claimed that other passengers had experienced significant windfalls by purchasing jewelry from Diamonds International, including one former passenger who had purchased jewelry from Diamonds International and the jewelry had appraised for more than double the sales price within two years of purchasing the jewelry.

72. Jane Doe and the other Shopping Guide repeatedly stated that because Royal Caribbean had vetted Diamonds International, Royal Caribbean guaranteed that any jewelry purchased by its passengers at Diamonds International would appraise for the purchase price, or else Royal Caribbean would refund the difference.

73. Jane Doe and the other Shopping Guide led the Plaintiff to believe that buying jewelry from Diamonds International was a good investment, with little downside risk, because it was guaranteed to be worth at least the sales price, and was likely worth much more.

74. At the conclusion of the diamond and gemstone seminar, Jane Doe gave Ms. Genevy a written shopping guide and encouraged Ms. Genevy to meet her onboard at 9 am, when the ship stopped in Curacao.

75. Ms. Genevy did not realize that Jane Doe and the other Shopping Guide were being paid to channel her and other passengers to buy from Diamonds International. Ms. Genevy believed and relied on each of the foregoing misrepresentations made by Jane Doe and/or the other Shopping Guide.

76. During her cruise, Ms. Genevy did not have an international phone service plan, or access to WIFI internet. She did not, and was not able to, independently research Diamonds International or the claims of Jane Doe and the other Shopping Guide during the cruise.

77. Ms. Genevy relied on the representations of Jane Doe and the other Shopping Guide because she trusted Royal Caribbean.

78. The Defendants intended for Ms. Genevy to rely on the representations of Jane Doe and the other Shopping Guide, based on her trust of Royal Caribbean. Wendy Tarapani, a founder and Executive Director of Diamonds International, stated as follows to this effect in a 2006 interview:

ES: How important is the cruise ship market for your stores?

WT: A large percentage of our loyal customers get to know us for the first time while on a cruise. Because we are every major cruise line's number one recommendation for diamonds, fine jewellery and watches, passengers have the confidence to purchase with DI as a US based customer knows that their cruise line stands behind Diamonds International. Plus we have a US based customer service office with an 800 number for the convenience of our customers.⁶

79. Ms. Genevy met Jane Doe at or around 9 am when the ship stopped in Curacao. Jane Doe personally walked Ms. Genevy over to Diamonds International.

80. At Diamonds International in Curacao, Ms. Genevy ultimately made a relatively⁷ small purchase: a loose blue diamond for \$5,500. Leading up to that purchase, Jane Doe stood with Ms. Genevy and acted as if she were there as an advocate for Ms. Genevy and even purported to negotiate on her behalf. Jane Doe claimed that if Diamonds International did not give Ms. Genevy good deal, "she would not bring people back to the store." In reality, Royal Media had contracted

⁶ Available at: <https://www.europastar.com/rSKUetail-world/1002764361-exclusive-interview-with-leading-retail-group.html>

⁷ Compared to her subsequent purchases.

with Diamonds International to direct Royal Caribbean passengers to Diamonds International, and would continue to do so, regardless of the price Ms. Genevy was charged for the diamond. However, the Diamonds International salespeople played along. As he was ringing up Ms. Genevy, the Diamonds International salesman told another employee that the “reason he was giving it to her for this price is only because Ericka [Jane Doe] was standing next to her.”

81. After Ms. Genevy returned to the ship, Jane Doe encouraged her to meet her again at the next port. After gaining Ms. Genevy’s trust with the initial small purchase, Jane Doe decided it was time to aim higher and told Ms. Genevy that she had made an appointment for her with the Diamonds International sales manager “in the VIP room” in Aruba.

82. When the ship stopped in Aruba on February 6, 2019, Jane Doe walked Ms. Genevy over to the Diamonds International store.

83. At the Aruba Diamonds International store, the salesperson showed Ms. Genevy a ring with a 3.64 ct. “fancy” yellow radiant cut center diamond in a setting containing twenty-six (26) small Crown of Light melee diamonds. The salesperson repeated many of the false statements Ms. Genevy had previously heard at the diamond and gemstone seminar about Diamonds International jewelry and about Crown of Light diamonds:

- A. That the diamond ring was significantly cheaper in the Caribbean at Diamonds International than in the United States due to tax laws and because Diamonds International’s price was set using a standard markup on the significantly reduced price Diamonds International could obtain raw diamonds as a De Beers sightholder.
- B. That the proprietary Crown of Light cut of the melee diamonds made the ring significantly more valuable;

C. That the Crown of Light cut disperses more light than a brilliant cut diamond, and therefore sparkles more; and

D. That buying the jewelry was a great value.

84. The salesman told Ms. Genevy “we only see a diamond of this quality once every 2 years” and specifically claimed that the center diamond was “investment quality” due to its rare combination of size and dark yellow color. This was deceptive because the jewelry could in no way be considered a good investment for the price Diamonds International was charging.

85. Ms. Genevy asked the salesperson how much Diamonds International paid for the diamond ring and the salesperson responded that Diamonds International had paid over \$125,000 and the retail markup was less than \$5,000. Based on information and belief, this was false and/or materially misleading. Diamonds is a sophisticated diamond buyer and would know not to pay \$125,000 for the item.

86. Ms. Genevy believed the Diamonds International salesperson’s claims about the diamond ring because she had previously heard the similar things from Jane Doe, whom she believed was a diamond and gemstone expert that was looking out for her interests.

87. In reliance upon the representations of Jane Doe and the Diamonds International salesperson, Ms. Genevy agreed to pay \$130,000 for the diamond ring, with \$5,000 down and 0% interest over two years.

88. This value of the diamond ring was primarily based on the 3.64 carat center stone. Applying a standard retail markup, that diamond was only worth about \$32,760 to \$54,600. The overall value of the diamond was worth less than half of what Diamond International charged the Plaintiff.

89. Ms. Genevy charged \$5,000 to her credit card and financed the rest of the balance for 0% interest over two years with Diamonds International. To complete the financing, Ms. Genevy opened two different credit cards with Diamonds International affiliates: a \$100,000 credit line with Comenity Bank, and a \$25,000 credit line with Synchrony.

90. After this purchase in Aruba, Jane Doe again suggested Ms. Genevy go with her to Diamonds International at the next port stop in St. Kitts.

91. In St. Kitts, Ms. Genevy spent most of the day at the Diamonds International.

92. Ms. Genevy was looking at a 14k rose gold ring with a 0.40 ct. Crown of Light diamond as a setting (\$2,210) for the loose diamond she had purchased in Curacao.

93. Based on her purchase in Aruba, the Diamonds International salesperson also showed Ms. Genevy some other large yellow diamonds and rings. Ms. Genevy responded that she did not need another ring. The salesperson pivoted and suggested Ms. Genevy purchase a diamond ring with a 4.04 ct. radiant cut “fancy yellow” diamond center stone and Crown of Light melee diamonds (\$112,875) and have the center stone diamond mounted on a Safi Kilima bracelet (\$3,915).

94. Ms. Genevy continued to look at the jewelry and hemmed and hawed for hours.

95. To encourage Ms. Genevy to purchase this diamond ring / bracelet, the salesperson repeated the following misrepresentations:

- a. That the diamond ring was significantly cheaper in the Caribbean at Diamonds International than in the United States due to tax laws and because Diamonds International’s price was set using a standard markup on the significantly reduced price Diamonds International could obtain raw diamonds as a De Beers sightholder;

- b. That the proprietary Crown of Light cut of the melee diamonds made the ring significantly more valuable;
- c. That the Crown of Light cut disperses more light than a brilliant cut diamond, and therefore sparkles more; and

96. While Ms. Genevy was at the St. Kitts store, the Diamonds International salesperson contacted Diamonds International's New York office and the New York Office became involved with closing the deal with Ms. Genevy. The local salesman told Ms. Genevy that he had contacted the New York office and that the New York office had authorized him to restructure the credit terms of Ms. Genevy's prior purchases, so that she would be "paying less" per month over a longer period of time if she bought the bracelet and the two diamond rings for a total of \$119,000.

97. Ms. Genevy ultimately purchased three additional Diamonds International items in St. Kitts: (1) a Safi Kilima bracelet with a 3.54 ct. cushion cut tanzanite center stone; (2) a diamond ring with a 4.04 ct. yellow radiant cut diamond; and (3) a diamond ring with a 0.4 ct. Crown of Light Diamond center stone for a combined purchase price of \$119,000.⁸ Diamonds International re-financed Ms. Genevy's outstanding balance on the diamond ring she purchased in Aruba and the additional items for 0% interest over 5 years.

98. Ms. Genevy thought of her jewelry purchases from Diamonds International as an investment to diversify her life savings (based on what she had been led to believe by Defendants). Ms. Genevy ultimately decided to go through with the additional purchases because she believed she was making a great value purchase, with little downside, due to Diamonds International

⁸ Diamonds International switched the 4.04 radiant cut diamond and the tanzanite center stone.

reducing her monthly payment and Royal Caribbean guaranteeing to her that the items would be worth at least the purchase price.

99. Most of the value of the diamond ring with the 4.04 ct. radiant cut “fancy yellow” diamond that Ms. Genevy purchased comes from the center stone. Applying a standard retail markup, that diamond was only worth about \$30,000 to \$50,000. The overall value of the diamond was worth less than half of what Diamond International charged the Plaintiff.

100. Diamonds International was able to restructure the terms of the credit cards Ms. Genevy took out in Aruba with Comenity Bank and Synchrony. Diamonds International financed the remaining \$119,000 itself.

101. In connection with this agreement, Ms. Genevy was to make monthly payments to Diamonds International’s US office until the outstanding loan amount was repaid.

102. Diamonds International did not provide Ms. Genevy with the third-party grading certificates for the diamonds she purchased in Aruba and St. Kitts until she returned home from her cruise. After Ms. Genevy returned home, Diamonds International mailed Ms. Genevy the grading certificates from its New York office.

103. The grading certificate that Diamonds International provided for the 4.04 carat fancy yellow radiant cut diamond that Ms. Genevy purchased in St. Kitts for \$112,875 was a bogus certificate from GHI, rather than from a reputable lab.

d. Ms. Genevy’s Efforts to Get a Refund After Returning Home.

104. Shortly after she returned home from her cruise on February 10, a local jewelry GIA certified appraiser told her that the internet was full of complaints about Diamonds International. Looking online, Ms. Genevy then learned about Diamonds International’s reputation

for massively overcharging for jewelry and discovered that she had been ripped off because the jewelry she purchased was only worth a fraction of the amount she paid.

105. In addition to discovering that the jewelry she had purchased was worth only a fraction of the amount she paid, Ms. Genevy also discovered that the jewelry was of materially inferior quality than had been represented, and was of such poor workmanship that it could not be worn in the manner intended.

106. The bracelet for which Ms. Genevy paid \$113,790 in St. Kitts would not remain clasped, and would fall on the floor within 30 minutes of Ms. Genevy wearing it.

107. The prongs on the blue diamond purchased in Curacao set in the diamond ring purchased in St. Kitts, do not firmly hold the center stone diamond (stone is loose) and are so sharp, they always pull threads out of Ms. Genevy's and others' clothing when she wears the ring. Also, the prongs injured someone while Ms. Genevy was square dancing, and the whole square had to stop dancing because the injured dancer was yelling in pain.

108. Within 30 days of returning from her cruise, Ms. Genevy contacted Royal Caribbean and complained, asking to return the jewelry she purchased for her money back. At this time, Ms. Genevy was told that the Shopping Guides were employed by a third party, Royal Media. Ms. Genevy was directed to Royal Media and Diamonds International.

109. Ms. Genevy's complaint was given claim number T20190305.0012 with Royal Media and claim number 8050 with Diamonds International.

110. In connection with the complaint, Ms. Genevy sought to have the jewelry appraised by an appraiser identified as acceptable by Diamonds International. Diamonds International refused to recognize the validity of any appraiser who was not "Crown of Light certified."

111. In connection with the appraisal, the appraiser contacted Diamonds International for information about their pricing. Diamonds International told the appraiser that since the jewelry items had Crown of Light diamonds, they were designer pieces and therefore, could only be appraised for their purchase price.

112. The appraiser ultimately determined that the reasonable retail price for jewelry items that Diamonds International sold to Ms. Genevy was significantly lower than the amount the Defendants led Ms. Genevy to believe the jewelry was worth and significantly lower than the amount Ms. Genevy paid.

113. The difference between the value of the jewelry purchased by Ms. Genevy was so significant that it amounted to a material misrepresentation of fact by the Defendants, not mere sales puffery. Due to Ms. Genevy's relative lack of information and sophistication vis-à-vis the Defendants, Ms. Genevy believed the Defendants representations that the jewelry would be worth at least what she paid and was a good investment.

114. Ms. Genevy did not discount the Defendants' representations about the value of the jewelry she purchased as sales puffery in part because she was led to believe that Jane Doe and the other Shopping Guide were jewelry and local shopping experts that were on board to help her as a service provided in connection with her cruise, rather than salespeople for Diamonds International. The Defendants intended for Ms. Genevy to believe that Jane Doe and the other Shopping Guide were jewelry experts that were on her side, rather than paid mouthpieces for Diamonds International.

115. Ms. Genevy spent a lot of time with Jane Doe and believed Jane Doe was her advocate. Ms. Genevy was so convinced and confident that Jane Doe was acting as her advocate that she gave Jane Doe a \$40 tip after completing her purchases.

116. In connection with her disputes, Royal Media and Diamonds International made Ms. Genevy jump through repeated hoops and drew out their dispute process, but ultimately refused to refund Ms. Genevy's purchases. The only resolution offered by the Defendants' customer services representatives in the dispute process (before Ms. Genevy hired undersigned counsel) was for Ms. Genevy to return her jewelry for store credit with Diamonds International. Ms. Genevy declined this offer because she did not want to trade out her overpriced, inferior quality Diamonds International jewelry for different overpriced, inferior quality jewelry from Diamonds International.

117. In the course of her dispute with Diamonds International, Ms. Genevy instructed Diamonds International in June or July of 2019 to stop making "autopay" charges to her Alliant credit card in connection with the promissory note to Diamonds International. An agent/employee of Diamonds International told Ms. Genevy that the payments would be stopped, but Diamonds International thereafter made unauthorized charges on Ms. Genevy's Alliant credit card totaling \$9,916.65.

CAUSES OF ACTION

Count I – Rescission of Sales Contract(s) (Diamonds International)

118. The Plaintiff incorporates the averments in the prior paragraphs, as if restated herein.

119. The Plaintiff's agreement(s) to pay for \$250,000+ for jewelry from Diamonds International during her Royal Caribbean cruise was induced by fraudulent and/or material misrepresentations by Diamonds International and the other Defendants on Diamonds International's behalf.

120. The Plaintiff justifiably relied on fraudulent and/or material misrepresentations by Diamonds International and the other Defendants on Diamonds International's behalf when she agreed to pay \$250,000+ for jewelry from Diamonds International during her Royal Caribbean cruise.

121. The Plaintiff notified the Defendants that she wished to rescind her agreement to purchase the jewelry within a reasonable time of learning that the Defendants' material representations about the jewelry she purchased were false.

122. The Plaintiff is entitled to rescission of her purchases from Diamonds International and requests that this Court order Diamonds International to accept a full return of the jewelry the Plaintiff purchased, returning the purchase price received from the Plaintiff and nullifying outstanding debts owed by the Plaintiff to Diamonds International and Diamonds International's finance partners, Comenity Bank and Synchrony.

Count II – Breach of Warranty (All Defendants)

123. The Plaintiff incorporates the averments in the prior paragraphs, as if restated herein.

124. At the time of the Plaintiffs' purchase of the jewelry at issue herein, the Defendants were engaged in the business of selling diamonds to retail customers, either directly, or by partnering with Diamonds International to surreptitiously market Diamonds International and its jewelry as seemingly independent experts and consumer advocates in return for monetary compensation from Diamonds International.

125. Defendants made various statements of fact and "guarantees" regarding the jewelry the Plaintiff agreed to purchase, as detailed above.

126. The Defendants warranted to the Plaintiff that the jewelry would appraise for at least the sales price. The Defendants did not disclose or explain that they would only honor the warranty if the methodology of the appraisal was to appraise the jewelry for its sales price. As such, the Plaintiff reasonably understood the Defendants' warranty at the time of same as warranting that the jewelry would be worth the sales price. A reasonable customer would not expect the qualification the Defendants attempted to make *after the fact* because it would make the warranty entirely illusory and meaningless.

127. The jewelry was not worth anywhere close to the sales price the Plaintiff paid Diamonds International, and did not appraise for anywhere close to the sales price that the Plaintiff paid Diamonds International. As a result, the Plaintiff suffered damages.

128. Wherefore, the Plaintiff demands that judgment be entered against the Defendants for an award of compensatory damages, costs, and pre- and post-judgment interest. Alternatively, Plaintiff demands rescission of her purchases with Diamonds International.

**Count III – Breach of Implied Warranty of Merchantability / Fitness for Specific Purpose
(Diamonds International Only)**

129. The material allegations set forth above are incorporated herein by reference as if fully set forth herein.

130. Diamonds International's sale of the diamond ring and bracelet to the Plaintiff implied, as a matter of law, that those items were merchantable and fit for its ordinary purpose – wearing as jewelry.

131. The ordinary purpose of the diamond ring and bracelet purchased by the Plaintiff was to be worn regularly as jewelry. As such, this implied a warranty of fitness for specific purpose that the jewelry was appropriate to wear regularly (as nearly all women do with engagement rings like the diamond ring sold to the Plaintiff).

132. Diamonds International breached these warranties with respect to the diamond ring because the diamond ring no longer tightly holds the center diamond, and due to its sharp prongs, the Plaintiff cannot wear the ring without harming herself or others, or damaging her clothing.

133. Diamonds International breached these warranties with respect to the bracelet because the Plaintiff cannot wear the bracelet for even 30 minutes without the clasp coming loose. This issue makes the bracelet unwearable because the Plaintiff worries about losing or damaging the very expensive bracelet and/or its components.

134. As a result of Diamonds International's breach of warranty, Plaintiff suffered damages.

135. Wherefore, Plaintiff demands rescission of her purchases with Diamonds International. Alternatively, Plaintiff demands entry of the judgment against Diamonds International for an award of compensatory, costs, and pre- and post-judgment interest.

Count IV – Breach of Applicable Consumer Protection Act(s) (All Defendants)

136. The material allegations set forth above are incorporated by reference as if fully set forth herein.

137. The conduct of the Defendants – all US-based companies – in the scheme outlined in this Complaint was directed primarily towards US citizens like the Plaintiff, with the knowledge, direction, and active participation of the Defendants' US offices, including the Defendants' offices in New York and/or Florida.

138. The Defendants' scheme is only successful because cruise ship passengers, primarily US citizens, rely on the Defendants promotion of themselves as United States-based companies who provide US-based customer service.

139. The Defendants conduct herein is subject to and actionable as unfair and deceptive trade practices under N.Y. CLS Gen. Bus. § 349 and/or Fl. Stat. § 501.204 (collectively

“UDTPAs”).⁹ Alternatively, the Defendants conduct herein is subject to and actionable as unfair and deceptive trade practices act statutes of each of the 50 states and Puerto Rico.

140. Defendants conduct was unfair and deceptive in violation of the UDTPAs, including for the following reasons:

- a. The Shopping Guides acting on behalf of the Defendants misrepresented to the Plaintiff and others that they were experts in jewelry buying, and could be trusted because they were providing a service for the benefit of Royal Caribbean passengers. These representations were unfair and deceptive because the Shopping Guides were not experts and were not providing disinterested information to the Plaintiff or acting as the Plaintiff’s advocate, but rather, their only goal was to drive sales to Diamonds International for commissions.
- b. The Shopping Guides acting on behalf of the Defendants misrepresented the nature of Royal Caribbean and Royal Media’s relationship with Diamonds International, claiming to passengers, including the Plaintiff, that Royal Caribbean had “vetted” and had independently determined that Diamonds International provided great value pricing on jewelry, when Royal Caribbean and Royal Media were being paid to direct passengers to Diamonds International, despite being aware that Diamonds International actually sells inferior jewelry for massively inflated prices, and a large number of customers complain about this to Royal Caribbean after returning from vacation.
- c. The Shopping Guides acting on behalf of the Defendants and/or Diamonds International salespeople misrepresented that Diamonds International’s prices for diamonds were significantly cheaper than similar diamonds available in the United

⁹ For the purpose of this action, these statutory claims do not require a choice of law analysis because there is no material conflict of law.

States due to tax laws and because Diamonds International's price was based on a standard margin on the significantly reduced price Diamonds International pays for raw diamonds as a DeBeers sightholder;

- d. Diamonds International's salesperson misrepresented that Diamonds International had paid \$125,000 for the diamond ring it sold to the Plaintiff in Aruba;
- e. The Shopping Guides acting on behalf of the Defendants and/or Diamonds International salespeople misrepresented that Diamonds International's prices for diamonds and jewelry were so low relatively to the value of the jewelry, due to US tax laws and Diamonds International's sightholder status with DeBeers, that purchasing jewelry from Diamonds International was "investment quality" or a good investment. This was not merely sales puffery because Defendants knew that buying jewelry from Diamonds International could not be considered a "good investment" by any stretch of the imagination because the jewelry would not appreciate in value and could never be resold by the Plaintiff for anywhere near the purchase price. The Diamonds International salesperson specifically misled the Plaintiff about the amount Diamonds International had paid for the diamond ring.
- f. The Shopping Guides acting on behalf of the Defendants and Diamonds International salespeople misrepresented that Diamonds International's jewelry is guaranteed to appraise for its sales price because it is such a good value. In reality, Diamonds International's jewelry is massively overpriced and will only appraise for the price if an absurd and tautological appraisal method is employed, whereby the value is determined entirely based on the price Diamonds International decides to charge. The Shopping Guides and Diamonds International salespeople's representations were

misleading and deceptive because the statements are reasonably understood by customers, including the Plaintiff, to mean that Diamonds International's jewelry is being sold for a price at or below the jewelry's objective market value (as would be determined by an independent appraiser), as opposed to a meaningless and tautological guarantee that the jewelry will appraise for the sales price if the appraisal is based on the sales price.

- g. The Shopping Guides acting on behalf of the Defendants and Diamonds International salespeople misrepresented that Crown of Light diamonds disperse more light and sparkle more than brilliant-cut diamonds, and are worth more than similar round brilliant diamonds, when in reality, the Crown of Light cut is inferior and less valuable than the round brilliant cut and there is no real market for Crown of Light diamonds outside of the Defendants' scheme, as detailed herein.
- h. Diamonds International sold the diamond ring with the 4.04 ct. radiant cut center stone diamond to the Plaintiff in St. Kitts without a GIA certificate (or equivalent certificate from a recognized lab), instead providing a GHI certificate. This is unheard of in the diamond industry for a diamond over \$100,000. Diamonds that expensive are only sold with a GIA certificate, and definitely not with a GHI certificate, which is a non-reputable lab that is not recognized among professional certified appraisers. The sale of a diamond that expensive with a GHI certificate is an unethical, unfair, and deceptive trade practice because the consumer does not appreciate the significant difference between "GIA" and "GHI," and does not understand that a GHI-certified diamond is considered inferior, and is effectively unsaleable for the market price that would otherwise be expected for the diamond based on its 4Cs.

141. Diamonds International sold the Plaintiff jewelry and extended consumer credit in violation of New York City Admin. Code § 20-700(a), including because the jewelry was represented to be of a higher quality than it was, Defendants misrepresented and/or failed to disclose material facts about the jewelry, Defendants made false statements about the price it charges for its jewelry in comparison to the US market, as well as the reasons for supposed cheaper prices than are generally available in the US market.

142. Diamonds International sold the Plaintiff jewelry and extended consumer credit in violation of New York City Admin. Code § 20-700(b), including because the Shopping Guides acting on behalf of Diamonds International, and the Diamonds International salespeople took advantage of the Plaintiff's lack of knowledge and experience with respect to buying diamond jewelry, and as a result, massively over charged the Plaintiff \$250,000+ for the jewelry items detailed herein. Those transactions were unconscionable because there was a gross disparity between the price the Plaintiff paid and the value of the jewelry, as measured by the price at which similar jewelry can be obtained.

143. As a result of the Defendants' unfair and deceptive practiced, detailed herein, the Plaintiff suffered damages.

144. Plaintiff demands entry of judgment against Defendants for an award of compensatory damages, treble damages, reasonable attorneys' fees, costs, and pre- and post-judgment interest.

Count V – Fraud

145. The material allegations set forth above are incorporated by reference as if fully set forth herein.

146. Defendants engaged in a uniform course of conduct that misrepresented the nature of their relationship and the value and material characteristics of the jewelry the Plaintiff purchased from Diamonds International, including in the following ways:

- a. The Shopping Guides acting on behalf of the Defendants misrepresented to the Plaintiff and others that they were “experts” in jewelry buying and could be trusted because they were providing a service for the benefit of Royal Caribbean passengers. These representations were false because the Shopping Guides were not experts and were not providing disinterested information to the Plaintiff, but rather, their only goal was to drive sales to Diamonds International for commissions. These misrepresentations were material because the Plaintiff relied on the Shopping Guides purported expertise and apparent independent recommendations when trusting the other claims of the Shopping Guides and salespeople about Diamonds International’s jewelry.
- b. Diamonds International’s salesperson misrepresented that Diamonds International had paid \$125,000 for the diamond ring it sold to the Plaintiff in Aruba;
- c. The Shopping Guides acting on behalf of the Defendants misrepresented and fraudulently concealed the nature of Royal Caribbean and Royal Media’s relationship with Diamonds International, by claiming to passengers, including the Plaintiff, that Royal Caribbean had “vetted” and had independently determined that Diamonds International provided great value pricing on jewelry, and in failing to disclose that Royal Caribbean and Royal Media were being paid by Diamonds International to direct passengers to Diamonds International.
- d. The Shopping Guides acting on behalf of the Defendants fraudulently concealed from the Plaintiff that Diamonds International is known to sell inferior jewelry for massively

- inflated prices, and a large number of customers complain about this to Royal Caribbean after returning from vacation. The Shopping Guides had a duty to disclose this information to the Plaintiff due to the circumstances, including because they held themselves out as independent experts, as having vetted Diamonds International, and claimed that passengers' jewelry had appraised for multiples of the purchase price.
- e. The Shopping Guides acting on behalf of the Defendants and the Diamonds International salespeople misrepresented that Diamonds International's prices for diamond jewelry were significantly cheaper than similar diamond jewelry available in the United States due to tax laws and because Diamonds International's price was based on a standard margin on the significantly reduced price Diamonds International pays for raw diamonds as a DeBeers sightholder;
 - f. The Shopping Guides acting on behalf of the Defendants and the Diamonds International salespeople misrepresented that Diamonds International's prices for diamonds and jewelry were so low relatively to the value of the jewelry, due to US tax laws and Diamonds International's sightholder status with DeBeers, that purchasing jewelry from Diamonds International was "investment quality" or a good investment. This was false and cannot be considered sales puffery because Defendants knew that buying Diamonds International jewelry could not be considered an investment by any stretch of the imagination because the jewelry would not appreciate in value and could never be resold by the Plaintiff for anywhere near the purchase price.
 - g. The Shopping Guides acting on behalf of the Defendants and the Diamonds International salespeople misrepresented that Diamonds International's jewelry is guaranteed to appraise for its sales price because it is such a good value. In reality,

Diamonds International's jewelry is massively overpriced and will only appraise for the sales price if an absurd and tautological appraisal method is employed, whereby the value is determined entirely based on the price Diamonds International decides to charge. The Shopping Guides and Diamonds International salespeople's representations were designed to materially mislead the Plaintiff because the statements are reasonably understood by customers, including the Plaintiff, to mean that Diamonds International's jewelry is being sold for a price at or below the jewelry's objective market value (as would be determined by an independent appraiser), as opposed to a meaningless and tautological guarantee that the jewelry will appraise for the sales price if the appraisal is based on the sales price.

- h. The Shopping Guides acting on behalf of the Defendants and the Diamonds International salespeople misrepresented that Crown of Light diamonds disperse more light and sparkle more than brilliant-cut diamonds, and are worth more than similar round brilliant diamonds, when in reality, the Crown of Light cut is inferior and less valuable than the round brilliant cut and there is no real market for Crown of Light diamonds outside of the Defendants' scheme, as detailed herein.

147. These misrepresentations were material to the Plaintiff's purchase of the jewelry, and had Defendants not made such misrepresentations, Plaintiff would not have purchased the jewelry.

148. Defendants made these misrepresentations to the Plaintiff in order to induce Plaintiff into purchasing the jewelry from Diamonds International. These statements were designed to lull the Plaintiff and other Royal Caribbean passengers into believing that Royal Caribbean had independently vetted Diamonds International, discovered that Diamonds

International was selling jewelry for well below market prices, and therefore, its passengers, including the Plaintiff, had a rare opportunity to purchase jewelry at such a reduced price that it would also serve as a good investment.

149. Royal Caribbean and Royal Media assisted, aided, and abetted Diamonds International in perpetrating the fraud alleged in this count. Royal Caribbean and Royal Media were necessary to the fraudulent scheme detailed herein. If Diamonds International made these claims on its own, customers like the Plaintiff, may have been more skeptical and less inclined to rely on them. The Plaintiff believed the misrepresentations detailed herein because they were first communicated to her by an apparent independent “expert,” whose financial interest in driving sales of Diamonds International jewelry was concealed.

150. Plaintiff purchased the jewelry detailed herein because of the Defendants misrepresentations and omissions of material facts. Had the Plaintiff known the truth about Diamonds International and the jewelry detailed herein, Plaintiff would not have purchased the jewelry from Diamonds International.

151. Because of the Defendants misrepresentations, Plaintiff suffered damages.

152. After the Plaintiff instructed Diamonds International that she did not authorize Diamonds International to charge her Alliant credit card, Diamonds International falsely and fraudulently submitted and completed charges on the Plaintiff’s Alliant credit card. In doing so, Diamonds International falsely and fraudulently represented – directly or impliedly – to Alliant that the Plaintiff had authorized those charges, when Diamonds International had been notified by the Plaintiff that the Plaintiff had withdrawn her authorization to charge her Alliant credit card. Diamonds International made these representations to Alliant in order to induce Alliant to make payments to Diamonds International on Plaintiff’s behalf, for which Plaintiff incurred credit card

debt. As a result of Diamonds International's fraudulent statements and charges to the Plaintiff's credit card, the Plaintiff was damaged.

153. Plaintiff demands entry of the judgment against Diamonds International for an award of compensatory damages, punitive damages, costs, and pre- and post-judgment interest.

Count VIII – Unjust Enrichment (All Defendants)

154. The material allegations set forth above are incorporated by reference as if fully set forth herein.

155. As the intended and expected result of Defendants' conscious wrongdoing as set forth in this Complaint, Defendants profited and benefitted from payments Plaintiff made to them, directly and/or through third parties to whom Plaintiff remains indebted, for jewelry from Diamonds International.

156. Defendants voluntarily accepted and shared these payments with full knowledge and awareness that, as a result of their wrongdoing, Plaintiff paid for jewelry when she otherwise would not have done so.

157. An inequity resulted to Plaintiff because Defendants kept the benefit and were unjustly enriched.

158. Plaintiff is entitled to seek restitution of Defendants' wrongful profits, revenues and benefits to the extent, and in the amount, deemed appropriate by the Court and such other relief as the Court deems just and proper.

Count IX – Declaratory Judgment (Diamonds International)

159. The material allegations set forth above are incorporated by reference as if fully set forth herein.

160. Pursuant to 28 U.S.C. § 2201, this Court has subject matter jurisdiction to declare the rights and remedies of any interested party seeking such declaration, whether or not further relief is or could be sought.

161. A justiciable controversy exists between the Plaintiff and Diamonds International that requires declaratory relief.

162. Due to the misconduct by Diamonds International herein, the Plaintiff seeks a declaration that the Plaintiff does not owe Diamonds International any additional money in connection with the jewelry purchases detailed herein.

163. The Plaintiff has no adequate remedy at law which would accomplish the relief sought herein.

Count IX – Negligence (Royal Media and Royal Caribbean)

164. The material allegations set forth above are incorporated by reference as if fully set forth herein.

165. Defendants Royal Media and Royal Caribbean ostensibly undertook to “vet” port-city retailers on behalf of Royal Caribbean passengers to identify and recommend “great values” and to provide diamond and gemstone education to Royal Caribbean passengers from industry “experts.” By so doing, these Defendants had a duty to the Plaintiff to do so in a manner that was not negligent.

166. These Defendants breached their duty as to the Plaintiff, including by (a) recommending Diamonds International as a “great value,” (b) leading the Plaintiff to believe that other passengers had great experiences and had experienced windfalls by purchasing Diamonds International jewelry, when these Defendants knew or should have reasonably discovered that Diamonds International charges among the most unreasonable and highest prices for jewelry in

the world and that many passengers who purchased jewelry from Diamonds International thereafter complained that they were cheated, scammed or tricked; (c) by allowing economically-interested and non-expert salespeople hold themselves out as experts to provide diamond and gem education to passengers; (d) by failing to provide helpful information to passengers about how to avoid buying massively overpriced diamond jewelry during seminars that were offered for this ostensible reason.

167. As a proximate and direct result of these Defendants negligence, the Plaintiff paid over \$250,000 for jewelry that was worth only a fraction of the sales price, and thereby suffered damages in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, THE Plaintiff demands judgment against Defendants in each claim for relief, jointly and severally, as follows:

- A. Rescission of the jewelry purchases detailed herein, with the Plaintiff returning the jewelry to Diamonds International and Diamonds International returning the purchase price to the Plaintiff and/or the third parties to whom Plaintiff became indebted due to the jewelry purchases;
- B. Awarding compensatory damages in favor of Plaintiff against all Defendants, jointly and severally, for all damages sustained as a result of Defendant's wrongdoing, in an amount to be proven at trial, including interest thereon;
- C. Awarding treble damages;
- D. Awarding Plaintiff her reasonable costs and expenses incurred in this action, including attorneys' fees and expert fees; and
- E. Such other relief as the Court may deem just and proper

JURY DEMAND

Pursuant to Federal Rule of Civil Procedure 38(a), Plaintiff demands a trial by jury on all issues so triable.

Respectfully submitted,

s/Mark Hammervold

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