UNITED STATES DISTRICT COURT FOR THE DISTRICT OF CONNECTICUT

JONATHAN FERRIE, individually and on behalf of all others similarly situated Plaintiff, v. DIRECTV, LLC Defendant.

Civil Action No.

CLASS ACTION COMPLAINT JURY TRIAL DEMANDED

MARCH 19, 2015

COMPLAINT

The plaintiff, Jonathan Ferrie ("Ferrie"), individually and on behalf of all Connecticut residents similarly situated, for their Complaint against DirecTV, LLC allege as follows:

JURISDICTION AND VENUE

1. This Court has subject matter jurisdiction over this class action under 28 U.S.C. § 1332(d), because the plaintiff is a citizen of a state different from the defendant, and the matter in controversy exceeds the sum or value of \$5 million, exclusive of interest and costs.

2. Ferrie seeks certification of a class of all Connecticut residents who purchased satellite television goods or services from DirecTV during the period of March 19, 2012 to the present.

3. DirecTV, LLC is a California limited liability company with its principal place of business at 2260 E. Imperial Highway, El Segundo, California 90245. Upon information and belief, DirecTV, LLC's member is DirecTV Holdings, LLC, which is a Delaware limited liability company with its principal place of business at 2260 E. Imperial Highway, El Segundo, California 90245. Upon information and belief, DirecTV Holdings, LLC's member is DirecTV,

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which is a corporation organized under the laws of the State of Delaware, with its principal place of business at 2260 E. Imperial Highway, El Segundo, California 90245. DirecTV, LLC will hereinafter be referred to as "DirecTV."

4. The Court has personal jurisdiction over DirecTV because, *inter alia*, DirecTV (1) transacts business in this state, (2) committed tortious acts within this state, and/or (3) committed tortious acts outside the state causing injury to persons within the state, and the causes of action stated herein arise from the foregoing actions of DirecTV. Moreover, DirecTV regularly solicits and transacts business in this state and derives substantial revenue from goods used or services rendered in this state.

5. Venue is proper under 28 U.S.C. § 1391.

FACTUAL BACKGROUND

6. This is a putative class action on behalf of Connecticut residents who are entitled to redress as a result of unfair and deceptive trade practices associated with DirecTV's marketing and advertising of goods and services in the State of Connecticut.

7. Connecticut imposes a tax on companies that provide one-way transmission of video programming by satellite to subscribers in Connecticut.

8. In particular, at all times during the relevant time period, Connecticut General Statutes §§ 12-256 and 12-258 obligated DirecTV to pay a quarterly tax of 5% upon "gross earnings" from the transmission of video programming by satellite to subscribers in the State of Connecticut.

9. Rather than absorb this tax as one of the many costs of doing-business, DirecTV elected to impose this cost on Connecticut customers as a surcharge in an unfair and deceptive manner.

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10. Particularly DirecTV misrepresents the total price for its goods and services, conceals that it intends to impose a surcharge on Connecticut customers, and by doing so, obtains an unfair competitive advantage.

11. For example, when considering purchasing DirecTV services online, potential customers input their zip code. DirecTV also maintains advertising webpages that name specific Connecticut cities and geographic areas and specifically target Connecticut residents. Despite this, DirecTV fails to inform potential Connecticut customers that it intends to and will impose a surcharge on each of them.

12. Instead, DirecTV unfairly and deceptively quotes monthly costs that do not include the surcharge.

13. For example, after inputting a zip code, a potential subscriber can see a sample "bill" for a variety of future services that the subscriber proposes to purchase. The surcharge is not included in these sample bills.

14. Rather, in the sample bill, DirecTV misrepresents: "This amount reflects the total package and programming costs you can expect to see on your first month's bill statement."

15. DirecTV's representations are false and misleading, DirecTV knows the representations are false and misleading, and DirecTV's representations are designed to induce Connecticut residents to select DirecTV services (over other competing options) under false and misleading circumstances.

16. Additionally, thereafter, DirecTV actively conceals that it is imposing a surcharge on Connecticut customers by itemizing the surcharge on monthly billing statements under the heading "Taxes" right underneath the item "Sales Tax."

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17. In so doing, DirecTV intends to cause Connecticut customers to wrongly believe that the State of Connecticut has imposed the surcharge upon them (like the sales tax), when in fact DirecTV has imposed the surcharge upon them.

18. In fact, Connecticut customers of DirecTV can only learn of the existence and true nature of the surcharge after they receive their first monthly bill and only if they carefully scrutinize and correctly decipher this unfair and deceptive line item of the bill.

19. Even if that occurs, however, the Connecticut customer has already agreed to a long-term contract, which cannot be cancelled without the imposition of hidden and onerous cancellations charges.

20. In other words, by unfairly and deceptively hiding the true price of DirecTV's goods and services to Connecticut residents, DirecTV has taken steps to unfairly trick Connecticut customers into selecting DirecTV services so that they become trapped into a deceptive and onerous long-term contract.

21. By engaging in the foregoing unfair and deceptive trade practices, DirecTV prevents customers from making informed buying decisions with respect to television programming services and has thereby secured for itself an unfair competitive advantage.

CLASS REPRESENTATIVE

22. Ferrie resides in the town of Prospect, Connecticut.

23. In or about July 2013, Ferrie purchased satellite television equipment and services from DirecTV and, without his knowledge, subjected to himself to DirecTV's unfair and deceptive practice of imposing a surcharge on its Connecticut customers.

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24. Prior to purchasing DirecTV's goods and services, Ferrie viewed DirecTV's advertisements, promotions, and marketing materials noting specific total prices for DirecTV's goods and services, which did not include the surcharge.

25. Prior to purchasing DirecTV's goods and services, DirecTV led Ferrie to believe that no other costs or charges would be associated with the goods and services that he selected.

26. Specifically Ferrie was unaware that DirecTV would force him to pay for a tax liability that the State of Connecticut imposes directly on DirecTV.

27. Additionally Ferrie was tricked into believing that the surcharge was an additional tax imposed by the State of Connecticut.

CLASS ALLEGATIONS

28. Ferrie brings these claims individually and on behalf of the following customer class (the "Class"): All Connecticut residents who purchased satellite television goods or services from DirecTV during the period of March 19, 2012 to the present.

29. The Class is sufficiently numerous, as it includes thousands of persons who have purchased satellite television goods or services from DirecTV from March 19, 2012 to the present.

30. Joinder of all such persons in a single action or bringing all members of the Class before the Court is impracticable and disposition of the Class members' claims in this class action will substantially benefit the parties and the Court.

31. The Class and the value of its damages are readily ascertainable through DirecTV's business records. Notice can be provided to Class members by publication or by using contact information contained within DirecTV's business records.

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32. There are questions of law and fact common to the Class. DirecTV's advertising, marketing, and promotional materials were supplied uniformly to all members of the Class, so that the questions of law and fact are common to all members of the Class. All Class members were and are similarly affected by the unfair and deceptive charging of an extra, unforeseen surcharge. The relief sought herein is for the benefit of Ferrie and all other members of the Class.

33. Ferrie asserts claims that are typical of the claims of the entire Class. Ferrie and all Class members have been subjected to the same wrongful conduct because they have purchased DirecTV's goods and services under the same unfair and deceptive advertising, promotion, and marketing. Ferrie and the Class have thus all overpaid for DirecTV's goods and services in a readily ascertainable amount.

34. Ferrie will fairly and adequately represent and protect the interests of the other Class members. Ferrie has no interests antagonistic to those of other Class members. Ferrie is committed to the vigorous prosecution of this action and has retained experienced trial counsel to represent him. Ferrie anticipates no difficulty in the management of this litigation as a class action.

35. Class certification is appropriate because prosecuting separate actions by Class members would create a risk of inconsistent or varying adjudications with respect to individual class members that would establish incompatible standards of conduct for DirecTV. DirecTV's trade practices cannot be unfair or deceptive and, at the same time, fair and truthful.

36. Class certification is also appropriate because DirecTV has acted on grounds that apply generally to the Class, so that final injunctive relief or corresponding declaratory relief is

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appropriate with respect to the Class as a whole. DirecTV's advertising, marketing, and promotional materials were supplied generally to all members of the Class.

37. Class certification is likewise appropriate because common questions of law and fact substantially predominate over any questions that may affect only individual members of the Class. These common questions of law and fact include whether:

- (a) DirecTV's failure to advertise accurate prices for goods and services for Connecticut residents constitutes an unfair or deceptive trade practice;
- (b) DirecTV's advertisement of materially false prices for Connecticut residents constitutes an unfair or deceptive trade practice;
- (c) DirecTV's failure to warn Connecticut residents that its advertised prices would be increased by approximately 5% constitutes an unfair or deceptive trade practice;
- (d) DirecTV's deceptive characterization of the surcharge as a "tax," billed as an item next to the sales tax, constitutes an unfair or deceptive trade practice;
- (e) DirecTV's conduct, as set forth herein, injured members of the Class, and if so, the measure of those damages and the nature and extent of other relief that should be provided.

38. Proceeding as a class action provides substantial benefits to both the parties and the Court because this is the most efficient method for the full, fair, and efficient adjudication of the controversy.

39. Because of the nature of the individual Class members' claims, few, if any, could afford to seek legal redress against DirecTV for the wrongs complained of herein.

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40. As such, absent a representative class action, Class members would continue to suffer losses for which they would have no remedy, and DirecTV would unjustly retain the proceeds of its ill-gotten gains.

41. Even if separate actions could be and were to be brought by individual members of the Class, the resulting multiplicity of lawsuits would cause undue hardship, burden, and expense for the Court and the litigants, as well as create a risk of inconsistent rulings, as discussed above.

42. Certification of this class action is also proper under Connecticut law pursuant to Connecticut General Statutes Section 42-110g(b).

FIRST COUNT: UNFAIR AND DECEPTIVE TRADE PRACTICES

43. The above paragraphs 1 through 42 are hereby incorporated by reference as if fully set forth herein.

44. DirecTV has engaged and continues to engage in the conduct of trade and commerce in Connecticut by, *inter alia*, its marketing, promotion, advertising, offering to sell and selling of satellite television programming and related equipment, goods, and services.

45. DirecTV has engaged and continues to engage in unfair methods of competition and/or unfair or deceptive acts or practices in the conduct of trade or commerce in this State. These purposeful wrongful acts include at least the following:

- (a) Advertising false prices for goods and services to Connecticut residents;
- (b) Advertising monthly prices to Connecticut residents that do not include a surcharge;
- Advertising monthly prices to Connecticut residents knowing that they are false because a surcharge will be imposed;

- (d) Unilaterally increasing advertised monthly prices by imposing a surcharge on Connecticut customers without taking steps to inform the customers or obtain their consent;
- (e) Acting to deceive Connecticut customers into paying taxes owed by DirecTV to the State of Connecticut under state statute;
- (f) Acting to deceive Connecticut customers into believing that the surcharge is a form of tax imposed by the State of Connecticut, just like the sales tax;
- (g) Employing measures designed to deceive Connecticut customers into believing that the surcharge is a form of tax imposed by the State of Connecticut, rather than a tax imposed on DirecTV;
- (h) Employing measures designed to deceive Connecticut customers into believing that the surcharge is a form of tax imposed by the State of Connecticut, rather than a surcharge imposed on them by DirecTV;
- Actively taking steps to deceive Connecticut customers into entering long-term contacts, which require a substantial investment in the installation of DirecTV equipment;
- (j) Actively taking steps to deceive Connecticut customers into entering long-term contacts, which cannot be cancelled without incurring onerous cancellation costs;
- (k) Acting in a manner designed to cause Connecticut customers to invest substantial time, effort and resources in the installation of DirecTV equipment under false pretenses;
- Only revealing the existence of a surcharge after Connecticut customers have entered long-term agreements with onerous cancellation charges;

- (m) Only revealing the existence of a surcharge after Connecticut customers have invested substantial time, effort and resources in the installation of DirecTV equipment;
- (n) Only revealing the existence of a surcharge in the bills of Connecticut customers in an unfair and deceptive manner;
- Listing the surcharge under the heading "Taxes" underneath the "Sales Tax" line item, thereby taking steps to deceive customers to believe that the surcharge is imposed on them by the State of Connecticut – not by DirecTV;
- (p) Misrepresenting that DirecTV provides all the information customers need to make informed and intelligent decisions; and/or
- (q) Employing a scheme calculated to effectively misappropriate from Connecticut residents their right and ability to buy television programming goods and services in a fully informed manner.

46. Ferrie and the Class have suffered an ascertainable loss of money or property as a result of the use or employment of DirecTV's foregoing unfair or deceptive trade practices. Specifically, Ferrie and the Class are entitled to actual damages comprising all surcharges paid to DirecTV.

47. DirecTV engaged in the foregoing unfair or deceptive trade practices in a knowing, willful, intentional, wanton, and/or recklessly indifferent manner.

48. DirecTV's conduct as alleged herein constitutes unfair trade practices within the meaning of Connecticut General Statutes Section 42-110a, *et. seq.*

PRAYER FOR RELIEF

WHEREFORE, Plaintiff and the Class seek damages, declaratory, and equitable relief including:

1. Actual damages;

2. Punitive damages;

3. Attorneys' Fees;

4. Costs;

5. Prejudgment Interest;

6. Equitable relief deemed necessary or proper;

7. A declaration that DirecTV's foregoing conduct constitutes unfair and/or deceptive trade practices;

8. A permanent injunction enjoining DirecTV from imposing a surcharge on Connecticut customers; ordering DirecTV to conspicuously advertise or otherwise effectively inform potential Connecticut subscribers that their monthly bill will include a surcharge; ordering DirecTV to engage in certain corrective advertising to ensure existing Connecticut customers are aware of the surcharge; ordering DirecTV to allow Connecticut customers to withdraw from long-term contracts without the imposition of cancellation fees or costs; and ordering DirecTV to reimburse all costs and expense of installing DirecTV equipment to any Connecticut customer who wishes to withdraw from a long-term contract.

9. All other relief as the Court deems just and proper.

THE PLAINTIFF,

JONATHAN FERRIE, individually and on behalf of all others similarly situated

Respectfully submitted,

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Dated: March 19, 2015

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JS 44 (Rev. 12/12)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS Jonathan Ferrie, i situated	individually and on be	half of all other similar	DEFENDANTS DirecTV, LLC	5	
(b) County of Residence of (E)	of First Listed Plaintiff	New Haven	County of Residence of First Listed Defendant Los Angeles (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.		
(c) Attorneys (Firm Name, John L. Cordani, Jr., 4 195 Church Street, P. Tel: 203-777-5501	Carmody Torrance Sa	Indak & Hennessey LL	Attorneys (If Known)		
II. BASIS OF JURISD	ICTION (Place an "X" in	One Box Only)	I. CITIZENSHIP OF P	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintif
1 U.S. Government 3 Federal Question Plaintiff (U.S. Government Not a Party)		(For Diversity Cases Only) P	TF DEF 【1	and One Box for Defendant) PTF DEF Principal Place 1 4 1 4	
2 U.S. Government Defendant	4 Diversity (Indicate Citizens)	hip of Parties in Item III)	Citizen of Another State	2 Z Incorporated and of Business In	Principal Place 5 5 5 Another State
			Citizen or Subject of a Foreign Country	3 3 Foreign Nation	0606
IV. NATURE OF SUIT	(Place an "X" in One Box O	nly)	- orongin country		
CONTRACT		ORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted Student Loans 	PERSONAL INJURY	☐ 365 Personal Injury - et Product Liability ☐ 367 Health Care/ 2 Pharmaceutical Personal Injury	 625 Drug Related Seizure of Property 21 USC 881 690 Other 	 422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 PROPERTY RIGHTS 	 375 False Claims Act 400 State Reapportionment 410 Antirust 430 Banks and Banking 450 Commerce
			to sign the	820 Copyrights 830 Patent 840 Trademark	 450 Continence 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit
 (Excludes Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits 	□ 345 Marine Product Liability □ 350 Motor Vehicle		LABOR 710 Fair Labor Standards Act	SOCIAL SECURITY	 400 Cable/Sat TV 850 Securities/Commodities/ Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act
 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise 	 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury - 	 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability 	 720 Labor/Management Relations 740 Railway Labor Act 751 Family and Medical Leave Act 	□ 863 DIWC/DIWW (405(g)) □ 864 SSID Title XVI □ 865 RSI (405(g))	
DELL DROBBDWY	Medical Malpractice		□ 790 Other Labor Litigation		896 Arbitration
REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability	CIVIL RIGHTS CIVIL RIGHTS 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations	PRISONER PETITIONS Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General	791 Employee Retirement Income Security Act	FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS—Third Party 26 USC 7609	 B99 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes
290 All Other Real Property	445 Amer. w/Disabilities - Employment	535 Death Penalty Other:	IMMIGRATION 462 Naturalization Application		
	☐ 446 Amer. w/Disabilities - Other ☐ 448 Education	 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement 	465 Other Immigration Actions		
	noved from 🖸 3	Remanded from 4 Appellate Court		r District Litigation	
VI. CAUSE OF ACTIC	28 U S C 1332	1 2020 0 4 1 2 5 4 1 2 5 4	(specify) ling (Do not cite jurisdictional stat		
VII. REQUESTED IN COMPLAINT:	Class action com	plaint for redress of Di	recTV's unfair and decep DEMAND \$		if demanded in complaint:
VIII. RELATED CASE IF ANY	C(S) (See instructions):	JUDGE	Collegeneration of the second	DOCKET NUMBER	
DATE 03/19/2015 FOR OFFICE USE ONLY		SIGNATURE OF ATTOR	NEY OF RECORD		- the second
		APPLYING IFP	JUDGE	MAG. JUI	DGE