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24 UNITED STATES DISTRICT COURT  
25 DISTRICT OF ARIZONA

26 S.L., individually, and on behalf of all  
27 others similarly situated,

28 Plaintiffs,

v.

Theranos, Inc.; and Walgreens Boots  
Alliance, Inc.,

Defendants.

CASE NO.

**CLASS ACTION COMPLAINT**

**Demand for Jury Trial**

1 Plaintiff S.L. (“Plaintiff”), by and through his attorneys, individually and on behalf  
2 of all others similarly situated, brings this Class Action Complaint (“Complaint”) against  
3 Defendants Theranos, Inc., a Delaware corporation (“Theranos”), and Walgreens Boots  
4 Alliance, Inc. (“Walgreens”) (collectively “Defendants”) and makes the following  
5 allegations based upon knowledge as to himself and his own acts, and upon information  
6 and belief as to all other matters, as follows:

7 **INTRODUCTION**

8 1. Accurate analysis of blood samples is essential to the safe practice of  
9 medicine. Doctors rely on blood tests to detect everything from relatively mundane  
10 conditions like elevated cholesterol to serious maladies like liver disease and certain types  
11 of cancer. These results also inform doctors’ therapeutic recommendations, helping them  
12 determine whether to treat a condition, what to treat it with, and how aggressively.  
13 Inaccurate blood tests, then, can contribute to serious conditions going undetected, to  
14 treatable conditions growing worse unnoticed, to patients forgoing medications they  
15 should take, or taking medications they shouldn’t. An inaccurate blood test can change a  
16 patient’s life.

17 2. For decades, blood collection and analysis have been straightforward and  
18 reliably accurate. Standard blood draw techniques involve venipuncture (drawing blood  
19 from a vein, typically in the arm), collection of a sample using vials of 5 to 10 milliliters,  
20 labeling and recording the sample, analyzing it in a lab, and then reporting the results to  
21 doctors trained to interpret them. Federal agencies regulate laboratories and lab devices so  
22 that patients and doctors can count on accurate testing. With its track record of safety and  
23 reliability, diagnostic lab testing in the United States has grown into a \$75 billion per year  
24 industry.

25 3. Defendant Theranos, Inc. is a Silicon Valley startup that set out to “disrupt”  
26 that industry by introducing what it said was a revolutionary new way of drawing and  
27 testing blood. Instead of the large needles, tubes, and vials that phlebotomists  
28 conventionally use, Theranos claimed to have invented a system that drew blood with a

1 mere pinprick to the fingertip, captured only a few drops in a tiny, proprietary vial, and  
2 analyzed the sample on a secret device it code-named “Edison.” Edison was supposed to  
3 be able to run dozens of tests using a single miniscule sample, generate results within  
4 minutes instead of days or weeks, and deliver results right to a patient’s smartphone using  
5 a Theranos-developed app.

6 4. Theranos’s first major step toward that disruption came in fall 2013, when it  
7 announced a long-term partnership with Walgreens, operator of a nationwide drugstore  
8 chain. Walgreens was as eager to branch out into the lucrative blood-testing market as  
9 Theranos was to expand its access to the public. Top-level executives at the two  
10 corporations agreed on a scheme to open “wellness centers” that conducted blood testing  
11 inside Walgreens pharmacies using Theranos’s secret system. As a first step toward  
12 opening wellness centers in all of Walgreens’ over 8,000 U.S. locations, Theranos and  
13 Walgreens opened an initial cluster of wellness centers in the Phoenix, Arizona area,  
14 along with two wellness centers in northern California near Theranos’s Palo Alto  
15 headquarters. These wellness centers collected samples that were then sent to nearby  
16 Theranos-run labs, one in Scottsdale, Arizona, the other in Newark, California. Within  
17 months of announcing their partnership, Theranos and Walgreens had opened more than  
18 40 wellness centers and begun delivering blood tests to the public. By the end of 2015,  
19 Theranos, bolstered by the enhanced retail presence and credibility that Walgreens  
20 provided, had performed roughly 1.8 million lab tests.

21 5. The partnership had a problem, however: Theranos’s revolutionary system  
22 did not work. In October 2015, public reports began to reveal that Theranos never  
23 performed more than a small fraction of its tests using the proprietary system on which it  
24 had built its brand and, by mid-2015, had given up using Edison entirely. Instead,  
25 Theranos secretly used conventional lab machines it purchased from third parties. It even  
26 outsourced tests to university-affiliated, third-party labs. But Theranos and Walgreens  
27 nevertheless kept billing their wellness centers as offering cutting-edge, less-invasive, and  
28 highly accurate testing.

1           6.     Theranos’s problem is bigger than Edison, however, for even using  
2 conventional lab equipment it has proved incapable of providing reliable test results. In  
3 January 2016, the federal agency that oversees diagnostic laboratories released a 121-page  
4 report detailing violations of federal regulations in Theranos’s Newark lab, including five  
5 major violations pertaining to hematology, analytics, and staffing. The most serious of  
6 these violations, the regulator said, posed an “immediate” risk of serious injury or death to  
7 patients. Among the report’s other findings were that Theranos staffed its lab with  
8 unqualified and inadequately trained personnel; kept freezers at incorrect temperatures;  
9 neglected to calibrate machines properly or sometimes at all; and would fail its own  
10 internal quality control checks—only then to change its quality-control standards so that  
11 they matched the data. Private investigations undertaken by independent experts in  
12 laboratory science have also confirmed that Theranos’s results are consistently flawed.

13           7.     As a result of the federal investigation, Theranos currently faces sanctions  
14 up to and including loss of the federally issued license that permits it to handle human  
15 samples, as well as a two-year ban from the blood lab industry for Theranos’s founder and  
16 chief executive, Elizabeth Holmes. In an attempt to dissuade regulators from issuing these  
17 sanctions, Theranos has voided the results of all the tests it performed on its Edison  
18 devices in 2014 and 2015. Plaintiff’s investigation has also revealed that Theranos,  
19 without fanfare, has sent out corrected test results to doctors in the Phoenix area, even as it  
20 continues to publicly claim that the problems the regulators found were confined to its  
21 California lab.

22           8.     Theranos’s partner, Walgreens, has been, at best, willfully indifferent to  
23 Theranos’s shortcomings. Before it entered into its partnership with Theranos, Walgreens  
24 knew of, but ignored, Theranos’s refusals to provide confirmation that its new, self-made  
25 devices actually worked. Walgreens never insisted on inspecting Theranos’s labs or  
26 verifying Theranos’s claims. And when Theranos refused to cooperate with the third-party  
27 experts that Walgreens hired to vet Theranos, Walgreens went ahead with the partnership  
28 regardless. Despite months of public reporting on Theranos’s unreliability, Walgreens

1 decided to shut down its Theranos centers only a few days ago. Even now, Walgreens has  
2 not disclosed to patients the risks of relying on Theranos tests previously sold inside its  
3 stores. Walgreens reportedly failed to take stronger action to protect patients because it  
4 feared that Theranos would sue for breach of contract.

5 9. Meanwhile, patients are the ones who have paid for Theranos and  
6 Walgreens' conduct. Media reports contain numerous accounts of inaccurate results for  
7 tests ranging from thyroid function to potassium levels to prostate cancer. One Arizona  
8 doctor sent her patient to a Theranos testing site for routine testing only for the results to  
9 come back so elevated that she immediately ordered her patient to the emergency room—  
10 where further, non-Theranos testing showed that the patient's results were actually  
11 normal. That patient was fortunate to suffer nothing worse than an emergency room bill of  
12 several thousand dollars. But Theranos and Walgreens, by foisting onto the public  
13 unreliable lab tests, and failing, even now, to provide appropriate disclosures, continue to  
14 cheat patients and expose them to a risk of serious health consequences.

15 10. Plaintiff S.L.—identified here by his initials to preserve the confidentiality  
16 of his private medical information—received flawed tests from Theranos. Plaintiff bought  
17 his test at a Chandler-area Walgreens, relying on Walgreens' reputation as a longstanding  
18 provider of safe and reliable pharmacy care. On behalf of himself and the proposed class,  
19 he brings this action for damages and injunctive relief.

#### 20 **JURISDICTION AND VENUE**

21 11. This Court has subject-matter jurisdiction over all the claims in this action  
22 under 28 U.S.C. § 1332(d)(2) because this is a class action wherein the amount in  
23 controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs, there  
24 are more than 100 members in the proposed class, and at least one member of the  
25 proposed class is a citizen of a state different from a Defendant.

26 12. This Court has personal jurisdiction over Defendants Theranos and  
27 Walgreens because they conduct business in the state of Arizona and because Defendants  
28 committed the acts and omissions giving rise to Plaintiff's claims in Arizona.



1 centers were located inside Walgreens stores. Theranos collected samples at the wellness  
2 centers, but analyzed the samples at its two off-site laboratories, one located in Newark,  
3 California, the other in Scottsdale, Arizona.

4 **SUBSTANTIVE ALLEGATIONS**

5 **I. Theranos Attempts To “Disrupt” The Established Blood Testing Industry**

6 18. Elizabeth Holmes was 19 years old and a sophomore at Stanford when, in  
7 2003, she saw an opening into the United States’ multibillion-dollar lab testing market.  
8 Driven, she has said, by her phobia of needles, Holmes dropped out of Stanford and  
9 founded Theranos, a company that has sought to “disrupt” the established model of  
10 diagnostic blood sample collection and analysis by developing a less invasive alternative  
11 to conventional venipuncture.

12 19. By 2008, Theranos had developed the linchpin of its strategy, a technology  
13 it dubbed “Edison”: a machine that used samples of no more than a few drops, obtained  
14 with a finger prick and collected in tiny vials that Theranos branded “nanotainers.”

15 20. Theranos boasted that Edison could perform hundreds of tests on each  
16 miniscule sample of blood (or, for some tests, urine), run them faster than standard tests,  
17 and deliver them for a fraction of the price. Theranos made a key selling point of the  
18 transparency of its pricing for its lab tests, which it posted on its website.<sup>1</sup>

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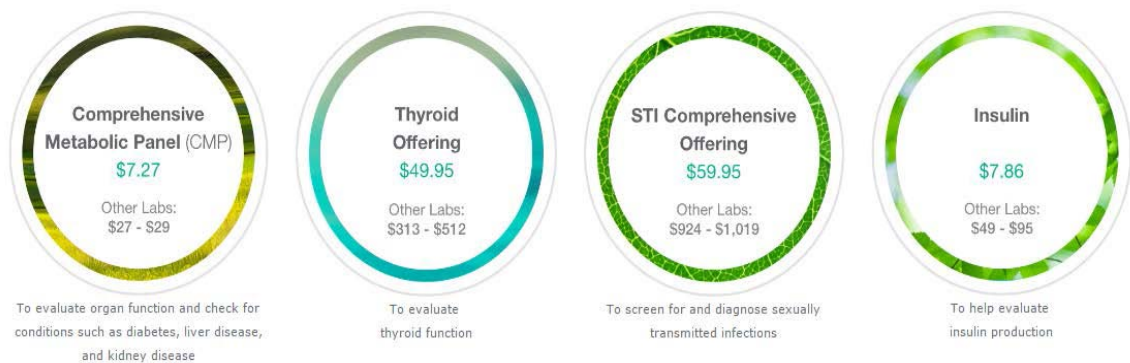
27 <sup>1</sup> Theranos.com, “Test Menu,” <https://www.theranos.com/test-menu> (last visited  
28 September 19, 2016).

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## The same low prices for everyone.

Whether you have good insurance, bad insurance or no insurance at all, at Theranos we believe you should be able to afford lab testing. Which is why Theranos charges everyone the same low prices. Period. Theranos prices are clear, up-front, published online, and always a fraction of other labs. Meaning there are no surprises, and you know exactly what you're paying before you get tested.

[View test menu >](#)



21. But even as Theranos touted transparency to the marketplace, it enforced strict secrecy around Edison. Theranos refused to submit the Edison device to inspection. Theranos likewise refused to subject any of its other technology or processes to peer review. Theranos refused even to allow the Edison device to be photographed. Theranos claimed it wanted to keep potential competitors from learning how to replicate its technological breakthroughs.

22. Edison was not the only means by which Theranos sought to disrupt the lab testing industry. Theranos also sought to disrupt the industry's market structure. The lab testing market was dominated by the "Big Two" of Quest Diagnostics Inc. ("Quest") and Laboratory Corporation of America ("LabCorp"). These and smaller companies like them sold lab testing services directly to doctors, who in turn received results, interpreted them for patients, and prescribed appropriate therapies (such as medication). The market for lab testing services, in other words, was between testing labs and doctors.

23. Theranos, however, sought to sidestep doctors and their traditional gatekeeping function by marketing, selling, and delivering its services directly to patients.



1 Theranos even developed smartphone apps to deliver test results, so that patients would  
2 receive (and have to interpret) test results themselves.

3 24. To help achieve its goal of direct-to-patient testing, Theranos lobbied the  
4 Arizona Legislature to make patient-ordered lab tests legal. Its efforts were successful,  
5 and in the April 2015 Arizona House Bill 2645 became law, authorizing patients to order  
6 lab tests directly. *See* Ariz. Rev. Stat. § 36-468. As a result, Theranos could dispense with  
7 competing for doctors' business against Quest, LabCorp, and other established companies,  
8 and instead sell directly to Arizona patients. Theranos used this access to draw patients  
9 away from the established companies and convert their patients into Theranos patients.

10 **II. Theranos And Walgreens Partner To Bring Theranos's Testing To The Public**

11 25. As the next step in its plan to reach the broadest possible market of patients,  
12 Theranos began to seek out partnerships with nationwide retailers.

13 26. At the same time, Walgreens was seeking opportunities to capture new  
14 revenue streams by branching out beyond traditional drugstore offerings. For example, in  
15 2009, following a severe flu season, Walgreens and other pharmacy chains lobbied state  
16 legislatures to permit pharmacists to begin administering injections of flu vaccine. By  
17 2012, Walgreens was giving more than 6 and a half million flu shots per year and reaping  
18 month-after-month revenue increases as a result.

19 27. Not satisfied with the success of its newly minted vaccination business,  
20 Walgreens began to seek out partnerships with Silicon Valley companies who could help  
21 it strike even more lucrative deals.

22 28. In 2010, Theranos's founder Holmes met an executive from Walgreens'  
23 newly created healthcare innovation unit, Dr. Jay Rosan, at a healthcare technology  
24 conference. By early 2011, Walgreens and Theranos were in talks to deliver direct-to-  
25 consumer blood-testing services in Theranos-branded and operated wellness centers  
26 located within Walgreens stores.

27 29. By spring of 2011, the parties' talks had become serious. Walgreens started  
28 making plans to vet Theranos. Walgreens, however, never followed through on its plans.

1 Fearful that Theranos would strike a deal with one of its competitors instead, Walgreens  
2 looked past Theranos's failure to provide access to promised data and information,  
3 accepted incomplete information, and failed to adequately test and inspect Theranos's  
4 equipment and capabilities.

5 30. For example, in May 2011, Walgreens hired the Johns Hopkins University  
6 to evaluate prospective investments, including a contemplated investment in Theranos.  
7 Later that spring, as part of this evaluation process, Holmes and other Theranos executives  
8 met with Johns Hopkins scientists. Holmes brought with her an Edison device and binders  
9 of data that, she said, demonstrated Edison's accuracy. Theranos promised at that meeting  
10 to provide an Edison device to Johns Hopkins for testing. However, when Dr. Rosan of  
11 Walgreens later asked a Johns Hopkins representative whether Theranos had provided the  
12 device, the representative informed him that Theranos had not.

13 31. Instead of insisting that Theranos keep its promise, Walgreens obtained a  
14 prototype of the Edison device. And rather than providing this device to Johns Hopkins,  
15 Walgreens had its employees set up the prototype in a cubicle and began trying to verify  
16 its accuracy themselves. They discovered, however, that the test results delivered by the  
17 prototype could not be compared to those of conventional labs, as the prototype reported  
18 results using values like "high" or "low" instead of the numeric values that conventional  
19 labs use, and only performed unusual tests that conventional labs do not offer. Despite  
20 these incomplete and inconclusive efforts, Walgreens did not halt the deal with Theranos.

21 32. Similarly, Walgreens satisfied itself with its deal with Theranos without  
22 ever examining Theranos's lab facilities. It sent executives and consultants on a junket to  
23 Theranos's headquarters but allowed Theranos to sequester them in conference rooms and  
24 chaperone them if they ventured elsewhere.

25 33. For example, in summer 2011, when Walgreens and Theranos had already  
26 signed an initial letter of agreement, Walgreens sent consultants from a firm called  
27 Colaborate LLC, a laboratory testing and evaluation firm, to Theranos's headquarters in  
28 Palo Alto. Accompanying the consultants were Dr. Rosan, Wade Miquelon (Walgreens'

1 former chief financial officer), and other Walgreens employees. Throughout the visit,  
2 Theranos kept Colaborate and the Walgreens representatives in a conference room.  
3 Theranos declined to show them the laboratory and even escorted them when they visited  
4 the restroom. Neither did Theranos provide Colaborate with access to an Edison machine.  
5 Colaborate eventually issued a report telling Walgreens that it lacked sufficient  
6 information to consummate the Theranos deal, but Walgreens pushed ahead with it  
7 regardless.

8 34. Similarly, in October 2012, Walgreens sent two executives and a consultant,  
9 Paul Rust, a retired Quest executive, to review quality-control data at Theranos.  
10 According to published reports, Theranos provided Rust with data but did not confirm that  
11 it came from Edison devices. Neither would Theranos permit Rust or the others into its  
12 laboratory. Later, when Rust sought to confirm that Walgreens representatives had been  
13 inside Theranos's lab, he learned that they hadn't. Yet despite not having properly  
14 inspected Theranos's laboratories or vetted its quality-control data, Walgreens moved  
15 forward with its deal with Theranos.

16 35. Publicly available information alone should have led Walgreens to conclude  
17 that it needed further confirmation of Theranos's reliability and accuracy entering into any  
18 deal that would expose patients to Theranos's testing methods. For example, Walgreens  
19 should have known and appreciated the importance of Theranos's improper staffing of its  
20 laboratories. The director of Theranos's Scottsdale lab is Daniel Young, a mechanical  
21 engineer with no medical degree. The director of Theranos's Newark lab was, until  
22 recently, Sunil Dhawan, a dermatologist with no degrees or certification in pathology or  
23 laboratory science who worked for Theranos only part-time. It was Dhawan's directorship  
24 of the Newark lab that constituted one of the five major violations at the Newark lab  
25 identified by federal regulators and led to the threatened sanctions Theranos now faces.  
26 According to public reports, Dhawan's name was listed on the Newark lab's license.

27 36. The failure of a proposed deal between Theranos and a Walgreens  
28 competitor, the grocery chain Safeway, also illustrates Walgreens' pursuit of profits over

1 patient safety. As Walgreens was courting Theranos, Theranos simultaneously was in  
2 talks with Safeway to provide lab testing services in Theranos-dedicated clinics embedded  
3 within Safeway stores. Safeway invested \$10 million in Theranos and sank \$350 million  
4 into constructing the clinics.

5 37. According to public reports, however, Safeway pulled out of its deal with  
6 Theranos after its due diligence raised questions about the accuracy of the testing  
7 Theranos sought to offer. For example, Safeway executives had their own blood tested by  
8 both Theranos and another, conventional lab. The test results differed significantly. One  
9 executive's results from Theranos showed such highly elevated quantities of prostate-  
10 specific antigen (PSA) as to suggest he had prostate cancer. Conventional lab testing,  
11 however, confirmed that his PSA levels were normal. Easily discovered discrepancies like  
12 these contributed to Safeway's reluctance to move forward with offering Theranos testing  
13 to the public.

14 38. Safeway also was concerned because Theranos balked at placing its blood  
15 analyzers inside Safeway stores, and instead insisted on having samples shipped to one of  
16 its off-site labs. This allowed Theranos to use conventional testing machines and even  
17 outsource testing to third-party labs rather than using the much-hyped Edison device, all  
18 while benefiting from advertising buzz around the latter.

19 39. Safeway also grew concerned by Theranos's repeated failure to meet  
20 deadlines and to deliver on promises to divulge information needed to verify Theranos's  
21 claims.

22 40. These failings on Theranos's part caused Safeway to walk away from its  
23 deal with Theranos. Walgreens, exposed to nearly identical warning signs, instead  
24 invested \$50 million into Theranos and joined Theranos in its plan to seize an outsized  
25 portion of the lucrative nationwide lab testing industry and capture a nationwide market of  
26 patients.

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1 **III. Theranos And Walgreens Open Their Wellness Centers**

2 41. Theranos and Walgreens took the first major step of their long-range plan in  
3 September 2013, when they announced their partnership and opened the first of more than  
4 40 wellness centers, mostly clustered in the Phoenix metropolitan area and nearly all of  
5 which were inside Walgreens stores.



21 42. In the advertising for their new wellness centers, Theranos and Walgreens  
22 boasted of the transformative, cutting-edge technology they offered the public.

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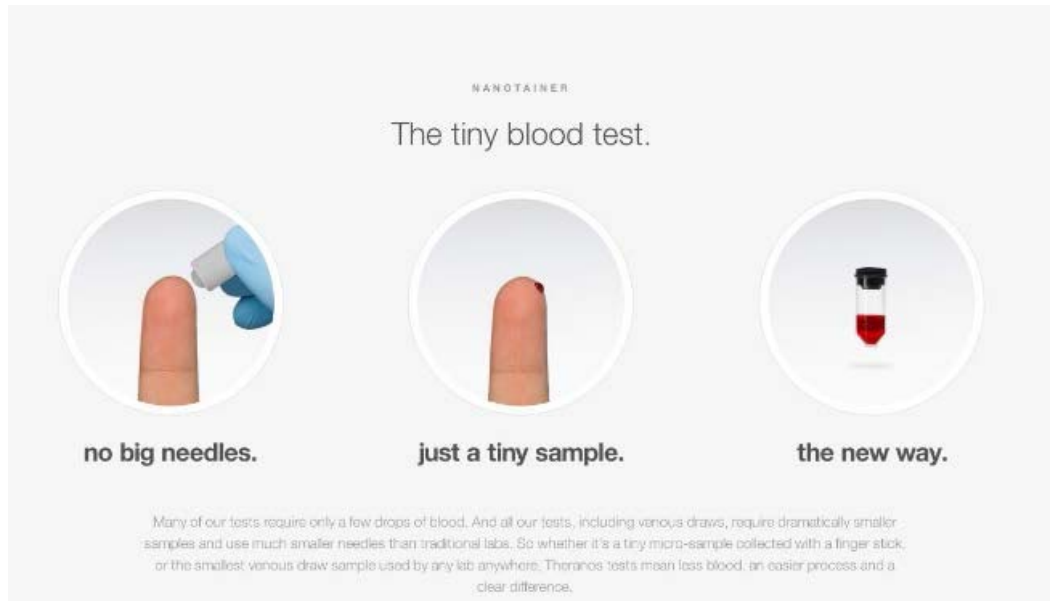
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43. Theranos and Walgreens emphasized that their testing would be less invasive than conventional testing, with imagery that conveyed to patients that they would have a needle-free experience. In a joint press release announcing their partnership, Theranos and Walgreens boasted that their “less invasive” testing used samples “as small as a few drops, or 1/1,000 the size of a typical blood draw” and claimed that Theranos’s finger-prick or venous microsamples “eliminat[ed] the need for larger needles and numerous vials of blood required for most diagnostic lab testing.”

44. Similarly, the Walgreens website told consumers they could say “goodbye, big bad needle” because Theranos-trained technicians could “use a tiny finger stick or collect a microsample from a venous draw” instead of using a “huge needle.” Theranos boasted they could run over 200 different tests using these abnormally small samples, thanks to their revolutionary testing equipment.

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The screenshot shows the Walgreens website header with the logo "Walgreens AT THE CORNER OF HAPPY & HEALTHY". Navigation links include "Balance Rewards", "Savings & Deals", "Weekly Ad & Coupons", "Store Locator", "Healthcare Clinic", and "Sign in or Register" with a "Your Account" dropdown. A search bar is present. Below the header is a category menu with "Pharmacy & Health" selected. The main content area features the Theranos logo and the headline "the lab test, reinvented." followed by the text "Walgreens Partners with Theranos to Provide Lab Services." and a paragraph: "Theranos is working to shape the future of lab testing. Now, for the first time, their high-complexity CLIA-certified laboratory can perform your tests quickly and accurately on samples as small as a single drop.<sup>1</sup>" An image of a finger with a drop of blood in a microtainer is shown. A link "Learn more at Theranos.com" is at the bottom.

12 45. Theranos and Walgreens also claimed to offer industry-leading accuracy and  
13 speed with their tests. Their joint press release boasted that Theranos’s “proprietary  
14 laboratory infrastructure” would “minimize[] human error through extensive automation  
15 to produce high quality results,” and that those results would be “available to physicians  
16 in a matter of hours, enabling fast diagnoses to help informed treatment choices.”

17 46. Theranos’s website continues to claim “the highest levels of accuracy,”  
18 explaining that “[a]ll our tests are developed and validated under and to the CLSI, FDA,  
19 Centers for Disease Control[,] and World Health Organization guidelines.”

20 47. Theranos’s website also misleadingly boasts of its practice of submitting all  
21 of its “Laboratory Developed Tests” to the Food and Drug Administration (“FDA”) for  
22 clearance and approval. None of Theranos’s tests is FDA-approved except for one that  
23 tests for the herpes simplex 1 virus IgG (HSV-1). Moreover, the FDA has characterized  
24 Theranos’s nanotainers as an uncleared medical device, forcing Theranos to cease to use  
25 the nanotainer device for all its tests but one. Further, according to published reports, a  
26 former Theranos employee has disclosed that Theranos modified its machines in the midst  
27 of the herpes tests that led to FDA approval and underreported to the FDA how often the  
28 machines broke down during the study.

1           48.     At the heart of all Theranos’s promises lay Theranos’s brand identity, that of  
2 an epoch making Silicon Valley revolutionary that had reinvented lab testing. This image  
3 is one Walgreens was happy to promote and yoke itself to. Former Walgreens CFO  
4 Miquelon boasted of Theranos founder Holmes’s “disruptive force,” stating that she had  
5 discovered how to do lab testing “much cheaper, more accurately and in a shorter period  
6 of time. . . . She has made the process better.”

7           49.     But while Theranos and Walgreens sold the public on Theranos’s  
8 revolutionary new testing methods, in reality Theranos hardly used the Edison devices at  
9 the heart of its “disruptive” testing model. Theranos has disclosed that its Scottsdale lab  
10 was equipped only with conventional laboratory machines that Theranos bought from  
11 Siemens—not the Edison machines central to Theranos’s brand. And while the Newark  
12 lab had Edison machines as well as conventional Siemens machines, Theranos has  
13 disclosed that its Scottsdale lab conducted over 90 percent of its testing. Theranos has  
14 further disclosed that it outsources “highly complex” tests to third-party, university-  
15 affiliated labs, despite its public statements that it is able to run all of the over 200 tests it  
16 offers on its Edison machines. Simply put, Theranos and Walgreens misrepresented the  
17 nature of the service offered.

18           50.     Walgreens allowed Theranos to control and obscure what went on inside the  
19 wellness centers it hosted in its stores. The centers were staffed by Theranos employees.  
20 Theranos conducted blood draws on site, but did not place its testing equipment on site;  
21 rather, it sent the samples it collected to its Scottsdale or Newark labs. Additionally,  
22 Walgreens reportedly had no access to Theranos’s clinical data or financial records—a  
23 concession that reportedly is unusual for Walgreens to make when investing in another  
24 company. Despite having surrendered to Theranos control over the services Theranos  
25 offered in its stores, Walgreens promoted those services and helped Theranos draw in  
26 patients.

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1 **IV. Published Reports Undermine Theranos' Claims of Accurate, Reliable Testing**

2 51. In October 2015, the Wall Street Journal issued the first of a series of  
3 articles revealing that Theranos's claims of a revolution in accurate, reliable, speedy blood  
4 testing were at best misleading and in many respects false.

5 52. Despite Theranos's having made Edison the centerpiece of its brand, by  
6 December 2014 Theranos reportedly was performing only 15 of the over 200 tests that it  
7 offered on Edison devices. Following the October 2015 article, Holmes confirmed that  
8 Theranos was using Edison devices for just one test.

9 53. Theranos changed its website during the period of the Journal's reporting to  
10 delete the claim that "[m]any of our tests require only a few drops of blood," as well as  
11 the claim that it usually collected "only three tiny micro-vials . . . instead of the usual six  
12 or more large ones." Theranos admitted that these changes were made for "marketing  
13 accuracy."

14 54. Moreover, Theranos has since revealed that it stopped using Edison for  
15 testing altogether in June 2015, though it continued to advertise its finger stick collection  
16 methods and the advantages of its testing solution, which were purportedly obtained  
17 through Edison.

18 55. Theranos employees have leaked to the press that Theranos diluted the  
19 "microsamples" of blood that they took so that the samples would meet the minimum  
20 volume requirements of the conventional machines Theranos used.

21 56. Notwithstanding Theranos's claims of enhanced speed, numerous patients  
22 have publicly reported delayed test results—one of the outcomes that Edison was  
23 supposed to prevent. For example, a journalist reported having had his blood drawn at a  
24 wellness center and receiving results back 3 days later, rather than the few hours that  
25 Theranos advertised.

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1 **V. Published Reports And Government Investigations Undermine Theranos’**  
2 **Claims Of Accurate, Reliable Testing**

3 57. In January 2016, news reports revealed that the Centers for Medicare &  
4 Medicaid Services (“CMS”), the federal regulator responsible for the integrity of  
5 laboratory testing, had inspected Theranos’s Newark lab and found five major infractions,  
6 including one "likely to cause, at any time, serious injury or harm, or death, to individuals  
7 served by the laboratory or to the health and safety of the general public."

8 58. The CMS sent a letter and a report to Theranos, dated January 25, 2016,  
9 which outlined the five major infractions, along with numerous other infractions. The five  
10 major infractions were violations of the following federal regulations:

- 11 • 42 C.F.R. § 493.1215: The CMS observed that Theranos failed to  
12 conduct adequate quality controls relating to hematology. This was the  
13 violation that the CMS identified as likely to cause serious injury, harm,  
14 or death at any time. One observation underpinning the CMS’s finding  
15 of inadequate quality controls related to PT/INR test results. The  
16 PT/INR test measures how long blood takes to clot, and it is used to  
17 monitor individuals being treated with the blood-thinner warfarin, sold  
18 under the trade name Coumadin—a medication prescribed to help  
19 prevent heart attack and stroke in especially vulnerable patients.
- 20 • 42 C.F.R. § 493.1250: This finding related to numerous failures in  
21 Theranos’s analytic systems, including failures to perform required  
22 weekly maintenance on certain of its testing machines and failures to  
23 keep freezers at the proper temperature.
- 24 • 42 C.F.R. § 493.1441: The CMS observed numerous failures relating to  
25 Theranos’s failure to employ a qualified lab director. The CMS found,  
26 among other things, that the director failed to ensure that required daily  
27 quality controls were performed, failed to ensure that the results of  
28 quality control materials met the laboratory’s own criteria for

1           acceptability, and failed to ensure that laboratory personnel were  
2           properly trained.

- 3           ● 42 C.F.R. § 493.1447: The CMS made numerous findings related to the  
4           inadequacy of Theranos's lab supervisors, for example, finding that two  
5           of the three supervisors failed to meet federal minimum standards  
6           requiring four years of experience.
- 7           ● 42 C.F.R. § 493.1487: The CMS found that some of the testing  
8           personnel employed in the Newark lab lacked federally required  
9           degrees in the hard sciences (one, for example, had a Liberal Studies  
10          degree) and had not received required training on the testing machines  
11          they operated.

12          59. In addition to the major infractions above, the CMS report observed  
13          numerous other problems at the Newark lab.

14          60. Notably, the CMS found that Theranos failed to meet even its own, internal  
15          quality controls. While the publicly available version of the CMS report is redacted,  
16          published reports from those who have seen an unredacted version of the report state,  
17          consistent with the redacted version, that Edison failed 29 percent of quality-control  
18          checks in October 2014. Specific tests had similar or even higher failure rates:

- 19          ● Tests of a hormone that affects testosterone levels failed at an 87  
20          percent rate;
- 21          ● Tests of the hormone prolactin, which promotes lactation in  
22          women after childbirth, failed at a 47 percent rate;
- 23          ● Tests to measure PSA, the prostate-specific antigen used to help  
24          detect prostate cancer, failed at a 22 percent rate.

25          61. According to the CMS, Theranos's own data showed unacceptable  
26          discrepancies between the measurements produced by Edison and conventional testing  
27          machines. For example, Vitamin D measurements differed between 21 and 130 percent,  
28          thyroid function tests differed by 21 to 39 percent, and testosterone tests differed by 22 to

1 146 percent. But Theranos's own internal guidelines specified that they should differ no  
2 more than 20 percent.

3 62. The CMS report reflects that, rather than reveal these deficiencies or take  
4 steps to inform the public, Theranos instead changed its standards to match its data. The  
5 CMS report faulted Theranos for "chang[ing] the criteria for acceptability" for numerous  
6 tests but "maintain[ing] no mechanism to assess the effectiveness of this corrective  
7 action."

8 63. The CMS report also faulted Theranos for failing to promptly notify people  
9 who ordered tests when it detected errors in the tests.

10 64. Finally, the CMS stated that its inspection of Theranos's lab took "an  
11 overview of the laboratory through random sampling" and observed that, due to its  
12 random nature, the inspection might "not find every violation that the laboratory may have  
13 committed."

14 65. The release of Theranos quality control data prompted one professor of  
15 pathology to say: "This is the first time that we've actually seen data from the Theranos  
16 instrument, and it's as bad as one would have worried it would be." He continued: "Based  
17 on this data, it's hard for me to believe that they went live with this instrument and tested  
18 patient specimens on it."

19 66. Independent researchers have confirmed the infirmity of Theranos's results.  
20 In March 2016, the Journal of Clinical Investigation published the results of a study of 60  
21 healthy adults that compared test results they received from Theranos with those they  
22 received from Quest and LabCorp using samples taken the same day. The study found  
23 Theranos was 60 percent more likely to report results outside of normal ranges. For  
24 example, Theranos's cholesterol tests were an average of 9.3 percent lower than those of  
25 the other labs—a fact which, the report said, could lead health care providers to "either  
26 inappropriately initiate or fail to appropriately initiate statin therapy."

27 67. Had Theranos or Walgreens divulged data reflecting the nature and quality  
28 of the tests they offered, patients who relied on their assurances of high-quality, accurate

1 testing would have had the opportunity to make an informed decision about whether to  
2 use their services.

3 **VI. Walgreens Takes Pains To Protect Itself, Rather Than Its Patients, After**  
4 **Theranos Problems Become Public**

5 68. The CMS report became a matter of public knowledge on January 27, 2016  
6 when the Wall Street Journal divulged its existence and summarized its major findings.  
7 Walgreens executives reportedly held a conference call with Theranos founder Holmes  
8 the following day. At that meeting, Walgreens reportedly told Holmes that it would only  
9 continue to work with Theranos if it suspended all testing until the issues identified by the  
10 CMS report were resolved.

11 69. Holmes reportedly refused that condition, and threatened to sue Walgreens  
12 for even suggesting a suspension.

13 70. Walgreens then, instead of insisting on a suspension of testing to protect  
14 patient health, opted to give Theranos 30 more days to resolve the problems identified at  
15 the Newark lab and closed only a single wellness center, the one in Palo Alto, California.  
16 It continued to permit the remaining forty wellness centers in Arizona to stay open.

17 71. Upon information and belief, there is no indication that Walgreens required  
18 Theranos to verify the reliability and accuracy of results issuing from its Scottsdale lab.

19 72. Further, upon information and belief, there is no indication that Walgreens  
20 has sent direct notification to patients who received test results from its wellness centers,  
21 posted a general notification in its stores, or made any oral or written disclosure to  
22 prospective patients concerning the problems with Theranos's testing.

23 73. As a result of Walgreens' refusal to suspend operations at its wellness  
24 centers or even to notify patients of the risks of relying on a Theranos-administered lab  
25 test, Walgreens continued to profit from exposing the public to Theranos's unsafe and  
26 unreliable blood tests.

27 ///

28 ///

1 **VII. The Federal Government Threatens Sanctions Against Theranos**

2 74. On March 18, 2016, the CMS sent Theranos a letter proposing to sanction it  
3 for failing to adequately address the five major infractions identified in its January 25,  
4 2016 letter and report. Among the sanctions proposed are:

- 5 ● Revocation of the Newark laboratory’s certification under the  
6 Clinical Laboratory Improvements Amendment of 1988  
7 (“CLIA”), which is the certification that permits laboratories to  
8 accept human samples for diagnostic testing;
- 9 ● Upon revocation of Theranos’s CLIA certification, a two-year  
10 ban on Holmes or the laboratory director owning, operating, or  
11 directing a laboratory for two years;
- 12 ● Monetary penalties of \$10,000 per day, along with suspension  
13 and cancellation of the laboratory’s approval to receive Medicare  
14 payments; and
- 15 ● Provision to the CMS of “a list of the names and addresses of all  
16 physicians and other clients who have used some or all of the  
17 laboratory’s services from January 2014 to the present date.” The  
18 CMS would use the list to notify doctors and patients of, among  
19 other things, the nature of Theranos’s non-compliance with  
20 federal regulations.

21 75. On April 18, 2016, public reports revealed that the U.S. Attorney’s office in  
22 San Francisco, with assistance from the Federal Bureau of Investigation and the U.S.  
23 Postal Inspection Service, has opened a criminal investigation into Theranos and  
24 subpoenaed documents from Walgreens, as well as the New York State Department of  
25 Health. The report also indicated that the Securities and Exchange Commission has begun  
26 to scrutinize whether Theranos was truthful when soliciting funding from private  
27 investors.

28

1 **VIII. Theranos Retracts Results From Both Its Newark And Its Scottsdale Labs,**  
2 **But Does Not Notify Patients**

3 76. In May 2016, Theranos disclosed that it had withdrawn all of the Edison test  
4 results it produced in 2014 and 2015. Theranos ran approximately 890,000 tests per year  
5 during that period. Theranos told CMS that it had reissued “tens of thousands” of blood-  
6 test reports, either voiding results or correcting them. Theranos’s notification efforts, then,  
7 reached roughly 1 to 5 percent of patients who received unreliable blood tests from  
8 Theranos and Walgreens.<sup>2</sup>

9 77. Theranos has emphasized in its public statements regarding the CMS report  
10 that the problems the CMS identified were inapplicable to its Scottsdale lab. For example,  
11 the current director of Theranos’s Newark lab told the media that “the CMS report is  
12 about people and processes in one Theranos lab in the past . . . .”

13 78. Upon information and belief, however, Theranos has sent corrected test  
14 reports to doctors in the Phoenix area, including reports pertaining to one of the very same  
15 tests identified by the CMS report in finding that the Newark lab posed an immediate  
16 threat of serious harm or death.

17 79. As explained above, lack of quality control for PT/INR was one of the  
18 observations underpinning the CMS’s finding that conditions in the Newark lab posed an  
19 immediate danger of serious harm or death. Doctors use PT/INR tests to prescribe blood-  
20 thinning medications to patients especially vulnerable to clotting, such as those who have  
21 received heart valve replacements or suffered an ischemic event like heart attack or stroke.

22 80. The April 13, 2016 letter offers the doctor the option of having  
23 complimentary retesting performed. The letter does not offer, however, any way of  
24 contacting the patients, and it gives no indication that Theranos itself has sought to contact  
25 them.

26 <sup>2</sup> Assuming Theranos delivered 890,000 tests in 2014 and 2015, it delivered  
27 approximately 1.8 million tests. Assuming that Theranos’s notification of “tens of  
28 thousands” of patients means it notified between 20,000 and 90,000, Theranos notified  
between 1.1 and 5.0 percent of the 1.8 million test recipients, approximately.

1           81. Only in June 2016, months after news of Theranos's problems became  
2 public, did Walgreens decide to shut down its Theranos centers. Theranos and Walgreens  
3 still have not disclosed to patients the health risks of relying on Theranos tests.

4 **IX. Plaintiff's Experience**

5           82. Plaintiff S.L. has a family history of diabetes. He has been pre-diabetic for  
6 approximately the last 15 years.

7           83. In 2015, S.L.'s mother was diagnosed with diabetes. After he learned of  
8 that diagnosis, SL had two blood tests performed at a Theranos-run wellness center  
9 located within a Walgreens in Chandler, Arizona. When Plaintiff arrived at the  
10 Walgreens, his experience differed from what was promoted. He had full vials of blood  
11 drawn.

12           84. S.L. has never received notice of the problems with Theranos's labs and  
13 tests from Theranos or from Walgreens.

14           85. Had S.L. known that Theranos's blood tests were inaccurate or that  
15 Theranos violated federal regulations, he would not have purchased a Theranos blood test  
16 or would have paid significantly less for it.

17 **CLASS ACTION ALLEGATIONS**

18           86. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Plaintiff brings  
19 this action on behalf of himself and the following proposed classes, defined as follows:

20           A. Arizona Walgreens Class:

21                   All persons who purchased a Theranos lab test from  
22                   Walgreens in Arizona between September 1, 2013, and  
                    the present.

23           B. Arizona Theranos Class:

24                   All persons who purchased a Theranos lab test from  
25                   Theranos in Arizona between September 1, 2013, and  
                    the present.

26           87. Excluded from the proposed classes are Theranos and Walgreens; any  
27 affiliate, parent, or subsidiary of Theranos or Walgreens; any entity in which Theranos or  
28 Walgreens has a controlling interest; any officer, director, or employee of Theranos or



1 Walgreens; any successor or assign of Theranos or Walgreens; anyone employed by  
2 counsel in this action; and any judge to whom this case is assigned, his or her spouse, and  
3 members of the judge's staff.

4 88. Numerosity. Theranos, through the wellness centers it operated with  
5 Walgreens and on its own, sold well over one million blood tests. Members of the  
6 proposed classes are thus too numerous to practically join in a single action. Class  
7 members may be notified of the pendency of this action by mail, supplemented by  
8 published notice (if deemed necessary or appropriate by the Court).

9 89. Commonality and Predominance. Common questions of law and fact exist  
10 as to all proposed class members and predominate over questions affecting only individual  
11 class members. These common questions include whether:

12 a. A reasonable consumer would consider the flaws in Theranos's lab  
13 testing to be important;

14 b. Theranos knew its lab tests were inaccurate, and if so, when it  
15 discovered this;

16 c. Walgreens knew that Theranos's lab tests were inaccurate, and if so,  
17 when it discovered this;

18 d. Theranos and Walgreens misrepresented to potential customers the  
19 lab tests' propensity for inaccuracy;

20 e. Theranos and Walgreens are obligated to provide notice of inaccurate  
21 test results to the patient whose blood or other samples was tested; and

22 f. Theranos and Walgreens' conduct violates various consumer  
23 protection statutes.

24 90. Typicality. Plaintiff's claims are typical of the claims of the proposed  
25 classes. Plaintiff and the members of the proposed classes all purchased blood tests from  
26 Theranos and/or Walgreens during the Class Period, giving rise to substantially the same  
27 claims.  
28

1           91. Adequacy. Plaintiff is an adequate representative of the proposed classes  
2 because his interests do not conflict with the interests of the members of the classes he  
3 seeks to represent. Plaintiff has retained counsel competent and experienced in complex  
4 class action litigation, and will prosecute this action vigorously on Class members' behalf.

5           92. Superiority. A class action is superior to other available means for the fair  
6 and efficient adjudication of this dispute. The injury suffered by each Class member,  
7 while meaningful on an individual basis, is not of such magnitude as to make the  
8 prosecution of individual actions against Theranos and Walgreens economically feasible.  
9 Even if Class members themselves could afford such individualized litigation, the court  
10 system could not. In addition to the burden and expense of managing many actions arising  
11 from the faulty blood tests at issue here, individualized litigation presents a potential for  
12 inconsistent or contradictory judgments. Individualized litigation increases the delay and  
13 expense to all parties and the court system presented by the legal and factual issues of the  
14 case. By contrast, a class action presents far fewer management difficulties and provides  
15 the benefits of single adjudication, economy of scale, and comprehensive supervision by a  
16 single court.

17           93. In the alternative, the proposed classes may be certified because:

18           a. The prosecution of separate actions by the individual members of the  
19 proposed Class would create a risk of inconsistent adjudications, which could establish  
20 incompatible standards of conduct for Theranos and Walgreens;

21           b. The prosecution of individual actions could result in adjudications,  
22 which as a practical matter, would be dispositive of the interests of non-party class  
23 members or which would substantially impair their ability to protect their interests; and

24           c. Theranos and Walgreens have acted or refused to act on grounds  
25 generally applicable to the proposed classes, thereby making appropriate final and  
26 injunctive relief with respect to the members of the proposed classes as a whole.

27 ///

28 ///

**COUNT I**

**Arizona’s Consumer Fraud Act, A.R.S. § 44-1521, *et seq.*  
(on behalf of Plaintiff, the Arizona Theranos Class, and the  
Arizona Walgreens Class)**

1  
2  
3  
4 94. Plaintiff incorporates the above allegations by reference.

5 95. Defendants Theranos and Walgreens, operating in Arizona, engaged in  
6 deceptive and unfair acts and practices, misrepresentation, and the concealment,  
7 suppression, and omission of material facts in connection with the sale and advertisement  
8 of “merchandise” (as defined in the Arizona Consumer Fraud Act, A.R.S. §44-1521(5)),  
9 in violation of A.R.S. §44-1522(A), including but not limited to the following:

10 96. Defendants Theranos and Walgreens misrepresented material facts to  
11 Plaintiff and Class members, in connection with the sale of lab tests, by representing that  
12 the tests were reliable, accurate, performed on innovative equipment, and complied with  
13 all federal and state laws and regulations;

14 97. Defendants Theranos and Walgreens omitted, suppressed, and concealed the  
15 material fact of the inadequacy of the blood tests’ reliability, accuracy, and integrity, with  
16 the intent that others rely on the omission, suppression, and concealment;

17 98. Defendants Theranos and Walgreens engaged in unfair acts and practices, in  
18 connection with the sale of blood tests, by misrepresenting the accuracy and reliability of  
19 the lab tests they sell and by knowingly concealing and failing to disclose that the lab tests  
20 they sell are flawed and unreliable. These unfair acts and practices violated duties  
21 imposed by laws including the Clinical Laboratory Improvement Amendments of 1988  
22 and related regulations; and

23 99. Defendants Theranos and Walgreens engaged in unfair acts and practices  
24 with respect to the sale of blood tests by failing to take proper action to notify Plaintiff  
25 and Class members of the potential inaccuracy of their test results.

26 100. The above unfair and deceptive practices and acts by Defendants Theranos  
27 and Walgreens were immoral, unethical, oppressive, and unscrupulous. These acts caused  
28

1 substantial injury to consumers that the consumers could not reasonably avoid; this  
2 substantial injury outweighed any benefits to consumers or to competition.

3 101. Defendants Theranos and Walgreens knew or should have known that the  
4 blood tests they sold were unreliable and prone to inaccuracy, and that risk of a patient or  
5 doctor relying on inaccurate test results was highly likely. Defendants' actions in  
6 engaging in the above-named unfair practices and deceptive acts were negligent, knowing  
7 and willful, and wanton and reckless with respect to the rights of Plaintiff and Class  
8 members.

9 102. As a direct and proximate result of Defendants' unlawful practices, Plaintiff  
10 and Class members suffered injury and damages.

11 103. Plaintiff seeks relief under A.R.S. § 4421, *et seq.*, including, but not limited  
12 to, compensatory damages, punitive damages, injunctive relief, and attorneys' fees and  
13 costs.

14 **COUNT II**  
15 **Breach of the Implied Covenant of Good Faith and Fair Dealing**  
16 **(on behalf of Plaintiff, the Arizona Theranos Class, and the**  
17 **Arizona Walgreens Class)**

18 104. Plaintiff incorporates the above allegations by reference.

19 105. Plaintiff entered into an agreement with Theranos or Walgreens to purchase  
20 accurate, reliable lab tests using Theranos's secret, proprietary system in exchange for  
21 payment, tendered either directly from Plaintiff or through his insurance.

22 106. Plaintiff did all the things required of him to do, including tendering  
23 payment or insurance information and submitting to testing.

24 107. Plaintiff's acts satisfied all the conditions required for Theranos and  
25 Walgreens to perform.

26 108. Theranos and Walgreens unfairly interfered with Plaintiff's right to receive  
27 the benefit of their agreements by (1) failing to timely notify him of the lab tests'  
28 unreliability and propensity for inaccuracy, as well as of any actual inaccuracies, and  
(2) by failing to state clearly that, notwithstanding Theranos and Walgreens'

1 advertisement of revolutionary new testing technology and procedures, the blood tests  
2 they provided often were no different than other blood tests on the market.

3 109. As a direct and proximate cause of Theranos and Walgreens' breaches,  
4 Plaintiff and the Class were damaged in an amount that will be proven by paying for  
5 worthless tests, as well as consequential damages.

6 **COUNT III**  
7 **Unjust Enrichment**  
8 **(on behalf of Plaintiff, the Arizona Theranos Class, and**  
9 **the Arizona Walgreens Class)**

9 110. Plaintiff incorporates the above allegations by reference.

10 111. As described above, Theranos and Walgreens sold lab tests to Plaintiff and  
11 the Class even though they knew or should have known those tests to be worthless.

12 112. These sales enriched Theranos and Walgreens at the expense of Plaintiff and  
13 the Class, who, without knowledge of the unreliability of the lab tests, purchased testing  
14 that was, in fact, worthless.

15 113. It would be inequitable and unjust for Theranos or Walgreens to retain these  
16 wrongfully obtained profits.

17 114. Plaintiff and the Class are entitled to restitution of the profits unjustly  
18 obtained, plus interest.

19 **COUNT IV**  
20 **Negligent Misrepresentation**  
21 **(on behalf of Plaintiff, the Arizona Theranos Class, and**  
22 **the Arizona Walgreens Class)**

22 115. Plaintiff incorporates the above allegations by reference.

23 116. Theranos and Walgreens provided false information to Plaintiff and the  
24 Class, for example, that the lab tests they sold were highly accurate and reliable, when in  
25 fact the blood tests were not.

26 117. Theranos and Walgreens intended for Plaintiff and the Class to rely on their  
27 representations of accuracy and reliability.

28

1 118. Theranos and Walgreens failed to exercise reasonable care in obtaining and  
2 communicating the information concerning the accuracy of their blood tests.

3 119. Plaintiff and the Class actually and justifiably relied on the representations  
4 made to them by Theranos, a corporation in the business of supplying purportedly  
5 advanced blood testing services, and Walgreens, a company of long standing and  
6 nationwide reach known for providing pharmacy care.

7 120. Plaintiff and the Class suffered damages as a result of their exposure to  
8 Theranos and Walgreens' false statements by the purchase of worthless lab tests, the  
9 purchase of tests they would not have purchased had they known the truth, and the receipt  
10 of test results that were unreliable but which formed the basis of their impressions of and  
11 decisions concerning their health.

12 **COUNT V**  
13 **Negligence**  
14 **(on behalf of Plaintiff, the Arizona Theranos Class, and  
the Arizona Walgreens Class)**

15 121. Plaintiff incorporates the above allegations by reference.

16 122. Theranos and Walgreens each had a duty to provide Plaintiff and the Class  
17 with reliable, accurate laboratory testing.

18 123. Theranos and Walgreens breached this duty by providing laboratory tests  
19 that were unreliable, conducted in a manner that did not satisfy federal standards for  
20 quality control, in laboratories that did not meet federal standards for staffing, on  
21 inadequately maintained and calibrated equipment.

22 124. Plaintiff and Class members were damaged as a direct and proximate result  
23 of these breaches, including by payment for lab testing services that were unreliable, by  
24 submitting to lab testing that they would not have if they had known the tests were  
25 unreliable and worthless, by suffering physical invasion of their persons under the false  
26 pretense that the blood withdrawal they underwent would result in accurate and reliable  
27 test results.

28 125. Plaintiff and the Class are entitled to actual and punitive damages.



1 E. An order awarding Plaintiff and the class(es) pre-judgment and post-  
2 judgment interest as allowed under the law;

3 F. An order awarding Plaintiff and the class(es) reasonable attorneys' fees and  
4 costs of suit, including expert witness fees; and

5 G. An order awarding such other and further relief as this Court may deem just  
6 and proper.

7 **JURY TRIAL DEMAND**

8 Plaintiff demands a trial by jury.

9 Respectfully submitted,

10 ZIMMERMAN REED, PLLP

11  
12 Date: October 18, 2016

s/ Hart L. Robinovitch

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**UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA**

**Civil Cover Sheet**

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is authorized for use only in the District of Arizona.

**The completed cover sheet must be printed directly to PDF and filed as an attachment to the Complaint or Notice of Removal.**

**Plaintiff(s): S.L.**

**Defendant(s): Theranos, Inc. ; Walgreens Boots Alliance, Inc.**

County of Residence: Maricopa

County of Residence: Outside the State of Arizona

County Where Claim For Relief Arose: Maricopa

Plaintiff's Atty(s):

Defendant's Atty(s):

**Hart L. Robinovitch , Esq. ( S.L. )  
Zimmerman Reed, LLP  
14646 N Kierland Blvd. Suite 145  
Scottsdale, Arizona 85254  
4803486400**

II. Basis of Jurisdiction:                    **4. Diversity (complete item III)**

III. Citizenship of Principal Parties (Diversity Cases Only)

Plaintiff:- **1 Citizen of This State**  
Defendant:- **5 Non AZ corp and Principal place of Business outside AZ**

IV. Origin :                                    **1. Original Proceeding**

V. Nature of Suit:                         **370 Other Fraud**

VI. Cause of Action:                    **A.R.S. § 44-1521, et seq AZ. Consumer Fraud**

VII. Requested in Complaint

Class Action: **Yes**  
Dollar Demand: **5,000,000**  
Jury Demand: **Yes**

VIII. This case IS RELATED to Case Number **2:16-cv-2138** assigned to Judge **H. Russell Holland.**

**Signature: s/ Hart L. Robinovitch**

**Date: 10-18-2016**

**If any of this information is incorrect, please go back to the Civil Cover Sheet Input form using the *Back* button in your browser and change it. Once correct, save this form as a PDF and include it as an attachment to your case opening documents.**

Revised: 01/2014