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11	Counsel for Plaintiff,								
12	SAMANTHA KIRBY								
13	UNITED STATES I	DISTRICT COURT							
14	NORTHERN DISTRIC	CT OF CALIFORNIA							
15									
16	SAMANTHA KIRBY, individually and on behalf of all others similarly situated,	Case No.							
17		CLASS ACTION COMPLAINT FOR:							
18	Plaintiff,	1. Violation of the California Consumers Legal							
19		Remedies Act, Cal. Civ. Code § 1750, <i>et seq</i> .; 2. Violations of the California Unfair							
20	v.	Competition Law, Cal. Bus. & Prof. Code § 17200, et seq.;							
21		3. Violations of the California Automatic							
22	MCAFEE, INC., a Delaware corporation headquartered in California,	Renewal Law, Cal. Bus. & Prof. Code §§ 17600 - 17604;							
23	nonequenos en conscenso,	4. Common Law Money Had and Received; and							
24	Defendant.	5. Unjust Enrichment							
25		JURY TRIAL DEMANDED							
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CLASS ACTION COMPLAINT

Plaintiff Samantha Kirby ("Plaintiff"), by and through her counsel, bring this Class Action Complaint on behalf of herself and all others similarly situated against Defendant McAfee, Inc. ("McAfee" or "Defendant"), and alleges, as follows:

#### **NATURE OF THE CASE**

- 1. Plaintiff brings this class action on behalf of three consumer Classes to stop

  Defendant McAfee's unlawful and unfair practices related to auto-renewing consumers' subscription
  to its antivirus software. Defendant auto-renews consumer subscriptions without consumers'
  affirmative consent. Additionally, Defendant often charges prices upon auto-renewal that are higher
  than those originally charged, and higher than those available to first time subscribers, without clear
  and conspicuous notice to the consumers. Furthermore, unbeknownst to consumers, in cases where
  consumers cancel their credit/debit cards or their credit/debut cards expire, McAfee is able to obtain
  new credit/debit card information from the credit/debit card companies and continue to charge autorenewal fees without consumers' consent.
- 2. Plaintiff brings this class action on behalf of the following classes of purchasers: (A) all persons in the United States who purchased McAfee's antivirus software protection and were subsequently charged for the renewal of this product, or, alternatively, all California residents who purchased McAfee Inc.'s antivirus software protection and were subsequently charged for the renewal of this product without first obtaining Plaintiff's and the Class's affirmative consent to the agreement containing the automatic renewal offer as required by the California Automatic Renewal Law (California Business & Professions Code §§ 17600 17604); (B) all persons in the United States whom McAfee charged a higher fee for the auto renewal of McAfee's antivirus software protection than it initially charged at the time of purchase; and (C) all persons in the United States who never provided current credit/debit card information to McAfee, but were subsequently charged by McAfee for the renewal of McAfee's antivirus software protection.

#### JURISDICTION AND VENUE

3. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d)(2), because the proposed class has more than 100 members, the class contains at least one member of diverse citizenship from Defendant, and the amount in controversy exceeds \$5 million.

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- 4. The Court has personal jurisdiction over Defendant because Defendant is authorized to and conducts substantial business in California, generally, and in this District specifically. Defendant has marketed, promoted and distributed its antivirus software protection from this District, and Defendant's policies and practices were made and acted upon within this District.
- 5. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(1) because Defendant resides in this judicial district, and pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to this action occurred in this District as Defendant's policies and practices were made and acted upon within this District.
- 6. Intra-district Assignment: Pursuant to Civil Local Rules 3-2(c), a substantial part of the events or omissions giving rise to this action occurred in Santa Clara County; therefore, it is appropriate to assign the action to the San Jose Division.
- 7. To the extent there is any contractual or other impediment to pursuit of these claims on a class action basis, Plaintiff specifically alleges, and will prove, if necessary, that any bar to class action proceedings is unconscionable, unfair, against public policy, and unenforceable.

### **PARTIES**

- 8. Plaintiff Samantha Kirby resides in Los Angeles County, California. Plaintiff purchased McAfee's antivirus software protection for a price of \$59.99 on May 10, 2010. In April 2011, McAfee renewed Plaintiff's subscription without her affirmative consent, and without clear and conspicuous notice, for \$79.99. From the date of her subscription in April 2011, Defendant continued to auto-renew Plaintiff's subscription at the price of \$79.99. Plaintiff received notice in early 2014 that her debit card information had expired and, therefore, Defendant was unable to auto renew the charges. Although Plaintiff at no time updated her debit card information with McAfee, to her amazement, Defendant later provided notice that it had auto-renewed her subscription by charging her new debit card information.
- 9. Defendant McAfee, Inc., a Delaware corporation with its principal office in Santa Clara, California, is a manufacturer and worldwide supplier of computer programs and hardware that relates to network security, antivirus, and network management products.

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#### FACTUAL BACKGROUND

- 10. After Plaintiff purchased McAfee's antivirus software protection on May 10, 2010, McAfee placed her account in McAfee's Auto Renewal Program for its antivirus software protection without her knowledge or consent. McAfee imported Plaintiff's debit card banking information into the Auto Renewal Program page. Later, Plaintiff discovered that Defendant McAfee would not allow her to delete this information unless she provided new credit/debit card information.
- 11. On April 11, 2011, when Plaintiff resided in California, she was charged \$79.99 for the renewal of McAfee's antivirus software protection for one year without her affirmative consent. This was an increase in the price from what she had paid originally for McAfee's product, and at no time did Plaintiff agree to this price increase or to have her subscription auto renewed. At no time prior to April 11, 2010 renewal did Plaintiff provide affirmative consent to renew McAfee's software protection for another year, especially at a \$20.00 higher price, or give her affirmative consent to an "agreement containing the automatic renewal offer terms" at a price of \$79.99 for McAfee's product.
- 12. Subsequently, on April 11, 2012 and again on April 11, 2013, Plaintiff was charged without her affirmative consent \$79.99 for the renewal of McAfee's antivirus software protection. At no time prior to these renewals did Plaintiff provide affirmative consent to renew McAfee's software protection for another year or give her affirmative consent to an "agreement containing the automatic renewal offer terms" at a price of \$79.99 for McAfee's product.
- 13. In early 2014, Plaintiff received a notice from McAfee that her debit card information had expired and, therefore, Defendant was unable to auto renew her antivirus software protection. At no time did Plaintiff update her debit card information with McAfee. To Plaintiff's amazement, McAfee later provided notice to her that it had auto renewed her account for its antivirus software protection with her new debit card information, which she had never provided to McAfee.
- 14. On information and belief, McAfee automatically enrolls all of its customers in its auto renewal program with purchase of McAfee antivirus software. Purchasers are not given the option to decide if they want an automatically renewing subscription for the software they are purchasing. Indeed, according to McAfee's website, "All paid subscription services are automatically enrolled in the McAfee Auto Renewal program."

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(http://service.mcafee.com/FAQDocument.aspx?id=CS40083&) (last visited May 28, 2014).

- 15. Additionally, McAfee imports the credit card/debit information of Plaintiff and Class Members into the McAfee Auto Renewal Program for its antivirus software protection without receiving Plaintiff and Class Members' consent to do so.
- 16. Furthermore, McAfee deceptively and unfairly obtains, without the permission of Plaintiff and the Class, Plaintiff's and the Class' credit/debit card information from third party companies, and then uses this credit/debit card information to update Plaintiff's and the Class' information in its Auto Renewal Program account. McAfee then charges Plaintiff's and the Class' credit cards/debit cards in renewing Plaintiff's and the Class' antivirus software protection, without ever receiving consent from Plaintiff or the Class: (1) to use this confidential credit/debit card information; and (2) to renew their subscription to McAfee's antivirus software protection.
- 17. In McAfee's response to its customers on how McAfee is able to update credit/debit card information without getting this confidential information from its customers, McAfee admits to the deceptive and unfair business practice of obtaining customers' new credit and debit card information without consent and charging auto renewal fees on the new cards without customers' consent:

McAfee's only intention is to provide uninterrupted protection to not just your computer but also to all of your important information or files because without this feature, your computer will be left unprotected as soon as your license expires.

Also, I would like to inform you that McAfee works with credit card companies and other financial institutions to ensure that customers' credit card information remain up to date so that their security will also be up to date and customers will continue to be protected.

If a customer is enrolled in McAfee's automatic renewal program, their credit card may be charged even if it has expired. McAfee is enrolled in account updater services from Visa and MasterCard which provides McAfee with updated credit card information. This is not information that McAfee seeks out, this is information that is provided as a service by Visa and MasterCard.

The customer's credit card information will only be updated if a customer maintains an account with the same financial institution that issued the previous card on file.

You may always get in touch with your financial institution to verify this information. You may check this link: Visa Account Updater Service, http://usa.visa.com/merchants/new acceptance/abp updater.html

(https://community.mcafee.com/thread/62539) (last visited May 28, 2014) (emphasis added).

18. At no time did Plaintiff provide updated credit/debit card information to McAfee, and at no time did Plaintiff or the Class authorize third party companies to provide updated credit/debit card information to McAfee, and at no time did Plaintiff or Class authorize McAfee to receive updated credit/debit card information from third-party companies.

## California Automatic Renewal Law, California Business & Professions Code §§ 17600-17606

- 19. On December 1, 2010, §§ 17600 17606 of Article 9, of Chapter 1 of Part 3, of Division 7 of the California Business & Professions Code came into effect. The stated intent of the Legislature of this Article was to end the practice of charging of consumers' payment methods without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service. Cal. Bus. & Prof. Code § 17600 (emphasis added).
- 20. Cal. Bus. & Prof. Code § 17602(a) makes it unlawful for any business making an automatic renewal or continuous service offer to a consumer in this state to do any of the following:
  - (1) Fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner "before the subscription or purchasing agreement is fulfilled and in visual proximity";
  - (2) Charge the consumer's credit or debit card or the consumer's account with a third party for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms;
  - (3) Fail to provide an acknowledgment that includes the automatic renewal or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer.
- Id. (emphases added).
- 21. Cal. Bus. & Prof. Code § 17601(a) defines the term "automatic renewal" as a plan or arrangement in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term.
  - 22. Cal. Bus. & Prof. Code § 17601(b) defines the term "automatic renewal offer terms"

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as the following clear and conspicuous disclosures:

- (1) That the subscription or purchasing agreement will continue until the consumer cancels;
- (2) The description of the cancellation policy that applies to the offer;
- (3) The recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known;
- (4) The length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer;
- (5) The minimum purchase obligation, if any." Id. (emphases added).
- 23. Pursuant to § 17601(c), "clear and conspicuous" or "clearly and conspicuously" means "in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language."
- 24. Section 17603 of the Cal. Bus. & Prof. Code provides: "In any case in which a business sends any goods, wares, merchandise, or products to a consumer, under a continuous service agreement or automatic renewal of a purchase, without first obtaining the consumer's affirmative consent as described in § 17602, the goods, wares, merchandise, or products shall for all purposes be deemed an unconditional gift to the consumer, who may use or dispose of the same in any manner he or she sees fit without any obligation whatsoever on the consumer's part to the business, including, but not limited to, bearing the cost of, or responsibility for, shipping any goods, wares, merchandise, or products to the business." *Id.* (emphasis added).

# Defendant Does Not Provide Clear and Conspicuous Disclosures for Its Auto Renewal Program as Required by Cal. Bus. & Prof. Code § 17602(a)(1)

25. Defendant failed to inform Plaintiff and the Class in clear and conspicuous language, i.e., "in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks,

in a manner that clearly calls attention to the language" that:

- (1) The purchasing agreement will continue until the consumer cancels;
- (2) Adequately describes the cancellation policy that applies to the offer; and/or
- (3) The recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal plan or arrangement, and that the amount of the charge will change from the original purchase price to the renewal price of \$79.99.

# Defendant Fails to Obtain Affirmative Consent to the Agreement Containing the Automatic Renewal Offer Terms

- 26. Plaintiff and the Class were automatically enrolled in the McAfee Auto Renewal Program for Defendant's antivirus software protection without their "affirmative consent," within the meaning of Cal. Bus. & Prof. Code §17602(a)(1).
- 27. Plaintiff and the Class did not affirmatively consent, sign up, or check a box to be included in McAfee Auto Renewal Program. Instead, Defendant imported the credit/debit card information of Plaintiff and the Class into the McAfee Auto Renewal Program without their consent. Defendant as well does not allow Plaintiff and the Class to delete this credit/debit card information without providing other credit/debit card information.
- 28. Plaintiff and the Class did not give their affirmative consent to an "agreement containing the automatic renewal offer terms or continuous service offer terms," with a price term of \$79.99 for the renewal of McAfee's antivirus software protection for one year.
- 29. Accordingly, Plaintiff and the Class did not give their affirmative consent, within the meaning of Cal. Bus. & Prof. Code §17602(a)(1), to an agreement containing "the automatic renewal offer terms," with the necessary clear and conspicuous disclosures of terms, such as price terms.
- 30. Despite never receiving an affirmative consent from Plaintiff and the Class, and without Plaintiff and the Class authorizing such charges, Defendant charged Plaintiff and the Class for the renewal of McAfee's antivirus software protection.
- 31. Accordingly, Defendant charged Plaintiff and the Class "without first obtaining Plaintiff's and the Class' affirmative consent" to the agreement containing "the automatic renewal

offer terms or continuous service offer terms," with the necessary clear and conspicuous disclosures of terms, such as price terms.

- 32. Furthermore, by obtaining new debit card and credit card information for those customers whose cards expired or replaced, Defendant charged Plaintiff and the Class "without first obtaining Plaintiff's and the Class' affirmative consent" to the agreement containing "the automatic renewal offer terms or continuous service offer terms," with the necessary clear and conspicuous disclosures of terms.
- As a result of the above, and in addition to violating other laws, as described below, Defendant violated Cal. Bus. & Prof. Code § 17602(a)(2), and as such, all goods, wares, merchandise, or products, sent to Plaintiff and Class Members under the automatic renewal or continuous service agreement are deemed to be an unconditional gift pursuant to Cal. Bus. & Prof. Code § 17603, and Plaintiff and the Class may use or dispose of the same in any manner they see fit without any obligation whatsoever on the consumer's part to the business, including, but not limited to, bearing the cost of, "or responsibility for, shipping any goods, wares, merchandise, or products to the business."

#### **CLASS ACTION ALLEGATIONS**

- 34. Plaintiff seeks relief in her individual capacity and seeks to represent a class consisting of all others who are similarly situated. Pursuant to Fed. R. Civ. P. 23(a) and (b)(2) and/or (b)(3), Plaintiff seeks certification of a class initially defined as follows:
  - (A) All persons in the United States who purchased McAfee Inc.'s antivirus software protection and were subsequently charged for the renewal of this product or, alternatively, all California residents who purchased McAfee Inc.'s antivirus software protection and were subsequently charged for the renewal of this product without first obtaining Plaintiff's and the Class's affirmative consent to the agreement containing the automatic renewal offer as required by the

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California Automatic Renewal Law, Cal. Bus. & Prof. Code §§ 17600 - 17604;

- (B) All persons in the United States who were subsequently charged a higher fee by McAfee Inc. for the auto renewal of McAfee Inc.'s antivirus software protection than they were initially charged when they purchased the antivirus software from McAfee Inc.; and/or
- (C) All persons in the United States who never provided current credit card information to McAfee Inc.'s, but were subsequently charged by McAfee Inc. for the renewal of McAfee Inc.'s antivirus software protection.
- 35. Excluded from the Class and Subclass are (i) any judge presiding over this action and members of their families; (ii) Defendant, Defendant's subsidiaries, parents, successors, predecessors, and any entity in which Defendant or its parents have a controlling interest and their current or former employees, officers, and directors; (iii) persons who properly execute and file a timely request for exclusion from the Class; and (iv) the legal representatives, successors or assigns of any such excluded persons.
- 36. Plaintiff reserves the right to amend or modify the Class definition with greater specificity or division into subclasses after they have had an opportunity to conduct discovery.
- 37. Numerosity. Fed. R. Civ. P. 23(a)(1). The potential members of the Class as defined are so numerous and so diversely located throughout the United States, that joinder of all the members of the Class is impracticable. Class Members are dispersed throughout the United States. Joinder of all members of the proposed class is, therefore, not practicable.
- 38. <u>Commonality</u>. Fed. R. Civ. P. 23(a)(2) and (b)(3). There are questions of law and fact common to the Plaintiff and the Class that predominate over any questions affecting only individual members of the Class. These common questions of law and fact include, without

- a. For the California Automatic Renewal Law Subclass, whether Defendant charged Plaintiff and Class Members' terms in violation of Cal. Bus. & Prof. Code § 17602(a)(1);
- b. For the California Automatic Renewal Law Subclass, whether Defendant charged Plaintiff and Class Members' terms in violation of Cal. Bus. & Prof. Code § 17602(a)(2);
- c. For the California Automatic Renewal Law Subclass, whether Defendant's Agreement contained the automatic renewal offer terms and/or continuous service offer terms as defined by Cal. Bus. & Prof. Code § 17601;
- d. For the California Automatic Renewal Law Subclass, whether Defendant failed to present the automatic renewal offer terms, or continuous service offer terms, in a clear and conspicuous manner before the subscription or purchasing agreement was fulfilled and in visual proximity in violation of Cal. Bus. & Prof. Code § 17602(a)(1);
- e. For the California Automatic Renewal Law Subclass, whether Cal. Bus. & Prof. Code § 17603 provides for restitution for money paid by Class Members in circumstances where the goods and services provided by Defendant are deemed an unconditional gift;
  - f. Whether Defendant violated the CLRA, Cal. Civ. Code § 1750, et seq.;
- g. Whether Defendant violated Cal. Civ. Code § 1770(a)(14), by representing that it had rights and remedies that it did not have, specifically that it had the right to charge Plaintiff and the Class without first obtaining Plaintiff and Class Members' affirmative consent for the auto renewal of McAfee's product, and through other conduct described herein;
- h. Whether Defendant violated Cal. Civ. Code § 1770(a)(4) by using deceptive representations in connection with goods or services by not informing Plaintiff and the Class that it was going to auto renew Plaintiff and the Class for its product without first receiving affirmative consent from Plaintiff and the Class to do so;
- i. Whether Defendant violated Cal. Civ. Code § 1770(a)(4) by using deceptive representations in connection with goods or services by not informing Plaintiff and the Class about the price increase for McAfee's antivirus software protection upon auto renewal and then subsequently charging them this higher price;

as described here are uniform as to all members of the Class. Defendant has acted or refused to act on grounds that apply generally to the Class, so that final injunctive relief or declaratory relief is appropriate with respect to the Class as a whole.

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#### FIRST CAUSE OF ACTION

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(Violation of Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq.)

43. Plaintiff incorporates by reference and re-alleges the preceding paragraphs.

- 44. This cause of action is brought pursuant to the Consumers Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.* (the "CLRA"), because Defendant's actions and conduct described herein constitute transactions that have resulted in the sale or lease of goods or services to consumers.
- 45. Plaintiff and each member of the Class are consumers as defined by Cal. Civ. Code § 1761(d).
- 46. Cal. Civ. Code § 1770(a)(14) specifically prohibits representations that a transaction confers or involves rights, remedies, or obligations that it does not have or involve or that are prohibited by law.
- 47. Defendant has violated the Cal. Civ. Code § 1770(a)(14), by representing that it had rights and remedies that it did not have, specifically that it had the right to charge Plaintiff and the Class without first obtaining Plaintiff and Class Members' affirmative consent for the auto renewal of McAfee's product, and through other conduct described herein.
  - 48. Defendant also violated the CLRA in at least the following respects:
    - a. in violation of § 1770(a)(4), Defendant used deceptive representations in connection with goods or services by not informing Plaintiff and the Class that it was going to auto renew Plaintiff and the Class for its product without first receiving affirmative consent from Plaintiff and the Class to do so;
    - b. in violation of § 1770(a)(4), Defendant used deceptive representations in connection with goods or services by not informing Plaintiff and the Class about the price increase for McAfee's antivirus software protection upon auto renewal and then subsequently charging them this higher price;
    - c. in violation of § 1770(a)(5), McAfee's antivirus software protection did not have "sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities" in that McAfee's antivirus software had a higher price in auto renewal than previously represented;
    - d. in violation of § 1770(a)(9), Defendant advertised goods or services with intent not to sell them as advertised by advertising McAfee's antivirus software protection as having one price by email and/or website to Plaintiff and the

- Class, and then charging a higher price through its auto renewal program;
- e. in violation of § 1770(a)(14), Defendant represented that it had rights and remedies that it did not have, specifically that it had the right to access consumers' confidential credit or debit card information in order to update and charge the auto renew fees to their accounts;
- f. in violation of § 1770(a)(16), in auto renewal, Defendant did not supply

  McAfee's antivirus software protection at the price originally represented; and
- g. for other such violations of the CLRA that discovery will uncover.
- 49. On or about May 29, 2014, Plaintiff notified Defendant in writing, by certified mail, of the violations alleged herein and demanded that Defendant remedy those violations.
- 50. If Defendant fails to rectify or agree to rectify the problems associated with the actions detailed above and give notice to all affected consumers within 30 days of receipt of Plaintiff's written notice pursuant to § 1782 of the CLRA, Plaintiff will amend this Complaint to add claims for actual, punitive, and statutory damages pursuant to the CLRA. Plaintiff and the Class also will seek a Court order enjoining the above-described wrongful acts and practices of Defendant and for restitution, disgorgement, statutory damages, and any other relief that the Court deems proper.
- 51. Defendant's conduct is malicious, fraudulent, and wanton in that Defendant intentionally and knowingly provides misleading information to the public and charges consumers without their consent.
- 52. Pursuant to Cal. Civ. Code §§ 1780 and 1781, Plaintiff and Class Members hereby request certification of Plaintiff's Class, injunctive relief, and attorneys' fees, costs, and expenses.

#### SECOND CAUSE OF ACTION

# (Violation of California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq.)

- 53. Plaintiff incorporates by reference and re-alleges all preceding substantive allegations as if fully set forth herein.
- 54. Cal. Bus. & Prof. Code § 17200, et seq. (the "UCL"), prohibits unfair competition in the form of any unlawful, unfair, or fraudulent business act or practice. Cal. Bus. & Prof. § 17204

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allows "any person who has suffered injury in fact and has lost money or property" to prosecute a civil action for violation of the UCL. Such a person may bring such an action on behalf of himself and others similarly situated who are affected by the unlawful, unfair, or fraudulent business practice.

- 55. Beginning at an exact date unknown to Plaintiff, but at least since December 1, 2010, and continuing to the present, Defendant has committed unlawful, unfair, and/or fraudulent business acts and practices as defined by the UCL, inter alia, by violating Cal. Bus. & Prof. Code § 17602(a)(l) and/or for the unlawful, unfair, or fraudulent business acts or practices described more fully herein.
- 56. As a direct and proximate result of Defendant's unlawful, unfair, and/or fraudulent acts and practices described herein, Defendant has received, and continues to hold, unlawfully obtained property and money belonging to Plaintiff and Class Members in the form of monies paid to Defendant McAfee by Plaintiff and Class Members for the auto renewal of McAfee's antivirus software protection.
- 57. Plaintiff and Class are entitled to restitution pursuant to Cal. Bus. & Prof. Code §§ 17203 and 17208 for all monies paid by Class Members for the auto renewal of McAfee's antivirus software protection, as described more fully herein, from December 1, 2010 to the date of such restitution, at rates specified by law. Defendant should also be required to disgorge all the profits and gains it has reaped and restore such profits and gains to Plaintiff and Class Members, whom they were unlawfully taken, as Defendant never received the affirmative consent from Plaintiff and the Class for the auto renewal of McAfee's antivirus software protection.
- 58. Pursuant to Cal. Bus. & Prof. Code § 17204, Plaintiff seeks an order of this Court enjoining Defendant, from continuing the auto renewal practices described herein as these practices constitute violations of the UCL. The general public will be irreparably harmed if such an order is not granted.

# THIRD CAUSE OF ACTION

# (Violation of California Auto Renew Law, Cal. Bus. & Prof. Code §§ 17600 - 17606)

- 59. Plaintiff incorporates by reference and re-alleges all preceding substantive allegations as if fully set forth herein.
  - 60. Cal. Bus. & Prof. Code §§ 17600-17606 provides:

- "(a) It shall be unlawful for any business making an automatic renewal or continuous service offer to a consumer in this state to do any of the following:
- (1) Fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to the request for consent to the offer.
- (2) Charge the consumer's credit or debit card or the consumer's account with a third party for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms."

Id.

- 61. Defendant charged, and continues to charge, Plaintiff and Class Members for the automatic renewal of Defendant's product without first obtaining Plaintiff and Class Members' affirmative consent to the agreement containing the automatic renewal offer terms, with the necessary clear and conspicuous disclosures of terms, such as price terms.
- 62. As a result of Defendant's violations of Cal. Bus. & Prof. Code § 17602(a)(1)-(2), Defendant is liable to provide restitution to Plaintiff and Class Members under Cal. Bus. & Prof. Code § 17603 in the amount equaling the total amounts charged to all Class Members for auto-renewed services.

#### FOURTH CAUSE OF ACTION

### (Money Had and Received)

- 63. Plaintiff incorporates by reference and re-alleges all preceding substantive allegations as if fully set forth herein.
  - 64. Defendant received money from Plaintiff and the Class.
  - 65. The monies belong to Plaintiff and Class Members.
  - 66. Defendant has not returned the money.

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### FIFTH CAUSE OF ACTION

### (Unjust Enrichment)

- 67. Plaintiff incorporates by reference and re-alleges all preceding substantive allegations as if fully set forth herein.
- 68. Defendant was unjustly enriched by auto renewing and charging Plaintiff and the Class for McAfee's antivirus software protection without previously receiving Plaintiff's and Class Members' affirmative consent to do so.
- 69. Additionally, Defendant was unjustly enriched by subsequently charging Plaintiff and the Class for McAfee's antivirus software protection at a higher amount, sometimes roughly double the originally charged amount for McAfee's product.
- 70. By unknowingly paying unauthorized charges to Defendant, Plaintiff and the Class conferred a benefit on Defendant, which Defendant knowingly accepted despite the fact that they were not entitled to such benefit. Such acts were, and are, unconscionable.
- 71. As a result of Defendant's actions constituting unjust enrichment, Plaintiff and the Class suffered actual damages for which Defendant is liable. Defendant's liability for those damages should be measured by the extent of its unjust enrichment.

#### REQUEST FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the other members of the Class proposed in this Complaint, respectfully requests that the Court enter judgment in their favor and against Defendant, as follows:

- Declaring that this action is a proper class action, certifying the Class as requested A. herein, designating Plaintiff as Class Representative and appointing the undersigned counsel as Class Counsel;
- B. Ordering Defendant to pay actual damages (and no less than the statutory minimum damages) and equitable monetary relief to Plaintiff and the other members of the Class;
- C. Declaring that Defendant violated Cal Bus. & Prof. Code § 17602(a)(1)-(2) by charging Plaintiff and Class Members without first obtaining their affirmative consent to the Agreement containing the automatic renewal offer term or continuous service offer terms;

**DEMAND FOR JURY TRIAL** 1 Plaintiff hereby demands a jury trial of his claims to the extent authorized by law. 2 3 Dated: May 29, 2014 AHDOOT & WOLFSON, PC 4 5 6 By: Robert Ahdoot 7 Tina Wolfson 8 1016 Palm Avenue West Hollywood, California 90069 9 Tel: (310) 474-9111 Fax: (310) 474-8585 10 John A. Yanchunis (*Pro Hac Vice* application to be filed) 11 Tamra Givens (*Pro Hac Vice* application to be filed) 12 MORGAN & MORGAN COMPLEX LITIGATION **GROUP** 13 201 North Franklin Street, 7th Floor Tampa, Florida 33602 14 Tel: (813) 223-5505 Fax: (813) 223-5402 15 16 Counsel for Plaintiff, Samantha Kirby 17 18 19 20 21 22 23 24 25 26 27 28

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# I, Robert Ahdoot, declare as follows:

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# AFFIDAVIT OF ROBERT AHDOOT

- I am an attorney with the law firm of Ahdoot & Wolfson, PC, counsel for Plaintiff 1. Samantha Kirby ("Plaintiff") in this action. I am admitted to practice law in California and before this Court, and am a member in good standing of the State Bar of California. This declaration is made pursuant to California Civil Code section 1780(d). I make this declaration based on my research of public records and upon personal knowledge and, if called upon to do so, could and would testify competently thereto.
- 2. Based on my research and personal knowledge, Defendant McAfee, Inc. ("Defendant") does business and has its principal place of business within the County of Santa Clara, as alleged in the Class Action Complaint.

I declare under penalty of perjury under the laws of the United States and the State of California this 29th day of May, 2014 in West Hollywood, California that the foregoing is true and correct.

Robert Ahdoot

# JS 44 (Rev. 12/12) cand rev (1/15/13) Case5:14-cv-02475-HRL Doctorent 1-1 Filed 5/29/14 Page1 of 2

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.

purpose of initiating the civil do	ocket sheet. (SEE INSTRUCTIO	ONS ON NEXT PAGE OF	THIS FORM.)	Septemour 1	>	<b>a</b> 101 an <b>a</b> 65 <b>0</b> 51 .	are crem or court	101 410		
<b>I. (a) PLAINTIFFS</b> SAMANTHA KIRBY, indi <sup>x</sup> situated	vidually and on behalf of	all others similarly	DEFENDANTS MCAFEE, INC., a Delaware corporation headquartered in California							
(b) County of Residence of  (E)  (c) Attorneys (Firm Name, A)  Robert Ahdoot, AHDOOT	s Angeles sg	County of Residence of First Listed Defendant  (IN U.S. PLAINTIFF CASES ONLY)  NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.  Attorneys (If Known)								
1016 Palm Avenue, West T: (310) 474-9111; F: (31		@ahdootwolfson.c	om							
II. BASIS OF JURISDI	CTION (Place an "X" in One	Box Only)	II. CITIZENSI	HIP OF PI	RINCIPAL	PARTIES (	Place an "X" in One	Box for Plaintif		
1 U.S. Government 3 Federal Question Plaintiff (U.S. Government Not a Party)			III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintig (For Diversity Cases Only) and One Box for Defendant)  PTF DEF  Citizen of This State  1							
2 U.S. Government Defendant	•			Citizen of Another State						
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CONTRACT  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 (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise  REAL PROPERTY  210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property	315 Airplane Product	PERSONAL INJURY  3 d5 Personal Injury - Product Liability  3 d6 Health Care/ Pharmaceutical Personal Injury Product Liability  3 d8 Asbestos Personal Injury Product Liability  PERSONAL PROPERT  3 70 Other Fraud  3 71 Truth in Lending Property Damage Product Liability  PRISONER PETITIONS  Habeas Corpus: 4 d63 Alien Detainee 5 510 Motions to Vacate Sentence 5 530 General 5 535 Death Penalty Other: 5 40 Mandamus & Other 5 550 Civil Rights 5 555 Prison Condition 5 60 Civil Detainee - Conditions of	LABC Y 710 Fair Labor 3 Act 720 Labor/Mana Relations 740 Railway Lai 751 Family and Leave Act	od Seizure 21 USC 881  PR Standards agement oor Act Medical Litigation detirement arity Act	422 Appeal	y RIGHTS this ark ECURITY 995ff) ung (923) DIWW (405(g)) itle XVI 5(g))  TAX SUITS U.S. Plaintiff endant) hird Party	OTHER ST/  □ 375 False Claim □ 400 State Reapp □ 410 Antitrust □ 430 Banks and □ □ 450 Commerce □ 460 Deportation □ 470 Racketeer I □ Corrupt Org □ 480 Consumer © □ 490 Cable/Sat T □ 850 Securities/C □ Exchange □ 890 Other Statu □ 891 Agricultura □ 893 Environmer □ 895 Freedom of Act □ 896 Arbitration □ 899 Administra Act/Review Agency Dec □ 950 Constitution State Statut	ns Act portionment  Banking  Influenced and ganizations Credit FV Commodities/ story Actions al Acts Influenced and Matters of Information  tive Procedure w or Appeal of cision Inality of		
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VIII. RELATED CASI IF ANY	(See instructions):	UDGE			DOCKET	NUMBER				
ATE SIGNATURE OF ATTORNEY OF RECORD  /S/ Pobert Ahdoot										
IX. DIVISIONAL ASSIGNMEN	Γ (Civil L.R. 3-2)									
(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA										

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#### INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- **I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- **(b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

  United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States planniff. (1) Junisdiction based on 28 U.S.C. 1343 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)

- III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- **IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin. Place an "X" in one of the six boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.