(30)

Plaintiff Ronald Chinitz ("Plaintiff"), individually and on behalf of all others similarly situated (the "Class," as defined below), by and through his undersigned counsel, brings this Class Action Complaint against Defendants Telecom Evolutions, LLC, and Quality Speaks LLC (together, "Defendants") and respectfully alleges as follows. Plaintiff bases the allegations herein on personal knowledge as to matters related to, and known to, Plaintiff. As to all other matters, Plaintiff bases the allegations herein on information and belief, through investigation of Plaintiff's counsel. Plaintiff believes substantial evidentiary support exists for the allegations set forth herein, and he seeks a reasonable opportunity for discovery.

NATURE OF THE ACTION

- 1. On behalf of himself and the Class members, Plaintiff alleges that during the period from December 12, 2014, to the present, Defendants deceptively and misleadingly marketed their trueSTREAM broadband internet service as providing a "fiber optic" connection, when, in fact, it did not; rather, Defendants provided an inferior, slower copper line connection.
- 2. During the period from December 12, 2014, to the present, throughout the State of California, Defendants, doing business as "DSL Extreme," have systematically marketed and advertised the trueSTREAM internet service as "fiber optic," such that any reasonable consumer who purchased the trueSTREAM service, or who will purchase the trueSTREAM service in the future, is exposed to Defendants' "fiber optic" claim.
- 3. As detailed below, contrary to Defendants' "fiber optic" representations, and to the detriment of Plaintiff and the other Class members, Defendants provide the trueSTREAM service to Plaintiff and the Class members via an inferior copper line.
- 4. Thus, Defendants have misled, deceived, and confused reasonable consumers, including Plaintiff and the Class members, by representing to them that the trueSTREAM internet service provides a "fiber optic" connection when, in fact, it does not.
- 5. Defendants' conduct harms consumers, including Plaintiff and the Class members, by inducing them to purchase and pay a premium price for the trueSTREAM internet service based on the false and misleading premise that it is a "fiber optic" service, when consumers would not have otherwise purchased or paid a premium price for the trueSTREAM service.

6. Plaintiff now brings this action individually and on behalf of the Class members to stop Defendants' unlawful practices, seeking injunctive and monetary relief and such additional relief as the Court may deem just and proper.

PARTIES

Plaintiff Ronald Chinitz

- 7. Plaintiff Ronald Chinitz is a resident of Santa Cruz, California.
- 8. In 2016, Plaintiff agreed to a one-year contract for Digital Subscriber Line ("DSL") service from Defendants, under which Defendants billed Plaintiff at a rate of \$14.95 per month.
- 9. In or around July 2017, Plaintiff upgraded his internet service with Defendants from DSL to Defendants' purportedly "fiber optic" trueSTREAM service. Plaintiff paid a premium price for the purportedly "fiber optic" service, paying at a rate of \$17.95 per month instead of the \$14.95 per month he had paid for DSL. Defendants confirmed in an email work order to Plaintiff on July 10, 2017, that his "service is Fast fiber-optic network." This "fiber optic" claim was consistent with the advertising from Defendants' website quoted below, in which Defendants offer "fiber optic" service to consumers for a premium price:

Enjoy our new elite service offering fast downloads and a wireless modem for a low monthly rate. This new fiber optic network allows us to offer you higher speeds.

- 10. Plaintiff believed Defendants' representation that the trueSTREAM internet service provides a "fiber optic" internet connection.
- 11. On account of Defendants' representation that the trueSTREAM internet service was "fiber optic," Plaintiff agreed to a one-year contract for "fiber optic" trueSTREAM internet service for residential use in July 2017, under the belief that he was purchasing, and would receive, "fiber optic" internet service. Under the contract, Defendants were to bill Plaintiff at a rate of \$17.95 per month for one year.
- 12. However, Plaintiff did not receive fiber optic internet service. Rather, Plaintiff was provided with an inferior copper line connection. Thus, the internet connection Plaintiff received is worth less than the internet connection for which he paid.

- 13. Had Defendants not made false, misleading, and deceptive representations that the trueSTREAM service provides a "fiber optic" internet connection, Plaintiff would not have been willing to purchase the trueSTREAM service and would not have been willing to pay a premium price for the trueSTREAM service.
- 14. Plaintiff was injured and lost money as a result of Defendants' misrepresentations, omissions, and deceptive, unfair, and unlawful conduct.
- Despite failing to provide Plaintiff with "fiber optic" internet service as promised, Defendants billed Plaintiff at a rate of \$17.95 per month pursuant to Plaintiff's one-year contract for the entirety of the period from July 2017 to June 2018.

Defendant Telecom Evolutions, LLC

- 16. Defendant Telecom Evolutions, LLC, is a limited liability company organized under the laws of the State of California with its principal place of business located at 9221 Corbin Avenue, Suite 260, Northridge, California 91324.
 - 17. Defendant Telecom Evolutions, LLC, is a telecommunications provider.
 - 18. Defendant Telecom Evolutions, LLC's Chief Executive Officer is James Murphy.¹
- 19. Upon information and belief, in committing the wrongful acts alleged herein, Defendant Telecom Evolutions, LLC, in connection with its subsidiaries, affiliates, and/or other related entities and their employees, planned, participated in, and furthered a common scheme to induce members of the public to purchase trueSTREAM services by means of false, misleading, deceptive, and fraudulent representations, and Defendant Telecom Evolutions, LLC, participated in the making of such representations in that it disseminated those misrepresentations or caused them to be disseminated.

¹ SEC'Y OF STATE, STATE OF CAL., Statement of Information (Limited Liability Company): Telecom Evolutions, LLC (Sept. 13, 2017), available at https://goo.gl/61ouE2; see also SEC'Y OF STATE, STATE OF CAL., Statement of No Change (Limited Liability Company): Telecom Evolutions, LLC (Aug. 29, 2018), available at https://goo.gl/AVU4Uz.

Defendant Quality Speaks LLC

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- 20. Defendant Quality Speaks LLC is a limited liability company organized under the laws of the State of California with its principal place of business located at 9221 Corbin Avenue, Suite 260, Northridge, California 91324.²
 - 21. Defendant Quality Speaks LLC's CEO is James Murphy.³
- 22. Ikano Communications, Inc., is a telecommunications provider and was listed with the California Secretary of State as Ikano Communications, Inc. d/b/a DSL Extreme until May 25, 2017, when it surrendered its right to transact business in California.⁴
- 23. Ikano Communications, Inc., still claims its "flagship Broadband Access brand is DSL Extreme."⁵
- 24. The Ikano Communications website lists Jim Murphy as its Chief Executive Officer and its "main office" as 9221 Corbin Avenue, Suite 260, Northridge, California 91324.⁶
- 25. On February 11, 2015, Ikano Communications, Inc. d/b/a DSL Extreme, announced it had been acquired by Broadvoice.⁷
 - 26. Broadvoice is a d/b/a of Defendant Quality Speaks LLC.8
- 27. Upon information and belief, in committing the wrongful acts alleged herein, Defendant Quality Speaks LLC in connection with its subsidiaries, affiliates, and/or other related entities and their employees, planned, participated in, and furthered a common scheme to induce members of the public to purchase trueSTREAM services by means of false, misleading,

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² SEC'Y OF STATE, STATE OF CAL., Statement of Information (Limited Liability Company): Quality Speaks, LLC (May 15, 2017), available at https://goo.gl/NCwK9Y.

⁴ See Sec'y of State, State of Cal., Certificate of Surrender (Foreign Qualified Corporation ONLY): Ikano Communications, Inc. (May 25, 2017), available at https://goo.gl/csvcJH.

⁵ IKANO COMMC'NS, *Broadband Access*, www.IKANO.COM (2018), https://goo.gl/MNs2bw (last visited Dec. 10, 2018).

⁶ IKANO COMMC'NS, *Management*, www.IKANO.COM (2018), https://goo.gl/WxjvdQ (last visited Dec. 10, 2018); IKANO COMMC'NS, *About IKANO*, www.IKANO.COM (2018), https://goo.gl/t9FbgF (last visited Dec. 10, 2018).

⁷ DSL EXTREME, *Broadvoice Announces Acquisition of DSL Extreme*, www.DSLEXTREME.COM (Feb. 11, 2015), https://goo.gl/tydxvR.

⁸ See Internet Archive WayBack Mach., Broadvoice: Terms & Conditions, Web.Archive.org (Mar. 13, 2017), https://goo.gl/mPuY7i; cf. Broadvoice, Our Leadership Team, www.Broadvoice.com (2018), https://goo.gl/8daE4b (Broadvoice CEO is Jim Murphy).

deceptive, and fraudulent representations, and Defendant Quality Speaks LLC participated in the making of such representations in that it disseminated those misrepresentations or caused them to be disseminated.

JURISDICTION AND VENUE

Jurisdiction

28. This Court has personal jurisdiction over Defendants for reasons including but not limited to the following: Plaintiff's claims against Defendants arise out of their conduct within the State of California, including their dissemination within the State of California of the false and misleading representations that the trueSTREAM services are "fiber optic" when, in fact, they are not; Defendants are organized under California law and their principal places of business are in California; and Defendants' contacts with California are systematic and continuous, such that they are essentially at home in California.

Venue

29. Venue is proper in the County of Los Angeles, California, as the actions and harms alleged herein occurred, in part, in the County of Los Angeles, and Defendants' principal places of business are in the County of Los Angeles.

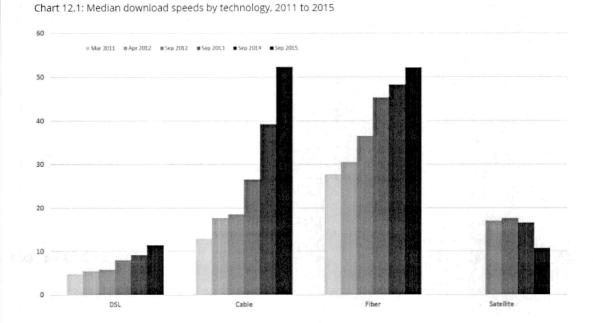
ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

Differences in the Types of Broadband Internet Services

- 30. "America's communications networks have been rapidly changing from copper-based networks originally built for voice services to alternative platforms built for a variety of purposes, including broadband, video and data as well as voice." "These 'tech transitions' involve switching the network infrastructure from copper wire to optical fiber and coaxial cable, combinations of all three, or even wireless technology." 10
- 31. "Broadband or high-speed Internet access allows users to access the Internet and Internet-related services at significantly higher speeds than those available through 'dial-up'

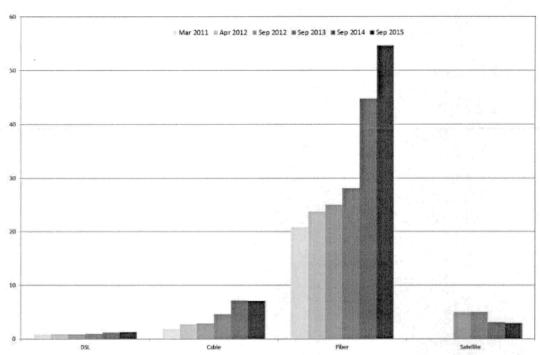
⁹ FCC, Tech Transitions: Network Upgrades That May Affect Your Service (2017), available at https://goo.gl/GZVgDW. ¹⁰ Id.

1	services."11 "Broadband speeds vary significantly depending on the technology and level of service
2	ordered."12 Broadband includes several high-speed transmission technologies: DSL, Cable
3	Modem, Fiber, Wireless, Satellite, and Broadband over Powerlines (BPL). 13
4	32. "DSL is a wireline transmission technology that transmits data faster over
5	traditional copper telephone lines already installed to homes and businesses."14
6	33. By contrast, "[f]iber optic technology converts electrical signals carrying data to
7	light and sends the light though transparent glass fibers about the diameter of a human hair."15
8	34. "DSL-based broadband provides transmission speeds ranging from several hundred
9	[thousand bits per second] (Kbps) to millions of bits per second (Mbps)."16
10	35. "Fiber transmits data at speeds far exceeding current DSL or cable modem speeds,
11	typically by tens or even hundreds of Mbps."17
12	36. As the chart below illustrates, the median download speed for fiber optic
13	technology significantly outperforms DSL's copper lines. 18
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23	11 FCC, Getting Broadband Q&A (2017), available at https://goo.gl/zhQjgG.
24	12 Id. 13 FCC, Types of Broadband Connections (2014), available at https://goo.gl/E45PS6.
25	14 Id. 15 Id.
26	16 Id. 16 Id. 17 Id.
27	OFFICE OF ENG'G & TECH., FCC, 2016 Measuring Broadband America Fixed Broadband Report: A Report on Consumer Fixed Broadband Performance in the United States (2016),
28	available at https://goo.gl/MRFQSY.



37. Similar results are seen for upload speeds, as the chart below shows. 19

Chart 12.2: Median upload speeds by technology, 2011 to 2015



38. Fiber optic connections and copper line DSL connections also differ with respect to consistency of service. According to the 2016 FCC report:

Even though median upload speeds experienced by most ISP's

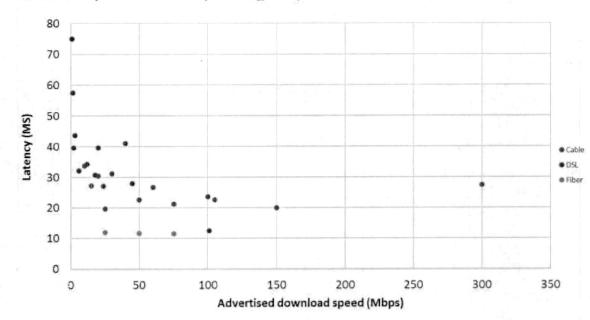
28 19 *Id*.

subscribers are close to or exceed the advertised upload speeds, for each ISP there are some subscribers whose median upload speed falls significantly short of the advertised upload speed. Relatively few subscribers to cable, fiber, or satellite broadband services experience such shortfalls. However, the data suggest that most DSL broadband service subscribers often experience median upload speeds that fall substantially short of advertised upload speeds.²⁰

39. According to the FCC, "[a]lthough actual download and upload speeds remain the network performance metric of greatest interest to the consumers," other network performance metrics, such as latency, can be important as they "can significantly affect the overall quality of a consumer's broadband service."²¹

40. "Latency is the time it takes for a data packet to travel across a network from one point on the network to another." "High latencies may affect the perceived quality of some interactive services such as phone calls over the internet, video chat, or online multiplayer games." As the chart below shows, copper line "DSL service has typically higher latency than cable and fiber." ²⁴

Chart 20: Latency for Terrestrial ISPs, by technology and by advertised download speed



²⁰ Id. ²¹ Id. ²² Id. ²³ Id.

Id.

- 41. As the FCC documents discussed above demonstrate, a fiber optic internet connection is substantially different from a copper line internet connection because a fiber optic internet connection "converts electrical signals carrying data to light and sends the light though transparent glass fibers," while a copper line internet connection delivers the internet service over a copper line.
- 42. As the FCC documents discussed above demonstrate, additional differences between a fiber optic internet connection and a copper line internet connection include performance metrics such as speed, consistency, and latency.
- It is deceptive and misleading to advertise "fiber optic" internet service but to 43. provide an internet connection using copper line. Reasonable consumers expect internet service advertised as "fiber optic" to be, in fact, fiber optic (and not copper line).
- 44. To bring internet services to consumers, Defendants partner with third party telecommunications companies.²⁵
 - 45. In Plaintiff's case, Defendants' third-party partner was AT&T.
- 46. Internet services are routed from the global telephone network to a central office, which is a telephone company's switching center for a given area.²⁶ From the central office, the signal is sent to local homes and businesses.

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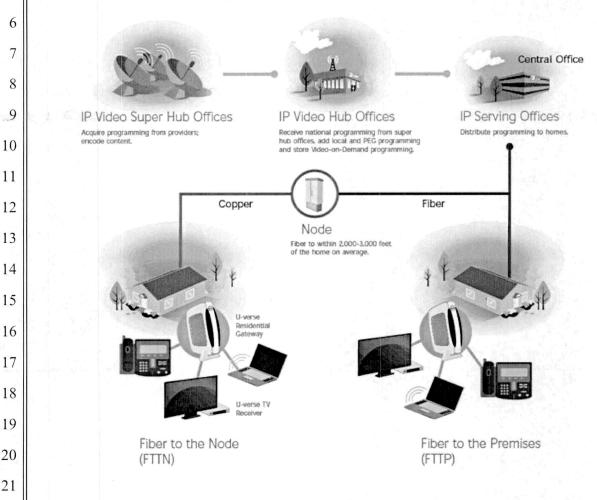
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²⁵ See IKANO COMMC'NS, Partners, WWW.IKANO.COM (2018), http://www.ikano.com/partners (last visited Dec. 10, 2018).

²⁶ NETLINGO, *Central Office (CO)*, www.NETLINGO.COM (2018), https://goo.gl/iuKvwd.

- 47. As illustrated below, AT&T offers "fiber-to-the-premises" ("FTTP") connectivity, in which it provides a fiber optic connection all the way to the home.
- 48. As further illustrated below, AT&T also offers a connection type referred to as "fiber-to-the-node" ("FTTN"), in which it provides fiber optics that stop at a node within 2,000 to 3,000 feet of the home on average, and then it provides copper line the rest of the way to the home.



49. As illustrated below, in addition to the purportedly "fiber optic" trueSTREAM service, DSL Extreme also offers a service that it calls "High-Speed DSL," which uses dedicated copper lines for the entire distance from the central office to the home, or, alternatively, for the entire distance from the remote terminal to the home.

High-Speed DSL
Each location has dedicated download & upload

Your
Neighbors

Central Office or
Remote Terminal

Your
Home

Defendants Advertise and Market the trueSTREAM Services as "Fiber Optic"

- 50. Defendants, like many internet providers, recognize the differences between fiber optic internet connections and copper line internet connections.
- 51. To capitalize on these differences, Defendants market their trueSTREAM internet services as "fiber optic," thereby setting their trueSTREAM services apart from other competing internet services.
- 52. During the period from December 12, 2014, to the present, Defendants systematically marketed and advertised their trueSTREAM internet services as "fiber optic." ²⁷
- 53. By way of example, the DSL Extreme webpage dedicated to trueSTREAM residential services provides that "[t]his new fiber optic network allows us to offer you higher speeds without requiring a phone line." The page further states—under the tab titled "Why

²⁷ E.g., DSL EXTREME, DSL & Broadband Service for Your Home and Business, www.DSLEXTREME.COM (2018), https://www.dslextreme.com/ (last visited Dec. 10, 2018) (claiming trueSTREAM internet is a "Fast fiber-optic network"); see also INTERNET ARCHIVE WAYBACK MACH., DSL Extreme: DSL & Broadband Service for Your Home & Business, Web.Archive.org (Mar. 9, 2017), https://goo.gl/CiUtWZ (same).

DSL EXTREME, trueSTREAM Broadband, WWW.DSLEXTREME.COM (2018), https://goo.gl/Pnuzoi (last visited Dec. 10, 2018).

choose trueSTREAM?"—"[a] super-fast Internet connection utilizing a [sic] advanced digital fiber-optics to enable more speed, reliability, and connectivity than ever before."²⁹

- 54. Additionally, the DSL Extreme website states in an ad for trueSTREAM: Enjoy enhanced download speeds and wireless capability through an advanced digital fiber-optic network. This new network allows us to offer higher speeds without requiring a phone line. trueSTREAM service is fast, reliable and keeps you connected!³⁰
- 55. In a press release entitled "DSL Extreme Launches trueSTREAM," Defendants state, "trueSTREAM is a top-notch Internet/data service that offers enhanced broadband speeds and wireless capability through an advanced digital fiber-optic network."31
- 56. As a further example of Defendants' consistent and systematic "fiber optic" marketing and advertising campaign, on the webpage for trueSTREAM business services, under the title "trueSTREAM: Keep your Entire Office Connected for less," Defendants state, "[e]njoy our new elite service that offers enhanced download speeds and wireless capability through an advanced digital fiber-optic network."32 The page goes on to state—under the tab "What sets trueSTREAM apart from other internet services?"—"[a] super-fast Internet connection utilizing a [sic] advanced digital fiber-optics to enable more speed, reliability, and connectivity than ever before."33
- 57. By consistently and systematically marketing and advertising their trueSTREAM services as "fiber optic" throughout California, Defendants ensured that all consumers purchasing trueSTREAM services were, and all consumers purchasing trueSTREAM services in the future will be, exposed to their misrepresentation that trueSTREAM services are "fiber optic."

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²⁹ *Id*.

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³⁰ DSL EXTREME, Test Your Download and Upload Speed, WWW.DSLEXTREME.COM (2018), https://goo.gl/vxFCBt (last visited Dec. 10, 2018).

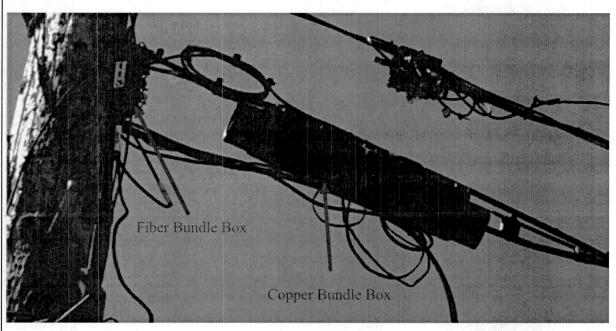
³¹ DSL EXTREME, DSL Extreme Launches trueSTREAM, WWW.DSLEXTREME.COM (Sept. 10,

^{2014),} https://goo.gl/oyWcfs.

32 DSL EXTREME, trueSTREAM Business Broadband, www.DSLEXTREME.COM (2018), https://goo.gl/5bw6Fp (last visited Dec. 10, 2018). 33 *Îd*.

Plaintiff's Experience with trueSTREAM

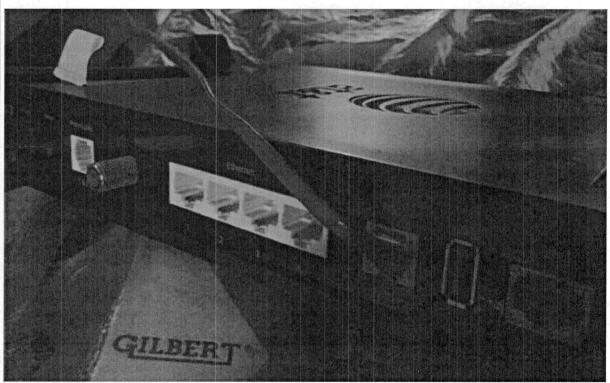
- 58. Despite Defendants' promise to provide Plaintiff with a "fiber optic" connection (discussed above in the Parties section), Defendants did not provide Plaintiff with a fiber optic internet connection. Rather, Defendants purposefully attached Plaintiff to an all copper connection.
- 59. To install the trueSTREAM service in Plaintiff's home, two technicians were required, both from AT&T.
 - 60. The first technician arrived in the morning.
- 61. On the telephone pole behind Plaintiff's home (pictured below), the first technician pointed out the copper wire service in one bundle box on the pole, and a separate bundle box on the same pole for fiber optic.



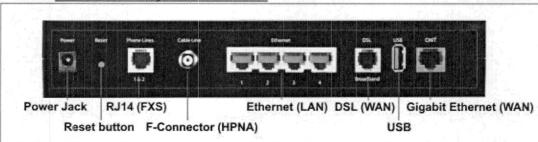
- 62. The first technician told Plaintiff he installed fiber optic into an AT&T customer's home in Plaintiff's neighborhood.
- 63. The first technician, however, explained to Plaintiff that AT&T does not provide fiber optic services to third party companies like Defendants, and that fiber optic was only available if the consumer purchased directly from AT&T.
- 64. Plaintiff, in turn, explained to the first technician that Defendants had required him to purchase a new modem model NVG589 for \$100 when he signed up for the trueSTREAM

service.

65. As the images below show, Plaintiff's NVG589 modem is connected to the green DSL port, not the red Optical Network Terminal ("ONT") which is used for fiber optic connections.³⁴



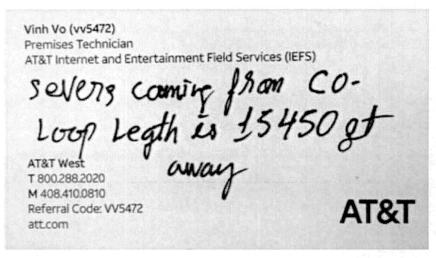
Motorola® Gateway NVG589 Rear View



66. The first technician explained that the internet service being provided by Defendants was not fiber optic, as Defendants had represented, but was actually copper wire from the central office to Plaintiff's modem.

³⁴ See Motorola Mobility LLC, Administrator's Handbook: Motorola Embedded Software Version 9.1.0: Motorola NVG589 VDSL2 Gateway, at 15 (2012), available at https://goo.gl/ZQQNc9.

- 67. Later that day, and subsequent to the first technician leaving, a second technician came to Plaintiff's home.
- 68. Plaintiff confirmed with the second technician everything he was told by the first technician.
- 69. The information provided to Plaintiff by the two AT&T technicians has been corroborated on several occasions by AT&T service personnel.
- 70. On May 12, 2018, at the behest of Defendants' customer service manager, an AT&T technician was sent to Plaintiff's home. The technician gave Plaintiff a new modem that was not materially different from Plaintiff's previous modem and that still connected Plaintiff to the internet via the copper line. The technician ran tests indicating plaintiff was on copper loop from his home to the AT&T central office, 15,450 feet (i.e., around 3 miles) away, as shown below.



- Subsequently, Plaintiff has had additional interactions with AT&T personnel that corroborate that he is on a copper line, including: (i) a phone call in summer 2018 with an AT&T customer service person in which the customer service person confirmed that there is no fiber between Plaintiff's premises and the central office and confirmed that AT&T does not allow third party companies to provide AT&T's fiber optic service to consumers, and (ii) an interaction on October 15, 2018, in which another AT&T technician confirmed that Plaintiff's internet service was being provided on a copper line between the central office and Plaintiff's premises.
- 72. All of the foregoing experiences have confirmed that Plaintiff is receiving internet service via copper line between his home and the central office, not the fiber optic service that

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they:

1	Defendants represented they would provide.
2	73. Based on the paragraphs above (including the statements of the AT&T personnel),
3	on information and belief, every trueSTREAM customer is receiving their signal over copper line
4	(for example, copper line from the central office or copper line from the node). Thus, on
5	information and belief, all trueSTREAM services are not fiber optic.
6	74. Because the trueSTREAM internet service is not fiber optic, Defendants deceive
7	and mislead reasonable consumers, including Plaintiff and the Class members, by marketing and
8	advertising the service as "fiber optic."
9	Plaintiff and the Class Members Reasonably Relied on Defendants'
10	Misrepresentations
11	75. Defendants' marketing of the trueSTREAM service as "fiber optic" throughout the
12	period from December 12, 2014, to the present evinces Defendants' awareness that "fiber optic"
13	claims are material to consumers.
14	76. Defendants' deceptive representations and omissions are material in that a
15	reasonable person would attach importance to such information and would be induced to act upon
16	such information in making purchasing decisions.
17	77. Plaintiff and the Class members reasonably relied to their detriment on Defendants'
18	misleading representations and omissions.
19	78. Defendants' false, misleading, and deceptive misrepresentations and omissions are
20	likely to continue to deceive and mislead reasonable consumers and the general public, as they
21	have already deceived and misled Plaintiff and the Class members.
22	Defendants' Wrongful Conduct Caused Plaintiff's and the Class Members' Injuries
23	79. As an immediate, direct, and proximate result of Defendants' false, misleading, and
24	deceptive representations and omissions, Plaintiff and the Class members suffered injuries in that

 paid a sum of money for trueSTREAM services that were not what Defendants represented;

b. paid a premium price for trueSTREAM services that were not what Defendants represented;

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- c. were deprived of the benefit of the bargain because the trueSTREAM services they purchased are different from what Defendants represented;
- d. were deprived of the benefit of the bargain because the trueSTREAM services they purchased have less value than what Defendants represented;
- e. did not receive trueSTREAM services that measured up to their expectations, which Defendants created; and
- f. were denied the benefit of the fiber optic services Defendants promised.
- 80. Had Defendants not made the false, misleading, and deceptive representations and omissions, Plaintiff and the Class members would not have been willing to pay the same amount for the trueSTREAM services, and, consequently, Plaintiff and the Class members would have not been willing to purchase the trueSTREAM services.
- 81. Plaintiff and the Class members paid for trueSTREAM services that were "fiber optic" but received trueSTREAM services that were not "fiber optic." The trueSTREAM services that Plaintiff and the Class members received are worth less than the trueSTREAM services for which they paid.
- 82. By way of example, Defendants charged Plaintiff \$17.95 per month for their trueSTREAM Value 768Kbps package. Around the same time, Defendants charged \$14.95 per month for their Basic 1.0Mbps DSL package.
- 83. Based on Defendants' false, misleading and deceptive representations and omissions, Defendants were able to, and did, charge a premium price for the trueSTREAM services over the cost of competitive internet services not claiming to be "fiber optic."
- 84. In making the false, misleading, and deceptive representations and omissions described herein, Defendants knew and intended that consumers will pay a premium for internet services that are marketed as "fiber optic" over comparable services not so marketed.
- 85. Plaintiff and the Class members all paid money for fiber optic internet services. However, Plaintiff and the Class members did not obtain the full value of the advertised fiber optic internet services due to Defendants' misrepresentations and omissions. Plaintiff and the Class

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members purchased more of, and/or paid more for, the trueSTREAM services than they would 2 have if they had known the truth about the trueSTREAM services. Consequently, Plaintiff and the Class members suffered injury in fact and lost money as a result of Defendants' wrongful conduct. 3 **CLASS ALLEGATIONS** 4 86. 5 Pursuant to section 382 of the California Code of Civil Procedure, Plaintiff brings this action on behalf of himself and the following proposed class: 7 The Class. All California residents who purchased trueSTREAM "fiber optic" internet service from Defendants during the period from December 12, 2014, until the date of class certification for their 8 personal use, rather than for resale. 9 Excluded from the Class are: (a) Defendants, Defendants' board 10 members, executive-level officers, and attorneys, and immediately family members of any of the foregoing persons; (b) governmental entities; (c) the Court, the Court's immediate family, and the Court 11 staff; and (d) any person that timely and properly excludes himself or herself from the Class in accordance with Court-approved 12 procedures. 13 87. 14 Plaintiff reserves the right to alter the Class definition as he deems necessary at any 15 time to the full extent that applicable law allows. 88. 16 Certification of Plaintiff's claims for class-wide treatment is appropriate because 17 Plaintiff can prove the elements of his claims on a class-wide basis using the same evidence as 18 individual Class members would use to prove those elements in individual actions alleging the

same claims.

- 89. Numerosity: The size of the Class is so large that joinder of all Class members is impracticable. Due to the nature and expanse of Defendants' business, Plaintiff believes there are thousands of Class members geographically dispersed throughout California.³⁵
- 90. Well-Defined Community of Interest: As further alleged below, there is a welldefined community of interest with respect to the Class, since there are (1) predominant common questions of law or fact; (2) a Class representative with claims or defenses typical of the Class; and (3) a Class representative who can adequately represent the Class.

³⁵ In 2014, Defendants claimed to serve nearly 100,000 clients. DSL EXTREME, DSL Extreme Launches trueSTREAM, WWW.DSLEXTREME.COM (Sept. 10, 2014), https://goo.gl/oyWcfs.

1	91.	Existence and Predominance of Common Questions of Law and Fact: There are
2	questions of la	aw and fact common to the Class. These questions predominate over any questions
3	affecting only	individual Class members.
4	92.	All Class members were exposed to Defendants' deceptive and misleading
5	advertising and	d marketing claims that the trueSTREAM services were "fiber optic."
6	93.	Additional common legal and factual questions include but are not limited to:
7		a. whether Defendants' "fiber optic" representation is material to reasonable consumers;
9		b. whether Defendants' advertising, marketing, and sale of the trueSTREAM services as "fiber optic" constitute unfair and/or deceptive business practices;
10 11		c. whether Plaintiff and the Class members are entitled to actual, statutory, or other forms of damages and other monetary relief; and
12 13		d. whether Plaintiff and the Class members are entitled to equitable relief, including but not limited to injunctive relief and equitable restitution.
14	94.	Defendants engaged in a common course of conduct in contravention of the laws
15	Plaintiff seeks	s to enforce individually and on behalf of the other Class members. Similar or
16	identical statu	tory and common law violations, business practices, and injuries are involved.
17	Individual que	estions, if any, pale by comparison in both quality and quantity to the numerous
18	common quest	tions that dominate this action. Moreover, the common questions will yield common

- 95. <u>Typicality</u>: Plaintiff's claims are typical of the Class because Defendants injured all Class members through the uniform misconduct described herein; all Class members were subject to Defendants' false, misleading, and unfair advertising and marketing practices and representations, including the false and misleading claim that the trueSTREAM services are "fiber optic"; and Plaintiff seeks the same relief as the Class members.
 - 96. There are no defenses available to Defendants that are unique to Plaintiff.

answers.

- 1 97. Adequacy of Representation: Plaintiff is a fair and adequate representative of the Class because Plaintiff's interests do not conflict with those of the Class members. Plaintiff will 2 prosecute this action vigorously and is highly motivated to seek redress against Defendants. Further, Plaintiff has selected competent counsel who are experienced in class action and other complex litigation. Plaintiff and his counsel are committed to prosecuting this action vigorously 5 on behalf of the Class and have the resources to do so. 6 98. 7 Superiority: The class action mechanism is superior to other available means for the fair and efficient adjudication of this controversy for reasons including but not limited to the 8
 - a. The damages individual Class members suffered are small compared to the burden and expense of individual prosecution of the complex and extensive litigation needed to address Defendants' conduct.
 - b. It would be virtually impossible for the individual Class members to redress the wrongs done to them effectively. Even if the Class members could afford such individual litigation, the court system could not. Individualized litigation would unnecessarily increase the delay and expense to all parties and to the court system and presents a potential for inconsistent or contradictory rulings and judgments. By contrast, the class action device presents far fewer management difficulties, allows the hearing of claims which might otherwise go unaddressed because of the relative expense of bringing individual lawsuits, and provides the benefits of single adjudication, economies of scale, and comprehensive supervision by a single court.
 - c. The prosecution of separate actions by the individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual Class members, which would establish incompatible standards of conduct for Defendants.
 - d. The prosecution of separate actions by individual Class members would create a risk of adjudications with respect to them that would, as a practical matter, be dispositive of the interests of other Class members not parties to the adjudications or that would substantively impair or impede their ability to protect their interests.
 - 99. <u>Notice</u>: Plaintiff and Plaintiff's counsel anticipate that notice to the proposed Class will be effectuated through recognized, Court-approved notice dissemination methods, which may include United States mail, electronic mail, Internet postings, and/or published notice.

following:

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CAUSES OF ACTION

FIRST CAUSE OF ACTION

Violation of California's Consumers Legal Remedies Act, CAL. CIV. CODE § 1750 et seq. On Behalf of the Class

- 100. Plaintiff incorporates and realleges the paragraphs above as if fully set forth herein.
- 101. Plaintiff brings this cause of action on behalf of the Class for violation of California's Consumers Legal Remedies Act, CAL. CIV. CODE § 1750 et seq. ("CLRA").
- 102. Under the CLRA, "services" means "work, labor, and services for other than a commercial or business use, including services furnished in connection with the sale or repair of goods[.]" CAL. CIV. CODE § 1761(b).
- 103. The trueSTREAM services are "services" under California Civil Code section 1761(b).
- 104. Under the CLRA, "consumer" means "an individual who seeks or acquires, by purchase or lease, any goods or services for personal, family, or household purposes." *Id.* § 1761(d).
- 105. Plaintiff and the Class members are "consumers" under California Civil Code section 1761(d).
- 106. Under the CLRA, "person" means "an individual, partnership, corporation, limited liability company, association, or other group, however organized." *Id.* § 1761(c).
 - 107. Defendants are "persons" under California Civil Code section 1761(c).
- 108. Under the CLRA, "transaction" means "an agreement between a consumer and another person, whether or not the agreement is a contract enforceable by action, and includes the making of, and the performance pursuant to, that agreement." *Id.* § 1761(e).
- 109. Defendants, on the one hand, and Plaintiff and the Class members, on the other hand, engaged in "transactions" as the CLRA defines that term because, among other reasons, Defendants agreed to sell, and pursuant to that agreement sold, trueSTREAM services to Plaintiff and the Class members.
 - 110. Defendants' actions, representations, and conduct violated, and continue to violate,

1	the CLRA, because they extend to transactions that are intended to result, or that have resulted, ir		
2	the sale of services to consumers.		
3	111. Under section 1770(a) of the CLRA:		
4	(a) The following unfair methods of competition and unfair or		
5	deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer are unlawful:		
6	* * * *		
7	(5) Representing that goods or services have sponsorship,		
8	approval, characteristics, ingredients, uses, benefits, or		
9	quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which he or she does not have.		
10	* * * *		
11	(7) Penyaganting that goods or services are of a nerticular		
12	(7) Representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another.		
13	* * * *		
14	(9) Advertising goods or services with intent not to sell them		
15	as advertised.		
16	* * * *		
17	(16) Representing that the subject of a transaction has been		
18	supplied in accordance with a previous representation when it has not.		
19	CAL. CIV. CODE § 1770(a)(5), (7), (9), (16).		
20	112. As alleged above, Defendants violated, and continue to violate, California Civil		
21	Code section 1770(a)(5) by representing that the trueSTREAM services have characteristics, uses,		
22	benefits, and qualities which they do not. Specifically, Defendants represent the trueSTREAM		
23	services are "fiber optic," when, in fact, they are not.		
24	113. As alleged above, Defendants violated, and continue to violate, California Civil		
25	Code section 1770(a)(7) by representing the trueSTREAM services are of a particular quality when		
26	they are of another. Specifically, Defendants represent that the trueSTREAM services are "fiber		
27	optic," when, in fact, the trueSTREAM services are copper line.		
28	114. As alleged above, Defendants violated, and continue to violate, California Civil		

	to sell trueSTR	EAM services that are not actually "fiber optic."
	115.	As alleged above, Defendants violated, and continue to violate, California Civil
	Code section 1	770(a)(16) by representing that the trueSTREAM services they sold to Plaintiff and
	the Class mem	bers are "fiber optic," when, in fact, the trueSTREAM services are not.
	116.	Defendants violate the CLRA by representing through their marketing and
	advertising tha	t the trueSTREAM services are "fiber optic" when they know, or should know, that
	the representat	ions are unsubstantiated, false, and misleading.
	117.	Plaintiff and the Class members believed Defendants' representations that the
	trueSTREAM	services are "fiber optic." Plaintiff and the Class members would not have
	purchased true	STREAM services but for Defendants' false and misleading statements about the
	trueSTREAM	services being "fiber optic."
	118.	Plaintiff and the Class members were injured in fact and lost money as a result of
	Defendants' co	nduct of improperly describing the trueSTREAM services as "fiber optic." Plaintiff
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	and the Class r	nembers paid for "fiber optic" services but did not receive such services, since the
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	nembers paid for "fiber optic" services but did not receive such services, since the services are copper line.
	trueSTREAM s	
	trueSTREAM s	services are copper line.
	trueSTREAM s 119. fraudulent.	services are copper line.
	trueSTREAM s 119. fraudulent. 120.	services are copper line. On information and belief, Defendants' actions were willful, wanton, and
	trueSTREAM s 119. fraudulent. 120. authorized the	Services are copper line. On information and belief, Defendants' actions were willful, wanton, and On information and belief, Defendants' officers, directors, or managing agents
	trueSTREAM s 119. fraudulent. 120. authorized the	Services are copper line. On information and belief, Defendants' actions were willful, wanton, and On information and belief, Defendants' officers, directors, or managing agents use of the deceptive statements about the trueSTREAM services.
	trueSTREAM s 119. fraudulent. 120. authorized the s 121. sent a CLRA of	On information and belief, Defendants' actions were willful, wanton, and On information and belief, Defendants' officers, directors, or managing agents use of the deceptive statements about the trueSTREAM services. CLRA SECTION 1782 NOTICE. On October 25, 2017, Plaintiff, through counsel,
	trueSTREAM s 119. fraudulent. 120. authorized the 121. sent a CLRA of CLRA and den	On information and belief, Defendants' actions were willful, wanton, and On information and belief, Defendants' officers, directors, or managing agents use of the deceptive statements about the trueSTREAM services. CLRA SECTION 1782 NOTICE. On October 25, 2017, Plaintiff, through counsel, demand letter to Defendants that provided notice of Defendants' violation of the
	trueSTREAM s 119. fraudulent. 120. authorized the 121. sent a CLRA of CLRA and der unfair, false, a	On information and belief, Defendants' actions were willful, wanton, and On information and belief, Defendants' officers, directors, or managing agents use of the deceptive statements about the trueSTREAM services. CLRA SECTION 1782 NOTICE. On October 25, 2017, Plaintiff, through counsel, demand letter to Defendants that provided notice of Defendants' violation of the nanded that Defendants correct, repair, replace, or otherwise rectify the unlawful,
	trueSTREAM s 119. fraudulent. 120. authorized the 121. sent a CLRA of CLRA and der unfair, false, a Defendants reference.	On information and belief, Defendants' actions were willful, wanton, and On information and belief, Defendants' officers, directors, or managing agents use of the deceptive statements about the trueSTREAM services. CLRA SECTION 1782 NOTICE. On October 25, 2017, Plaintiff, through counsel, demand letter to Defendants that provided notice of Defendants' violation of the nanded that Defendants correct, repair, replace, or otherwise rectify the unlawful, and/or deceptive practices complained of herein. The letter also stated that if

Code section 1770(a)(9) by advertising the trueSTREAM services as "fiber optic" with the intent

of the Class, seeks compensatory damages, punitive damages, and restitution of any ill-gotten

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gains due to Defendants' acts and practices. 2 122. Pursuant to California Civil Code sections 1780 and 1782, Plaintiff and the Class members seek damages in an amount to be proven at trial, an injunction to bar Defendants from 3 4 continuing their deceptive practices, and reasonable attorneys' fees and costs. 5 123. THEREFORE, Plaintiff prays for relief as set forth below. SECOND CAUSE OF ACTION 7 Violation of California's False Advertising Law, CAL. BUS. & PROF. CODE § 17500 et seq. On Behalf of the Class 8 9 Plaintiff incorporates and realleges the paragraphs above as if fully set forth herein. 10 125. Plaintiff brings this cause of action on behalf of the Class for violation of 11 California's False Advertising Law, CAL. BUS. & PROF. CODE § 17500 et seq. ("FAL"). 12 126. The FAL makes it unlawful for a person, firm, corporation, or association to induce 13 the public to buy its services by knowingly disseminating untrue or misleading statements about the services. 14 15 127. At all relevant times, Defendants engaged in a public advertising and marketing 16 campaign representing that the trueSTREAM services are "fiber optic." 17 128. As detailed above, however, the trueSTREAM services are provided via copper 18 line. Defendants' advertisements and marketing representations are therefore false, misleading, 19 untrue, and likely to deceive reasonable consumers. 20 129. Defendants engaged in their advertising and marketing campaign with the intent to 21 directly induce consumers, including Plaintiff and the Class members, to purchase the 22 trueSTREAM services based on the false and misleading claims that the services are "fiber optic."

130. In making and disseminating the statements alleged herein, Defendants knew or should have known the statements were untrue or misleading.

131. Plaintiff and the Class members believed Defendants' representations that the

131. Plaintiff and the Class members believed Defendants' representations that the trueSTREAM services were "fiber optic." Plaintiff and the Class members would not have purchased the trueSTREAM services if they had known the trueSTREAM services were in fact provided via copper line, as discussed above.

1	132. Plaintiff and the Class members were injured in fact and lost money as a result of
2	Defendants' conduct of improperly describing the trueSTREAM services as "fiber optic." Plaintiff
3	and the Class members paid for trueSTREAM services that are "fiber optic," but did not receive
4	such services.
5	133. The trueSTREAM services Plaintiff and the Class members received are worth less
6	than the services for which they paid. Plaintiff and the Class members paid a premium price
7	because of Defendants' misrepresentations that the trueSTREAM services are "fiber optic."
8	134. Plaintiff and the Class members seek declaratory relief, restitution for monies
9	wrongfully obtained, disgorgement of ill-gotten revenues and/or profits, injunctive relief, and other
10	relief allowable under California Business and Professions Code section 17535.
11	135. THEREFORE, Plaintiff prays for relief as set forth below.
12	THIRD CAUSE OF ACTION
13	Violation of California's Unfair Competition Law, CAL. BUS. & PROF. CODE § 17200 et seq.
14	On Behalf of the Class
15	136. Plaintiff incorporates and realleges the paragraphs above as if fully set forth herein.
16	137. Plaintiff brings this cause of action on behalf of the Class for violation of
17	California's Unfair Competition Law, CAL. Bus. & Prof. Code § 17200 et seq. ("UCL").
18	138. The circumstances giving rise to Plaintiff's and the Class members' allegations

nembers' allegations include Defendants' corporate policies regarding the sale and marketing of the trueSTREAM services.

- Under the UCL, "unfair competition" means and includes "any unlawful, unfair or 139. fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by" the FAL. CAL. BUS. & PROF. CODE § 17200.
- By engaging in the acts and practices described herein, Defendants committed one or more acts of "unfair competition" as the UCL defines the term.
- Defendants committed "unlawful" business acts or practices by, among other 141. things, violating the CLRA, the FAL, and California common law, as described herein.

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1	142.	Defendants committed unfair business acts or practices by, among other things:
2		a. engaging in conduct for which the utility of the conduct, if any, is outweighed by the gravity of the consequences to Plaintiff and the members of the Class;
4		b. engaging in conduct that is immoral, unethical, oppressive, unscrupulous, or substantially injurious to Plaintiff and the members of the Class; and
6		
7	7	 engaging in conduct that undermines or violates the spirit or intent of the consumer protection laws that this Class Action Complaint invokes.
8	143.	Defendants committed unlawful, unfair, and/or fraudulent business acts or practices
9	by, among oth	ner things, engaging in conduct Defendants knew or should have known was likely
10	to and did dec	eive reasonable consumers, including Plaintiff and the Class members.
11	144.	As detailed above, Defendants' unlawful, unfair, and/or fraudulent practices
12	include makin	ng false and misleading representations that the trueSTREAM services are "fiber
13	optic."	
14	145.	Plaintiff and the Class members believed Defendants' representations that the
15	trueSTREAM	services are "fiber optic." Plaintiff and the Class members would not have
16	purchased the	trueSTREAM services but for Defendants' false and misleading statements that the
17	trueSTREAM	services are "fiber optic."
18	146.	Plaintiff and the Class members were injured in fact and lost money as a result of
19	Defendants' c	onduct of improperly describing the trueSTREAM services as "fiber optic." Plaintiff
20	and the Class	members paid for trueSTREAM services that were "fiber optic," but did not receive
21	services that	were "fiber optic." Instead, Plaintiff and the Class members received services that
22	were provided	via copper line, as discussed above.
23	147.	Plaintiff and the Class members seek declaratory relief, restitution for monies
24	wrongfully ob	tained, disgorgement of ill-gotten revenues and/or profits, injunctive relief, and other
25	relief allowab	le under California Business and Professions Code section 17203.
26	148.	THEREFORE, Plaintiff prays for relief as set forth below.

FOURTH CAUSE OF ACTION

Intentional Misrepresentation

On Behalf of the Class

- 149. Plaintiff incorporates and realleges the paragraphs above as if fully set forth herein.
- 150. Plaintiff brings this cause of action on behalf of the Class for intentional misrepresentation under California common law.
- 151. Defendants intentionally misrepresented a material fact about the trueSTREAM services by advertising, marketing, distributing, and/or selling the trueSTREAM services to Plaintiff and the Class members with claims that they are "fiber optic."
- 152. At the time Defendants made the misrepresentations herein alleged, Defendants knew the services were not "fiber optic" because they were provided via copper line (for example, copper line from the central office or copper line from the node).
- 153. Defendants misrepresented the trueSTREAM services as "fiber optic" with the purpose of inducing Plaintiff and the Class members to rely on their misrepresentations and inducing Plaintiff and the Class members to purchase the trueSTREAM services.
- 154. Plaintiff and the Class members reasonably relied on Defendants' representations that the trueSTREAM services were "fiber optic" and, in reasonable reliance thereon, purchased the trueSTREAM services.
- 155. Plaintiff and the Class members were ignorant as to the falsity of Defendants' "fiber optic" misrepresentations and would not have purchased the trueSTREAM services had they known the trueSTREAM services were not "fiber optic."
- 156. Plaintiff and the Class members were injured in fact and lost money as a result of Defendants' conduct of improperly describing the trueSTREAM services as "fiber optic." Plaintiff and the Class members paid for services that were "fiber optic," but did not receive such services.
- 157. The services Plaintiff and the Class members received were worth less than the services for which they paid.
 - 158. THEREFORE, Plaintiff prays for relief as set forth below.

FIFTH CAUSE OF ACTION

Unjust Enrichment

On Behalf of the Class

In the Alternative to the Above Causes of Action

- 159. Plaintiff incorporates and realleges the paragraphs above as if fully set forth herein.
- 160. Plaintiff asserts this cause of action in the alternative to the above-listed causes of action.
- 161. Plaintiff brings this cause of action on behalf of the Class for unjust enrichment under California common law.
- 162. As detailed above, Defendants' conduct violates, *inter alia*, state law by advertising, marketing, and selling the trueSTREAM services while misrepresenting and omitting material facts.
- 163. Defendants' unlawful conduct of representing that the trueSTREAM services are "fiber optic" when they are not, as described in this Complaint, allows Defendants to knowingly realize substantial revenues from selling the trueSTREAM services at the expense of, and to the detriment or impoverishment of, Plaintiff and the Class members, and to Defendants' benefit and enrichment. Defendants thereby have violated fundamental principles of justice, equity, and good conscience.
- 164. Plaintiff and the Class members conferred significant financial benefits and paid substantial compensation to Defendants for the trueSTREAM services, which are not "fiber optic" as Defendants represented them to be.
- 165. Under California's common law principles of unjust enrichment, it is inequitable for Defendants to retain the benefits conferred by Plaintiff's and the Class members' overpayments.
- 166. Plaintiff and the Class members seek disgorgement of all profits resulting from such overpayments and establishment of a constructive trust from which Plaintiff and the Class members may seek restitution.

1 PRAYER FOR RELIEF 2 WHEREFORE, Plaintiff, on behalf of himself and all others similarly situated, prays for 3 an order: 4 A. certifying the proposed Class under section 382 of the California Code of Civil Procedure, as set forth above; 5 B. declaring that Defendants financially responsible for notifying the Class members 6 7 of the pendency of this suit; C. 8 declaring that Defendants have committed the violations of law alleged herein; 9 D. enjoining Defendants from continuing the unlawful practices set forth above; 10 Ε. requiring Defendants to disgorge and make restitution of all monies Defendants 11 acquired by means of the unlawful practices set forth above; F. 12 awarding monetary damages according to proof and in accordance with applicable law, including any compensatory, incidental, or consequential damages; 13 G. 14 awarding punitive damages according to proof and in an amount consistent with 15 applicable precedent; 16 H. awarding reasonable attorneys' fees and costs of suit; 17 I. awarding pre- and post-judgment interest to the extent the law allows; and J. 18 providing for such other relief as the Court deems just and proper. 19 **DEMAND FOR JURY TRIAL** 20 Plaintiff hereby demands trial by jury on all claims so triable. 21 22 23 24 25 26 27 28

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Date: December 12, 2018

Respectfully submitted,

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