CLASS ACTION COMPLAINT

Plaintiff JEFFREY KLEIN ("Plaintiff"), individually and on behalf of all others similarly situated, alleges as follows:

#### NATURE OF THE ACTION

- 1. Plaintiff brings this class action Complaint against Defendant AT&T, INC. (hereinafter "Defendant") to stop Defendant's practice of falsely advertising their phone and internet services and to obtain redress for a class of consumers ("Class Members") who were misled, within the applicable statute of limitations period, by Defendant.
- 2. Defendant advertised to consumers that its phone and internet services were not only reliable but provided exceptional coverage and speed.
- 3. Such benefits are of particular value to consumers, especially those who rely on such services for work and contacting family.
- 4. Plaintiff and other consumers similarly situated were exposed to these advertisements through print and digital media.
- 5. Defendant misrepresented and falsely advertised and represented to Plaintiff and others similarly situated, in that Defendant failed to provide any services at all for an extended period of time.
- 6. Defendant's misrepresentations to Plaintiff and others similarly situated induced them to purchase Defendant's services.
- 7. Defendant took advantage of Plaintiff and similarly situated consumers unfairly and unlawfully.

#### **JURISDICTION AND VENUE**

- 8. This class action is brought pursuant to California Code of Civil Procedure § 382. All causes of action in the instant complaint arise under California Statutes.
- 9. This matter is properly venued in the Superior Court of the State of California for the County of Los Angeles because a significant portion, if not all, of the events giving rise to Plaintiff's claims. Additionally, the account holder resides within this County.

#### THE PARTIES

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10. Plaintiff JEFFREY KLEIN is a resident of the State of California, County of Riverside.

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maintains its principal place of business in Dallas, Texas and conducts business throughout the

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State of California and County of Riverside.

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- 11. Defendant AT&T, INC. is a corporation of the State of Delaware which
- Plaintiff alleges, on information and belief, that Defendant's marketing 12. campaign, as pertains to this matter, was created by Defendant and disseminated throughout
- 13. Plaintiff is informed and believes, and thereon alleges, that at all times relevant, Defendant's sales of products and services are governed by the controlling law in the state in which they do business and from which the sales of products and services, and the allegedly unlawful acts occurred, which is California.
- 14. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts and omissions alleged herein were performed by, or is attributable to, Defendant and/or its employees, agents, and/or third parties acting on its behalf, each acting as the agent for the other, with legal authority to act on the other's behalf. The acts of any and all of Defendant's employees, agents, and/or third parties acting on its behalf, were in accordance with, and represent, the official policy of Defendant.
- 15. Plaintiff is informed and believes, and thereon alleges, that said Defendant is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions, occurrences, and transactions of each and all their employees, agents, and/or third parties acting on their behalf, in proximately causing the damages herein alleged.
- 16. At all relevant times, Defendant ratified each and every act or omission complained of herein. At all relevant times, Defendant, aided and abetted the acts and omissions as alleged herein.

#### PLAINTIFF'S FACTS

- 17. During or about August of 2022, Plaintiff's mobile phone service, which he contracted with Defendant for, was out of service for multiple weeks.
- 18. Plaintiff chose to contract with Defendant due to Defendant's advertisements, which boasted of Defendant's superior coverage and speed.
- 19. As a consumer who works from home, Plaintiff needed reliable service to ensure that he could efficiently communicate by telephone. Moreover, Plaintiff was unable to contact family, friends, business establishments, and/or emergency services due to the outage.
- 20. Plaintiff attempted to visit Defendant's store to restore his service, however Defendant's representatives informed him that every subscriber within Plaintiff's geographic area was experiencing the same outage due to a tower being "upgraded."
- 21. Defendant's representatives were unable to provide Plaintiff with any estimate as to when his service would be restored.
- 22. Plaintiff also attempted to contact Defendant's customer service department, but he was left on hold each time.
- 23. Plaintiff was never warned of the potential for several weeks-long outage and would never have chosen to transact with Defendant if he knew that he could possibly be without service for such an extended period of time.
- 24. Moreover, Defendant never informed Plaintiff of the outage and continued to bill him during the time he was without service.
- 25. Plaintiff felt deceived, because he had contracted with Defendant for this exact purpose, only to be told by Defendant's representative that he would be without mobile phone service for an indefinite period of time.
- 26. Because of Defendant's inability to resolve the issue, Plaintiff decided to cancel his service with Defendant and switch to another provider.
- 27. Despite cancelling his services with Defendant mid-month, Defendant charged Plaintiff for a full month of U-Verse cable service on his final bill and refused to refund Plaintiff

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- 28. Defendant continued to send Plaintiff statements indicating a negative balance of \$92.03, yet refused to refund Plaintiff for that amount, which should never have been billed to begin with.
- 29. Defendant only attempted to refund Plaintiff after months of refusal by sending Plaintiff a debit card, subject to many conditions and fees, and without interest.
- 30. Plaintiff refused this inadequate refund as it would not make him whole, and was is not an acceptable or fair refund practice.
- 31. Plaintiff had no reasonable way of knowing that for multiple weeks, he would be unable to use the phone service which he paid Defendant to provide. Moreover, Plaintiff had no reasonable way of knowing that Defendant would continue to bill him for services he had already cancelled for the remainder of the month.
- 32. Defendant was aware that Plaintiff could not have reasonably known of these misrepresentations and omissions of material fact.
- 33. Had Plaintiff known that Defendant would not provide the promised service for such a long period of time, or that Defendant would bill Plaintiff for periods of time in which no service was provided, Plaintiff would not have done business with Defendant. Rather, Plaintiff would have chosen to do business with a competitor.
- 34. Plaintiff was significantly upset by Defendant's misrepresentations and omissions regarding its services.
- 35. Plaintiff is informed, believes, and thereupon alleges that such business practices were part of a common scheme to mislead consumers and incentivize them to do business with Defendant.
- 36. Plaintiff reasonably believed and relied upon Defendant's representations in its advertisements.
- Plaintiff materially changed his position in reliance on Defendant's 37. representations and was harmed thereby.

38. Defendant benefited from falsely advertising and representing its services. Defendant benefited on the loss to Plaintiff and provided nothing of benefit to Plaintiff in exchange.

#### **CLASS ACTION ALLEGATIONS**

- 39. Plaintiff brings this action on behalf of himself and all others similarly situated, and thus, seeks class certification under California Code of Civil Procedure § 382.
  - 40. The class Plaintiff seeks to represent (the "Class") is defined as follows:

All consumers, who, between the applicable statute of limitations through the date of class certification, were billed for internet and/or phone services by Defendant during periods of time in which Defendant failed to provide such services and/or after the date on which such consumer cancelled their services.

- 41. As used herein, the term "Class Members" shall mean and refer to the members of the Class described above.
- 42. Excluded from the Class are Defendant, its affiliates, employees, agents, and attorneys, and the Court.
- 43. Plaintiff reserves the right to amend the Class, and to add additional subclasses, if discovery and further investigation reveals such action is warranted.
- 44. Upon information and belief, the proposed class is composed of thousands of persons. The members of the class are so numerous that joinder of all members would be unfeasible and impractical.
- 45. No violations alleged in this complaint are contingent on any individualized interaction of any kind between class members and Defendant.
- 46. Rather, all claims in this matter arise from the identical deceptive billing practices of Defendant.
- 47. There are common questions of law and fact as to the Class Members that predominate over questions affecting only individual members, including but not limited to:
  - (a) Whether Defendant engaged in unlawful, unfair, or deceptive business practices in billing Plaintiff and other Class Members for products and

CLASS ACTION COMPLAINT

issues.

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## FIRST CAUSE OF ACTION

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# **Violation of the California False Advertising Act**

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(Cal. Bus. & Prof. Code §§ 17500 et seq.)

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55. Plaintiff incorporates by reference each allegation set forth above.

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unlawful to engage in advertising "which is untrue or misleading, and which is known, or which

Pursuant to California Business and Professions Code § 17500, et seq., it is

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by the exercise of reasonable care should be known, to be untrue or misleading...or...to so make

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or disseminate or cause to be so made or disseminated any such statement as part of a plan or

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scheme with the intent not to sell that personal property or those services, professional or

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otherwise, so advertised at the price stated therein, or as so advertised."

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57. California Business and Professions Code § 17500, et seq.'s prohibition against

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false advertising extends to the use of false or misleading written statements.

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58. Defendant misled consumers by making misrepresentations and untrue

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statements about its services, namely, Defendant made consumers believe that Defendant would

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provide reliable coverage in exchange for timely payments and would not bill consumers for

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services which Defendant failed to provide.

18 19 59. Defendant knew that its representations and omissions were untrue and misleading, and deliberately made the aforementioned representations and omissions in order

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to deceive reasonable consumers like Plaintiff and other Class Members.

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60. As a direct and proximate result of Defendant's misleading and false advertising,

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Plaintiff and the other Class Members have suffered injury in fact. Plaintiff reasonably relied

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upon Defendant's representations regarding Defendant's services. In reasonable reliance on

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Defendant's false advertisements, Plaintiff and other Class Members contractually agreed to

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purchase services from Defendant believing that Defendant would actually provide those

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services and bill Plaintiff and other Class Members in a transparent manner. However,

Defendant did not inform Class Members that they would be without the use of such services

for long periods of time, nor that Defendant would bill them after they had cancelled such services.

- 61. Plaintiff alleges that these false and misleading representations made by Defendant constitute a "scheme with the intent not to sell that personal property or those services, professional or otherwise, so advertised at the price stated therein, or as so advertised."
- 62. Defendant advertised to Plaintiff and other putative Class Members, through written representations and omissions made by Defendant and its employees.
- 63. Defendant knew that they would not provide Plaintiff and Class Members with the services as they are advertised.
- 64. Thus, Defendant knowingly lied to Plaintiff and other putative Class Members in order to induce them to purchase the services from Defendant.
- 65. The misleading and false advertising described herein presents a continuing threat to Plaintiff and the Class Members in that Defendant persists and continues to engage in these practices, and will not cease doing so unless and until forced to do so by this Court. Defendant's conduct will continue to cause irreparable injury to consumers unless enjoined or restrained. Plaintiff is entitled to preliminary and permanent injunctive relief ordering Defendant to cease their false advertising, as well as disgorgement and restitution to Plaintiff and all Class Members of Defendant's revenues associated with their false advertising, or such portion of those revenues as the Court may find equitable.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully prays that judgment be entered against Defendant for the following:

- A. Certification of this matter as a class action and appointment of Plaintiff as class representative and his attorneys as class counsel;
- B. Actual damages;
- C. Statutory damages for willful and negligent violations;
- D. Costs and reasonable attorney's fees; and
- E. For such other and further relief as may be just and proper.

#### SECOND CAUSE OF ACTION

### **Violation of Unfair Competition Law**

(Cal. Bus. & Prof. Code §§ 17200 et seq.)

- 66. Plaintiff incorporates by reference each allegation set forth above.
- 67. Actions for relief under the unfair competition law may be based on any business act or practice that is within the broad definition of the UCL. Such violations of the UCL occur as a result of unlawful, unfair or fraudulent business acts and practices. A plaintiff is required to provide evidence of a causal connection between a defendant's business practices and the alleged harm--that is, evidence that the defendant's conduct caused or was likely to cause substantial injury. It is insufficient for a plaintiff to show merely that the defendant's conduct created a risk of harm. Furthermore, the "act or practice" aspect of the statutory definition of unfair competition covers any single act of misconduct, as well as ongoing misconduct.

#### UNFAIR

- 68. California Business & Professions Code § 17200 prohibits any "unfair ... business act or practice." Defendant's acts, omissions, misrepresentations, and practices as alleged herein also constitute "unfair" business acts and practices within the meaning of the UCL in that its conduct is substantially injurious to consumers, offends public policy, and is immoral, unethical, oppressive, and unscrupulous as the gravity of the conduct outweighs any alleged benefits attributable to such conduct. There were reasonably available alternatives to further Defendant's legitimate business interests, other than the conduct described herein. Plaintiff reserves the right to allege further conduct which constitutes other unfair business acts or practices. Such conduct is ongoing and continues to this date.
- 69. In order to satisfy the "unfair" prong of the UCL, a consumer must show that the injury: (1) is substantial; (2) is not outweighed by any countervailing benefits to consumers or competition; and (3) is not one that consumers themselves could reasonably have avoided.
- 70. Here, Defendant's conduct has caused and continues to cause substantial injury to Plaintiff and members of the Class. Plaintiff and members of the Class have suffered injury

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in fact due to Defendant's decision to mislead consumers. Thus, Defendant's conduct has caused substantial injury to Plaintiff and the members of the Class.

- 71. Moreover, Defendant's conduct as alleged herein solely benefits Defendant while providing no benefit of any kind to any consumer. Such deception utilized by Defendant convinced Plaintiff and members of the Class that Defendant would provide them with reliable phone and internet services while billing them only for periods of time in which such services were actually provided. Defendant knew that they had no intention of providing the represented services in this fashion and thus unfairly profited. Thus, the injury suffered by Plaintiff and the members of the Class are not outweighed by any countervailing benefits to consumers.
- 72. Finally, the injury suffered by Plaintiff and members of the Class is not an injury that these consumers could reasonably have avoided. After Defendant falsely represented its services, consumers changed their position by entering into contracts with Defendant for such services, thus causing them to suffer injury in fact. Defendant failed to take reasonable steps to inform Plaintiff and Class Members that the advertisements for such services were false. As such, Defendant took advantage of Defendant's position of perceived power in order to deceive Plaintiff and the Class. Therefore, the injury suffered by Plaintiff and members of the Class is not an injury which these consumers could reasonably have avoided.
- 73. Thus, Defendant's conduct has violated the "unfair" prong of California Business & Professions Code § 17200.

#### FRAUDULENT

- 74. California Business & Professions Code § 17200 prohibits any "fraudulent ... business act or practice." In order to prevail under the "fraudulent" prong of the UCL, a consumer must allege that the fraudulent business practice was likely to deceive members of the public.
- 75. The test for "fraud" as contemplated by California Business and Professions Code § 17200 is whether the public is likely to be deceived. Unlike common law fraud, a § 17200 violation can be established even if no one was actually deceived, relied upon the

fraudulent practice, or sustained any damage.

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Here, not only were Plaintiff and the Class Members likely to be deceived, but 76. these consumers were actually deceived by Defendant. Such deception is evidenced by the fact that Defendant billed Plaintiff and the Class Members for periods of time in which Defendant failed to provide any services whatsoever, and/or in which Plaintiff and the Class Members had already cancelled such services. Plaintiff's reliance upon Defendant's representations was reasonable due to the unequal bargaining powers between Defendant and Plaintiff. For the same reason, it is likely that Defendant's fraudulent business practices would deceive other members of the public.

- 77. As explained above, Defendant deceived Plaintiff and other Class Members by misrepresenting its services and deceptively billing for such services.
- 78. Thus, Defendant's conduct has violated the "fraudulent" prong of California Business & Professions Code § 17200.

#### UNLAWFUL

- 79. California Business and Professions Code § 17200, et seq. prohibits "any unlawful...business act or practice."
- 80. As explained above, Defendant deceived Plaintiff and other Class Members by falsely representing its services.
- 81. Defendant used false advertising, marketing, and misrepresentations to induce Plaintiff and Class Members to enter contracts for services with Defendant, in violation of California Business and Professions Code § 17500, et seq. Had Defendant not falsely advertised, marketed, or misrepresented its services, Plaintiff and Class Members would not have agreed to purchase them from Defendant. Defendant's conduct therefore caused and continues to cause economic harm to Plaintiff and Class Members.
- 82. These representations by Defendant are therefore an "unlawful" business practice or act under Business and Professions Code § 17200, et seq.
  - 83. Defendant has thus engaged in unlawful, unfair, and fraudulent business acts

1	entitling Plaintiff and Class Members to judgment and equitable relief against Defendant, as set
2	forth in the Prayer for Relief. Additionally, pursuant to Business and Professions Code § 17203,
3	Plaintiff and Class Members seek an order requiring Defendant to immediately cease such acts
4	of unlawful, unfair, and fraudulent business practices and requiring Defendant to correct its
5	actions.
6	PRAYER FOR RELIEF
7	WHEREFORE, Plaintiff respectfully requests that judgment be entered against Defendant
8	for the following:
9 10	<ul> <li>A. Certification of this claim as a class action and appointment of Plaintiff as class representative and his attorneys as class counsel;</li> <li>B. Actual damages;</li> </ul>
11	<ul><li>C. Statutory damages;</li><li>D. Costs and reasonable attorney's fees; and</li></ul>
12	E. For such other and further relief as the Court may deem just and proper.
13	THIRD CAUSE OF ACTION
14	Violation of Consumer Legal Remedies Act
15	(Cal. Civ. Code § 1750, et seq.)
16	84. Plaintiff incorporates by reference each allegation set forth above.
17	85. Defendant's actions as detailed above constitute multiple violations of the
18	Consumer Legal Remedies Act, Cal. Civ. Code § 1770(a) to the extent that Defendant violated
19	the following provisions of the CLRA:
20	a. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have. Cal. Civ. Code
21	§ 1770(a)(5);
22	b. Advertising goods or services with intent not to sell them as advertised. Cal. Civ. Code § 1770(a)(9);
23 24	c. Representing that a transaction confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law Cal. Civ. Code § 1770(a)(14); and
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26	d. Representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not. Cal. Civ. Code § 1770(a)(16).
27   28	86. On or about September 28, 2023, through his Counsel of record, using certified

mail with a return receipt requested, Plaintiff served Defendant with notice of its violations of 1 2 the CLRA, and asked that Defendant correct, repair, replace or otherwise rectify the services 3 alleged to be in violation of the CLRA; this correspondence advised Defendant that they must take such action within thirty (30) calendar days, and pointed Defendant to the provisions of the 4 CLRA that Plaintiff believes to have been violated by Defendant. This letter is attached hereto 5 as Exhibit A. 6 The venue affidavit required by Cal. Civ. Code § 1780(d) is attached as Exhibit 87. 7 8 B to this Complaint. PRAYER FOR RELIEF 9 WHEREFORE, Plaintiff respectfully requests that judgment be entered against Defendant 10 for the following: 11 Injunctive relief for Defendant's violations of the CLRA as alleged herein. A. 12 13 **REQUEST FOR JURY TRIAL** 14 88. Plaintiff requests a trial by jury as to all claims so triable. 15 Dated: September 28, 2023 Respectfully submitted, 16 LAW OFFICES OF TODD M. FRIEDMAN, PC 17 18 19 By: 20 Todd M. Friedman, Esq. 21 Attorney for Plaintiff 22 23 24 25 26 27 28