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**\* Pro Hac Vice Application  
To Be Submitted**

**Attorneys for Plaintiffs and the Proposed Classes**

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY  
NEWARK VICINAGE**

MARY BOWMAN; ART CAPRI; DEBRA CASEY; KARYN CHALLENGER; TYSON COHRON; CINTIA CORSI; ANDI ELLIS; LAURIE FRANTZ; ASHLEY GARRISON; ANGELA GREEN; CARLOS GUTIERREZ; JAMES HOLLING; KAREN HUDSON; JERRY HUNT; JENNIFER HURTT; JOYCE JONES; LYNN KIRALY; MICHELLE LACUESTA; JASON MCCONVILLE; JOSE NICOT; SANDRA OSHIRO; LESLIE OWENS; JON SANTOS; TERRY SEXTON; RITSUKO TSUNASHIMA-KUKONU; and KATHLEEN WRIGHT; on behalf of themselves and all others similarly situated,

Plaintiffs,

v.

CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS and VERIZON COMMUNICATIONS INC.,

Defendants.

CIVIL ACTION NO. 3:22-cv-04621

**AMENDED CLASS ACTION  
COMPLAINT**

Plaintiffs Mary Bowman, Art Capri, Debra Casey, Karyn Challender, Tyson Cohron, Cintia Corsi, Andi Ellis, Laurie Frantz, Ashley Garrison, Angela Green, Carlos Gutierrez, James Holling, Karen Hudson, Jerry Hunt, Jennifer Hurtt, Joyce Jones, Lynn Kiraly, Michelle Lacuesta, Jason McConville, Jose Nicot, Sandra Oshiro, Leslie Owens, Jon Santos, Terry Sexton, Ritsuko Tsunashima-Kukonu, and Kathleen Wright, individually and on behalf of all others similarly situated, allege as follows, on personal knowledge and investigation of their counsel, against Defendants Cellco Partnership d/b/a Verizon Wireless and Verizon Communications Inc. (hereinafter collectively, “Verizon” or “Defendants”):

**I. INTRODUCTION**

1. This is a proposed class action brought on behalf of current and former Verizon Wireless subscribers who are citizens of New York, Washington, Oregon, New Mexico, Hawaii, and Florida, challenging a bait-and-switch scheme perpetrated by Defendants against Verizon Wireless customers.

2. The basis for the class claims are set forth in greater detail herein, but arise from Verizon’s sign-up policies and practices which deceive customers by prominently advertising certain flat monthly rates for Verizon post-paid wireless service plans. After customers sign up, however, Verizon uniformly charges them higher monthly rates than it advertised and promised by padding customers’ bills each month with a so-called “Administrative Charge”—currently \$3.30 per month for each line—on top of the advertised and promised price.

3. The Administrative Charge is not disclosed to customers either before or when they agree to purchase wireless service from Verizon, and in fact the Administrative Charge is never adequately or honestly disclosed to customers. Nor do Verizon customers ever agree to—

or even have the opportunity to accept or reject—the Administrative Charge, which is unilaterally imposed by Verizon without its customers’ consent.

4. The Administrative Charge is a fictitious construct that enables Verizon to unlawfully charge its customers more per month for Verizon wireless services without having to advertise the higher monthly rates.

5. Verizon first began sneaking the Administrative Charge into all of its post-paid wireless customers’ bills in 2005, initially at a rate of \$0.40 per month for each phone line on its customers’ service plans. Since then, Verizon has repeatedly increased the amount of the Administrative Charge on a regular basis. The most recent increase occurred on June 23, 2022, when Verizon increased the Administrative Charge by 70% from \$1.95 to the current rate of \$3.30 per line.<sup>1</sup> The current amount of the Administrative Charge is \$3.30 per line per month—a more than 8X increase from the original amount of the Charge. Verizon has used the Administrative Charge as a revenue lever to covertly jack up its monthly service prices and to squeeze its existing subscribers for more cash whenever Verizon desires. To date, Verizon has improperly collected billions of dollars in additional, unlawful charges from the proposed Class members through its Administrative Charge scheme.

6. The first time Verizon customers can possibly learn about the existence of the Administrative Charge, or the amount of the Charge, is on their monthly billing statements, which they begin receiving only after they have signed up for wireless service and are financially committed to their purchase and cannot cancel without penalty.

7. Verizon then deliberately and affirmatively omits or misrepresents the so-called

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<sup>1</sup> On June 23, 2022, at the same time that Verizon increased the Administrative Charge by 70% to \$3.30 per line per month, Verizon changed the name of the Charge to the “Administrative and Telco Recovery Charge.” This Complaint will refer to the charge as the “Administrative Charge.”

Administrative Charge on its billing statements to further its scheme. Verizon's paper bills fail to mention the Administrative Charge at all, stating instead that a customer should "[c]heck your online bill for all surcharges, taxes and gov fees." Then on the online bill, Verizon omits the Administrative Charge from the "Monthly charges" section, where it actually belongs, and instead puts it in the "Surcharges" section, where it is lumped together with various government charges, taxes, and fees. Even worse, for years, Verizon explicitly and falsely stated on its monthly bills that the Administrative Charge is a surcharge imposed on subscribers to "cover the costs that are billed to us by federal, state or local governments." Thus, by Verizon's own design, Verizon's monthly billing statements have served to further Verizon's deceptive scheme and keep customers from realizing they are being overcharged.

8. Notably, on a support page on its website, Verizon gives a different definition of the Administrative Charge, claiming that the Charge is tied to various operating costs of Verizon including telephone company interconnect charges and network facility and service fees—all of which are basic costs of providing wireless service, and which a reasonable consumer would expect to be included in the advertised price for any wireless service plan.

9. But this is yet another misrepresentation by Verizon, as the Administrative Charge is not, in fact, tied to Verizon's costs such as interconnect charges and network facility fees. Verizon does not adjust the amount of the Administrative Charge based on changes to Verizon's costs. Rather, Verizon unilaterally sets and increases the amount of the Administrative Charge based on its internal revenue targets. This is corroborated by the fact that Verizon has more than tripled the amount of the monthly, per-line Administrative Charge since 2015 (from \$0.95 to \$3.30 per month per line), while during that same time period Verizon's costs have actually decreased significantly (like interconnection costs). Verizon simply uses the

Administrative Charge as a revenue lever to covertly jack up its monthly service prices and increase its revenues and profits whenever it desires—including increasing the Charge by 70% within just the last three months.

10. Meanwhile, Verizon’s misrepresentations on its bills that the Administrative Charge is imposed on subscribers to recover the costs billed to Verizon by the government were false statements of material fact intended to discourage customers who discovered the Administrative Charge from questioning or objecting to the Charge.

11. In all events, Verizon should clearly and accurately state the true monthly prices for its post-paid wireless service plans in its price representations and advertising. Verizon has failed to do so, and continues to fail to do so, choosing instead to deceptively increase its monthly rates—and by extension, its revenue and profit—by unilaterally imposing an extra-contractual, undisclosed Administrative Charge that is never agreed to by its customers, in contravention of the laws applicable to the relationship between Verizon and the Class members.

12. Plaintiffs, through this action, seek injunctive, declaratory, monetary, and statutory relief for themselves and the proposed Classes to obtain redress and to end Verizon’s unlawful policy of charging this deceptive, undisclosed additional Charge.

13. To be clear, Plaintiffs are not seeking to regulate the existence or amount of Verizon’s Administrative Charge. Rather, Plaintiffs merely seek to compel Verizon to include notice of the existence and the amount of the Administrative Charge in the wireless service plan prices that Verizon advertises to Class members and the general public, to honestly and adequately disclose the Administrative Charge and its true nature and basis in Verizon’s billing statements and communications with Class members at or before the time the wireless services contract is created, and to reimburse Class members for any and all undisclosed (or inadequately

disclosed) extra-contractual fees they were forced to pay.

## **II. THE PARTIES**

14. Plaintiff Mary Bowman is a citizen and resident of Graham, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Bowman has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

15. Plaintiff Art Capri is a citizen and resident of Fort Myers, Florida, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Capri has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

16. Plaintiff Debra Casey is a citizen and resident of Honolulu, Hawaii, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Casey has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform

language as described herein, and paid the Administrative Charge complained of herein.

17. Plaintiff Karyn Challender is a citizen and resident of Rainier, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Challender has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein. See Attachment A, Sample Challender Bill.

18. Plaintiff Tyson Cohron is a citizen and resident of Troutdale, Oregon, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Cohron has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

19. Plaintiff Cintia Corsi is a citizen and resident of New Rochelle, New York, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Corsi has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained

of herein. See Attachment B, Sample Corsi Bill.

20. Plaintiff Andi Ellis is a citizen and resident of Selah, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Ellis has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

21. Plaintiff Laurie Frantz is a citizen and resident of Santa Fe, New Mexico, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Frantz has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

22. Plaintiff Ashley Garrison is a citizen and resident of Bellingham, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Garrison has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained



of herein.

23. Plaintiff Angela Green is a citizen and resident of Enterprise, Oregon, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Green has been victimized by the same uniform policies described in detail herein, in that Plaintiff Green signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

24. Plaintiff Carlos Gutierrez is a citizen and resident of Artesia, New Mexico, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Gutierrez has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

25. Plaintiff James Holling is a citizen and resident of Raton, New Mexico, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Holling has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform

language as described herein, and paid the Administrative Charge complained of herein.

26. Plaintiff Karen Hudson is a citizen and resident of Albuquerque, New Mexico, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Hudson has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein. See Attachment C, Sample Hudson Bill.

27. Plaintiff Jerry Hunt is a citizen and resident of Kapolei, Hawaii, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Hunt has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein. See Attachment D, Sample Hunt Bill.

28. Plaintiff Jennifer Hurtt is a citizen and resident of St. Petersburg, Florida, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Hurtt has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform

language as described herein, and paid the Administrative Charge complained of herein.

29. Plaintiff Joyce Jones is a citizen and resident of East Wenatchee, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Jones has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

30. Plaintiff Lynn Kiraly is a citizen and resident of Huntington, New York, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Kiraly has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

31. Plaintiff Michelle Lacuesta is a citizen and resident of Aiea, Hawaii, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Lacuesta has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform

language as described herein, and paid the Administrative Charge complained of herein.

32. Plaintiff Jason McConville is a citizen and resident of Pasco, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff McConville has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

33. Plaintiff Jose Nicot is a citizen and resident of Bronx, New York, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Nicot has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

34. Plaintiff Sandra Oshiro is a citizen and resident of Honolulu, Hawaii, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Oshiro has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

35. Plaintiff Leslie Owens is a citizen and resident of Tohatchi, New Mexico, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Owens has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

36. Plaintiff Jon Santos is a citizen and resident of Oakland Park, Florida, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Santos has been victimized by the same uniform policies described in detail herein, in that he signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

37. Plaintiff Terry Sexton is a citizen and resident of Gulf Breeze, Florida, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Sexton has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

38. Plaintiff Ritsuko Tsunashima-Kukonu is a citizen and resident of Honolulu,

Hawaii, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Tsunashima-Kukonu has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

39. Plaintiff Kathleen Wright is a citizen and resident of Quilcene, Washington, and was a customer of Verizon's wireless service during the class period. Like every other Class member, Plaintiff Wright has been victimized by the same uniform policies described in detail herein, in that she signed up for Verizon's wireless service in the manner described herein, received or was directed to the same uniformly-worded documents and/or websites described herein, received a Verizon bill which imposed the same undisclosed Administrative Charge in the same uniform language as described herein, and paid the Administrative Charge complained of herein.

40. Defendant Cellco Partnership d/b/a Verizon Wireless is a wholly-owned subsidiary of Verizon Communications Inc., and is chartered under the laws of Delaware, with its principal place of operations and nerve center in Basking Ridge, New Jersey. Thus, Defendant Cellco Partnership d/b/a Verizon Wireless is a citizen of Delaware and New Jersey.

41. Defendant Verizon Communications, Inc. is chartered under the laws of Delaware, with its principal place of operations and nerve center in Basking Ridge, New Jersey. Thus, Defendant Verizon Communications Inc. is a citizen of Delaware and New Jersey.

42. Defendants Cellco Partnership d/b/a Verizon Wireless and its corporate parent

Verizon Communications, Inc., jointly created, implemented, participated in the collection of, and shared in the proceeds from, the unlawful bait-and-switch scheme at issue in this Complaint, namely, the imposition of the undisclosed, extra-contractual Administrative Charge to Class members. As such, both Defendants are collectively referred to herein as “Verizon” or “Defendants.”

**VI. JURISDICTION AND VENUE**

43. Jurisdiction over this matter is proper in the United States District Court under the Class Action Fairness Act in that this is a proposed class action, the Defendants are citizens of a different state than the Plaintiffs and the members of the proposed classes, and the amount in controversy exceeds \$5 million.

44. Venue is proper pursuant to 28 U.S.C. §1391 in the District of New Jersey, Newark Vicinage, in that Defendants are each New Jersey citizens who have their principal place of business and nerve center in Basking Ridge, New Jersey.

**IV. FACTUAL ALLEGATIONS OF VERIZON’S DECEPTIVE ADMINISTRATIVE CHARGE SCHEME**

45. Verizon falsely advertises its wireless services at lower monthly rates than it actually charges customers by not disclosing, and not including in the advertised price, a so-called “Administrative Charge” which Verizon imposes each month on every line purchased by its post-paid wireless service customers.

46. The Administrative Charge is not disclosed to customers either before or when they agree to purchase wireless service from Verizon, and in fact the Administrative Charge is never adequately or honestly disclosed to customers. Nor do Verizon customers ever agree to—or even have the opportunity to accept or reject—the Administrative Charge, which is an extra-contractual charge unilaterally imposed by Verizon without its customers’ consent.

47. Verizon uses the Administrative Charge: (1) to charge more per month for each line of its wireless service without having to advertise the higher prices; and (2) as a way to covertly jack up the rates of its existing subscribers to extract additional revenue from its subscribers whenever it desires.

48. Verizon continues to perpetrate this deceptive fee scheme even after the customer signs up. Verizon made affirmative misrepresentations on its bills that the Administrative Charge is to recover the costs billed to Verizon by the government in order to discourage customers who discovered the Administrative Charge from questioning the charge. And if a customer who happens to notice the Administrative Charge contacts Verizon via phone, web chat, or at a Verizon store to inquire about the charge, Verizon customer service and sales agents falsely tell the customer that the Administrative Charge is a tax or a government fee over which Verizon has no control.

**A. The Administrative Charge.**

49. The Administrative Charge is a uniform, per-line flat charge that Verizon adds to the monthly bills of all Verizon post-paid wireless service customers across the country, including customers in Hawaii, New Mexico, New York, Oregon, Washington, and Florida. Verizon unilaterally imposes, increases, and sets the amount of the Administrative Charge at its sole discretion, without the consent of its customers.

50. Verizon first began imposing the Administrative Charge in September 2005, at an initial rate of \$0.40 per line per month. The Charge was added to the bills of all post-paid wireless customers, including customers who had signed up for Verizon wireless services well before the Administrative Charge even existed. Such customers were never given the opportunity to accept or reject Verizon's Administrative Charge. Indeed, no Verizon customer



has ever been given the opportunity to accept or reject the Administrative Charge, or any of Verizon's periodic increases thereof.

51. Verizon increased the Administrative Charge to \$0.70 per month per line starting in March 2007. Until December 2015, the Administrative Charge remained under a dollar per month per line. In December 2015, Verizon raised the Administrative Charge from \$0.95 to \$1.23 per month per line. Verizon increased the Administrative Charge to \$1.78 per line per month starting in August 2019. Verizon then raised the Administrative Charge to the rate of \$1.95 per line per month starting in August 2020. Less than three months ago, on June 23, 2022, Verizon increased the Administrative Charge by another 70% from \$1.95 to \$3.30 per line per month.<sup>2</sup> The current amount of the Administrative Charge is \$3.30 per line per month—a more than 8X increase from the original amount of the Charge.

52. Verizon not only charges the Administrative Charge to each and every one of its post-paid customers on a monthly basis, but it also charges a separate monthly Administrative Charge for each and every phone line purchased by these customers. Thus, if a customer has a Verizon family plan with, e.g., five lines, that customer will be charged five Administrative Charges per month by Verizon (i.e., one Administrative Charge of \$3.30 every month for each line purchased, for a total of \$16.50 in Administrative Charges per month for five lines). Consequently, such a customer must pay Verizon at least \$16.50 more per month—or \$198 more per year—than the advertised and agreed-to price for Verizon wireless service.

53. According to Verizon's 2021 annual report, Verizon currently has 91.5 million post-paid consumer phone lines in the United States. Verizon imposes the \$3.30 monthly

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<sup>2</sup> On June 23, 2022, at the same time that Verizon increased the Administrative Charge by 70% to \$3.30 per line per month, Verizon changed the name of the Charge to the "Administrative and Telco Recovery Charge." This Complaint will refer to the charge as the "Administrative Charge."

Administrative Charge on all 91.5 million of these wireless consumer phone lines, now collecting over \$3.6 billion in revenue each year from its subscribers nationwide in deceptive Administrative Charges, including over \$1 billion each year from the members of the state Classes (i.e., from subscribers in New York, Washington, Oregon, New Mexico, Hawaii, and Florida). To date, Verizon has improperly collected billions of dollars in unlawful, extra-contractual additional charges from Class members through its Administrative Charge scheme.

**B. Verizon Fails to Disclose the Administrative Charge to Customers When They Sign Up.**

54. At all relevant times, Verizon has aggressively advertised its post-paid wireless service plans through pervasive marketing directed at the consuming public throughout the United States, including via high-profile television, radio, and online advertisements, and on its website and through materials at its numerous corporate-owned retail stores and the stores of third party retailers (e.g., Costco, Best Buy, the Apple Store, and independent “Verizon Authorized Retailers”) where customers can sign up for Verizon Wireless services.

55. In all of these locations and through all of these channels, Verizon consistently and prominently advertises particular flat monthly prices for its post-paid wireless service plans, without disclosing or including the Administrative Charge in the advertised price. Neither the existence nor amount of the Administrative Charge (let alone its true nature or basis) is disclosed to customers prior to or at the time they sign up for Verizon’s service plans.

56. By way of example only, Verizon ran three broad-scale national television advertisements in 2019, 2020, and 2021 that promoted the price for its post-paid wireless service plans as \$35 per line per month when purchasing four lines.<sup>3</sup> This flat monthly rate was

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<sup>3</sup> The 2021 ad can be viewed at: <https://www.youtube.com/watch?v=O9Bh4EJPOKA>.  
The 2020 ad can be viewed at: <https://www.youtube.com/watch?v=LFP9zmeS75I>.  
The 2019 ad can be viewed at: <https://www.youtube.com/watch?v=jGBgLCFFVQA>.

prominently featured in the advertisements. There was no asterisk next to the advertised price, and the only disclosure language was the phrase “Plus taxes and fees” below the monthly rate. The advertisements did not mention the Administrative Charge or what the additional “fees” were or their amounts. Nor were the viewers directed anywhere to learn about the additional “fees.”

57. As another example, Verizon ran similar broad-scale national television advertisements in 2017 and 2018 that promoted the price for its post-paid wireless service plans as \$40 per month per line when purchasing four lines.<sup>4</sup> These ads, too, had no asterisk next to the advertised price, and the only disclosure language was the phrase “Plus taxes and fees” below the monthly rate. The advertisements did not mention the Administrative Charge or what the additional “fees” were or their amounts. Nor were the viewers directed anywhere to learn about the additional “fees.”

58. As another example, below (**Figure 1**) is a photo taken of advertising signage in a Verizon Wireless store in Bellevue, Washington on June 26, 2022:

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<sup>4</sup> The 2018 ad can be viewed at: <https://www.ispot.tv/ad/dogb/verizon-unlimited-plans-huge-news-ft-thomas-middleditch>.

The 2017 ad can be viewed at: <https://www.youtube.com/watch?v=411GIXfLfjo>.

**Figure 1: Signage in Verizon Wireless Store in Bellevue, WA (June 26, 2022)**



The signage (which is the sole printed advertisement describing plans or plan prices in the Verizon store) prominently lists the prices for each of the 4 featured consumer wireless plans. To the right of the prominent pricing (e.g., “\$90,” “\$80,” “\$70”) is tiny text stating “Per line per month. Plus taxes & fees, With Auto Pay.” Notably, *nowhere* on the sign—not even in the stream of miniscule text across the bottom of the sign—is the existence of, let alone the amount of, the Administrative Charge mentioned or disclosed (at the time of the photograph was taken the Administrative Charge was \$3.30 per line per month).

59. The phrase “Plus taxes and fees” does not constitute an adequate disclosure of the Administrative Charge by Verizon, and is understood by the reasonable consumer to refer to legitimate taxes and government-related fees passed on by Verizon to its customers. (Meanwhile, on the customer bill, Verizon labels the Administrative Charge as a “Surcharge” next to government-related surcharges, and not as a “fee”.) Moreover, the Administrative Charge is, in fact, simply a disguised double-charge for the service itself.

**1. Verizon Fails to Disclose the Administrative Charge in Retail Stores.**

60. As has been the case for years, when a consumer shops for a wireless service plan at a Verizon corporate-owned store, the consumer is presented with the advertised and quoted monthly service plan prices, and nothing is disclosed to the consumer about the existence of the Administrative Charge. The Administrative Charge is not mentioned or disclosed in any signage or advertisements anywhere in the store (see **Figure 1** above). Verizon stores use a uniform sales process in which a sales representative utilizes a proprietary sales application on an in-store iPad. Verizon does not disclose the Administrative Charge anywhere during this in-store sign-up process. Verizon agents only tell customers the monthly plan price during this process (e.g., the “\$80/month Unlimited plan”), and never mention the monthly \$3.30 per-line so-called “Administrative Charge.” Customers and prospective customers are not given the option to view the total monthly charges on the in-store iPad sales application, and sales agents are unaware of (or are trained to pretend to be unaware of) details beyond the fact that taxes will be charged on top of the advertised monthly service plan price.

61. In fact, the first time consumers can possibly learn about the existence of the Administrative Charge, or its amount, is on their online monthly billing statement after signing up for Verizon wireless service—but consumers are not provided access to the online billing

statement until at least one week after they sign up for the service and are already financially committed to their purchase.

62. Customers may also sign up for Verizon wireless service plans at certain authorized third-party retail stores such as Best Buy, Apple, Walmart, Costco, and independently-owned “Verizon Authorized Retailers.” The customer experience in these stores is, in all material respects pertinent to this action, the same as in Verizon corporate-owned stores. Thus, if a consumer shops for a Verizon wireless service plan at a third-party retailer, the consumer is presented with only the advertised and quoted monthly service plan prices, and nothing is disclosed to the customer about the Administrative Charge. At these stores, like at the Verizon corporate-owned stores, the customer purchase process is conducted through a tablet or other electronic display, the relevant content of which is determined by Verizon and does not include a disclosure of the Administrative Charge. The pricing information and disclosures which are provided to customers in third-party stores are provided to the third-party retailers by Verizon.

**2. Verizon Fails to Disclose the Administrative Charge in Telesales or Online Chat Sales.**

63. Likewise, Verizon sales and customer service agents have been trained for years, as a matter of uniform company policy, to present consumers with the advertised flat monthly prices for its service plans without disclosing the Administrative Charge (just like in Verizon’s online, television and print advertising). If a potential customer calls Verizon’s customer sales agents, or reaches out via web chat, and asks what if any other monthly charges will be added, the agents as a matter of uniform company policy falsely say that the only additions to the advertised prices (besides subscriptions to extra services or features) are taxes or government-related fees that are outside of Verizon’s control.

**3. Verizon Fails to Disclose the Administrative Charge on Its Website Advertising.**

64. Likewise, for years, Verizon’s consumer website has advertised its post-paid wireless service plans by prominently featuring flat monthly prices for its service plans which do not include or disclose the Administrative Charge or its amount.

65. For example, in October 2021, Verizon’s website listed five post-paid wireless plan options under its post-paid “Unlimited” plans, and a configurator which showed different prices per line for each plan depending on how many lines (between one and four) the consumer selected. See the screenshot of the Verizon website taken on October 31, 2021 at **Figure 2** below:

**Figure 2: Advertising on Verizon’s Website (October 31, 2021)**

**It's Unlimited built right.**

Only pay for what you need and get more of the entertainment you want. Choose your Unlimited plans to mix, match and save.

**How many lines do you need?**

4

Prices include \$10/mo savings per line, when you sign up for paper-free billing and Auto Pay.

Plan Name	Description	Price	Additional Info
<b>Start Unlimited</b>	Get started with unlimited talk, text and data and never worry about overage charges again.	<b>\$35</b>	Per line per month. Plus taxes & fees.
<b>Play More Unlimited</b>	Our best plan for streaming, with tons of shows, movies and sports and premium network access—all included.	<b>\$45</b>	Per line per month. Plus taxes & fees.
<b>Do More Unlimited</b>	When productivity is your top priority, get it all done with premium data and a discount on a connected device plan.	<b>\$45</b>	Per line per month. Plus taxes & fees.
<b>Get More Unlimited</b>	Experience our ultimate in performance on our best plan with extra features, including more music and entertainment.	<b>\$55</b>	Per line per month. Plus taxes & fees.
<b>Just Kids</b>	Manage screen time, filter content, track location and get Unlimited data on your kid's first phone, so you get peace of mind.	<b>\$35</b>	Per line per month. Plus taxes & fees. Requires 1 line on Unlimited.

Overview Compare

66. Each of these options is presented as having a flat rate per month. The price does not have an asterisk, and the only disclosure language is below the price, stating: “Plus taxes & fees.” Customers could click a link directly under those advertised prices to sign up for those services. Neither the existence nor the amount of the Administrative Charge (which at that time was in fact an additional \$1.95 per month per line, e.g., \$7.80 per month for four lines) was disclosed, even though Verizon fully intended to charge the Administrative Charge and knew its exact amount.

67. Again, the “Plus taxes and fees” language does not constitute an adequate disclosure because a reasonable consumer would understand “taxes and fees” to mean legitimate taxes and government-related fees passed on by Verizon to its customers (as opposed to a disguised double-charge for the wireless service itself). In fact, throughout the order process and on the final order page, Verizon displayed a line item charge called “Taxes and government fees,” which line item could be expanded (by clicking a “+” sign) to display a list of the component (and legitimate) taxes and government fees. Thus, a reasonable consumer would assume and understand that those were the taxes and fees to which the phrase “Plus taxes & fees” in Verizon’s ads referred. (Notably, on the online customer bill itself, Verizon labels the Administrative Charge not as a “fee,” but rather as a “Surcharge.”) Meanwhile, throughout the online purchase process, Verizon had no line item which contained or included the Administrative Charge, and Verizon never included the amount of the Administrative Charge in the presented and quoted monthly “Total” price.

**C. Verizon Continues to Deceive Customers After They Sign Up.**

68. Verizon continues to deceive customers about the Administrative Charge and the true monthly price of its wireless services even after the customers have signed up.



69. The first time Verizon customers can possibly learn about the existence of the Administrative Charge, or its amount, is on the online version of their monthly billing statement, which they can only view online, and which they can only access after they sign up for Verizon's wireless service and cannot cancel without paying a penalty.

70. For those customers who receive a mailed paper bill, Verizon provides no notice whatsoever about the amount of the Administrative Charge. The paper bill does not contain a line item or listed amount for the Administrative Charge; the mailed paper bill appears to be an abridged version of the full online PDF version of the bill.

71. Indeed, Verizon's paper bills fail to mention the Administrative Charge at all, stating instead that a customer should "[c]heck your online bill for all surcharges, taxes and gov fees." Nowhere on the paper bill is there a line item for the Administrative Charge or any information regarding its amount.

72. For those customers who are signed up for electronic billing and/or Auto Pay (automatic payment), Verizon gives notification by email or text message of only the total monthly charge, without listing or disclosing the existence of the Administrative Charge. Only if those customers created an online My Verizon profile to connect to their customer account could the customer login and get access to the full PDF version of the bill.

73. Even if a customer created a My Verizon profile and took actions to view the electronic version of the bill on the My Verizon app or website, the My Verizon billing center is further designed to hide the Administrative Charge. The default view for the Verizon bill on the My Verizon app or website includes only the total monthly charge, and does not include any more detail or line items.

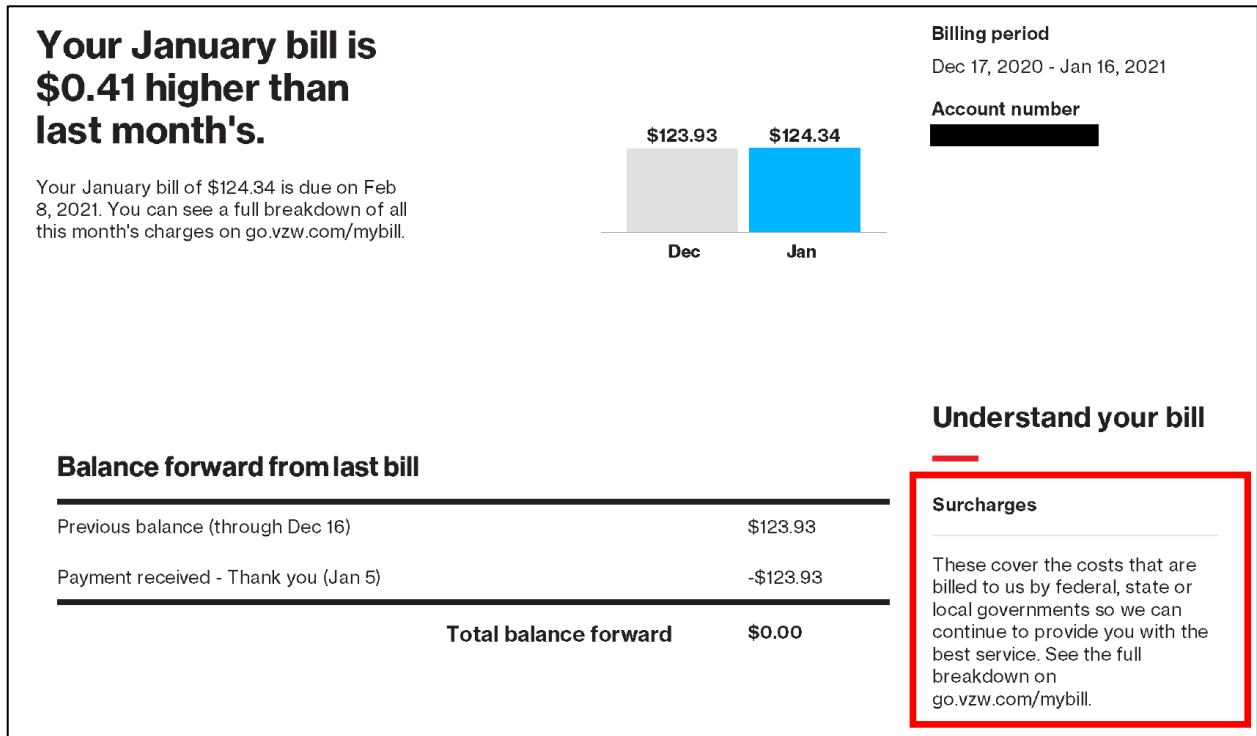
74. If the customer desired to view the full detailed version of the bill (which is accessible only online, and only as a PDF), the customer would need to figure out how to navigate to and download and view the PDF file of the bill in the My Verizon app or website.

75. For those customers who find and view the full PDF bill, Verizon then makes intentional misrepresentations about its plan prices and the nature of the Administrative Charge. On the full PDF version of the bill, Verizon excludes the Administrative Charge from the “Monthly charges” section, where it logically belongs, and instead puts the Administrative Charge in the “Surcharges” section where Verizon lumps it together with government charges. Even worse, for years, Verizon explicitly and falsely stated that the Administrative Charge is a **“surcharge”** imposed on subscribers to **“cover the costs that are billed to us by federal, state or local governments.”**

76. Thus, Verizon’s billing statements do not constitute an adequate disclosure, even belatedly. Instead, Verizon’s billing statements further its fraudulent scheme and keep customers from realizing they are being overcharged.

77. Below (**Figure 3**) is an excerpt from the second page of Plaintiff Jerry Hunt’s billing statement from January 2021, where Verizon declares that **“Surcharges”** (which is how Verizon labels the Administrative Charge) are to **“cover the costs that are billed to us by federal, state or local governments...”**. A red box is added to the bill image below to highlight the relevant text:

**Figure 3: Plaintiff Jerry Hunt’s Verizon Bill page 2 (January 2021)**



78. Below (**Figure 4**) is an excerpt from the third page of Plaintiff Hunt’s same January 2021 bill, where Verizon labels the so-called “**Administrative Charge**” as being a “**Surcharge,**” *i.e.*, as a charge imposed on subscribers to recover costs billed to Verizon by the government. The Administrative Charge charged by Verizon on Mr. Hunt’s bill is highlighted in a red box below, under the section of the bill entitled “**Surcharges**”:

**Figure 4: Plaintiff Jerry Hunt's Verizon Bill page 3 (January 2021)**

<b>Account Charges</b>		<b>\$80.00</b>
<b>Monthly charges and credits</b>		<b>\$80.00</b>
More Everything Unlimited Talk, Text & 10GB (Jan 17 - Feb 16)		\$80.00
10 GB Shareable Data Unlimited Talk and Text		
<b>Shared data usage</b>		<b>Used/Allowance</b>
All shared lines		5.38 / 10 GB
<b>Jerry L Hunt</b>		<b>\$18.76</b>
[REDACTED]		
Samsung Galaxy S6		
<b>Monthly charges and credits</b>		<b>\$15.00</b>
Smartphone Line Access (Jan 17 - Feb 16)		\$40.00
\$25 Off Smartphone Month2Month (Jan 17 - Feb 16)		-\$25.00
<b>Surcharges</b>		<b>\$3.10</b>
Fed Universal Service Charge		\$0.57
Regulatory Charge		\$0.21
Administrative Charge		\$1.95
HI Telecom Relay Surchg		\$0.01
HI Public Srvc CO Surcharge		\$0.27
HI State PUC Fee		\$0.01
HI Gen Excise Surchg-Telecom		\$0.08

79. As reflected above, Verizon excludes the Administrative Charge from the “Monthly charges and credits” section of the online bill. Verizon instead disguises the invented Administrative Charge by putting it in the “Surcharges” section where it is lumped together with true government costs billed to Verizon such as the “Federal Universal Service Charge,” the “HI [Hawaii] Telecom Relay Surchg,” the “HI Public Srvc CO Surcharge,” the “HI State PUC Fee” and the “HI Gen Excise Surchg-Telecom.”

80. Verizon’s labeling and description of the Administrative Charge as a “Surcharge” imposed on subscribers to “cover the costs that are billed to us by federal, state or local governments” is a false statement of material fact intended to fool its customers.

81. Notably, on a support page on its website, Verizon gives a different definition of the Administrative Charge, claiming it is charged to “defray” “charges we, or our agents, pay local telephone companies for delivering calls from our customers to their customers” (i.e., interconnect charges) and “fees and assessments on our network facilities and services.” But interconnect charges and network facility and service fees are among the basic costs of providing wireless service, which a reasonable consumer would expect to be included in the advertised price for a wireless service plan.

82. Indeed, prior to September 2005 (when Verizon began charging the Administrative Charge to its customers), interconnect charges and network facility and service fees were included in Verizon’s advertised price for its wireless service plans.

83. Moreover, the Administrative Charge that Verizon unilaterally chooses to impose is not, in fact, tied to Verizon’s costs such as interconnect charges and network facility and service fees. Verizon does not adjust the amount of the Administrative Charge based on changes to Verizon’s costs. Rather, Verizon sets and increases the amount of the Administrative Charge based on company-wide operating income targets set by Verizon senior management. Verizon uses the Administrative Charge as a revenue lever to covertly jack up its monthly service prices and to squeeze its existing subscribers for more cash whenever Verizon desires, thereby increasing Verizon’s revenue. This is corroborated by the fact that Verizon has more than tripled the amount of the monthly Administrative Charge since 2015 (from \$0.95 to \$3.30 per line),

while during that same time period, Verizon's costs have actually significantly decreased (like interconnection costs).

84. Thus, by Verizon's own design, the monthly billing statements (whether printed or electronic) serve to further Verizon's scheme and keep customers from realizing they are being overcharged.

85. And, because Verizon has increased the Administrative Charge by a small amount each time (\$1.35 or less each time), if a customer noticed that the bill total was slightly higher than the previous month, the customer would reasonably assume that the increase was a result of legitimate taxes and other government-related charges, which customers understand can vary month-to-month.

**D. Customers Cannot Cancel Without Penalty.**

86. Even if a customer notices the Administrative Charge on his or her very first bill, Verizon's stated and posted policies prevent its customers from backing out of its service plans without penalty.

87. First, when customers sign up they pay a one-time activation fee of \$35.00 that is refundable for only three days—well before they ever receive access to their first monthly bill, which does not occur until more than a week after they sign up.

88. Second, customers who signed up for a two-year service commitment (the majority of customers until at least 2016) were charged an early termination fee of up to \$350 if they cancelled their service more than 14 days after purchase. (Again, customers cannot even receive notice of or view their first billing statement until at least a week after signing up.) And even if a person managed to cancel his or her service within the 14-day period (which required

returning all purchased equipment in that time period), the customer still was required to pay for his or her service through the date of cancellation.

89. Third, many customers purchase devices (such as new phones) with their service plans; indeed, Verizon markets devices and wireless service plans in bundles. The devices can only be returned to Verizon within the first 30 days after purchase. If customers return a device within 30 days of purchase, they still must pay a \$50 restocking fee. If they wait longer than 30 days, it is too late, and they are on the hook for the full purchase price of the device.

90. Fourth, since approximately 2013, Verizon has offered installment plans to pay for new devices that are tied to customers' service plans. Instead of a one-year or two-year service commitment, many Verizon wireless customers today ostensibly have a month-to-month service plan but sign 24-month or 30-month installment agreements with Verizon under which customers pay for their mobile phone (i.e., the device) in monthly installments. For example, a customer would pay, for an \$800 phone, an equipment "installment" charge of \$33.33 on each monthly Verizon bill for 24 months. If a customer cancels his or her service plan any time before the installment plan is paid off, the full outstanding balance of the device becomes due immediately in a single balloon payment. Even if the customer noticed the Administrative Charge on his or her very first monthly statement (despite Verizon's efforts to disguise it and falsely describe it as a government cost), and the customer therefore immediately chooses to cancel her service, Verizon will demand that the customer immediately pay the entire remaining \$800 balance on the device all at once. (If the customer returns the device within the 30-day return deadline, the customer must still pay the restocking fee mentioned above). In this way, the installment plan balloon payment is similar to an early termination fee, creating a large

immediate cost to cancelling the Verizon service plan once customers learn the actual monthly prices of their plans are higher than advertised.

91. The activation fee, restocking fee, early termination fee, and installment balloon payment described above all function as ways to penalize and deter customers from cancelling their Verizon wireless service after signing up, and Verizon's policies (including the cancellation/return periods and how they relate to the timing of the billing statements) are deliberately and knowingly designed by Verizon to lock customers in if they ever deduce that they are being charged more per month than advertised.

92. Because the initial amount of the Administrative Charge was less than a dollar, and because each of the subsequent increases to the Administrative Charge has been \$1.35 or less, Verizon knows that its customers are unlikely to notice the increased charge on the total price of their monthly bills. Further, given that taxes and other government-related charges can already vary by small amounts from month to month, Verizon knows that customers reasonably expect small changes in the total amount billed each month and will not be able to tell that Verizon imposed or increased the Administrative Charge simply by comparing the total amount billed that month to the total billed in the prior month or months.

93. Each time that Verizon has increased the Administrative Charge, Verizon has intentionally not identified or disclosed on the first bill containing the increase that the Administrative Charge is higher than it was in the previous month. Even a customer who noticed the higher total charge and who then examined the full billing statement would have no notice that Verizon had increased the amount of the Administrative Charge.

94. The only place Verizon mentions to existing customers that it plans to increase the Administrative Charge is on the full version of the monthly billing statement prior to the



month it is actually raised. Even then, each time the Administrative Charge was increased, Verizon buried that inadequate “disclosure” at the very end of the bill, among a mix of information and notices unrelated to price increases.

95. For example, when Verizon increased the Administrative Charge to \$1.95 per month in August 2020, Verizon hid its only mention of the upcoming increase at the very end of the full PDF of the July 2020 bill—i.e., the bill that was issued the month before the actual increase. This sole mention was buried eleven paragraphs into a seldom-read section at the tail-end of the bill entitled “Additional Information.” The first ten paragraphs of this section were standard, form paragraphs found in nearly every monthly bill covering arcane topics like “Customer Proprietary Network Information (CPNI)” and other topics irrelevant to most customers like “Bankruptcy Information.” Likewise, when Verizon increased the Administrative Charge to \$3.30 per month in July 2022, Verizon hid the only mention of the upcoming increase at the very end of the full PDF of the prior June 2022 bill in the same seldom-read “Additional Information” section after several paragraphs of text about the same “Customer Proprietary Network Information (CPNI).” Neither the title of this section nor its first several paragraphs would alert customers that a price increase would be announced below.

96. Even if customers noticed that Verizon imposed or increased the Administrative Charge, they would have to pay penalties, as described above, if they wished to cancel their Verizon service. Indeed, Verizon has drafted its contractual terms regarding cancellation fees and the like so that there are no exceptions, meaning these cancellation fees and similar costs would apply no matter how high Verizon chose to unilaterally increase the Administrative Charge.

97. Further, as described above in Section IV.C. (at ¶¶ 68–85), Verizon has designed its monthly billing statements (both paper and electronic) to further Verizon’s scheme and to keep customers from realizing they are being overcharged.

98. Regardless, Verizon should be disclosing the existence and amount of the Administrative Charge as part of the advertised monthly price for its service plans, which as discussed herein it has never done and still does not do. Verizon’s failure to do so, in and of itself, constitutes an unfair, deceptive, and unconscionable business practice that is actionable under the claims pled herein. Verizon uses the Administrative Charge to charge more than advertised for its services, and as a lever to covertly and improperly raise additional revenue from its existing customers at Verizon’s whim.

99. Again, Plaintiffs are not seeking to regulate the existence or amount of the Administrative Charge. Rather, Plaintiffs merely seek to compel Verizon to include the existence and amount of the Administrative Charge in the wireless service plan prices it advertises to potential and existing customers, to honestly and adequately disclose the Administrative Charge and its true nature and basis in Verizon’s billing statements and communications with Class members, and to reimburse Class members for any and all undisclosed (or inadequately disclosed), Administrative Charges which were in fact double-charges for service that they were forced to pay without their knowledge or consent.

**V. PLAINTIFFS’ FACTUAL ALLEGATIONS**

100. All Plaintiffs are current wireless customers of Verizon, or were during the relevant class period.

101. When Plaintiffs purchased their wireless service plans, Verizon prominently advertised and quoted to them that their plans would cost a particular monthly price. Verizon did

not disclose to Plaintiffs, at any time before or when they signed up, that Verizon would charge them an Administrative Charge in addition to the advertised and promised monthly price.

102. Despite this, Verizon has charged each Plaintiff an Administrative Charge of up to \$3.30 per line per month via their monthly bill.

103. Indeed, Verizon continues to charge each Plaintiff an Administrative Charge of \$3.30 per line per month on their monthly bills.

104. Verizon never adequately disclosed the Administrative Charge to Plaintiffs in any form or fashion, and Plaintiffs never agreed to pay the Administrative Charge to Verizon. In fact, Plaintiffs were not aware of the existence or true nature of the Administrative Charge until well after they signed up for service, if at all.

105. Specifically, Verizon never provided Plaintiffs with notice or adequate notice that they would be (or were being) charged the Administrative Charge—neither at sign-up, when purchasing a new phone, on Plaintiffs' monthly bills, on Verizon's website, nor otherwise. Further, Verizon did not provide Plaintiffs with any information regarding the true nature or basis of the Administrative Charge, and never provided Plaintiffs with any opportunity to agree or object to the Charge. In fact, no Plaintiff ever agreed to pay the Administrative Charge to Verizon.

106. Moreover, Verizon affirmatively misrepresented the true nature of the Administrative Charge on Plaintiffs' monthly bills, as described herein.

107. Over the years, Verizon has routinely increased the amount of the Administrative Charge that it charged to Plaintiffs. Yet Verizon never adequately disclosed to Plaintiffs at any time that the Administrative Charge would or might increase, never provided Plaintiffs with adequate notice of such increase, and never provided Plaintiffs with any opportunity to agree or

object to the increase. In fact, no Plaintiff ever agreed to an increase of the Administrative Charge.

108. Because the Administrative Charge was not included in the quoted and promised price for Plaintiffs' wireless plans, and then was disguised and misrepresented in the customer bills, Verizon has for years unilaterally been charging Plaintiffs more each month than what Plaintiffs agreed and contracted to pay.

109. Plaintiffs did not expect (and were never told) that Verizon would actually charge them a so-called Administrative Charge on top of the advertised service plan price, or that the true price of the services they had agreed to purchase would include an additional Administrative Charge for each phone line which Verizon could and would unilaterally increase at its desire. That information was material to Plaintiffs. Had Plaintiffs known that information, they would not have been willing to pay as much for their wireless plans and would have acted differently.

110. Plaintiffs have a legal right to rely now, and in the future, on the truthfulness and accuracy of Verizon's representations and advertisements regarding its wireless service plan prices. Plaintiffs believe that they were given the services that Verizon promised them—just not at the prices that Verizon promised and advertised to them, and that Plaintiffs agreed to pay.

111. Each Plaintiff remains a Verizon post-paid wireless customer as of this filing. Plaintiffs cannot cancel their Verizon wireless service without paying significant penalties. Plaintiffs will continue their Verizon service, and will sign up for Verizon post-paid wireless service and purchase phones from Verizon in the future. However, Plaintiffs want to be confident that the advertised and quoted prices for Verizon's service plans are the true and full prices for those services (i.e., that the prices include all applicable discretionary monthly service charges such as the Administrative Charge), and that all discretionary charges like the

Administrative Charge are adequately disclosed. And, if Verizon introduces any new or invented discretionary monthly service charge (like it did with the Administrative Charge), Plaintiffs want to be confident that Verizon will include the amount of that service charge in the advertised and quoted service plan price, and that such price is included in the plan price before Plaintiffs and other class members sign up for Verizon's services. Plaintiffs will be harmed if, in the future, they are left to guess as to whether Verizon's representations are accurate and whether there are omissions and misrepresentations of material facts regarding the wireless service plans being advertised and represented to them.

## **VI. CLASS ALLEGATIONS**

112. Plaintiffs bring this lawsuit as a class action pursuant to Federal Rules of Civil Procedure 23(a), (b)(2), and (b)(3).

113. Plaintiffs Corsi, Kiraly, and Nicot seek certification of the following Class:

**All citizens of New York who subscribed to a post-paid wireless service plan from Verizon and were charged and paid what Verizon labeled an "Administrative Charge" or "Administrative and Telco Recovery Charge" within the applicable statutes of limitations.**

114. Plaintiffs Bowman, Challender, Ellis, Garrison, Jones, McConville, and Wright seek certification of the following Class:

**All citizens of the State of Washington who subscribed to a post-paid wireless service plan from Verizon and were charged and paid what Verizon labeled an "Administrative Charge" or "Administrative and Telco Recovery Charge" within the applicable statutes of limitations.**

115. Plaintiffs Cohron and Green seek certification of the following Class:

**All citizens of Oregon who subscribed to a post-paid wireless service plan from Verizon and were charged and paid what Verizon labeled an "Administrative Charge" or "Administrative and Telco Recovery Charge" within the**

**applicable statutes of limitations.**

116. Plaintiffs Frantz, Gutierrez, Holling, Hudson, and Owens seek certification of the following Class:

**All citizens of New Mexico who subscribed to a post-paid wireless service plan from Verizon and were charged and paid what Verizon labeled an “Administrative Charge” or “Administrative and Telco Recovery Charge” within the applicable statutes of limitations.**

117. Plaintiffs Casey, Hunt, Lacuesta, Oshiro, and Tsunashima-Kukonu seek certification of the following Class:

**All citizens of Hawaii who subscribed to a post-paid wireless service plan from Verizon and were charged and paid what Verizon labeled an “Administrative Charge” or “Administrative and Telco Recovery Charge” within the applicable statutes of limitations.**

118. Plaintiffs Capri, Hurtt, Santos, and Sexton seek certification of the following Class:

**All citizens of Florida who subscribed to a post-paid wireless service plan from Verizon and were charged and paid what Verizon labeled an “Administrative Charge” or “Administrative and Telco Recovery Charge” within the applicable statutes of limitations.**

119. This Court should apply the discovery rule to extend any applicable limitations period (and the corresponding Class periods) to the date on which Verizon first began charging the Administrative Charge (which, based on the investigation of Plaintiffs’ counsel, is September 2005). The nature of Verizon’s misconduct was non-obvious and intentionally concealed from its subscribers. Verizon even designed its monthly billing statements to further its scheme and to prevent customers from realizing they were being overcharged. As a result of Verizon’s intentional misconduct, omissions, and affirmative misrepresentations throughout the customer lifecycle, neither Plaintiffs nor the members of the Classes could have, through the use of

reasonable diligence, learned of the accrual of their claims against Verizon at an earlier time.

120. Specifically excluded from the proposed Classes are Verizon and any entities in which Verizon has a controlling interest, Verizon's agents and employees, the bench officers to whom this civil action is assigned, and the members of each bench officer's staff and immediate family.

121. **Numerosity**. The members of each Class are so numerous that joinder of all members would be impracticable. While Plaintiffs do not know the exact number of Class members prior to discovery, upon information and belief, there are at least 100,000 members in each state Class (and millions of Class members in total). The exact number and identities of Class members are contained in Verizon's records and can be easily ascertained from those records.

122. **Commonality and Predominance**. All claims in this action arise exclusively from the uniform policies and procedures of Defendants as outlined herein. This action involves multiple common questions which are capable of generating class-wide answers that will drive the resolution of this case. These common questions predominate over any questions affecting individual Class members, if any. These common questions include, but are not limited to, the following:

- a. Whether Verizon employs a uniform policy of charging the Administrative Charge to members of the proposed Classes;
- b. Whether Verizon adequately and accurately disclosed the existence of the Administrative Charge, its nature or basis, or its amount, to Plaintiffs and the Classes prior to their purchase of Verizon's wireless service;
- c. Whether Verizon ever adequately and accurately disclosed the existence

of the Administrative Charge, its nature or basis, or its amount, to Plaintiffs and the Classes;

- d. What is the nature or purpose of the Administrative Charge;
- e. Whether Verizon's descriptions of the Administrative Charge are false and/or misleading;
- f. Whether and to what extent the Administrative Charge is a surcharge imposed on subscribers to "cover the costs that are billed to us by federal, state or local governments;"
- g. Whether the Administrative Charge and the true price of Verizon's post-paid wireless services are material information, such that a reasonable consumer would find that information important to the consumer's purchase decision;
- h. Whether Verizon must include the amount of the Administrative Charge in the advertised and quoted service plan price;
- i. Whether Verizon must disclose the existence or amount of the Administrative Charge when signing up consumers for its wireless service plans;
- j. Whether Verizon must include the amount of the Administrative Charge in the total monthly service price quoted to consumers during the sign-up process for its wireless service plans;
- k. Whether Verizon's policy and practice of advertising and quoting the monthly prices of its wireless service plans without including the amount of the Administrative Charge is false, deceptive, or misleading;
- l. Whether it was deceptive or unfair for Verizon not to disclose, or to inadequately or inaccurately disclose, the Administrative Charge, its dollar amount, or the fact that Verizon could choose to raise its amount at any time, as part of the advertised and promised



price of its wireless services;

m. Whether a reasonable consumer is likely to be deceived by Verizon's conduct and omissions alleged herein;

n. Whether Verizon has violated the implied covenant of good faith and fair dealing, implied in its contracts with Plaintiffs and the Classes, by imposing and increasing the Administrative Charge; and

o. Whether Plaintiffs and the Classes are entitled to an order enjoining Verizon from engaging in the misconduct alleged herein.

123. **Typicality.** Plaintiffs, like all Class members, are current or former subscribers of Verizon's wireless service plans who were charged higher monthly rates than quoted at the time of subscription and/or whose rates have been surreptitiously increased by Verizon's unilateral imposition and systematic raising of the Administrative Charge. Their claims all arise from the same course of conduct by Verizon, are based on the same legal theories, and face the same potential defenses. Plaintiffs' claims are typical of all Class members' claims. Plaintiffs are each a member of the Class they seek to represent. All claims of Plaintiffs and the Class arise from the same course of conduct, policy and procedures as outlined herein.

124. **Adequacy.** Plaintiffs and their counsel will fairly and adequately protect Class members' interests. Plaintiffs seek the same relief for themselves as for every other Class member, have no interests antagonistic to Class members' interests, and are committed to representing the best interests of the Classes. Moreover, Plaintiffs have retained counsel with considerable experience and success in prosecuting complex class action and consumer protection cases.

125. **Superiority.** A class action is superior to all other available methods for fairly

and efficiently adjudicating this controversy. Each Class member's interests are small compared to the burden and expense required to litigate each of his or her claims individually, so it would be impractical and would not make economic sense for Class members to seek individual redress for Verizon's conduct. Individual litigation would add administrative burden on the courts, increasing the delay and expense to all parties and to the court system. Individual litigation would also create the potential for inconsistent or contradictory judgments regarding the same uniform conduct by Verizon. A single adjudication would create economies of scale and comprehensive supervision by a single judge. Moreover, Plaintiffs do not anticipate any difficulties in managing a class action trial in this case.

126. By its conduct and omissions alleged herein, Verizon has acted and refused to act on grounds that apply generally to the Classes, such that final injunctive relief and/or declaratory relief is appropriate respecting each Class as a whole.

127. Without the proposed class action, Verizon will likely retain the benefits of its wrongdoing and will continue the complained-of practices, which will result in further damages to Plaintiffs and Class members.

## **COUNT I**

### **Unjust Enrichment**

#### **By All Plaintiffs on Behalf of All Classes**

128. Plaintiffs repeat and incorporate by reference all preceding paragraphs as if fully set forth herein.

129. Plaintiffs bring this claim on behalf of themselves and the Classes.

130. By the acts alleged herein, Plaintiffs and the Class members have conferred substantial benefits on Defendants and Defendants have knowingly and willingly accepted and enjoyed these benefits.

131. Defendants either knew or should have known that the payments rendered by Plaintiffs and the Class members were given and received with the expectation that the services would be provided at the price represented and warranted. Despite this, Defendants demanded amounts from Plaintiffs and Class members which were higher than what Defendants previously quoted and promised, and Defendants disguised and/or misrepresented the nature of those extra charges on the customer bills.

132. For Defendants to retain the benefit of the excess payments under these circumstances is inequitable.

133. Defendants, through deliberate misrepresentations or omissions in connection with the advertising, marketing, promotion, and sale of its wireless service plans, reaped benefits, which resulted in Defendants' wrongful receipt of profits.

134. Equity demands disgorgement of Defendants' ill-gotten gains. Defendants will be unjustly enriched unless Defendants are ordered to disgorge those profits for the benefit of Plaintiffs and the Class members.

135. As a direct and proximate result of Defendants' wrongful conduct and unjust enrichment, Plaintiffs and the Class members are entitled to the institution of and restitution from a constructive trust disgorging all profits, benefits, and other compensation obtained by Defendants through this inequitable conduct.

## **COUNT II**

### **Breach of Implied Covenant of Good Faith and Fair Dealing**

#### **By All Plaintiffs on Behalf of All Classes**

136. Plaintiffs repeat and incorporate by reference all preceding paragraphs as if fully set forth herein.

137. Plaintiffs bring this claim on behalf of themselves and the Classes.

138. By operation of law, there existed an implied contract for the sale of services between Defendants and each Plaintiff and Class member who purchased the wireless services described herein.

139. By operation of law, there existed an implied duty of good faith and fair dealing in each such contract.

140. Verizon has violated the covenant of good faith and fair dealing by its conduct alleged herein.

141. Verizon has abused any discretion it purportedly had under any applicable contract to impose or increase the Administrative Charge. For example:

a. Verizon imposed and has increased the Administrative Charge as a covert way to increase customers' monthly rates without having to advertise such higher rates;

b. Verizon has increased the Administrative Charge to covertly and improperly squeeze additional cash from existing subscribers at Verizon's desire;

c. Verizon omits the Administrative Charge and its amount from the mailed paper version of the bill;

d. On the full PDF version of the bill (which is only available online), Verizon lists the Administrative Charge next to actual government costs; and

e. On the full PDF version of the bill (which is only available online), Verizon falsely described the Administrative Charge as a surcharge imposed to cover costs billed to Verizon by the government.

142. Verizon meanwhile utilizes the activation fee, restocking fee, early termination fee, and installment balloon payment as ways to penalize and discourage customers from freely

cancelling their services if they learn that Verizon has charged them more than promised for its services via imposition of, and/or increases to, the Administrative Charge. And Verizon's policies (including the cancellation/return periods and how they relate to the timing of the billing statements) are deliberately and knowingly designed by Verizon to lock customers in if and when they deduce that they are being charged more per month than promised.

143. Verizon's imposition and increasing of the Administrative Charges defied customers' reasonable expectations, was objectively unreasonable, and frustrated the basic terms of the parties' agreement. Verizon's conduct and actions alleged herein were done in bad faith.

144. Verizon's conduct described herein has had the effect, and the purpose, of denying Plaintiffs and Class members the full benefit of their bargains with Verizon.

145. Plaintiffs and the Class members have performed all, or substantially all, of the obligations imposed on them under any applicable agreements with Verizon. There is no legitimate excuse or defense for Verizon's conduct.

146. Any attempts by Verizon to defend its overcharging through reliance on supposed contractual provisions will be without merit. Any such provisions are either inapplicable or are unenforceable because they are void, illusory, lacking in mutuality, are invalid exculpatory clauses, violate public policy, are procedurally and substantively unconscionable, and are unenforceable in light of the deceptive and hidden nature of Verizon's misconduct, among other reasons. Any such provisions, if any, would not excuse Verizon's abuses of discretion or otherwise preclude Plaintiffs and the Class from recovering for breaches of the covenant of good faith and fair dealing.

147. Plaintiffs and members of the Class sustained damages as a result of Verizon's breaches of the covenant of good faith and fair dealing.

**COUNT III**

**Violation of New York General Business Law § 349**

**By Plaintiffs Corsi, Kiraly, and Nicot on Behalf of the New York Class**

148. Plaintiffs repeat and incorporate by reference all preceding paragraphs as if fully set forth herein.

149. Plaintiffs Cintia Corsi, Lynn Kiraly, and Jose Nicot bring this claim on behalf of themselves and the New York Class under New York General Business Law § 349, which prohibits deceptive acts or practices in the conduct of any business, trade, or commerce.

150. In its sale of services throughout the State of New York, Defendants conduct business and trade within the meaning and intendment of New York General Business Law § 349.

151. Plaintiffs Corsi, Kiraly, and Nicot and the members of the New York Class are consumers who purchased services from Defendants for their personal use.

152. By the acts and omissions alleged herein, Defendants have engaged in deceptive and misleading practices designed to sell services at a price higher than was advertised and promised and to covertly and improperly squeeze additional cash from existing subscribers at Verizon's desire.

153. By reason of this conduct, Defendants have engaged and continue to engage in deceptive conduct in violation of the New York General Business Law § 349.

154. Defendants' actions are the direct, foreseeable, and proximate cause of the damages that Plaintiffs Corsi, Kiraly, and Nicot and the members of the New York Class have sustained from having paid for and consumed Defendants' services.

155. As a result of Defendants' violations, Plaintiffs Corsi, Kiraly, and Nicot and the

members of the New York Class have suffered damages and are entitled to recover those damages or \$50, whichever is greater. Plaintiffs Corsi, Kiraly, and Nicot and the members of the New York Class are also entitled to treble damages up to \$1,000 because Defendants willfully and knowingly violated New York General Business Law § 349. Plaintiffs Corsi, Kiraly, and Nicot and the members of the New York Class are also entitled to an injunction to halt the unlawful practices and to reasonable attorney's fees from Defendants.

#### COUNT IV

##### Violations of New York General Business Law § 350

###### **By Plaintiffs Corsi, Kiraly, and Nicot on Behalf of the New York Class**

156. Plaintiffs repeat and incorporate by reference all preceding paragraphs as if fully set forth herein.

157. Plaintiffs Cintia Corsi, Lynn Kiraly, and Jose Nicot bring this claim on behalf of themselves and the New York Class under New York General Business Law § 350, which prohibits false advertising in the conduct of any business, trade, or commerce.

158. Verizon's material misrepresentations, omissions, and failures to disclose as described herein also constituted false advertising in violation N.Y. Gen. Bus. Law § 350, which broadly declares unlawful all “[f]alse advertising in the conduct of any business, trade or commerce or in the furnishing of any service in this state.”

159. Section 350-e allows any person who has been injured by any violation of section 350 or section 350-a to bring an action to recover actual damages or \$500, whichever is greater, as well as to obtain an injunction to enjoin the unlawful false advertising. N.Y. Gen. Bus. Law § 350-e(3).

160. By the acts and omissions alleged herein, Defendants have directly violated New

York General Business Law § 350, causing damage to Plaintiffs Corsi, Kiraly, and Nicot and the members of the New York Class.

161. As a result of Defendants' violations, Plaintiffs Corsi, Kiraly, and Nicot and each member of the New York Class have suffered damages and are therefore entitled to recover damages or \$500 per person (whichever is greater). Plaintiffs Corsi, Kiraly, and Nicot and each member of the New York Class are also entitled to treble damages up to \$10,000 because Defendants willfully and knowingly violated New York General Business Law § 350. Plaintiffs Corsi, Kiraly, and Nicot and the members of the New York Class are also entitled to an injunction to halt the unlawful practices, and to reasonable attorney's fees from Defendants.

## COUNT V

### **Violation of the Washington Consumer Protection Act (RCW Chapter 19.86)**

#### **By Plaintiffs Bowman, Challender, Ellis, Garrison, Jones, McConville, and Wright on Behalf of the Washington Class**

162. Plaintiffs reallege and incorporate by reference all paragraphs previously alleged herein.

163. Plaintiffs Mary Bowman, Karyn Challender, Andi Ellis, Ashley Garrison, Joyce Jones, Jason McConville, and Kathleen Wright bring this claim in their individual capacities, in their capacities as private attorney generals under the laws of the State of Washington seeking the imposition of public injunctive relief, and on behalf of the Washington Class.

164. The Washington Consumer Protection Act (the "CPA"), RCW 19.86, was first enacted in 1961 and is the State of Washington's principal consumer protection statute.

165. The CPA broadly declares unlawful all "[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce." RCW 19.86.020.



166. The CPA allows any person **“who is injured in his or his business or property by a violation of RCW 19.86.020”** to bring an action **“to enjoin further violations, to recover the actual damages sustained by him or her, or both, together with the costs of the suit, including a reasonable attorney’s fee.”** RCW 19.86.090.

167. The CPA also expressly allows treble damages. RCW 19.86.090.

168. The CPA **“replaces the now largely discarded standard of caveat emptor with a standard of fair and honest dealing.”** Washington Pattern Jury Instruction Civil No. 310.00 (Consumer Protection Act—Introduction).

169. The CPA’s primary substantive provision declares unfair methods of competition and unfair or deceptive acts or practices to be unlawful. RCW 19.86.020. **“Private rights of action may now be maintained for recovery of actual damages, costs, and a reasonable attorney’s fee. RCW 19.86.090. A private plaintiff may be eligible for treble damages . . . Private consumers may obtain injunctive relief, even if the injunction would not directly affect the individual’s own rights. RCW 19.86.090.”** Washington Pattern Jury Instruction Civil No. 310.00 (Consumer Protection Act—Introduction).

170. The acts and omissions of Verizon as alleged herein constitute unfair methods of competition and/or unfair or deceptive acts or practices which directly or indirectly affect the people of the State of Washington and which have injured Plaintiffs Bowman, Challenger, Ellis, Garrison, Jones, McConville, and Wright and the members of the Washington Class in their business or property and which were the cause of said injury.

171. Verizon engaged in the conduct of trade or commerce. For example, and without limitation, Verizon engaged in the sale of services and engaged in commerce directly or indirectly affecting the people of the State of Washington.

172. As a direct, substantial and/or proximate result of these violations, Plaintiffs Bowman, Challenger, Ellis, Garrison, Jones, McConville, and Wright and the members of the Washington Class suffered injury to business or property.

173. Plaintiffs Bowman, Challenger, Ellis, Garrison, Jones, McConville, and Wright and the members of the Washington Class paid more than they otherwise would have paid for the services they purchased from Verizon and they bought more than they otherwise would have bought from Defendants.

174. Defendants' deceptive fee scheme fraudulently increased demand from consumers, enabling Defendants to charge higher prices than they otherwise could have charged.

175. The acts and/or omissions of each defendant pled herein are injurious to the public interest because said acts and/or omissions: violate a statute that incorporates RCW Chapter 19.86, violate a statute that contains a specific legislative declaration of public interest impact, injures other persons, had the capacity to injure other persons, and/or has the capacity to injure other persons.

176. The unlawful acts and omissions pleaded herein were committed in the course of Defendants' business. The unlawful acts and omissions pled herein were, are, and continue to be part of a pattern or generalized course of conduct.

177. The unlawful acts and omissions pleaded herein were repeatedly committed prior to the acts involving Plaintiffs Bowman, Challenger, Ellis, Garrison, Jones, McConville, and Wright. There is a real and substantial potential for repetition of Defendants' conduct after the acts involving Plaintiffs Bowman, Challenger, Ellis, Garrison, Jones, McConville, and Wright.

178. The acts and omissions of Defendants pleaded herein were, and are not, reasonable in relation to the development and preservation of business.

179. The balance of the equities favors the entry of permanent injunctive relief against Defendants. Plaintiffs Bowman, Challender, Ellis, Garrison, Jones, McConville, and Wright, the members of the Washington Class and the general public will be irreparably harmed absent the entry of permanent injunctive relief against Defendants. Plaintiffs Bowman, Challender, Ellis, Garrison, Jones, McConville, and Wright, the members of the Washington Class, and the general public lack an adequate remedy at law. A permanent injunction against Defendants is in the public interest. Defendants' unlawful behavior is ongoing as of the date of the filing of this pleading; absent the entry of a permanent injunction, Defendants' unlawful behavior will not cease and, in the unlikely event that it voluntarily ceases, is likely to reoccur.

## COUNT VI

### **Violation of the Oregon Unlawful Trade Practices Act, ORS §646.605 et seq.**

#### **By Plaintiffs Cohron and Green on Behalf of the Oregon Class**

180. Plaintiffs reallege and incorporate by reference all paragraphs previously alleged.

181. Plaintiffs Tyson Cohron and Angela Green plead this count in their individual capacities and as putative class representatives serving on behalf of all other similarly situated citizens of Oregon.

182. The Oregon Unfair Trade Practices Act (the "UTPA"), ORS § 646.605 et seq., is Oregon's principal consumer protection statute. As the Supreme Court of Oregon has explained:

**"The civil action authorized by ORS 646.638 is designed to encourage private enforcement of the prescribed standards of trade and commerce in aid of the act's public policies as much as to provide relief to the injured party. This is apparent from the section itself. It allows recovery of actual damages or \$200, whichever is greater, plus punitive damages, costs, and attorney fees. . . . The evident purpose is to encourage private actions when the financial injury is too small to justify the expense of an ordinary lawsuit . . . the legislature was concerned as much with devising sanctions for the prescribed standards of trade and commerce as with remedying private losses, and**

**that such losses therefore should be viewed broadly. The private loss indeed may be so small that the common law likely would reject it as grounds for relief, yet it will support an action under the statute.”**

Weigel v. Ron Tonkin Chevrolet Co., 298 Or. 127, 134–36, 690 P.2d 488, 493–94 (1984).

183. A private plaintiff may also seek an injunction **“as may be necessary to ensure cessation of unlawful trade practices.”** ORS 646.636.

184. Defendants are each a “person,” as defined by ORS 646.605(4).

185. Defendants are each engaged in “trade” and “commerce” in Oregon by offering services for sale that directly or indirectly affect the people of Oregon, as defined by ORS 646.605(8), which services are or may be obtained primarily for personal, family or household purposes.

186. As outlined herein, Verizon’s material misrepresentations, omissions, and failures to disclose were unlawful trade practices in violation of the Oregon Unlawful Trade Practices Act (ORS §§ 646.605, et seq.).

187. Specifically, Verizon engaged in specific trade practices declared unlawful by the Oregon Unlawful Trade Practices Act, including:

a. Verizon represented that its wireless service plans had characteristics that they did not have (ORS § 646.608(1)(e));

b. Verizon advertised its wireless service plans with an intent not to sell them as advertised (ORS § 646.608(1)(i));

c. Verizon made false or misleading representations of fact concerning the offering price of its wireless service plans (ORS § 646.608(1)(s));  
and

d. Verizon engaged in unfair or deceptive conduct in trade or commerce (ORS § 646.608(1)(u)).

188. As alleged herein, Plaintiffs Cohron and Green and the members of the Oregon Class have **“suffer[ed] an ascertainable loss of money or property, real or personal, as a result of another person’s willful use or employment of a method, act or practice declared unlawful”** and Plaintiffs Cohron and Green and each member of the Oregon Class is therefore empowered to bring to bring an action to recover actual damages or \$200, whichever is greater, as well as any other equitable relief. ORS § 646.638(1).

189. ORS 646.636 allows Plaintiffs Cohron and Green and the Oregon Class to obtain an injunction **“as may be necessary to ensure cessation of unlawful trade practices.”** ORS § 646.636.

190. Defendants’ unlawful methods, acts and practices pleaded herein were **“willful violations”** of ORS 646.608 because Defendants knew or should have known that their conduct was a violation, as defined by ORS 646.605(10).

191. Defendants’ representations as alleged herein were “advertisements” as defined by ORS 646.881(1).

192. Defendants engaged in other unfair or deceptive conduct in trade or commerce, as described herein. ORS 646.608(1)(u).

193. With respect to omissions, Defendants at all relevant times had a duty to disclose the relevant material information in question because, *inter alia*: (a) Defendants had exclusive knowledge of material information that was not known to Plaintiffs Cohron and Green and the Oregon Class; (b) Defendants concealed material information from Plaintiffs Cohron and Green and the Oregon Class; and/or (c) Defendants made partial representations which were false and misleading absent the omitted information.

194. Defendants’ misrepresentations and nondisclosures deceive and have a tendency

to deceive a reasonable consumer and the general public.

195. Defendants' misrepresentations and nondisclosures are material, in that they relate to the price of the services being sold and thus a reasonable person would attach importance to the information and would be induced to act on the information in making purchase decisions.

196. As a result of the misconduct by Defendants alleged herein, Plaintiffs Cohron and Green and the Oregon Class members paid more than they otherwise would have paid for the services they purchased from Defendants.

197. Plaintiffs Cohron and Green seek, on behalf of themselves and the Oregon Class: (1) the greater of statutory damages of \$200 or actual damages; (2) punitive damages; (3) appropriate equitable relief and/or restitution; and (4) attorney's fees and costs. ORS 646.638(3); ORS 646.638(8).

198. The unlawful acts and omissions pled herein were, are, and continue to be part of a pattern or generalized course of conduct. Defendants' conduct is ongoing and is likely to continue and recur absent a permanent injunction. Accordingly, Plaintiffs Cohron and Green seek an order enjoining Defendants from committing such unlawful practices. ORS 646.638(1); ORS 646.638(8)(c); ORS 646.636.

199. The balance of the equities favors the entry of permanent injunctive relief against Defendants. Plaintiffs Cohron and Green, the Oregon Class members and the general public will be irreparably harmed absent the entry of permanent injunctive relief against Defendants. Plaintiffs Cohron and Green, the Oregon Class members and the general public lack an adequate remedy at law. A permanent injunction against Defendants is in the public interest.

200. Defendants' unlawful behavior is ongoing as of the date of the filing of this Complaint. If not enjoined by order of this Court, Defendants will or may continue to injure

Plaintiffs Cohron and Green and Oregon consumers through the misconduct alleged herein.

Absent the entry of a permanent injunction, Defendants' unlawful behavior will not cease and, in the unlikely event that it voluntarily ceases, it is capable of repetition and is likely to reoccur.

201. Defendants' conduct has caused substantial injury to the general public. Plaintiffs Cohron and Green individually seek public injunctive relief to protect the general public by putting an end to Defendants' misconduct as alleged herein.

202. This action was brought "**within one year after the discovery of the unlawful method, act or practice.**" ORS 646.6. Plaintiffs Cohron and Green first learned of Verizon's deceptive fee scheme and that the Administrative Charge was in fact a disguised double-charge for Verizon's services when it was brought to their attention by counsel in May 2022.

## COUNT VII

### **Violation of the New Mexico Unfair Practices Act, N.M. Stat. Ann. §§ 57-12-1, et seq.**

**By Plaintiffs Frantz, Gutierrez, Holling, Hudson, and Owens on Behalf of the New Mexico Class**

203. Plaintiffs reallege and incorporate by reference all paragraphs previously alleged.

204. Plaintiffs Laurie Frantz, Carlos Gutierrez, James Holling, Karen Hudson, and Leslie Owens plead this count in their individual capacities and as putative class representatives on behalf of all other similarly situated citizens of New Mexico.

205. Verizon's material misrepresentations, omissions, and failures to disclose as alleged herein were unfair or deceptive trade practices in violation of the New Mexico Unfair Practices Act, (N.M. Stat. Ann. §§ 57-12-1, et seq.

206. The Act broadly declares unlawful all "**[u]nfair or deceptive trade practices and unconscionable trade practices in the conduct of any trade or commerce.**" N.M. Stat. Ann. § 57-12-3.

207. Additionally, Verizon engaged in specific unfair or deceptive trade practices declared unlawful by the New Mexico Unfair Practices Act, including:

- a. Verizon made representations that its wireless service plans had characteristics that they did not have (N.M. Stat. Ann § 57-12-2(D)(5));
- b. Verizon made false or misleading statements of fact concerning the prices of its wireless service plans (N.M. Stat. Ann. § 57-12-2(D)(11)); and
- c. Verizon made ambiguous statements as to material facts regarding its wireless service plans and/or failed to state material facts regarding its wireless service plans which deceived or had a tendency to deceive (N.M. Stat. Ann § 57-12-2(D)(14)).

208. The New Mexico Unfair Practices Act allows a person who has suffered **“any loss of money or property, real or personal, as a result of any employment by another person of a method, act or practice declared unlawful by the Unfair Practices Act”** to bring an action to recover actual damages or \$100, whichever is greater. N.M. Stat. Ann. § 57-12-10(B).

209. The Act also allows a person to obtain an injunction to permanently enjoin the unlawful practice without needing to show proof of monetary damage, loss of profits, or intent to deceive. N.M. Stat. Ann. § 57-12-10(A).

210. The Act also expressly allows for the increase of damages “up to three times actual damages or \$300, whichever is greater.” N.M. Stat. Ann. § 57-12-10(B).

211. The Act also provides mandatory attorney’s fees to a prevailing plaintiff. N.M. Stat. Ann. § 57-12-10(C).

212. As a result of the practices, actions, and omissions alleged herein, Plaintiffs Frantz, Gutierrez, Holling, Hudson, and Owens and the members of the New Mexico Class have



suffered a loss of money as a result of Defendants' employment of unlawful practices under the New Mexico Unfair Practices Act and seek an award of actual damages or \$100 per person (whichever is greater), three times actual damages or \$300 per person (whichever is greater), an injunction to halt the unlawful practices, and attorney's fees and costs.

### COUNT VIII

#### **Violation of the New Mexico False Advertising Act, N.M. Stat. Ann. §§ 57-15-1, et seq.**

#### **By Plaintiffs Frantz, Gutierrez, Holling, Hudson, and Owens on Behalf of the New Mexico Class and For the Benefit of the General Public**

213. Plaintiffs reallege and incorporate by reference all paragraphs previously alleged.

214. Plaintiffs Laurie Frantz, Carlos Gutierrez, James Holling, Karen Hudson, and Leslie Owens plead this count in their individual capacities, as putative class representatives on behalf of all other similarly situated citizens of New Mexico, and for the benefit of the general public.

215. By its conduct alleged herein, Verizon has committed acts of false advertising, as defined by and in violation of New Mexico's False Advertising Act, N.M. Stat. Ann. §§ 57-15-1, et seq. The Act defines false advertising as follows:

**“The term false advertising means advertising, including labeling, which is misleading in any material respect; and in determining whether any advertising is misleading, there shall be taken into account (among other things) not only representations made by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity to which the advertising relates under the conditions prescribed in said advertisement, or under such conditions as are customary or usual.”**

N.M. Stat. Ann. § 57-15-2.

216. Verizon violated New Mexico's False Advertising Act by its actions including but not limited to:

- a. Misrepresenting the prices of Verizon’s wireless service plans and concealing the true prices of its wireless service plans in its advertising;
- b. Misrepresenting the prices of Verizon’s wireless service plans by advertising or quoting prices in its advertising that do not include the monthly Administrative Charge; and
- c. Failing to disclose the existence or amount of the Administrative Charge in its advertising when consumers sign up for Verizon’s wireless service plans.

217. The Act allows a person to obtain an injunction to bring an action to permanently enjoin the unlawful practices. “... [A] private citizen may bring an action ... against any person to restrain and prevent any violation of this act. Any proceeding initiated under this section by a private citizen shall be initiated on his behalf and all others similarly situated.” N.M. Stat. Ann. § 57-15-5(A).

218. Plaintiffs Laurie Frantz, Carlos Gutierrez, James Holling, Karen Hudson, and Leslie Owens seek a public injunction under the False Advertising Act to restrain and prevent further violations of the Act. Specifically, Plaintiffs seek a permanent public injunction against Verizon as follows: (1) enjoin Verizon from falsely advertising the prices of its wireless service plans to the Class and to the general public; (2) enjoin Verizon from advertising or quoting a wireless service plan price to the Class and to the general public if that price does not include applicable discretionary monthly service fees or charges such as the Administrative Charge; and (3) enjoin Verizon from representing or stating to the Class or to the general public that the Administrative Charge is a tax, a charge imposed to recover costs billed to Verizon by the government, a pass-through government cost, a government or regulatory fee, or a charge over which Verizon has no control.

COUNT IX

**Violation of the Hawaii Deceptive Practices Act, Haw. Rev. Stat. Ann. §§ 480-1, et seq.**

**By Plaintiffs Casey, Lacuesta, Hunt, Oshiro, and Tsunashima-Kukonu on Behalf of the Hawaii Class**

219. Plaintiffs incorporate by reference all previous paragraphs of this Complaint as if fully set forth herein.

220. Plaintiffs Debra Casey, Michelle Lacuesta, Jerry Hunt, Sandra Oshiro, and Ritsuko Tsunashima-Kukonu bring this claim on behalf of themselves and the Hawaii Class.

221. HRS §480-2 declares that **“Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful”** and further provides that **“No showing that the proceeding or suit would be in the public interest is necessary in any action brought under this section.”** (citation omitted).

222. HRS § 480-13(b) (1993) provides that:

**“Any consumer who is injured by any unfair or deceptive act or practice forbidden or declared unlawful by section 480-2:**

**(1) May sue for damages sustained by the consumer, and, if the judgment is for the plaintiff, the plaintiff shall be awarded a sum not less than \$1,000 or threefold damages by the plaintiff sustained, whichever sum is the greater, and reasonable attorney’s fees together with the costs of suit . . . ; and**

**(2) May bring proceedings to enjoin the unlawful practices, and if the decree is for the plaintiff, the plaintiff shall be awarded reasonable attorney’s fees together with the cost of suit.**

223. HRS chapter 480 defines the term **“consumer”** in relevant part to mean **“a natural person who, primarily for personal, family, or household purposes, purchases, attempts to purchase, or is solicited to purchase goods or services[.]”** HRS § 480-1 (1993) (emphasis added).

224. Thus, the plain language of the statute reflects that the legislature intended not

only to protect persons who actually purchased goods or services as a result of unfair or deceptive acts and practices, but also those who attempted or were solicited to do so.

225. Accordingly, by the plain language of the entire statute, no actual purchase is necessary as a prerequisite to a consumer recovering damages under HRS § 480-13, based on injuries stemming from violations of HRS § 480-2.

226. Moreover, the \$1,000 assured minimum recovery manifests a legislative intent to do more than simply prevent unjust enrichment at the expense of consumers who purchased relatively inexpensive goods. Rather, HRS chapter 480's paramount purpose was to **“encourage those who have been victimized by persons engaging in unfair or deceptive acts or practices to prosecute their claim,”** thereby affording **“an additional deterrent to those who would practice unfair and deceptive business acts.”** Sen. Stand. Comm. Rep. No. 600, in 1969 Senate Journal, at 1111; Hse. Stand. Comm. Rep. No. 661, in 1969 House Journal, at 882-883.

227. Thus, the Hawaii legislature sought to protect all “consumers” adversely affected by unfair or deceptive acts or practices. It therefore follows that the \$1,000 assured minimum recovery was intended to be available to all consumers, including each member of the Class, who could demonstrate damages.

228. The foregoing statutory construction is consistent with HRS chapter 480's function as a mechanism for abating practices that potentially injure consumers in general. See Kukui Nuts of Hawaii v. R. Baird & Co., Inc., 7 Haw. App. 598, 610, 789 P.2d 501, 510 (1990); Beerman v. Toro Manufacturing Corp., 1 Haw. App. 111, 117, 615 P.2d 749, 754 (1980).

229. Thus, if a consumer can establish a resulting injury, HRS § 480-13(b)(1) entitles him or her to the greater of \$1,000 or treble damages.

230. By the acts alleged herein, Defendants have engaged in **“Unfair methods of**

**competition and unfair or deceptive acts or practices”** in the sale of services primarily for personal, family, or household purposes to Plaintiffs Casey, Lacuesta, Hunt, Oshiro, and Tsunashima-Kukonu and the members of the Hawaii Class.

231. Moreover, this matter is in the public interest.

232. By the acts alleged herein, Plaintiffs Casey, Lacuesta, Hunt, Oshiro, and Tsunashima-Kukonu and the members of the Hawaii Class have been damaged by these unfair and deceptive practices and therefore seek actual damages, the greater of treble damages or \$1,000 per person, an injunction to bar these practices, and reasonable attorney’s fees.

### **COUNT X**

#### **Violation of the Florida Deceptive and Unfair Trade Practices Act (“FDUTPA”),**

##### **Fla. Stat. §§ 501.201, et seq.**

#### **By Plaintiffs Capri, Hurtt, Santos, and Sexton on Behalf of the Florida Class**

233. Plaintiffs incorporate by reference all previous paragraphs of this Complaint as if fully set forth herein.

234. Plaintiffs Art Capri, Jennifer Hurtt, Jon Santos, and Terry Sexton (“Florida Plaintiffs”) bring this claim on behalf of themselves and the Florida Class.

235. Florida Plaintiffs are each “consumers” within the meaning of the Florida Deceptive and Unfair Trade Practices Act (“FDUTPA”), Fla. Stat. § 501.203(7)

236. Defendants engaged in “trade or commerce” within the meaning of Fla. Stat. § 501.203(8).

237. FDUTPA prohibits “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce....” Fla. Stat. § 501.204(1). Defendants participated in unfair and deceptive trade practices that

violated FDUTPA as described herein.

238. Defendants have engaged, and continue to engage, in a course of conduct designed to mislead consumers. Defendants' practice of misrepresenting the price of its wireless service plans as well as the nature of the Administrative Charge is unfair and deceptive. Defendants' practice of failing to notify consumers about the Administrative Charge prior to signing up, and then disguising and misrepresenting the nature of the Administrative Charge on the bill, is also deceptive.

239. A reasonable person entering into a wireless service contract would likely be misled into believing that there are no additional charges (such as the Administrative Charge) for providing service above and beyond the advertised service price. And, even if a reasonable person became aware of the existence of the Administrative Charge after entering into a wireless service contract with Defendants, said reasonable person would believe, based on the misrepresentations by Defendants, that the Administrative Charge is a legitimate surcharge remitted to the government or somehow tied to legitimate operating costs. However, that is not the case.

240. As a result of Defendants' deceptive and unfair trade practices, Florida Plaintiffs and the Florida Class have suffered damages.

241. Florida Plaintiffs and the Florida Class are entitled to injunctive relief under Fla. Stat. § 501.211(1) and to recover their actual damages under Fla. Stat. § 501.211(2), attorneys' fees under Fla. Stat. § 501.2105(1), and any other just and proper relief available under the FDUTPA.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs Mary Bowman, Art Capri, Debra Casey, Karyn Challender, Tyson Cohron, Cintia Corsi, Andi Ellis, Laurie Frantz, Ashley Garrison, Angela Green, Carlos Gutierrez, James Holling, Karen Hudson, Jerry Hunt, Jennifer Hurtt, Joyce Jones, Lynn Kiraly, Michelle Lacuesta, Jason McConville, Jose Nicot, Sandra Oshiro, Leslie Owens, Jon Santos, Terry Sexton, Ritsuko Tsunashima-Kukonu, and Kathleen Wright ask this Court to:

- A. Certify the case as a class action and appoint Plaintiffs and their counsel to represent the Classes;
- B. Declare that Defendants are financially responsible for notifying all Class members of Defendants' deceptive and unconscionable business practices alleged herein;
- C. Declare that Defendants' conduct alleged herein violates the laws cited above;
- D. Permanently enjoin Defendants from engaging in the misconduct alleged herein;
- E. Retain jurisdiction to monitor Defendants' compliance with the permanent injunctive relief;
- F. Order that the discovery rule applies to extend any applicable limitations periods (and the corresponding class periods) for the Classes to the date on which Verizon first began charging the Administrative Charge;
- G. Order disgorgement and/or restitution, including, without limitation, disgorgement of all revenues, profits and/or unjust enrichment that Verizon obtained, directly or indirectly, from Plaintiffs and Class members as a result of the unlawful conduct alleged herein;
- H. Order Defendants to hold in constructive trust all Administrative Charge payments received from the Classes;

I. Order Defendants to perform an accounting of all such Administrative Charge payments;

J. Enter judgment in favor of Plaintiffs and the Classes for damages suffered as a result of the conduct alleged herein;

K. Order Defendants to pay punitive, exemplary, treble, and/or statutory damages to the Classes under the laws outlined herein;

L. Order Defendants to pay attorneys' fees and costs to the extent allowed by law;

M. Order Defendants to pay pre-judgment and post-judgment interest to the extent allowed by law; and

N. Grant such other and further legal and equitable relief as the Court deems just and proper.

**JURY TRIAL DEMAND**

PLEASE TAKE NOTICE that the Plaintiffs hereby demand a trial by jury on all issues so triable.

Dated: September 20, 2022

By:  \_\_\_\_\_

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\* Pro Hac Vice Application To Be Submitted

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