

CLARKSON LAW FIRM, P.C.

Ryan J. Clarkson (SBN 257074)

rclarkson@clarksonlawfirm.com

Yana Hart (SBN 306499)

yhart@clarksonlawfirm.com

Tiara Avanness (SBN 343928)

tavaness@clarksonlawfirm.com

22525 Pacific Coast Highway

Malibu, CA 90265

Tel: (213) 788-4050

Fax: (213) 788-4070

Counsel for Plaintiffs and the Proposed Classes

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

CYNTHIA RYAN and ROSALIA
GARCIA, on behalf of themselves and all
others who are similarly situated,

Plaintiffs,

v.

TICKETMASTER, LLC., and LIVE
NATION ENTERTAINMENT, INC.

Defendants.

Case No. 2:24-cv-4482

CLASS ACTION COMPLAINT

1. NEGLIGENCE
2. NEGLIGENCE PER SE
3. BREACH OF FIDUCIARY DUTY
4. UNJUST ENRICHMENT
5. BREACH OF IMPLIED CONTRACT
6. VIOLATION OF THE CALIFORNIA CONSUMER PRIVACY ACT OF 2018 Cal. Civ. Code §§ 1798.100 *et seq.* (“CCPA”)
7. VIOLATION OF THE CALIFORNIA CONSUMER

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

LEGAL REMEDIES ACT Cal.
Civ. Code §§ 1750 *et seq.*
("CLRA")

8. VIOLATION OF THE
CALIFORNIA UNFAIR
COMPETITION LAW Cal.
Bus. and Prof. Code §§ 17200,
et seq. ("UCL")

DEMAND FOR JURY TRIAL

1 **CLASS ACTION COMPLAINT**

2 Plaintiffs Cynthia Ryan and Rosalia Garcia (collectively, “**Plaintiffs**”)
3 individually and on behalf of all others similarly situated, bring this Class Action
4 Complaint (the “**Complaint**”), and allege the following against Defendants
5 Ticketmaster, LLC (“**Ticketmaster**”) and Live Nation Entertainment, Inc. (“**Live**
6 **Nation**”) (collectively, “**Defendants**”), based upon personal knowledge with respect to
7 themselves and upon information and belief derived from, among other things,
8 investigation of counsel and review of public documents as to all other matters.

9 **NATURE OF THE ACTION**

10 1. Plaintiffs bring this class action against Defendants for their failure to
11 properly secure and safeguard Plaintiffs’ and other similar situated individuals’ personal
12 identifiable information (“**PII**”), including but not limited to “full names, addresses,
13 email addresses, phone numbers, ticket sales and event details, order information, and
14 partial payment card data. [The] compromised payment data includes customer names,
15 the last four digits of card numbers, expiration dates, and even customer fraud details”
16 (collectively, “**Private Information**”).¹

17 2. This class action arises out of the recent targeted cyberattack against
18 Ticketmaster that enabled a third party to access Defendants’ computer systems and data,
19 resulting in the compromise of highly sensitive Private Information (the “**Data**
20 **Breach**”).²

21 3. Due to the Data Breach, Plaintiffs and Class Members suffered ascertainable
22 losses in the form of the benefit of their bargain, out-of-pocket expenses and the value of
23 their time reasonably incurred to remedy or mitigate the effects of the attack, emotional
24

25 ¹ Waqas, *Hackers Claim Ticketmaster Data Breach: 560M Users’ Info for Sale at \$500k*,
26 HACKREAD (May 29, 2024), <https://hackread.com/hackers-ticketmaster-data-breach-560m-users-sale/>.

27 ² *Id.*

1 distress, and the imminent risk of future harm caused by the compromise of their Private
 2 Information.

3 4. The Data Breach was a direct result of Defendants’ failure to implement
 4 adequate and reasonable cybersecurity procedures and protocols necessary to protect
 5 consumers’ Private Information.

6 5. On or around May 28, 2024, the Private Information of 560,000,000
 7 Ticketmaster customers was compromised and listed for sale.³ The notorious hacker
 8 group known only by its alias “ShinyHunters” claimed that it had stolen 1.3 terabytes of
 9 personal data and is reportedly ready to sell, or has already sold, such information to
 10 nefarious dark web users for \$500,000, as illustrated by their post on BreachForums, a
 11 dark-web marketplace for stolen data:



12
 13
 14
 15
 16
 17
 18
 19 6. This Data Breach occurred because Ticketmaster enabled an unauthorized
 20 third party to gain access to and obtain former and current Ticketmaster customers’
 21 Private Information from Ticketmaster’s internal computer systems.⁴

22 7. As of May 29, 2024, Defendants have not released a statement nor notified
 23 its customers that their Private Information has been compromised and is likely in the
 24

25 ³ Georgie Hewson, *Home Affairs Department confirms cyber incident impacting*
 26 *Ticketmaster customers*, ABC NEWS (May 29, 2024), <https://www.abc.net.au/news/2024-05-29/ticketmaster-hack-allegedlyshinyhunter-customers-data-leaked/103908614>.

27 ⁴ *Id.*

1 hands of threat actors. Ticketmaster consumers are in the dark, unaware that their Private
2 Information may be used to effectuate identity theft, phishing scams, plunging credit
3 scores and related cybercrimes.

4 8. The Data Breach was a direct result of Defendants' failure to implement
5 adequate and reasonable cybersecurity procedures and protocols, consistent with the
6 industry standard, necessary to protect Private Information from the foreseeable threat of
7 a cyberattack.

8 9. By acquiring Plaintiffs' and class members' Private Information for their
9 own pecuniary benefit, Defendants assumed a duty to Plaintiffs and Class Members to
10 implement and maintain reasonable and adequate security measures to secure, protect,
11 and safeguard Plaintiffs' and Class Members' Private Information against unauthorized
12 access and disclosure.

13 10. Defendants also had a duty to adequately safeguard this Private Information
14 under controlling case law, as well as pursuant to industry standards and duties imposed
15 by statutes, including Section 5 of the Federal Trade Commission Act (the "FTC Act").

16 11. Defendants breached those duties and disregarded the rights of Plaintiffs and
17 the Class Members by intentionally, willfully, recklessly, or negligently failing to
18 implement proper and reasonable measures to safeguard consumers' Private Information;
19 failing to take available and necessary steps to prevent unauthorized disclosure of data;
20 and failing to follow applicable, required, and proper protocols, policies, and procedures
21 regarding the encryption of data.

22 12. As a result of Defendants' inadequate security and breach of their duties and
23 obligations, the Private Information of Plaintiffs and Class Members was compromised
24 through disclosure to an unauthorized criminal third party. Plaintiffs and Class Members
25 have suffered injuries as a direct and proximate result of Defendants' conduct. These
26 injuries include: (i) diminution in value and/or lost value of Private Information, a form
27 of property that Defendants obtained from Plaintiffs and Class Members; (ii) out-of-
28

1 pocket expenses associated with preventing, detecting, and remediating identity theft,
2 social engineering, and other unauthorized use of their Private Information; (iii)
3 opportunity costs associated with attempting to mitigate the actual consequences of the
4 Data Breach, including but not limited to lost time; (iv) the continued, long term, and
5 certain increased risk that unauthorized persons will access and abuse Plaintiffs' and
6 Class Members' Private Information; (v) the continued and certain increased risk that the
7 Private Information that remains in Defendants' possession is subject to further
8 unauthorized disclosure for so long as Defendants fail to undertake proper measures to
9 protect the Private Information; (v) invasion of privacy and increased risk of fraud and
10 identity theft; and (vi) theft of their Private Information and the resulting loss of privacy
11 rights in that information. This action seeks to remedy these failings and their
12 consequences. Plaintiffs and Class Members have a continuing interest in ensuring that
13 their Private Information is and remains safe, and they should be entitled to injunctive
14 and other equitable relief.

15 13. Despite having been accessed and exfiltrated by unauthorized criminal
16 actors, Plaintiffs' and Class Members' sensitive and confidential Private Information
17 remains in the possession of Defendants. Absent additional safeguards and independent
18 review and oversight, the information remains vulnerable to further cyberattacks and
19 theft. The aggregate data compromised in the Data Breach, taken as a whole, including
20 but not limited to: full names, addresses, email addresses, phone numbers, ticket sales
21 and event details, order information, and partial payment card data including customer
22 names, the last four digits of card numbers, expiration dates, and customer fraud details,
23 increases the risk of harm, making identity theft a likely outcome.

24 14. Defendants disregarded the rights of Plaintiffs and Class Members by, *inter*
25 *alia*, failing to take adequate and reasonable measures to ensure their data systems were
26 protected against unauthorized intrusions; failing to disclose that they did not have
27 adequately robust computer systems and security practices to safeguard Private
28

1 Information; failing to take standard and reasonably available steps to prevent the Data
2 Breach; and failing to properly train its staff and employees on proper security measures.

3 15. In addition, Defendants failed to properly monitor the computer network and
4 systems that housed the Private Information. Had Defendants properly monitored these
5 electronic systems, Defendants would have discovered the intrusion sooner or prevented
6 it altogether.

7 16. The security of Plaintiffs' and Class Members' identities is now at substantial
8 risk because of Defendants' wrongful conduct as the Private Information that Defendants
9 collected and maintained are now in the hands of data thieves. This present risk will
10 continue for the course of their lives.

11 17. Armed with the Private Information accessed in the Data Breach, data thieves
12 can commit a wide range of crimes.

13 18. As a result of the Data Breach, Plaintiffs and Class Members have been
14 exposed to a present and imminent risk of fraud and identity theft. Among other
15 measures, Plaintiffs and Class Members must now and in the future closely monitor their
16 financial accounts to guard against identity theft. Further, Plaintiffs and Class Members
17 will incur out-of-pocket costs to purchase adequate credit monitoring and identity theft
18 protection and insurance services, credit freezes, credit reports, or other protective
19 measures to deter and detect identity theft.

20 19. Plaintiffs and Class Members will also be forced to expend additional time
21 to review credit reports and monitor their financial accounts for fraud or identity theft.
22 And because they exposed other immutable personal details, the risk of identity theft and
23 fraud will persist throughout their lives.

24 20. Plaintiffs bring this lawsuit on behalf of themselves and all those similarly
25 situated to address Defendants' inadequate safeguarding of Class Members' Private
26 Information that they collected and maintained.

PARTIES

Plaintiff Cynthia Ryan

25. Plaintiff Cynthia Ryan is a citizen of the State of California. At all relevant times, Plaintiff has resided in the county of Los Angeles, California.

26. Since at least 2012, Plaintiff Ryan has been Defendants’ customer and Ticketmaster account holder. Plaintiff provided her Private Information to Defendants, including her credit card. In receiving and maintaining her Private Information for its business purposes, Defendants expressly and impliedly promised, and undertook a duty, to act reasonably in its handling of Plaintiff Ryan’s Private Information. Defendants, however, did not take proper care of Plaintiff Ryan’s Private Information, leading to its exposure to and exfiltration by cybercriminals as a direct result of Defendants’ inadequate cybersecurity measures.

27. Plaintiff Ryan is deeply concerned by the Data Breach because she and her family frequently use Ticketmaster to purchase concert tickets. Plaintiff Ryan continues to worry about her Private Information, as it is readily available for cybercriminals to sell, buy, and exchange, on the Dark Web.

28. Since learning about the Data Breach, Plaintiff anticipates needing to spend substantial time to determine the extent and gravity of the Data Breach and to mitigate damages. Plaintiff will need to review for fraudulent activity and closely monitor her financial information.

29. Plaintiff Ryan suffers a substantially increased risk of fraud, identity theft, and data misuse resulting from her Private Information being leaked on to the Dark Web and subjected to unauthorized third parties/criminals.

30. Plaintiff Ryan has a continuing interest in ensuring that her Private Information, which remains in Defendants’ possession, is protected and safeguarded from future breaches.

Clarkson Law Firm, P.C. | 22525 Pacific Coast Highway, Malibu, CA 90265 | P: (213) 788-4050 | F: (213) 788-4070 | clarksonlawfirm.com

1 **Plaintiff Rosalia Garcia**

2 31. Plaintiff Rosalia Garcia is a citizen of the State of California. At all relevant
3 times, Plaintiff Garcia has resided in the county of Los Angeles, California.

4 32. Since at least 2019, Plaintiff Garcia has been Defendants' customer and
5 Ticketmaster account holder. Plaintiff provided her Private Information to Defendants.
6 In receiving and maintaining her Private Information for its business purposes,
7 Defendants expressly and impliedly promised, and undertook a duty, to act reasonably in
8 its handling of Plaintiff Garcia's Private Information. Defendants, however, did not take
9 proper care of Plaintiff Garcia's Private Information, leading to its exposure to and
10 exfiltration by cybercriminals as a direct result of Defendants' inadequate cybersecurity
11 measures.

12 33. Plaintiff Garcia is deeply concerned by the Data Breach because she
13 frequently uses Ticketmaster to purchase tickets. Plaintiff Garcia continues to worry
14 about her Private Information, as it is readily available for cybercriminals to sell, buy,
15 and exchange, on the Dark Web.

16 34. Since learning about the Data Breach, Plaintiff anticipates needing to spend
17 substantial time to determine the extent and gravity of the Data Breach and to mitigate
18 damages. Plaintiff will need to review for fraudulent activity and closely monitor her
19 financial information.

20 35. Plaintiff Garcia suffers a substantially increased risk of fraud, identity theft,
21 and data misuse resulting from her Private Information being leaked onto the Dark Web
22 and subjected to unauthorized third parties/criminals.

23 36. Plaintiff Garcia has a continuing interest in ensuring that her Private
24 Information, which remains in Defendants' possession, is protected and safeguarded
25 from future breaches.

1 **Defendant Ticketmaster, LLC.**

2 37. Defendant Ticketmaster, LLC. is a wholly owned subsidiary of Defendant
3 Live Nation Entertainment, Inc. headquartered in California with its principal executive
4 office located at 9348 Civic Center Drive, Beverly Hills, CA 90210.

5 38. Ticketmaster and Live Nation Entertainment completed their merger on
6 January 25, 2010.⁵

7 39. Ticketmaster “operates as a ticket distribution company. [Ticketmaster]
8 buys, transfers, and sells tickets for live music, sporting, arts, theater, and family events.
9 Ticketmaster serves clients worldwide.”⁶

10 40. Plaintiffs and Class Members are current and former customers of
11 Ticketmaster and account holders on Ticketmaster.com.

12 41. Due to the nature of the services Ticketmaster provides, it receives and is
13 entrusted with securely storing consumers’ Private Information, which includes, inter
14 alia, individuals’ full name, payment information, occasional location data, and other
15 sensitive information. Ticketmaster promised to provide confidentiality and adequate
16 security for the data it collected from customers through its applicable privacy policy and
17 through other disclosures in compliance with statutory privacy requirements.

18 **Defendant Live Nation Entertainment, Inc.**

19 42. Defendant Live Nation Entertainment, Inc. is a Delaware corporation
20 headquartered in California with its principal executive office located at 9348 Civic
21 Center Drive, Beverly Hills, CA 90210.

22
23 _____
24 ⁵ *Live Nation and Ticketmaster Entertainment Complete Merger*, SECURITIES AND
EXCHANGE COMMISSION (Jan. 25, 2010),
25 <https://www.sec.gov/Archives/edgar/data/1335258/000119312510012287/dex991.htm>.

26 ⁶ *Ticketmaster LLC*, BLOOMBERG,
27 <https://www.bloomberg.com/profile/company/0009574D:US> (last visited May 29,
28 2024).

1 43. Live Nation Entertainment is a publicly traded corporation listed on the New
2 York Stock Exchange with revenues totaling approximately \$3.8 billion for the three
3 months ended on March 31, 2024.⁷

4 44. Live Nation is “the largest live entertainment company in the world,
5 connecting over 765 million fans across all of our concerts and ticketing platforms in 49
6 countries during 2023.”⁸

7 45. Due to the nature of the services Live Nation provides, it receives and is
8 entrusted with securely storing consumers’ Private Information, which includes, inter
9 alia, individuals’ full name, payment information, occasional location data, and other
10 sensitive information. Live Nation promised to provide confidentiality and adequate
11 security for the data it collected from customers through its applicable privacy policy and
12 through other disclosures in compliance with statutory privacy requirements.

13 **FACTUAL ALLEGATIONS**

14 **A. The Data Breach, and Defendants Unsecure Data Management.**

15 46. On May 28, 2024, threat actors posted that 1.4 terabytes of Private
16 Information were available for purchase on the hacking website Breach Forums.⁹ The
17 notorious hacking group ShinyHunters offered the trove of Plaintiffs’ and Class
18 Members’ Private Information for \$500,000.

19
20
21
22
23 ⁷ *Form 10-Q Quarterly Report for Live Nation Entertainment, Inc.*, BAMSEC,
24 <https://www.bamsec.com/filing/133525824000071?cik=1335258> (last visited May 29,
2024).

25 ⁸ *Form 10-K Annual Report for Live Nation Entertainment, Inc.*, BAMSEC,
26 <https://www.bamsec.com/filing/133525824000017?cik=1335258> (last visited May 29,
2024).

27 ⁹ Waqas, *supra* note 1.

1 47. Defendants are yet to make a statement or inform consumers that their data
2 is available on the dark web. Such data includes, according to the hackers' forum post,
3 "560 million customers [*sic*] full details (name, address, email, phone) – Ticket sales,
4 event information, order details – CC [credit card] detail [*sic*] – customer, last 4 of card,
5 expiration date. Customer fraud details – much more."¹⁰

6 48. Prior to the Data Breach in May 2024, Plaintiffs and Class Members had
7 provided their Private Information to Ticketmaster with the reasonable expectation and
8 mutual understanding that Ticketmaster would comply with its obligations to keep such
9 information confidential and secure from unauthorized access. In particular, Plaintiffs
10 and Class Members provided their names, emails, phone numbers, location data and
11 credit card information to Ticketmaster in order to register for an account and purchase
12 event tickets on Ticketmaster.com.

13 49. PII is a valuable property right.¹¹ "Firms are now able to attain significant
14 market valuations by employing business models predicated on the successful use of
15 personal data within the existing legal and regulatory frameworks."¹² It is estimated that
16 American companies have spent over \$19 billion on acquiring personal data of
17 consumers in 2018.¹³ It is so valuable to identity thieves that once PII has been disclosed,
18 criminals often trade it on the "cyber black-market," or the "dark web," for many years.

19 _____
20 ¹⁰ *Id.*

21 ¹¹ See Marc van Lieshout, *The Value of Personal Data*, 457 IFIP ADVANCES IN
22 INFORMATION AND COMMUNICATION TECHNOLOGY 26-38 (May 2015),
23 https://www.researchgate.net/publication/283668023_The_Value_of_Personal_Data
24 ("The value of [personal] information is well understood by marketers who try to collect
25 as much data about personal conducts and preferences as possible...").

26 ¹² *Exploring the Economics of Personal Data: A Survey of Methodologies for Measuring*
27 *Monetary Value*, OECD No. 220 (Apr. 2, 2013), https://www.oecd-ilibrary.org/science-and-technology/exploring-the-economics-of-personal-data_5k486qtxldmq-en.

28 ¹³ *U.S. Firms to Spend Nearly \$19.2 Billion on Third-Party Audience Data and Data-Use*
Solutions in 2018, Up 17.5% from 2017, INTERACTIVE ADVERTISING BUREAU (Dec. 5,
2018), <https://www.iab.com/news/2018-state-of-data-report/>.

1 Indeed, the threat actor who compromised Defendants' systems is seeking a one-time
2 payment of half a million dollars in exchange for this Private Information.

3 50. Plaintiffs and the Class's Private Information exposed in the Data Breach has
4 been exposed on the Dark Web.

5 51. Ticketmaster promised consumers it would keep their data secure and
6 private. Data security is purportedly a critical component of Ticketmaster's business
7 model. On a section of its website, Ticketmaster confidently asserts the following
8 statements:

9 "We're always taking steps to make sure your information is
10 protected and deleted securely," "[we] have security measure in
11 place to protect your information,"¹⁴ and "[the] security of our
12 fans' information is a priority for us. We take all necessary
13 security measures to protect personal information that's shared
14 and stored with us."¹⁵

15 52. On its website, Ticketmaster maintains an "Our Commitments" section,
16 including "Security & Confidentiality" as one of "10 commitments that drive
17 [Ticketmaster's] privacy program, globally".¹⁶

18 53. Contrary to Ticketmaster's various express assurances that it would take
19 reasonable measures to safeguard the sensitive information entrusted to it, an
20 "unauthorized" person or persons was able to access its network servers.

21 54. To date, Ticketmaster has not disclosed complete specifics of the attack, such
22 as whether ransomware has been used.

23 55. As such, Ticketmaster, and its parent company Live Nation, have failed to
24 secure the PII of the individuals that provided their sensitive information. Defendants

25 ¹⁴ *Privacy Policy*, TICKETMASTER, <https://privacy.ticketmaster.com/privacy-policy> (last
26 visited May 29, 2024).

27 ¹⁵ *Our Commitments*, TICKETMASTER, [https://privacy.ticketmaster.com/en/our-](https://privacy.ticketmaster.com/en/our-commitments)
28 [commitments](https://privacy.ticketmaster.com/en/our-commitments) (last visited May 29, 2024).

¹⁶ *Id.*

1 failed to take appropriate steps to protect the PII of Plaintiffs and other Class Members
2 from being disclosed.

3 **B. Defendants Failed to Comply with FTC Guidelines**

4 56. Defendants were prohibited by the Federal Trade Commission Act (the
5 “**FTC Act**”) (15 U.S.C. § 45) from engaging in “unfair or deceptive acts or practices in
6 or affecting commerce.” The Federal Trade Commission (the “**FTC**”) has concluded that
7 a company’s failure to maintain reasonable and appropriate data security for consumers’
8 sensitive personal information is an “unfair practice” in violation of the FTC Act. *See*,
9 *e.g.*, *FTC v. Wyndham Worldwide Corp.*, 799 F.3d 236 (3d Cir. 2015).

10 57. The FTC has promulgated numerous guides for businesses which highlight
11 the importance of implementing reasonable data security practices. According to the
12 FTC, the need for data security should be factored into all business decision-making.

13 58. In 2016, the FTC updated its publication, *Protecting Personal Information: A*
14 *Guide for Business*, which established cyber-security guidelines for businesses. The
15 guidelines note that businesses should protect the personal customer information that they
16 keep; properly dispose of personal information that is no longer needed; encrypt
17 information stored on computer networks; understand their network’s vulnerabilities; and
18 implement policies to correct any security problems.¹⁷ The guidelines also recommend
19 that businesses use an intrusion detection system to expose a breach as soon as it occurs;
20 monitor all incoming traffic for activity indicating someone is attempting to hack the
21 system; watch for large amounts of data being transmitted from the system; and have a
22 response plan ready in the event of a breach.¹⁸

23 _____
24 ¹⁷ *Protecting Personal Information: A Guide for Business*, FEDERAL TRADE COMMISSION
25 (Oct. 2016), [https://www.ftc.gov/business-guidance/resources/protecting-personal-](https://www.ftc.gov/business-guidance/resources/protecting-personal-information-guide-business)
26 [information-guide-business](https://www.ftc.gov/business-guidance/resources/protecting-personal-information-guide-business).

27 ¹⁸ *Id.*

1 59. The FTC further recommends that companies not maintain PII longer than is
2 needed for authorization of a transaction; limit access to sensitive data; require complex
3 passwords to be used on networks; use industry-tested methods for security; monitor for
4 suspicious activity on the network; and verify that third-party service providers have
5 implemented reasonable security measures.

6 60. The FTC has brought enforcement actions against businesses for failing to
7 adequately and reasonably protect customer data, treating the failure to employ
8 reasonable and appropriate measures to protect against unauthorized access to
9 confidential consumer data as an unfair act or practice prohibited by Section 5 of the
10 Federal Trade Commission Act (“FTCA”), 15 U.S.C. § 45. Orders resulting from these
11 actions further clarify the measures businesses must take to meet their data security
12 obligations.

13 61. These FTC enforcement actions include actions against healthcare providers
14 and partners like Defendants. *See, e.g.,* In the Matter of Labmd, Inc., A Corp, 2016-2
15 Trade Cas. (CCH) ¶ 79708, 2016 WL 4128215, at *32 (MSNET July 28, 2016) (“[T]he
16 Commission concludes that LabMD’s data security practices were unreasonable and
17 constitute an unfair act or practice in violation of Section 5 of the FTC Act.”)

18 62. Defendants failed to properly implement basic data security practices,
19 allowing for this attack to occur, victimizing millions of people.

20 63. Defendants’ failure to employ reasonable and appropriate measures to
21 protect against

22 unauthorized access to customers’ Private Information constitutes an unfair act or
23 practice prohibited by Section 5 of the FTC Act, 15 U.S.C. § 45.

24 64. Defendants were at all times fully aware of the obligation to protect the
25 Private Information of customers. Defendants were also aware of the significant
26 repercussions that would result from their failure to do so.

1 **C. Plaintiffs and the Class Have Suffered Injury as a Result of Defendants’**
2 **Data Mismanagement**

3 65. As a result of Defendants’ failure to implement and follow even the most
4 basic security procedures, Plaintiffs and Class Members’ Private Information has been
5 and are now in the hands of an unauthorized third-party which may include thieves,
6 unknown criminals, banks, credit companies, and other potentially hostile individuals.
7 Plaintiffs and Class Members now face an increased risk of identity theft and will
8 consequentially have to spend, and will continue to spend, significant time and money to
9 protect themselves due to the Data Breach.

10 66. Plaintiffs and Class Members have had their most personal and sensitive
11 Private Information disseminated to the public at large and have experienced and will
12 continue to experience emotional pain and mental anguish and embarrassment.

13 67. Plaintiffs and Class Members face an increased risk of identity theft, phishing
14 attacks, and related cybercrimes because of the Data Breach. Those impacted are under
15 heightened and prolonged anxiety and fear, as they will be at risk of falling victim for
16 cybercrimes for years to come.

17 68. As a result of Private Information’s real value and the recent large-scale data
18 breaches, identity thieves and cyber criminals have openly posted credit card numbers,
19 Social Security numbers, PII, and other sensitive information directly on various Internet
20 websites, making the information publicly available. This information from various
21 breaches, including the information exposed in the Data Breach, can be aggregated, and
22 become more valuable to thieves and more damaging to victims.

23 69. Personal information can be sold at a price ranging from \$40 to \$200, and
24 bank details have a price range of \$50 to \$200.¹⁹ Experian reports that a stolen credit or

25 _____
26 ¹⁹ Anita George, *Your personal data is for sale on the dark web. Here’s how much it costs*,
27 DIGITAL TRENDS (Oct. 16, 2019), [https://www.digitaltrends.com/computing/personal-
28 data-sold-on-the-dark-web-how-much-it-costs/](https://www.digitaltrends.com/computing/personal-data-sold-on-the-dark-web-how-much-it-costs/).

1 debit card number can sell for \$5 to \$110 on the dark web. Criminals can also purchase
2 access to entire company data breaches from \$900 to \$4,500.²⁰

3 70. Consumers place a high value on the privacy of that data. Researchers shed
4 light on how many consumers value their data privacy—and the amount is considerable.
5 Indeed, studies confirm that “when privacy information is made more salient and
6 accessible, some consumers are willing to pay a premium to purchase from privacy
7 protective websites.”²¹

8 71. Given these facts, any company that transacts business with a consumer and
9 then compromises the privacy of consumers’ Private Information has thus deprived that
10 consumer of the full monetary value of the consumer’s transaction with the company.

11 72. Cyberattacks have become so notorious that the FBI and U.S. Secret Service
12 have issued a warning to potential targets, so they are aware of, and prepared for, a
13 potential attack. As one report explained, “[e]ntities like smaller municipalities and
14 hospitals are attractive to ransomware criminals... because they often have lesser IT
15 defenses and a high incentive to regain access to their data quickly.”²²

16 73. Plaintiffs and members of the Class must immediately devote time, energy,
17 and money to: 1) closely monitor their bills, records, and credit and financial accounts;
18 2) change login and password information on any sensitive account even more frequently
19 than they already do; 3) more carefully screen and scrutinize phone calls, emails, and
20

21 ²⁰ Brian Stack, *Here’s How Much Your Personal Information Is Selling for on the Dark*
22 *Web*, EXPERIAN (Dec. 6, 2017), <https://www.experian.com/blogs/ask-experian/heres-how-much-your-personal-information-is-selling-for-on-the-dark-web/>.

23 ²¹ Janice Y. Tsai et al., *The Effect of Online Privacy Information on Purchasing Behavior,*
24 *An Experimental Study*, 22(2) INFORMATION SYSTEMS RESEARCH 254 (June 2011),
25 accessible at <https://www.jstor.org/stable/23015560?seq=1>
(Last accessed May 2, 2024).

26 ²² Ben Kochman, *FBI, Secret Service Warn of Targeted Ransomware*, LAW360 (Nov. 18,
27 2019), accessible at <https://www.law360.com/articles/1220974> (Last accessed May 2,
28 2024).

1 other communications to ensure that they are not being targeted in a social engineering
2 or spear phishing attack; and 4) search for suitable identity theft protection and credit
3 monitoring services, and pay to procure them.

4 74. Once Private Information is exposed, there is virtually no way to ensure that
5 the exposed information has been fully recovered or contained against future misuse. For
6 this reason, Plaintiffs and Class Members will need to maintain these heightened
7 measures for years, and possibly their entire lives, because of Defendants' conduct.
8 Further, the value of Plaintiffs' and Class Members' Private Information has been
9 diminished by its exposure in the Data Breach.

10 75. As a result of Defendants' failures, Plaintiffs and Class Members are at
11 substantial risk of suffering identity theft and fraud or misuse of their Private Information.

12 76. Plaintiffs and members of the Class suffered actual injury from having
13 Private Information compromised as a result of Defendants' negligent data management
14 and resulting Data Breach including, but not limited to (a) damage to and diminution in
15 the value of their Private Information, a form of property that Defendants obtained from
16 Plaintiffs; (b) violation of their privacy rights; and (c) present and increased risk arising
17 from the identity theft and fraud.

18 77. For the reasons mentioned above, Defendants' conduct, which allowed the
19 Data Breach to occur, caused Plaintiffs and Class Members significant injuries and harm.

20 78. Plaintiffs bring this class action against Defendants for their failure to
21 properly secure and safeguard Private Information.

22 79. Plaintiffs, individually and on behalf of all other similarly situated
23 individuals, allege claims in negligence, negligence per se, breach of implied contract,
24 unjust enrichment, violations of the California Consumer Privacy Act, California Legal
25 Remedies Act, and California's Unfair Competition Law.

1 **CLASS ACTION ALLEGATIONS**

2 80. Plaintiffs bring this action on behalf of themselves and on behalf of all other
3 persons similarly situated (“**the Class**”).

4 81. Plaintiffs propose the following Class and Subclass definitions, subject to
5 amendment(s) as appropriate:

6 **Nationwide Class**

7 All individuals residing in the United States whose Private
8 Information was compromised as a result of the Data Breach.
9 (“**the Class**”).

10 **California Subclass**

11 All individuals identified by Defendants (or their agents or
12 affiliates) as being those persons residing in California impacted
13 by the Data Breach. (the “**California Subclass**”).

14 82. Collectively, the Class and California Subclass are referred to as the Classes.

15 83. Excluded from the Classes are Defendants’ officers and directors, and any
16 entity in which Defendants have a controlling interest; and the affiliates, legal
17 representatives, attorneys, successors, heirs, and assigns of Defendants. Excluded also
18 from the Class are members of the judiciary to whom this case is assigned, their families
19 and members of their staff.

20 84. Plaintiffs reserve the right to amend or modify the Class or Subclass
21 definitions as this case progresses.

22 85. **Numerosity:** Upon information and belief, the members of the Class are so
23 numerous that joinder of all of them is impracticable.

24 86. **Predominance of Common Questions.** There exist questions of law and
25 fact common to the Class, which predominate over any questions affecting individual
26 Class Members. These common questions of law and fact include, without limitation:
27
28

- a. Whether Defendants unlawfully used, maintained, lost, or disclosed Plaintiffs' and Class Members' Private Information;
- b. Whether Defendants failed to implement and maintain reasonable security procedures and practices appropriate to the nature and scope of the information compromised in the Data Breach;
- c. Whether Defendants' data security systems prior to and during the Data Breach complied with applicable data security laws and regulations;
- d. Whether Defendants' data security systems prior to and during the Data Breach were consistent with industry standards;
- e. Whether Defendants owed a duty to Class Members to safeguard their Private Information;
- f. Whether Defendants were subject to (and breached) the FTC Act, the California Confidentiality of Medical Information Act and/or the CCPA;
- g. Whether Defendants breached their duty to Class Members to safeguard their Private Information
- h. Whether computer hackers obtained Class Members' Private Information in the Data Breach;
- i. Whether Defendants knew or should have known that its data security systems and monitoring processes were deficient;
- j. Whether Defendants' conduct was negligent;
- k. Whether Defendants' acts breached an implied contract they formed with Plaintiffs and the Class Members;
- l. Whether Defendants were unjustly enriched to the detriment of Plaintiffs and the Class;
- m. Whether Plaintiffs and Class Members are entitled to damages, civil penalties, punitive damages, and/or injunctive relief.

1 87. **Typicality:** Plaintiffs' claims are typical of those of other Class Members
2 because Plaintiffs' Private Information, like that of every other Class Member, was
3 compromised in the Data Breach.

4 88. **Adequacy:** Plaintiffs are adequate representatives for the Class because their
5 interests do not conflict with the interests of the Class that they seek to represent.
6 Plaintiffs have retained counsel competent and highly experienced in complex class
7 action litigation counsel intends to prosecute this action vigorously. The interests of the
8 Class will be fairly and adequately protected by Plaintiffs and their experienced counsel.

9 89. **Superiority:** A class action is superior to all other available means of fair
10 and efficient adjudication of the claims of Plaintiffs and members of the Class. The injury
11 suffered by each individual Class Member is relatively small in comparison to the burden
12 and expense of individual prosecution of the complex and extensive litigation
13 necessitated by Defendants' conduct. It would be virtually impossible for members of the
14 Class individually to redress effectively the wrongs done to them by Defendants. Even if
15 Class Members could afford such individual litigation, the court system could not.
16 Individualized litigation presents a potential for inconsistent or contradictory judgments.
17 Individualized litigation increases the delay and expense to all parties, and to the court
18 system, presented by the complex legal and factual issues of the case. By contrast, the
19 class action device presents far fewer management difficulties, and provides the benefits
20 of single adjudication, an economy of scale, and comprehensive supervision by a single
21 court. Upon information and belief, members of the Class can be readily identified and
22 notified based upon, inter alia, the records (including databases, e-mails, dealership
23 records and files, etc.) Defendants maintain regarding their consumers.

24 90. Defendants have acted on grounds generally applicable to the Class, thereby
25 making appropriate final equitable relief with respect to the Class as a whole.
26
27
28

CALIFORNIA LAW SHOULD BE APPLIED TO THE NATIONWIDE CLASS

1
2 91. The State of California has a significant interest in regulating the conduct of
3 businesses operating within its borders. California seeks to protect the rights and interests
4 of all California residents and citizens of the United States against a company
5 headquartered and doing business in California. California has a greater interest in the
6 nationwide claims of Plaintiffs and members of the Class than any other state and is most
7 intimately concerned with the claims and outcome of this litigation. *See Ehret v. Uber*
8 *Techs., Inc.*, 68 F.Supp.3d 1121, 1130 (N.D. Cal. 2014) (noting courts including the
9 California Supreme Court have permitted the application of California law in cases where
10 alleged misrepresentations were “disseminated from California”); *In re Toyota Motor*
11 *Corp.*, 785 F.Supp.2d 883, 917 (C.D. Cal. 2011) (To determine whether California law
12 should apply, “courts consider where the defendant does business, whether the
13 defendant’s principal offices are located in California, where class members are located,
14 and the location from which advertising and other promotional literature decisions were
15 made.”).

16 92. Defendants are located in California and conduct substantial business in
17 California, such that California has an interest in regulating Defendants’ conduct under
18 its laws. The corporate headquarters of each Defendant are in California which is the
19 “nerve center” of its business activities – the place where its officers direct, control, and
20 coordinate the company’s activities, including its data security functions and policy,
21 financial, and legal decisions. Further, upon information and belief, all managerial
22 decisions stem from California, where decisions regarding security of the data were
23 made. The flawed cybersecurity measures that led to the Data Breach were developed
24 and managed from California. All of Defendants’ contracts and agreements pertaining to
25 the data security services and protocols in question are executed in California.
26
27
28

1 99. It was reasonably foreseeable to Defendants that their failure to exercise
2 reasonable care in safeguarding and protecting Plaintiffs’ and Class Members’ Private
3 Information by failing to design, adopt, implement, control, direct, oversee, manage,
4 monitor, and audit appropriate data security processes, controls, policies, procedures,
5 protocols, and software and hardware systems would result in the unauthorized release,
6 disclosure, and dissemination of Plaintiffs’ and Class Members’ Private Information to
7 unauthorized individuals.

8 100. But for Defendants’ negligent conduct or breach of the above-described
9 duties owed to Plaintiffs and the Class Members, their Private Information would not
10 have been compromised.

11 101. As a result of Defendants’ above-described wrongful actions, inaction, and
12 want of ordinary care that directly and proximately caused the Data Breach, Plaintiffs
13 and all other Class Members have suffered, and will continue to suffer, economic
14 damages and other injury and actual harm in the form of, inter alia: (i) a substantially
15 increased risk of identity theft—risks justifying expenditures for protective and remedial
16 services for which they are entitled to compensation; (ii) improper disclosure of their
17 Private Information; (iii) breach of the confidentiality of their Private Information; (iv)
18 deprivation of the value of their Private Information, for which there is a well- established
19 national and international market; (v) lost time and money incurred to mitigate and
20 remediate the effects of the Data Breach, including the increased risks of identity theft
21 they face and will continue to face; and (vii) actual or attempted fraud.

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28

COUNT II

NEGLIGENCE PER SE

(On Behalf of Plaintiffs and the Nationwide Class)

102. Plaintiffs reallege and incorporate by reference all preceding paragraphs as if fully set forth herein.

103. Defendants’ duties arise from Section 5 of the FTC Act (“FTCA”), 15 U.S.C. § 45(a)(1), which prohibits “unfair . . . practices in or affecting commerce,” including, as interpreted by the FTC, the unfair act or practice by a business, such as Defendants, of failing to employ reasonable measures to protect and secure Private Information.

104. Defendants violated Security Rules and Section 5 of the FTCA by failing to use reasonable measures to protect Plaintiffs’ and all other Class Members’ Private Information and not complying with applicable industry standards. Defendants’ conduct was particularly unreasonable given the nature and amount of Private Information it obtains and stores, and the foreseeable consequences of a data breach involving Private Information including, specifically, the substantial damages that would result to Plaintiffs and the other Class Members.

105. Defendants’ violations of Security Rules and Section 5 of the FTCA constitute negligence per se.

106. Plaintiffs and Class Members are within the class of persons that Security Rules and Section 5 of the FTCA were intended to protect.

107. The harm occurring because of the Data Breach is the type of harm Security Rules and Section 5 of the FTCA were intended to guard against.

108. It was reasonably foreseeable to Defendants that their failure to exercise reasonable care in safeguarding and protecting Plaintiffs’ and Class Members’ Private Information by failing to design, adopt, implement, control, direct, oversee, manage, monitor, and audit appropriate data security processes, controls, policies, procedures, protocols, and software and hardware systems, would result in the release, disclosure,

1 and dissemination of Plaintiffs’ and Class Members’ Private Information to unauthorized
2 individuals.

3 109. The injury and harm that Plaintiffs and the other Class Members suffered was
4 the direct and proximate result of Defendants’ violations of Security Rules and Section 5
5 of the FTCA. Plaintiffs and Class Members have suffered (and will continue to suffer)
6 economic damages and other injury and actual harm in the form of, inter alia: (i) a
7 substantially increased risk of identity theft—risks justifying expenditures for protective
8 and remedial services for which they are entitled to compensation; (ii) improper
9 disclosure of their Private Information; (iii) breach of the confidentiality of their Private
10 Information; (iv) deprivation of the value of their Private Information, for which there is
11 a well-established national and international market; (v) lost time and money incurred to
12 mitigate and remediate the effects of the Data Breach; and (vi) actual or attempted fraud.

13 **COUNT III**

14 **BREACH OF FIDUCIARY DUTY**

15 *(On Behalf of Plaintiffs and the Nationwide Class)*

16 110. Plaintiffs reallege and incorporate by reference all preceding paragraphs as
17 if fully set forth herein.

18 111. Plaintiffs and Class Members either directly or indirectly gave Defendants
19 their Private Information in confidence, believing that Defendants would protect that
20 information. Plaintiffs and Class Members would not have provided Defendants with this
21 information had they known it would not be adequately protected. Defendants’
22 acceptance and storage of Plaintiffs’ and Class Members’ Private Information created a
23 fiduciary relationship between Defendants and Plaintiffs and Class Members.
24 Considering this relationship, Defendants must act primarily for the benefit of their
25 consumers, which includes safeguarding and protecting Plaintiffs’ and Class Members’
26 Private Information.

1 112. Defendants have a fiduciary duty to act for the benefit of Plaintiffs and Class
2 Members upon matters within the scope of their relationship. They breached that duty by
3 failing to properly protect the integrity of the system containing Plaintiffs' and Class
4 Members' Private Information, failing to safeguard the Private Information of Plaintiffs
5 and Class Members it collected.

6 113. As a direct and proximate result of Defendants' breaches of their fiduciary
7 duties, Plaintiffs and Class Members have suffered and will suffer injury, including, but
8 not limited to: (i) a substantial increase in the likelihood of identity theft; (ii) the
9 compromise, publication, and theft of their Private Information; (iii) out-of-pocket
10 expenses associated with the prevention, detection, and recovery from unauthorized use
11 of their Private Information; (iv) lost opportunity costs associated with effort attempting
12 to mitigate the actual and future consequences of the Data Breach; (v) the continued risk
13 to their Private Information which remains in Defendants' possession; (vi) future costs
14 in terms of time, effort, and money that will be required to prevent, detect, and repair the
15 impact of the Private Information compromised as a result of the Data Breach; and (vii)
16 actual or attempted fraud.

17 **COUNT IV**

18 **UNJUST ENRICHMENT**

19 ***(On Behalf of Plaintiffs and the Nationwide Class)***

20 114. Plaintiffs reallege and incorporate by reference all preceding paragraphs as
21 if fully set forth herein. This claim is pleaded in the alternative to the implied contract
22 claim pursuant to Fed. R. Civ. P. 8(d).

23 115. Plaintiffs and Class Members conferred a monetary benefit upon Defendants
24 in the form of monies paid for services.

25 116. Defendants accepted or had knowledge of the benefits conferred upon it by
26 Plaintiffs and Class Members. Defendants also benefitted from the receipt of Plaintiffs'
27 and Class Members' Private Information.

1 117. As a result of Defendants' conduct, Plaintiffs and Class Members suffered
2 actual damages in an amount equal to the difference in value between their payments
3 made with reasonable data privacy and security practices and procedures that Plaintiffs
4 and Class Members paid for, and those payments without reasonable data privacy and
5 security practices and procedures that they received.

6 118. Defendants should not be permitted to retain the money belonging to
7 Plaintiffs and Class Members because Defendants failed to adequately implement the
8 data privacy and security procedures for themselves that Plaintiffs and Class Members
9 paid for and that were otherwise mandated by federal, state, and local laws and industry
10 standards.

11 119. Defendants should be compelled to provide for the benefit of Plaintiffs and
12 Class Members all unlawful proceeds received by it because of the conduct and Data
13 Breach alleged herein.

14 **COUNT V**

15 **BREACH OF IMPLIED CONTRACT**

16 ***(On Behalf of Plaintiffs and the Nationwide Class)***

17 120. Plaintiffs reallege and incorporate by reference all allegations of the
18 preceding factual allegations as though fully set forth herein.

19 121. Defendants required Plaintiffs and Class Members to provide or authorize
20 the transfer of their Private Information for Defendants to provide services. In exchange,
21 Defendants entered implied contracts with Plaintiffs and Class Members in which
22 Defendants agreed to comply with its statutory and common law duties to protect
23 Plaintiffs' and Class Members' Private Information and to timely notify them in the event
24 of a data breach.

25 122. Plaintiffs and Class Members would not have provided their Private
26 Information to Defendants had they known that Defendants would not safeguard their
27 Private Information, as promised, or provide timely notice of a data breach.

1 123. Plaintiffs and Class Members fully performed their obligations under their
2 implied contracts with Defendants.

3 124. Defendants breached the implied contracts by failing to safeguard Plaintiffs’
4 and Class Members’ Private Information and by failing to provide them with timely and
5 accurate notice of the Data Breach.

6 125. The losses and damages Plaintiffs and Class Members sustained (as
7 described above) were the direct and proximate result of Defendants’ breach of its
8 implied contracts with Plaintiffs and Class Members.

9 **COUNT VI**

10 **VIOLATION OF THE CALIFORNIA CONSUMER PRIVACY ACT OF 2018**

11 **Cal. Civ. Code §§ 1798.100 et seq. (“CCPA”)**

12 ***(On Behalf of the California Subclass)***

13 126. Plaintiffs reallege and incorporate all previous allegations as though fully set
14 forth herein.

15 127. As more personal information about consumers is collected by businesses,
16 consumers’ ability to properly protect and safeguard their privacy has decreased.
17 Consumers entrust businesses with their personal information on the understanding that
18 businesses will adequately protect it from unauthorized access.

19 128. As a result, in 2018, the California Legislature passed the CCPA, giving
20 consumers broad protections and rights intended to safeguard their personal information.
21 Among other things, the CCPA imposes an affirmative duty on certain businesses that
22 maintain personal information about California residents to implement and maintain
23 reasonable security procedures and practices that are appropriate to the nature of the
24 information collected.

25 129. Defendants are subject to the CCPA and failed to implement such procedures
26 which resulted in the Data Breach.

1 130. Section 1798.150(a)(1) of the CCPA provides: “Any consumer whose
2 nonencrypted or nonredacted personal information, as defined [by the CCPA] is subject
3 to an unauthorized access and exfiltration, theft, or disclosure because of the business’
4 violation of the duty to implement and maintain reasonable security procedures and
5 practices appropriate to the nature of the information to protect the personal information
6 may institute a civil action for” statutory or actual damages, injunctive or declaratory
7 relief, and any other relief the court deems proper.

8 131. Plaintiffs are “consumers” as defined by Civ. Code § 1798.140(g) because
9 they are natural persons residing in the state of California.

10 132. Defendants are a “business” as defined by Civ. Code § 1798.140(c).

11 133. The CCPA provides that “personal information” includes “[a]n individual’s
12 first name or first initial and the individual’s last name in combination with any one or
13 more of the following data elements, when either the name or the data elements are not
14 encrypted or redacted . . . (iii) Account number or credit or debit card number, in
15 combination with any required security code, access code, or password that would permit
16 access to an individual’s financial account.” See Civ. Code § 1798.150(a)(1); Civ. Code
17 § 1798.81.5(d)(1)(A).

18 134. Plaintiffs’ Private Information compromised in the Data Breach constitutes
19 “personal information” within the meaning of the CCPA.

20 135. Through the Data Breach, Plaintiffs’ private information was accessed
21 without authorization, exfiltrated, and stolen by criminals in a nonencrypted and/or
22 nonredacted format.

23 136. The Data Breach occurred because of Defendants’ failure to implement and
24 maintain reasonable security procedures and practices appropriate to the nature of the
25 information.

26 137. Simultaneously herewith, Plaintiffs are providing notice to Defendants
27 pursuant to Cal. Civ. Code § 1798.150(b)(1), identifying the specific provisions of the
28

1 CCPA. Plaintiffs allege Defendants have violated or are violating. Although a cure is not
2 possible under the circumstances, if (as expected) Defendants are unable to cure or do
3 not cure the violation within 30 days, Plaintiffs will amend this Complaint to pursue
4 actual or statutory damages as permitted by Cal. Civ. Code § 1798.150(a)(1)(A).

5 138. As a result of Defendants' failure to implement and maintain reasonable
6 security procedures and practices that resulted in the Data Breach, Plaintiffs seek
7 statutory damages of up to \$750 per class member (and no less than \$100 per class
8 member), actual damages to the extent they exceed statutory damages, injunctive and
9 declaratory relief, and any other relief as deemed appropriate by the Court.

10 **COUNT VII**

11 **VIOLATION OF THE CALIFORNIA CONSUMER LEGAL REMEDIES ACT**

12 **Cal. Civ. Code §§ 1750 et seq. ("CLRA")**

13 ***(On Behalf of the California Subclass)***

14 139. Plaintiffs reallege and incorporate by reference every allegation contained
15 elsewhere in this Complaint as if fully set forth herein.

16 140. This cause of action is brought pursuant to the California Consumers Legal
17 Remedies Act (the "CLRA"), California Civil Code § 1750, et seq. This cause of action
18 does not seek monetary damages currently and is limited solely to injunctive relief.
19 Plaintiffs will later amend this Complaint to seek damages in accordance with the CLRA
20 after providing Defendants with notice required by California Civil Code § 1782.

21 141. Plaintiffs and Class Members are "consumers," as the term is defined by
22 California Civil Code § 1761(d).

23 142. Plaintiffs, Class Members and Defendants have engaged in "transactions," as
24 that term is defined by California Civil Code § 1761(e).

25 143. The conduct alleged in this Complaint constitutes unfair methods of
26 competition and unfair and deceptive acts and practices for the purpose of the CLRA,
27 and the conduct undertaken by Defendants was likely to deceive consumers.

1 144. Cal. Civ. Code § 1770(a)(5) prohibits one who is involved in a transaction
2 from “[r]epresenting that goods or services have sponsorship, approval, characteristics,
3 ingredients, uses, benefits, or quantities which they do not have.”

4 145. Defendants violated this provision by representing that Defendants took
5 appropriate measures to protect Plaintiffs’ and the Class Members’ Private Information
6 Additionally, Defendants improperly handled, stored, or protected either unencrypted or
7 partially encrypted data.

8 146. As a result, Plaintiffs and the Class Members were induced to provide their
9 Private Information to Defendants.

10 147. As a result of engaging in such conduct, Defendants have violated Civil Code
11 § 1770.

12 148. Pursuant to Civil Code § 1780(a)(2) and (a)(5), Plaintiffs seek an order of
13 this Court that includes, but is not limited to, an order enjoining Defendants from
14 continuing to engage in unlawful, unfair, or fraudulent business practices or any other act
15 prohibited by law.

16 149. Plaintiffs and the Class Members suffered injuries caused by Defendants’
17 misrepresentations, because they provided their Private Information believing that
18 Defendants would adequately protect this information.

19 150. Plaintiffs and Class Members may be irreparably harmed and/or denied an
20 effective and complete remedy if such an order is not granted.

21 151. The unfair and deceptive acts and practices of Defendants, as described
22 above, present a serious threat to Plaintiffs and members of the Class.

23 ///

24 ///

25 ///

26 ///

27 ///

28

COUNT VIII

VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW Cal. Bus.

and Prof. Code §§ 17200, et seq. (“UCL”)

(On Behalf of the California Subclass)

152. Plaintiffs re-allege and incorporate by reference all preceding factual allegations as though fully set forth herein.

153. Plaintiffs bring this claim on behalf of themselves and the California Class.

154. The California Unfair Competition Law, Cal. Bus. & Prof. Code §17200, et seq. (“UCL”), prohibits any “unlawful,” “fraudulent” or “unfair” business act or practice and any false or misleading advertising, as defined by the UCL and relevant case law.

155. By reason of Defendants’ above-described wrongful actions, inaction, and omission, the resulting Data Breach, and the unauthorized disclosure of Plaintiffs’ and Class Members’ Private Information, Defendants engaged in unlawful, unfair, and fraudulent practices within the meaning of the UCL.

156. Defendants’ business practices as alleged herein are unfair because they offend established public policy and are immoral, unethical, oppressive, unscrupulous, and substantially injurious to consumers, in that the private and confidential Private Information of consumers has been compromised for all to see, use, or otherwise exploit.

157. Defendants’ practices were unlawful and in violation of the CCPA and CLRA and Defendants’ own privacy policy because Defendants failed to take reasonable measures to protect Plaintiffs’ and Class Members’ Private Information.

158. Defendants’ business practices as alleged herein are fraudulent because they are likely to deceive consumers into believing that the Private Information they provide to Defendants will remain private and secure, when in fact it was not private and secure.

159. Plaintiffs and Class Members suffered (and continue to suffer) injury in fact and lost money or property as a direct and proximate result of Defendants’ above-

1 described wrongful actions, inaction, and omissions including, inter alia, the
2 unauthorized release and disclosure of their Private Information.

3 160. Defendants’ above-described wrongful actions, inaction, and omissions, the
4 resulting Data Breach, and the unauthorized release and disclosure of Plaintiffs’ and
5 Class Members’ Private Information also constitute “unfair” business acts and practices
6 within the meaning of Cal. Bus. & Prof. Code § 17200 et seq., in that Defendants’ conduct
7 was substantially injurious to Plaintiffs and Class Members, offensive to public policy,
8 immoral, unethical, oppressive, and unscrupulous, and the gravity of Defendants’
9 conduct outweighs any alleged benefits attributable to such conduct.

10 161. But for Defendants’ misrepresentations and omissions, Plaintiffs and Class
11 Members would not have provided their Private Information to Defendants or would have
12 insisted that their Private Information be more securely protected.

13 162. As a direct and proximate result of Defendants’ above-described wrongful
14 actions, inaction, and omissions, the resulting Data Breach, and the unauthorized release
15 and disclosure of Plaintiffs and Class Members’ Private Information, they have been
16 injured as follows: (1) the loss of the opportunity to control how their Private Information
17 is used; (2) the diminution in the value and/or use of their Private Information entrusted
18 to Defendants; (3) the increased, imminent risk of fraud and identity theft; (4) the
19 compromise, publication, and/or theft of their Private Information; and (5) costs
20 associated with monitoring their Private Information, amongst other things.

21 163. Plaintiffs take upon themselves enforcement of the laws violated by
22 Defendants in connection with the reckless and negligent disclosure of Private
23 Information. There is a financial burden incurred in pursuing this action and it would be
24 against the interests of justice to penalize Plaintiffs by forcing them to pay attorneys’ fees
25 and costs from the recovery in this action. Therefore, an award of attorneys’ fees and
26 costs is appropriate under California Code of Civil Procedure § 1021.5.

27 ///

1 **PRAYER FOR RELIEF**

2 **WHEREFORE**, Plaintiffs, individually and on behalf of the Class, pray for
3 judgment as follows:

- 4 a. For an Order certifying this action as a class action and appointing
5 Plaintiffs and their counsel to represent the Class;
- 6 b. For equitable relief enjoining Defendants from engaging in the wrongful
7 conduct complained of herein pertaining to the misuse and/or disclosure of
8 Plaintiffs’ and Class Members’ Private Information;
- 9 c. For equitable relief compelling Defendants to utilize appropriate methods
10 and policies with respect to consumer data collection, storage, and safety,
11 and to disclose with specificity the type of Private Information
12 compromised during the Data Breach;
- 13 d. For an order requiring Defendants to pay for credit monitoring services for
14 Plaintiffs and the Class of a duration to be determined at trial;
- 15 e. For an award of actual damages, compensatory damages, statutory
16 damages, and statutory penalties, in an amount to be determined, as
17 allowable by law;
- 18 f. For an award of punitive damages, as allowable by law;
- 19 g. For an award of attorneys’ fees and costs, and any other expense, including
20 expert witness fees;
- 21 h. Pre- and post-judgment interest on any amounts awarded; and
- 22 i. Such other and further relief as this court may deem just and proper.

23 **JURY TRIAL DEMANDED**

24 Plaintiffs demand a trial by jury on all claims so triable.
25
26
27
28

1 Dated: May 29, 2024

CLARKSON LAW FIRM, P.C.

2 */s/ Yana Hart*

3 Ryan J. Clarkson, Esq.

4 Yana Hart, Esq.

5 Tiara Avanness, Esq.

6 22525 Pacific Coast Highway

7 Malibu, CA 90265

8 Tel: (213) 788-4050

9 rclarkson@clarksonlawfirm.com

10 yhart@clarksonlawfirm.com

11 tavaness@clarksonlawfirm.com

12 *Attorneys for Plaintiffs and the Proposed Classes*