

1 **KALIELGOLD PLLC**
Sophia G. Gold (SBN: 307971)
2 sgold@kalielgold.com
3 Amanda J. Rosenberg (SBN 278507)
arosenberg@kalielgold.com
4 490 43rd Street, Suite 122
Oakland, CA 94609
5 Telephone: (202) 350-4783

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6 **KALIELGOLD PLLC**
Jeffrey D. Kaliel (SBN 238293)
7 1100 15th Street NW, 4th Floor
8 Washington, D.C. 20005
Telephone: (202) 350-4783
9 jkaliel@kalielpllc.com

10 *(additional counsel on signature page)*
11 *Attorneys for Plaintiff and the Putative Class*

12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

13 **COUNTY OF SAN FRANCISCO**

CGC-26-634729

14 IAN COMFORT, on behalf of himself and all) Case No:
15 others similarly situated,)
16 Plaintiff,) **CLASS ACTION COMPLAINT**
17 v.) **JURY TRIAL DEMANDED**
18 APPFOLIO, INC.,)
19 Defendant.)
20)

21
22 Plaintiff Ian Comfort (“Plaintiff”) brings this action on behalf of himself and all others
23 similarly situated against Defendant AppFolio, Inc. (“Defendant” or “AppFolio”), and states:

24 **NATURE OF THE ACTION**

25 1. There is a cost-of-living crisis in our country, one that is especially acute in the housing
26 market. One reason is the relentless imposition of add-on fees in excess of advertised rental rates—
27 including “pay to pay” fees like those at issue in this Complaint, wherein consumers are charged add-
28 on junk fees by third party middlemen merely for doing what they are required to do under the terms

1 of their residential leases: make their rent payments.

2 2. Plaintiff brings this putative class action lawsuit seeking monetary damages,
3 restitution and public injunctive relief arising from Defendant’s deceptive and unfair imposition of
4 junk “Transaction Fees” on rent payments completed through Defendant’s online platform.

5 3. The Transaction Fee is added at the very last step of the checkout process, using a
6 “negative option” process. This process—condemned by the Federal Trade Commission (“FTC”) as
7 inherently deceptive—automatically lards online checkout flows with supposedly optional junk fees,
8 then forces consumers to find a way to remove them. Worse, Defendant provides no fair disclosure
9 on how to remove the add-on fees.

10 4. Defendant’s fee is a classic example of a company-imposed “junk fee” that serves
11 solely as a profit generator for Defendant while providing no added value to consumers.

12 5. Defendant’s Transaction Fee is deceptive because Defendant does not inform
13 consumers that they are subject to this additional fee that, in fact, is not permitted by their residential
14 leases.

15 6. Indeed, the Transaction Fee amounts to additional, unexpected rent for tenants that is
16 undisclosed in lease agreements. Defendant’s knowing and intentional imposition of Transaction Fees
17 over and above the contracted-for rent constitutes a tortious interference with contract.

18 7. Plaintiff and Class members are injured by Defendant’s deceptive, unfair and illegal
19 practices. Plaintiff brings this action on behalf of himself and a putative Class and seeks actual
20 damages, restitution and injunctive relief on behalf of the general public to prevent Defendant from
21 continuing to engage in its illegal practices described herein.

22 **PARTIES**

23 8. Plaintiff Ian Comfort is a citizen and resident of San Francisco, California. At all
24 relevant times alleged herein, he was a tenant of a property in San Francisco, California and was
25 assessed a Transaction Fee for paying rent payments through AppFolio’s platform.

26 9. Defendant is a Delaware corporation headquartered in Goleta, California. Defendant
27 provides property management software and services in the real estate industry. Defendant offers
28

1 several products to residential and commercial clients worldwide, including an online rent payment
2 portal.

3 **JURISDICTION, VENUE AND GOVERNING LAW**

4 10. This Court has jurisdiction over Defendant and the claims set forth below pursuant to
5 Code of Civil Procedure § 410.10 and the California Constitution, Article VI § 10 because this case
6 is a cause not given by statute to the other trial courts.

7 11. Plaintiff is informed and believes that the State of California has personal jurisdiction
8 over Defendant because Defendant is a corporation authorized to conduct and does conduct business
9 in this State. Defendant maintains its corporate headquarters in California and is registered with the
10 California Secretary of State to do sufficient business with sufficient minimum contacts in California,
11 and/or otherwise intentionally avails itself of the California market by conducting business throughout
12 California, including in the County of San Francisco, which has caused both obligations and liability
13 of Defendant to arise here.

14 12. Venue is proper in this Court as relevant transaction(s) occurred in this County.

15 13. Unless otherwise alleged herein, each of Plaintiff's claims brought on behalf of the
16 Nationwide Class are governed by the laws of the State of California because Defendant's misconduct
17 emanates from its corporate headquarters in California.

18 **I. FACTUAL BACKGROUND AND GENERAL ALLEGATIONS**

19 **A. Overview of AppFolio**

20 14. AppFolio contracts with property management companies throughout the country to
21 provide various marketing, leasing and resident services. Defendant's services include providing an
22 online payment processing platform for collecting rent payments from consumers.

23 15. In 2025, AppFolio serviced approximately 9.4 million rental units and 22,096
24 customers.¹

25 _____
26 ¹[https://finance.yahoo.com/news/appfolio-q4-earnings-call-highlights-
27 235532753.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_
28 eferrer_sig=AQAAAF6q6sJEUOqyjE6zpSIEceKa5Lfc8X8Wf1ClyHxHW7ZzWW01Ib7DmA6-](https://finance.yahoo.com/news/appfolio-q4-earnings-call-highlights-235532753.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAF6q6sJEUOqyjE6zpSIEceKa5Lfc8X8Wf1ClyHxHW7ZzWW01Ib7DmA6-)

1 16. Defendant’s online payment processing platform is how Plaintiff and Class members
2 paid their rent and were assessed the Transaction Fee.

3 17. Consumers making their rental payments through Defendant’s platform are
4 automatically charged the Transaction Fee and are not informed of the amount Defendant charges for
5 the Transaction Fee until the final “Confirm” payment screen.

6 18. At no point during the rental payment process are consumers informed of alternative
7 means to pay their rent to avoid the Transaction Fee, leading consumers to believe the fee is
8 mandatory and unavoidable.

9 19. This pre-selection and automatic opting-in of consumers to junk fees is itself
10 deceptive.

11 20. Defendant’s inadequate and untimely disclosure of the Transaction Fee, as well as
12 Defendant’s failure to adequately inform consumers of alternative ways to pay their rent to avoid the
13 Transaction Fee, render the Transaction Fee nothing more than a junk fee couched in an unlawful
14 pay-to-pay scheme.

15 21. Upon information and belief, Defendant is aware that, by programming its online
16 payment platform with a “negative option” to automatically opt-in consumers to pay Transaction
17 Fees, it ensures that most consumers will unknowingly pay them. On information and belief,
18 Defendant is further aware that, had it programmed its online platform to offer an *optional*
19 Transaction Fee (requiring an opt-in or providing fairly disclosed options to remove or avoid such
20 fees), the vast majority of consumers would not pay the Transaction Fee.

21 22. As the FTC notes, “[f]or years, unscrupulous direct-mail and brick-and-mortar
22 retailers have used design tricks and psychological tactics such as pre-checked boxes, hard-to-find-
23 and read disclosures, and confusing cancellation policies, to get consumers to give up their money or
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8q0EmiK89qHElGFD4HDqIqCx7HQp26KPN71bnwhSHn4CQnpsltugOUZJDTdArCkhDwekOjIG
1SJULotg3ajYPMe9r0xVIFcnm2950pwpWvA2zLaVnRcp.

1 data.”² The FTC further notes in its *Enforcement Policy Statement Regarding Negative Option*
2 *Marketing* that “[a] ‘pre-checked box’ does not constitute affirmative consent.”³

3 **B. The Rise of Junk Fees in Renting**

4 23. The proliferation of rental housing junk fees like Defendant’s Transaction Fee has
5 negatively impacted millions of renter households nationwide.⁴

6 24. Additional, undisclosed fees tacked onto rent payments pose a real threat to
7 consumers’ financial stability, particularly considering that they force tenants to spend significant and
8 unbudgeted sums of money each month on top of rent.⁵

9 25. “Commonly referred to as ‘junk fees’, these [Transaction] fees can be undisclosed,
10 unpredictable, and arbitrary and can quickly accumulate for tenants, putting safe and decent rental
11 housing even more out of reach.”⁶ These “surprise fees are imposed for services with little to no
12 value,” and “add up quickly, rendering advertised rental prices inaccurate and sometimes forcing
13 tenants to spend hundreds of dollars each month on top of rents.”⁷

14 26. In 2022, the National Consumer Law Center (“NCLC”) conducted a survey of legal
15 services and nonprofit attorneys throughout the country which examined various types of rental junk
16 fees charged to renters in the rental housing market.⁸ The survey revealed that 60% of respondents

17
18 ² *FTC Report Shows Rise in Sophisticated Dark Patterns Designed to Trick and Trap Consumers*,
19 Sept. 15, 2022 (available at <https://www.ftc.gov/news-events/news/press-releases/2022/09/ftc-report-shows-rise-sophisticated-dark-patterns-designed-trick-trap-consumers>).

20 ³[https://www.ftc.gov/system/files/documents/public_statements/1598063/negative_option_policy_](https://www.ftc.gov/system/files/documents/public_statements/1598063/negative_option_policy_statement-10-22-2021-tobureau.pdf)
21 [statement-10-22-2021-tobureau.pdf](https://www.ftc.gov/system/files/documents/public_statements/1598063/negative_option_policy_statement-10-22-2021-tobureau.pdf) at p. 13 (emphasis added).

22 ⁴ *“What the Heck, Dude!”*, *How States Can Fight Rental Housing Junk Fees*, National Consumer
23 Law Center, Sept. 2024, available at https://www.nclc.org/wp-content/uploads/2024/09/202409_Report_What-the-Heck-Dude.pdf at pp. 5-7.

24 ⁵ *Junk Fees Toolkit*, National Low Income Housing Coalition (“NLIHC”) State and Local Tenant
25 Protection Series: A Primer on Renters’ Rights, available at https://nlihc.org/sites/default/files/2022-07/SLI_Rental_Fees_Toolkit.pdf at p. 7.

26 ⁶ *Id.* at p. 3.

27 ⁷ *Id.* at p. 6.

28 ⁸ *Too Damn High, How Junk Fees Add to Skyrocketing Rents*, National Consumer Law Center, Mar.
2023, available at <https://www.nclc.org/wp-content/uploads/2023/03/JunkFees-Rpt.pdf>.

1 from 23 states observed convenience fees, and that “[s]ome housing providers no longer accept
2 payment in person or by check, meaning that tenants have to pay their rent online,” and often times,
3 must do so “through third-party companies,” like Defendant, “that charge fees.”⁹

4 27. Defendant’s failure to include its rental junk fees in the total cost of the advertised
5 monthly rental rate is problematic—“While a renter may be able to manage and plan for high rents if
6 they know about them in advance, they may not be expecting an array of junk fees, which could push
7 them over their budgets.”¹⁰

8 28. Indeed, the FTC recently issued a warning to rental management software companies,
9 including Defendant, that its practices may be unfair and deceptive. Specifically, the FTC stated:

10 The FTC is committed to rooting out anticompetitive, unfair and deceptive acts or
11 practices in the rental housing market. Consumers who search for potential rental
12 housing units cannot meaningfully compare alternative choices without
13 understanding the total price required to rent the advertised properties. When
14 consumers do not know the total price of the advertised properties—or any
15 product—they cannot make informed decisions, and the market cannot operate as
16 efficiently as it otherwise would. And unfair and deceptive acts in the rental housing
17 market in a time when hard-working Americans continue to suffer the effects of the
18 Biden Administration’s cost-of-living crisis are especially harmful to consumers
19 and markets.

20 Available information suggests that property management software providers are
21 limiting the ability of rental property managers and owners to accurately advertise
22 the total monthly rental price, inclusive of all mandatory fees. Property
23 management software programs may cause consumer harm and harm to
24 competition in the rental housing market when they do not accurately display
25 complete pricing information across websites hosted on their platforms, or where
26 they restrict property owners’ and managers’ ability to aggregate or convey
27 accurate cost information to consumers on third-party listing sites.¹¹

26 ⁹ *Id.* at pp. 17-18.

27 ¹⁰ *Id.* at p. 6.

28 ¹¹ *See Exhibit 1* (footnotes omitted).

1 29. Thus, the FTC warned property management software providers, including Defendant,
2 to comprehensively review their practices to ensure consumers are provided “with transparent rental
3 prices.”¹²

4 30. But Defendant’s Transaction Fees impede that effort.

5 31. The consequences of these junk fees are significant. As a leading player in the third-
6 party rental payment processing industry recently acknowledged in a July 31, 2025, blog post,
7 “[a]lmost half (49.7%) of renters spend over 30% of their income on housing, and nearly a quarter
8 are severely burdened, paying more than half. That’s a lot of people and money. The overall cost of
9 renting, including utilities and other basic housing costs, has increased by 3.8% year-over-year—the
10 largest annual real increase in rental costs since at least 2011. That, alongside an increase in grocery,
11 gas, and utility expenses, makes it nearly impossible to have any financial breathing room—but rent
12 waits for no one. Unfortunately, this could mean late fees, overdraft charges, or even falling behind
13 on rent.”¹³

14 32. Despite the financial hardships consumers face in order to meet their monthly rental
15 obligations, Defendant nevertheless charges these same consumers a Transaction Fee to make their
16 monthly rental payments.

17 **C. Defendant Charges Consumers Transaction Fees for Processing Rent Payments**

18 33. Defendant charges consumers a pay-to-pay Transaction Fee on rent payments in an
19 amount beyond the price of consumers’ monthly rent obligations.

20 34. Defendant’s Transaction Fee is deceptive because Defendant does not inform
21 consumers that it is charging a fee that is not already included in their residential leases, nor does it
22 inform consumers that the fee is not permitted by their leases.

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27 ¹² *See id.*

28 ¹³ <https://www.rentcafe.com/blog/apartmentliving/tips-tricks-renters/managing-flexible-rent-payments/> (last accessed Feb. 1, 2026).

1 35. Defendant’s Transaction Fee is not tethered to any actual processing or expense, nor
2 does it constitute any service that is not reasonably already included in a residential lease, *viz.*, the
3 ability to make a payment under that lease. Instead, the fee is a pure profit generator for Defendant.

4 36. Reasonable consumers like Plaintiff understand the advertised cost for monthly rent
5 to be the total cost of their rent obligation as represented—not the total cost of monthly rent *plus* an
6 additional, undisclosed charge. In other words, Defendant’s Transaction Fee amounts to additional,
7 unexpected rent for tenants over and above the amount they contracted for.

8 **D. Defendant’s Transaction Fee is a Junk Fee that Violates Federal Guidance and**
9 **State Consumer Protection Laws**

10 37. Defendant’s Transaction Fee is precisely the type of “junk fee” that has come under
11 government scrutiny in recent years:

12 Junk fees are fees that are mandatory but not transparently disclosed to consumers.
13 Consumers are lured in with the promise of a low price, but when they get to the
14 register, they discover that price was never really available. Junk fees harm
15 consumers and actively undermine competition by making it impractical for
16 consumers to compare prices, a linchpin of our economic system.¹⁴

17 38. As the Federal Trade Commission said recently in its effort to combat junk fees:

18 [M]any consumers said that sellers often do not advertise the total amount they will
19 have to pay, and disclose fees only after they are well into completing the
20 transaction. They also said that sellers often misrepresent or do not adequately
21 disclose the nature or purpose of certain fees, leaving consumers wondering what
22 they are paying for or if they are getting anything at all for the fee charged.¹⁵

23 39. In a press release, FTC Chair Lina M. Khan has articulated the financial harm to
24 consumers arising from fees like Defendant’s:

25 It’s beyond frustrating to end up spending more than you budgeted because of
26 _____

27 ¹⁴ The White House, [The Price Isn’t Right: How Junk Fees Cost Consumers and Undermine Competition](https://bidenwhitehouse.archives.gov/cea/written-materials/2024/03/05/the-price-isnt-right-how-junk-fees-cost-consumers-and-undermine-competition/), Mar. 5, 2024, available at <https://bidenwhitehouse.archives.gov/cea/written-materials/2024/03/05/the-price-isnt-right-how-junk-fees-cost-consumers-and-undermine-competition/>.

28 ¹⁵ Federal Trade Commission, [FTC Proposes Rule to Ban Junk Fees – Proposed rule would prohibit hidden and falsely advertised fees](https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-proposes-rule-ban-junk-fees), Oct. 11, 2023, available at <https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-proposes-rule-ban-junk-fees>.

1 random, arbitrary fees. No one has ever felt that a “convenience fee” was
2 convenient. Companies should compete to provide the best quality at the best price,
3 not to see who can squeeze the most added expenses out of consumers. That’s
especially true at a time when families are struggling with the effects of inflation.¹⁶

4 40. In July 2024, California expanded its Consumers Legal Remedies Act (“CLRA”) by
5 amending to make “drip pricing” illegal, which involves advertising a price that is less than the actual
6 price that a consumer will have to pay for a good or service. Cal. Civ. Code § 1770(a)(29). Under the
7 new California law, dubbed the “Honest Pricing Law,” it is now illegal to advertise a price for a
8 product, only for that produce to be subject to additional or mandatory fees later. In other words, “the
9 price listed or advertised to the consumer must be the full price that the consumer is required to pay.”¹⁷

10 As the California Department of Justice stated:

11 Businesses are free to explain how they set their prices or to *subsequently* itemize the
12 charges that make up the total price that they charge customers. However, the price
13 they advertise or display must be the total price that customers will have to pay for the
14 good or service. Knowing the price of a good of service is essential to competition,
and displaying a price that is less than what the customer will actually be charged is
deceptive.¹⁸

15 41. Despite the decision to codify of the Honest Pricing Law, the California legislature
16 acknowledged in the preamble to the Honest Pricing Act that “drip pricing, which involves advertising
17 a price that is less than the actual price that a consumer will have to pay for a good or service[,]” “like
18 other forms of bait and switch advertising, **is prohibited by existing statutes, including the [UCL]**
19 **and the [FAL].”**¹⁹

20 42. Defendant violates federal guidance and state consumer protection laws by charging
21 the Transaction Fee for processing rent payments on its platform.

23 ¹⁶ Federal Trade Commission, Federal Trade Commission Explores Rule Cracking Down on Junk
24 Fees, Oct. 20, 2022, available at <https://www.ftc.gov/news-events/news/press-releases/2022/10/federal-trade-commission-explores-rule-cracking-down-junk-fees>.

25 ¹⁷ See California Department of Justice, Office of the Attorney General, *SB 478 Frequently Asked*
26 *Questions*, available at <https://oag.ca.gov/system/files/attachments/press-docs/SB%20478%20FAQ%20%28B%29.pdf> (last accessed Mar. 3, 2026).

27 ¹⁸ *Id.* at p. 4 (emphasis added).

28 ¹⁹ 2023 Cal. Legis. Serv. Ch. 400 (S.B. 478) (emphasis added).

1 **E. Plaintiff's Experience**

2 43. Since approximately August 2021, Plaintiff rented an apartment in San Francisco,
3 California and pays his rent each month via automatic payment from his bank account through
4 Defendant's online platform.

5 44. When Plaintiff first set up his automatic payment through Defendant's online platform,
6 he was not charged a Transaction Fee. However, beginning July 31, 2023, Defendant unlawfully
7 charged him with the Transaction Fee without obtaining affirmative consent to do so.

8 45. For example, on September 1, 2025, Plaintiff automatically paid his monthly rent and
9 was charged a \$2.49 Transaction Fee from Defendant. This Transaction Fee was automatically added
10 to Plaintiff's total.

11 46. Plaintiff reasonably believed the fee was a mandatory fee that he was required to pay
12 in order to pay his monthly rent on Defendant's platform.

13 47. At no time during the payment transaction did Defendant adequately or transparently
14 present the Transaction Fee as an optional charge.

15 48. Plaintiff relied on Defendant's misrepresentations and omissions about Defendant's
16 Transaction Fee in making his rent payment.

17 49. Had Plaintiff known that he would be charged a useless Transaction Fee for making
18 his rent payment, or that the fee was avoidable, he would have chosen some other method to make
19 his rent payment.

20 **II. PLAINTIFF'S CLAIMS SOUNDING IN FRAUD ARE ALLEGED WITH**
21 **SPECIFICITY**

22 50. Defendant is in the best position to know what content it placed on its platform during
23 the relevant timeframe, and the knowledge it had regarding the Transaction Fee and related
24 disclosures, to the extent necessary, Plaintiff satisfies the pleading requirements for claims sounding
25 in fraud by alleging the following facts with particularity:

26 51. **WHO:** Defendant unlawfully, unfairly, deceptively and/or misleadingly imposed the
27 Transaction Fee on consumers paying their rent.

28

1 52. **WHAT:** Defendant’s conduct was, and continues to be, fraudulent because it hid,
2 concealed, obfuscated or otherwise disguised additional charges to consumers paying their rent.
3 Defendant’s conduct deceived Plaintiff and Class members into believing that the Transaction Fee is
4 mandatory when paying their rent, when in reality the Transaction Fee is untimely disclosed,
5 misleadingly disclosed, excessive and unlawfully charged. At all times relevant to this action, Plaintiff
6 and Class members utilized Defendant’s platform to make rental payments where Defendant then
7 imposed the Transaction Fee. Defendant charged the Transaction Fee to all consumers paying their
8 rent using a one-time electronic payment method. Defendant failed to post, display or otherwise
9 adequately disclose the Transaction Fee to consumers during the signing of their lease agreements or
10 during the rental payment process. Defendant knew, or should have known, that it failed to adequately
11 disclose the Transaction Fee and that this fee is material to reasonable consumers, including Plaintiff
12 and Class members. The Transaction Fee is a sham, a classic “junk fee.” Any “service” purportedly
13 provided by Defendant, which is allowing consumers to pay for their rent, is a core part of the aspect
14 of the service Defendant is required to provide. The Transaction Fee is merely a second payment—
15 in the form of a junk fee—for the convenience that consumers are already paying for.

16 53. **WHEN:** Defendant engaged in these unlawful, unfair, deceptive or otherwise
17 misleading practices during the putative Class periods and at the time Plaintiff and Class members
18 signed their lease agreements and made rental payments through Defendant’s platform, prior to and
19 at the time Plaintiff and Class members made claims after realizing the unlawful junk fee, and
20 continuously throughout the applicable Class periods.

21 54. **WHERE:** Defendant’s unlawful, unfair and deceptive junk fee was uniformly applied
22 to consumers who made rental payments through Defendant’s platform. Defendant’s website,
23 advertising and other marketing materials similarly failed to explain or otherwise disclose the
24 Transaction Fee being charged.

25 55. **HOW:** Defendant hid, obfuscated or otherwise concealed from consumers the
26 imposition of the Transaction Fee by describing the junk fee as an “Transaction Fee” in order to
27 prevent consumers from discovering the additional charges. Even if consumers were to discover the
28

1 Transaction Fee through their own investigation, Defendant failed to explain or adequately disclose
2 the nature of the Transaction Fee or reasonable alternatives to paying this fee, or why it was imposed.

3 56. **WHY:** Defendant engages in its unlawful, unfair and deceptive junk fee scheme in
4 order to induce Plaintiff, Class members and all reasonable consumers to pay the undisclosed and
5 unlawful Transaction Fee, resulting significant revenues for Defendant.

6 57. **INJURY:** Plaintiff and Class members paid a premium or otherwise paid more for
7 their rent when they otherwise would not have absent Defendant's misrepresentations.

8 **III. TOLLING AND ESTOPPLE OF STATUTE OF LIMITATIONS**

9 58. For years Defendant had actual knowledge that it hid, obfuscated or otherwise
10 concealed from consumers the imposition of the Transaction Fee by describing the junk fee as an
11 "Transaction Fee" in order to prevent consumers from discovering the additional charges. Even if
12 consumers were to discover the Transaction Fee through their own investigation, Defendant failed to
13 explain or adequately disclose the nature of the Convenience Fee or reasonable alternatives to paying
14 this fee, or why it was imposed.

15 59. Defendant has a duty to accurately disclose the fees it charges to consumers. Yet
16 despite its duty and knowledge, Defendant misrepresented the Transaction Fee, knowing that it had
17 no basis to do so.

18 60. Defendant made, and continues to make, affirmative misrepresentations to consumers
19 to continue to profit off the pay-to-pay Transaction Fee scheme.

20 61. Defendant misrepresented material facts that are important to Plaintiff and Class
21 members in deciding the manner in which they pay their rent. Defendant's misrepresentations were
22 knowing, and it intended to, and did, deceive reasonable consumers, including Plaintiff and Class
23 members.

24 62. As a result, Plaintiff and Class members reasonably relied upon Defendant's
25 affirmative misrepresentations of these material facts and suffered injury as a proximate result of that
26 justifiable reliance.

27 63. The true extent and nature of the Transaction Fee as a junk fee was not reasonably
28 detectible to Plaintiff and Class members.

1 During the fullest period allowed by law, all persons who were charged a
2 Transaction Fee by Defendant in the State of California when making a rent
3 payment (the “California Subclass”).

4 71. The Nationwide Class and California Subclass are collectively referred herein as the
5 “Class.”

6 72. Excluded from the Class are Defendant, its subsidiaries and affiliates, officers,
7 directors and members of their immediate families and any entity in which Defendant has a
8 controlling interest, the legal representatives, heirs, successors or assigns of any such excluded party,
9 the judicial officer(s) to whom this action is assigned and the members of their immediate families.

10 73. Plaintiff reserves the right to modify or amend the definition of the proposed Class
11 and/or to add a subclass(es), if necessary, before this Court determines whether certification is
12 appropriate.

13 74. **Numerosity.** The proposed Class is numerous such that joinder is impracticable. Upon
14 information and belief, and subject to class discovery, the Class consists of thousands of members or
15 more, the identity of whom are within the exclusive knowledge of and can be ascertained only by
16 resort to Defendant’s records. The proposed Class is also sufficiently ascertainable because Defendant
17 has the administrative capability through its computer systems and other business records to identify
18 all members of the proposed Class, and such specific information is not otherwise available to
19 Plaintiff.

20 75. **Commonality.** The questions here are ones of common or general interests such that
21 there is a well-defined community of interest among the proposed Class members. These questions
22 predominate over questions that may affect only individual Class members because Defendant acted
23 on grounds generally applicable to the proposed Class. Such common legal or factual questions
24 include, but are not limited to:

- 25 a. Whether Defendant’s Transaction Fee was unfair, unlawful, deceptive or misleading;
- 26 b. Whether Defendant’s Transaction Fee constitutes violations of the laws asserted;
- 27 c. Whether Plaintiff and the Class were harmed by Defendant’s alleged misconduct;
- 28 d. Whether Defendant was unjustly enriched;

- 1 e. Whether Defendant tortiously interfered with Class members' lease agreements;
- 2 f. Whether Plaintiff and the Class are damaged and if so, the proper measure of damages;
- 3 and
- 4 g. Whether an injunction is necessary to prevent Defendant from continuing to engage in
- 5 the wrongful conduct described herein.

6 76. **Typicality.** Plaintiff's claims are typical of the claims of the other proposed Class
7 members in that they arise out of the same wrongful business practice by Defendant, as described
8 herein.

9 77. Plaintiff is a more than adequate representative of the proposed Class in that he has
10 suffered damages because of Defendant's improper business practices. Additionally:

- 11 a. Plaintiff is committed to the vigorous prosecution of this action on behalf of himself
12 and all others similarly situated and retained competent counsel experienced in the
13 prosecution of consumer class actions;
- 14 b. There is no conflict of interest between Plaintiff and the unnamed Class members;
- 15 c. Plaintiff anticipates no difficulty in the management of this litigation as a class action;
- 16 and
- 17 d. Plaintiff's legal counsel has the financial and legal resources to meet the substantial
18 costs and legal issues associated with this type of litigation.

19 78. **Predominance & Superiority.** Common questions of fact or law concerning
20 Defendant's liability to all Class members for charging Transaction Fees on rent payments
21 predominate over any questions affecting only individual Class members. A class action is the
22 superior method for resolving this dispute because it is impracticable to bring proposed Class
23 members' individual claims before the Court, especially where, as here, individual Class members'
24 damages are relatively small. Class treatment also permits many similarly situated persons or entities
25 to prosecute their common claims in a single forum simultaneously, efficiently, and without the
26 unnecessary duplication of evidence, effort, expense, or the possibility of inconsistent or
27 contradictory judgments that numerous individual actions would engender. The benefits of the class
28 action mechanism, including providing injured persons or entities with a method for obtaining redress

1 on claims that might not be practicable to pursue individually, substantially outweigh any difficulties
2 that may arise in the management of this class action. Plaintiff knows of no difficulty to be
3 encountered in the maintenance of this action that would preclude its maintenance as a class action.

4 79. **Final Declaratory or Injunctive Relief.** Defendant acted or refused to act on grounds
5 generally applicable to each member of the Classes, thereby making appropriate final injunctive relief
6 or corresponding declaratory relief with respect to each Class as a whole.

7 80. **Particular Issues.** Plaintiff’s claims consist of particular issues that are common to all
8 members of the Class and are capable of class-wide resolution that will significantly advance the
9 litigation.

10 **CAUSES OF ACTION**

11 **FIRST CAUSE OF ACTION**

12 **California’s Unfair Competition Law (the “UCL”)**

13 **Violation of Cal. Bus. & Prof. Code §§ 17200, *et seq.***

14 ***(By Plaintiff, individually, and on behalf of the Nationwide Class; Alternatively, on behalf of the
California Subclass)***

15 81. Plaintiff, individually, and on behalf of the Nationwide Class and in the alternative the
16 California Subclass, realleges and incorporates paragraphs 1 through 80 as if fully set forth herein.

17 82. California Business & Professions Code §§ 17200, *et seq.*, prohibits acts of “unfair
18 competition,” including any “unlawful, unfair, or fraudulent business act or practice.” Its purpose is
19 to protect both consumers and competitors by promoting fair competition in commercial markets for
20 goods and services. In service of that purpose, the Legislature framed the UCL’s substantive
21 provisions in broad, sweeping language.

22 83. Defendant’s conduct related to charging Transaction Fees on rent payments violates
23 each of the statute’s “unfair,” “unlawful” and “fraudulent” prongs.

24 84. The UCL imposes strict liability. Plaintiff need not prove that Defendant intentionally
25 or negligently engaged in unlawful, unfair or fraudulent business practices—but only that such
26 practices occurred.

27 85. A business act or practice is “unfair” under the UCL if it offends an established public
28 policy or is immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers, and

1 that unfairness is determined by weighing the reasons, justifications and motives of the practice
2 against the gravity of the harm to the alleged victims.

3 86. A business act is “fraudulent” under the UCL if it is likely to deceive the public.

4 87. A business act is “unlawful” under the UCL if it violates any other law or regulation.

5 88. Defendant commits unfair business acts and practices by charging junk “Transaction
6 Fees” which serve no legitimate purpose except profit to Defendant at the expense of consumers.

7 89. Defendant’s acts and practices offend an established public policy in the marketplace
8 and constitute immoral, unethical, oppressive and unscrupulous activities that are substantially
9 injurious to consumers.

10 90. The harm to Plaintiff and the Class outweighs the utility of Defendant’s practices.
11 There were reasonably available alternatives to further Defendant’s legitimate business interests,
12 other than the misleading and deceptive conduct described herein.

13 91. Defendant’s conduct also constitutes an unlawful business practice in violation of Cal.
14 Bus. & Prof. Code §§ 17200, *et seq.*, because, as alleged herein, it also constitutes a violation of
15 sections 1770(a)(5) and (a)(29) of the CLRA, Cal. Civ. Code sections 1750, *et seq.*

16 92. Defendant commits fraudulent business acts and practices in violation of Cal. Bus. &
17 Prof. Code §§ 17200, *et seq.*, by charging fees that provide no added value to consumers, representing
18 that the fees are mandatory without adequately and transparently disclosing payment options to avoid
19 the fees. The financial harm to consumers because of Defendant’s wrongful business practice is
20 substantial.

21 93. Defendant’s business practices have misled Plaintiff and the Class and unless enjoined,
22 will continue to mislead them in the future.

23 94. Plaintiff relied on Defendant’s misrepresentations in making his rent payment. Had he
24 known that he would be charged a useless Transaction Fee for making rent payments, or that the
25 Transaction Fee was avoidable, he would have chosen some other method to make payment.

26 95. As a direct and proximate result of Defendant’s misconduct, Plaintiff and the Class
27 suffered and will continue to suffer actual harm.

28

1 96. Plaintiff and the Class are entitled to restitution of all funds wrongfully obtained by
2 Defendant through its unlawful, fraudulent and unfair business practices as described herein.

3 97. Defendant’s wrongful conduct is ongoing and is part of a pattern of generalized course
4 of conduct repeated on thousands of occasions yearly.

5 98. Plaintiff may be subject to the same wrongful conduct in the future unless Defendant
6 is enjoined. Plaintiff has no adequate remedy at law, in part, because Defendant continues to
7 automatically add Transaction Fees to rent payments made on its platform. Pursuant to Cal. Bus. &
8 Prof. Code § 17203, Plaintiff therefore seeks an injunction on behalf of the general public enjoining
9 Defendant from continuing to engage in the unfair, fraudulent and unlawful business practices
10 described above, or any other act prohibited by law.

11 99. Additionally, Plaintiff and the Class seek an order requiring Defendant to pay
12 attorneys’ fees pursuant to Cal. Civ. Code § 1021.5.

13 **SECOND CAUSE OF ACTION**

14 **California’s Consumers Legal Remedies Act (the “CLRA”)**

15 **Violation of Cal. Civ. Code §§ 1750, et seq.**

16 ***(By Plaintiff, individually, and on behalf of the Nationwide Class; Alternatively on behalf of the
California Subclass)***

17 ***(for injunctive relief only)***

18 100. Plaintiff, individually, and on behalf of the Nationwide Class and in the alternative,
19 the California Subclass, realleges and incorporates paragraphs 1 through 80 as if fully set forth herein.

20 101. Plaintiff and each member of the Class are “consumers” as defined by Cal. Civ. Code
21 section 1761(d). Defendant’s assessment of Transaction Fees on consumers’ rent payments are
22 “transactions” within the meaning of Cal. Civ. Code section 1761(e). Defendant’s rent payment
23 processing service utilized by Plaintiff and the Class are “services” within the meaning of Cal. Civ.
24 Code section 1761(b).

25 102. Defendant violated and continues to violate the CLRA by engaging in the following
26 practices proscribed by Cal. Civ. Code section 1770(a) in transactions with Plaintiff and the Class
27 which were intended to result in, and did result in, rent payment services:

- 28 a. “Misrepresenting the affiliation, connection or association with, or
certification by, another” (a)(3);

- 1 b. “Representing that . . . services have . . . characteristics . . . that they
- 2 do not have” (a)(5);
- 3 c. “Advertising goods or services with intent not to sell them as
- 4 advertised” (a)(9);
- 5 d. “Representing that a transaction confers or involves rights, remedies
- 6 or obligations that it does not have or involve, or that are prohibited
- 7 by law” (a)(14);
- 8 e. “Advertising that a product is being offered at a specific price plus
- 9 a specific percentage of that price unless (A) the total price is set
- 10 forth in the advertisement, which may include, but is not limited to,
- 11 shelf tags, displays and media advertising, in a size larger than any
- 12 other price in that advertisement, and (B) the specific price plus a
- 13 specific percentage of that price represents a markup from the
- 14 seller’s costs or from the wholesale price of the product” (a)(20);
- 15 and
- 16 f. “Advertising, displaying, or offering a price for a . . . service that
- 17 does not include all mandatory fees or charges” (a)(29).

18 103. Specifically, Defendant charged fees that provided no added value to reasonable
19 consumers, misrepresented the mandatory nature of the fees and misrepresented the total cost of
20 Plaintiff’s and Class members’ rent obligations.

21 104. Pursuant to section 1782(a) of the CLRA, Plaintiff’s counsel notified Defendant in
22 writing by certified mail of the particular violations of section 1770 of the CLRA and demanded that
23 it rectify the problems associated with the actions detailed above and give notice to all affected
24 consumers of Defendant’s intent to act. If Defendant fails to respond to Plaintiff’s letter and/or fails
25 to agree to rectify the problems associated with the actions detailed above, Plaintiff will amend this
26 cause of action to seek actual and statutory damages, as appropriate, against Defendant. At this time
27 as to this cause of action, Plaintiff seeks only public injunctive relief as described above.

28

1 105. Pursuant to Cal. Civ. Code § 1780(d), a declaration of venue is attached to this
2 Complaint.

3 **THIRD CAUSE OF ACTION**
4 **Tortious Interference with Contract**
5 ***(By Plaintiff, individually, and on behalf of the Nationwide Class, Alternatively on behalf of the***
6 ***California Subclass)***

7 106. Plaintiff, individually, and on behalf of the Nationwide Class, realleges and
8 incorporates paragraphs 1 through 80 as if fully set forth herein.

9 107. Plaintiff and members of the Nationwide Class entered into valid lease agreements
10 with rental property management companies and landlords based on their economic necessity for
11 rental housing services. Defendant knew or should have known about this business relationship when
12 it acted as the third-party platform through which Plaintiff and Nationwide Class members were
13 required to make monthly rental payments to those rental property management companies and
14 landlords.

15 108. Defendant intentionally and/or wrongfully interfered with those lease agreements to
16 Plaintiff's and Nationwide Class members' detriment by charging Transaction Fees which amounted
17 to undisclosed rent costs.

18 109. Defendant's act of charging Transaction Fees on Plaintiff's and Nationwide Class
19 members' rent payments was designed to induce and did induce breach and/or disruption of their
20 contractual relationship with those entities.

21 110. Defendant's intentional interference caused Plaintiff and members of the Nationwide
22 Class actual harm in the form of the wrongfully collected Transaction Fees.

23 **FOURTH CAUSE OF ACTION**
24 **Unjust Enrichment**
25 ***(By Plaintiff, individually, and on behalf of the Nationwide Class)***

26 111. Plaintiff, individually, and on behalf of the Nationwide Class, realleges and
27 incorporates paragraphs 1 through 80 as if fully set forth herein.

28 112. To the detriment of Plaintiff and the Nationwide Class, Defendant has been, and
continues to be, unjustly enriched as a result of its wrongful conduct alleged herein.

1 113. Plaintiff and the Nationwide Class conferred a benefit on Defendant.

2 114. Defendant unfairly, deceptively, unjustly and/or unlawfully accepted said benefits,
3 which under the circumstances, would be unjust to allow Defendant to retain.

4 115. Defendant's unjust enrichment is traceable to, and resulted directly and proximately
5 from, the conduct alleged herein.

6 116. Plaintiff and the Nationwide Class, therefore, seek disgorgement of all wrongfully
7 obtained Transaction Fees received by Defendant as a result of its inequitable conduct as more fully
8 stated herein.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff demands judgment as follows:

- 11 a. Certifying the proposed Class(es), appointing Plaintiff as representative of the
- 12 Class(es) and appointing Plaintiff's counsel as class counsel;
- 13 b. Declaring that Defendant's Transaction Fee policies and practices described herein are
- 14 improper;
- 15 c. Enjoining the wrongful conduct as described herein on behalf of the general public;
- 16 d. For an order requiring Defendant to disgorge and make restitution of all monies it
- 17 acquired by means of the unlawful practices set forth herein;
- 18 e. Awarding actual damages and statutory damages in an amount according to proof;
- 19 f. Awarding treble damages to the extent permitted by law;
- 20 g. Awarding pre-judgment interest at the maximum rate permitted by law;
- 21 h. Reimbursing all costs, expenses and disbursements accrued by Plaintiff in connection
- 22 with this action, including reasonable attorneys' fees, costs and expenses, pursuant to
- 23 applicable law and any other basis; and
- 24 i. Awarding such other relief as this Court deems just and proper.

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28 ///

DEMAND FOR JURY TRIAL

Plaintiff and all others similarly situated hereby demand a jury trial on all issues in this Complaint that are so triable as a matter of right.

Dated: March 5, 2026

Respectfully submitted,

KALIELGOLD PLLC

By: Sophia Goren Gold

Sophia G. Gold
Amanda J. Rosenberg
arosenberg@kalielgold.com

Jeffrey D. Kaliel (SBN 238293)
1100 15th Street NW, 4th Floor
Washington, D.C. 20005
Telephone: (202) 350-4783
jkaliel@kalielpllc.com

PEARSON WARSHAW, LLP
Melissa S. Weiner (MN Bar No. 0387900)*
Ryan T. Gott (MN Bar No. 0397978)*
328 Barry Avenue S., Suite 200
Wayzata, MN 55391
Telephone: (612) 389-0600
Facsimile: (612) 389-0610
mweiner@pwfirm.com
rgott@pwfirm.com

**Pro Hac Vice Forthcoming*

Attorneys for Plaintiff and the Putative Class