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Counsel for Plaintiff and the Proposed Classes

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

DARLEEN ALLWEIN, AS ASSIGNEE OF
JUDITH L. HYLAND, on behalf of herself and
all others similarly situated,

Plaintiff,

v.

INTUIT INC.,

Defendant.

Case No. 5:19-cv-2567

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

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DEMAND FOR JURY TRIAL 33

1 The allegations herein are based on personal knowledge as to Plaintiff's own conduct and are
2 made on information and belief as to all other matters based on investigation by counsel.¹

3 INTRODUCTION

4 1. Plaintiff Darleen Allwein ("Plaintiff"), assignee of Judith L. Hyland, brings this class
5 action against Intuit Inc. ("Intuit" or "Defendant"), individually and on behalf of all persons in the
6 United States who paid to file their taxes using Intuit's "TurboTax" electronic tax preparation and
7 filing software, despite qualifying for the Internal Revenue Service's ("IRS") "Free File Program,"
8 for Defendant's violations of common and statutory law, false advertising, and deceptive, unfair, and
9 fraudulent trade practices.

10 2. TurboTax is the market leading electronic tax preparation and filing software in the
11 United States, with approximately 36.4 million users per year. With knowledge that the vast majority
12 of those users—the lowest earning seventy percent of American taxpayers—qualify to file their taxes
13 online for free using TurboTax, Intuit defrauded Plaintiff and Class members (defined below) by
14 actively concealing public access to the IRS's Free File Program. In addition, Intuit employed
15 deceptive and misleading advertising to fraudulently induce taxpayers into unnecessarily purchasing
16 costly TurboTax products when they were eligible for free services pursuant to Intuit's agreement
17 with the IRS.

18 3. In 2002, Intuit and a group of electronic tax preparation and filing companies (the
19 "Consortium") agreed to provide a free version of their commercial products to lower-income
20 Americans, in exchange for the IRS's commitment to "not compete with the Consortium in providing
21 free, online tax return preparation and filing services to taxpayers" (the "Free File Program").² This
22 Free File Program, created in November 2002 and revised multiple times thereafter, originally
23 required that the members of the Consortium offer their services for free to at least sixty percent of
24

25
26 ¹ Counsel's investigation includes an analysis of publicly available information include news
27 articles and reports, including corporate filings of Defendant, government publications, and
additional analysis. Plaintiff believes that a reasonable opportunity for discovery will provide further
support for the claims alleged herein.

28 ² See IRS' Intent to Enter Into an Agreement With Free File Alliance, LLC (i.e., Free File
Alliance), 67 Fed. Reg. 67247 (Nov. 4, 2002).

1 all taxpayers overall, with the individual members allowed to implement their own additional criteria,
2 such as age, income, state residency, or military service.

3 4. Pursuant to the most recent Memorandum of Understanding (“MOU”) governing the
4 Free File Program,³ the lowest-earning seventy percent of taxpayers based on Adjusted Gross Income
5 (“AGI”) (currently anyone with an AGI of \$66,000 or less) are eligible to prepare and file their federal
6 tax return, through any of several commercial providers, including Intuit’s TurboTax, at no cost.

7 5. According to the government, the goal of the Free File Program is to implement the
8 IRS’s public policy of “extending the benefits of online federal tax preparation and electronic filing
9 to economically disadvantaged and underserved populations at no cost to either the individual user
10 or to the public treasury.”

11 6. Yet, despite institution of the Free File Program, only a small percentage of American
12 taxpayers file their taxes for free. For example, in fiscal year 2018, *fewer than 2.5 million of the 100*
13 *million* eligible taxpayers (less than 2.5%) participated in the Free File Program.⁴

14 7. This low participation rate is no accident. Intuit has taken deliberate efforts to hide its
15 fully-functional Free File Program-compliant product—TurboTax Freedom Edition (“Freedom
16 Edition”), while at the same time aggressively marketing as “free” a version of their software with
17 limited functionality that is useless to all but those with the simplest of tax returns—TurboTax Free
18 Edition (“Free Edition”).

19 8. The names of Intuit’s two products are confusingly similar as is the branding of Free
20 Edition as “free,” which Intuit uses to deceive customers into starting to prepare their returns with the
21 limited-functionality Free Edition software, and then markets costly upgrades required to complete
22 users’ tax preparation and filing. Even after consumers input information confirming they are eligible
23 for TurboTax’s full-featured File Program-compliant product—Freedom Edition—Intuit does not
24 offer the truly free Freedom Edition product and instead markets product upgrades and upsells—

25 ³ See I.R.S., “Eighth Memorandum of Understanding on Service Standards and Disputes,
26 Between the Internal Revenue Service and Free File, Incorporated” (“Eighth MOU”).

27 ⁴ *National Taxpayer Advocate delivers annual report to Congress: Addresses impact of*
28 *shutdown; urges more funding for IT modernization*, I.R.S. (Feb. 12, 2019), <https://www.irs.gov/newsroom/national-taxpayer-advocate-delivers-annual-report-to-congress-addresses-impact-of-shutdown-urges-more-funding-for-it-modernization>.

1 which would be unnecessary if Freedom Edition was provided. Such marketing tactics are specifically
2 prohibited from being used on filers eligible for the Free Filing Program under the terms of Intuit's
3 agreement with the IRS.

4 9. Intuit's false advertising and deceptive and fraudulent scheme has successfully
5 maintained Defendant's high profits despite Intuit's agreement with the government to provide
6 TurboTax to the majority of Americans for free. In fiscal year 2018, Intuit reported revenue of nearly
7 \$6 billion, up fifteen percent from fiscal year 2017, of which approximately \$2.5 billion resulted from
8 its consumer-facing business.⁵

9 10. Plaintiff and members of the Classes have suffered harm as a result of Defendant's
10 false advertising, fraudulent conduct, and unfair, unlawful and deceptive trade practices while
11 Defendant has been unjustly enriched. For example, Judith L. Hyland unnecessarily spent \$119.98—
12 almost 29% of her \$414 AGI—on a TurboTax product, when she was clearly eligible for free tax
13 preparation and filing under the Free File Program.

14 11. Intuit's conduct is oppressive, immoral and unscrupulous such that Intuit should be
15 enjoined from further engaging in the conduct alleged herein and should be required to refund all
16 monies Plaintiff and Class members paid for tax preparation and filing services.

17 12. Plaintiff and members of the Classes seek damages, injunctive relief, and restitution
18 for all filers who paid Intuit for TurboTax products from 2002 forward when they were in fact eligible
19 to file for free under the IRS's Free File Program.

20 **JURISDICTION AND VENUE**

21 13. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d)(2). The
22 matter in controversy, exclusive of interest and costs, exceeds the sum or value of \$5,000,000 and is
23 a class action in which there are more than 100 members of the Classes, members of the Classes (as
24 defined below) are citizens of states different from Defendant, and greater than two-thirds of the
25 members of the Classes reside in states other than the state in which Defendant is a citizen. This
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⁵ Intuit Inc., Annual Report (Form 10-K), at 32 (Aug. 31, 2018).

1 Court has jurisdiction over supplemental state law claims pursuant to 28 U.S.C. § 1367 and by virtue
2 of diversity jurisdiction being exercised under the Class Action Fairness Act (“CAFA”).

3 14. Venue properly lies in this District pursuant to 28 U.S.C. § 1391(a), (b) and (c) because
4 Intuit maintains its principal place of business in this District, a substantial part of the events or
5 omissions giving rise to Plaintiff’s claims occurred in this District, and Defendant conducts a
6 substantial amount of business in this District. Defendant also marketed and advertised its TurboTax
7 products in this District. Accordingly, Defendant has sufficient contacts with this District to subject
8 it to personal jurisdiction in the District and venue is proper.

9 **PARTIES**

10 15. Plaintiff Darleen Allwein, assignee of Judith L. Hyland, is a citizen of the state of
11 Maryland and resides in Annapolis, Maryland. Darleen Allwein has a valid assignment of claims
12 from Judith L. Hyland to prosecute the claims asserted herein.

13 16. Assignor Judith L. Hyland, is a citizen of the state of Maryland and resides in
14 Annapolis, Maryland. On or about March 18, 2019, Judith Hyland filed her federal and state taxes
15 for the year ended December 31, 2018, online with Intuit using its TurboTax platform, for which she
16 was charged \$119.98. Ms. Hyland’s adjusted gross income for the relevant period was just \$414.

17 17. Defendant Intuit Inc. is a Delaware corporation with its headquarters in Mountain
18 View, California. Intuit is the maker of TurboTax, a series of widely used electronic tax preparation
19 and filing software products and services, and is a member of the Free File Alliance, a nonprofit
20 coalition of twelve tax software companies under an agreement with the IRS to provide free electronic
21 tax services to eligible American taxpayers—the Free File Program.

22 **FACTUAL ALLEGATIONS**

23 **I. Intuit Agrees to Participate in the IRS’s Free File Program**

24 18. Intuit has long been the market leader in the online tax preparation industry and
25 currently services approximately sixty percent of the market or approximately 36 million filers in
26
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1 2017. According to Intuit’s website, “[m]ore federal returns are prepared with [Intuit’s flagship]
2 TurboTax than any other tax preparation provider.”⁶

3 19. On October 30, 2002, Intuit and a consortium of electronic tax filing companies
4 entered into an agreement with the IRS entitled “Free Online Electronic Tax Filing Agreement” (the
5 “Free File Agreement”). The purpose of the Free File Agreement was to provide free electronic tax
6 return preparation and filing for lower-income taxpayers.⁷

7 20. The Free File Agreement sought to meet certain objectives of the IRS, including, *inter*
8 *alia*, “[m]aking tax return preparation and filing easier and reducing the burden on individual
9 taxpayers” and “[s]upporting the IRS’s statutory goal of increased e-filing.”⁸

10 21. A consortium of electronic tax filing companies formed a non-profit corporation—the
11 “Free File Alliance, LLC”⁹ (referred to hereafter as the “Consortium”)—to enter into the Free File
12 Agreement with the IRS and thereby promised to provide a free version of their commercial products
13 to lower-income Americans.

14 22. Pursuant to the first Free File Agreement, Intuit, as part of the Consortium, agreed to
15 collectively offer free online tax return preparation and filing services to at least sixty percent of
16 taxpayers in the aggregate.¹⁰ In return for agreeing to provide these services for free, the IRS agreed
17 to “not compete with the [Free File Alliance] in providing free, online tax return preparation and
18 filing services to taxpayers.”¹¹

19 23. The IRS and the Free File Alliance renewed the Free File Agreement in 2005 to cover
20 four future tax filing seasons, through the 2005 Free File Agreement (the “2005 Free File
21

22
23 ⁶ See INTUIT TURBOTAX, <https://turbotax.intuit.com/personal-taxes/online/e-file-taxes/> (last
24 visited May 13, 2019).

25 ⁷ 2002 Free File Agreement (Oct. 30, 2002), <https://www.irs.gov/pub/irs-utl/2002-free-online-electronic-tax-filing-agreement.pdf> (“2002 Free File Agreement”).

26 ⁸ *Id.*

27 ⁹ The Free File Alliance, LLC subsequently changed its name to Free File, Inc.

28 ¹⁰ 2002 Free File Agreement.

¹¹ 2002 Free File Agreement.

1 Agreement”).¹² In order “to serve the greater good and to ensure the long-term stability of the
 2 Alliance” and given that “the scope of th[e] Free File Program is focused on covering the taxpayers
 3 least able to afford e-filing their returns on their own,” the 2005 Free File Agreement widened the
 4 program to cover the lowest-earning seventy percent of taxpayers based on AGI.¹³

5 24. Additionally the IRS and the Free File Alliance also created a sequential series of
 6 Memoranda of Understandings (each by itself an “MOU”) regarding the implementation of the Free
 7 File Agreement. The stated objective of the Free File Agreement has been repeatedly affirmed and
 8 was explained in the First Memorandum of Understanding (“First MOU”). The First MOU
 9 highlighted the Free File Program’s goal of providing services to “the taxpayers least able to afford
 10 e-filing their returns on their own” and confirmed that, “[i]n recognition of this commitment, the
 11 federal government has pledged to not enter the tax preparation software and e-filing services
 12 marketplace.”¹⁴ This sentiment has been repeated in subsequent MOUs.¹⁵

13 25. The Seventh MOU, enacted for a five-year term, was effective from March 6, 2015,
 14 until October 31, 2018, when it was superseded by the Eighth MOU on October 31, 2018. The Eighth
 15 MOU is currently in effect and is set to expire on October 31, 2021.¹⁶

16 26. The Free File Program, intended to implement the IRS’s public policy of “extending
 17 the benefits of online federal tax preparation and electronic filing to economically disadvantaged and
 18 underserved populations at no cost to either the individual user or to the public treasury,”¹⁷ has fallen
 19 far short achieving its intended effect. The IRS reported last year that only 51.1 million federal tax
 20 returns had been filed using the Free File Program across the *entirety of the Free File Program’s*

21 _____
 22 ¹² 2005 Free File Agreement, (Oct. 30, 2005) <https://www.irs.gov/pub/irs-utl/2005-free-online-electronic-tax-filing-agreement.pdf>.

23 ¹³ I.R.S., “Free Online Electronic Tax Filing Agreement” (Oct. 30, 2005) sec. I.C.

24 ¹⁴ First MOU, art. II.

25 ¹⁵ See also I.R.S., “Seventh Memorandum of Understanding on Service Standards and Disputes,
 26 Between the Internal Revenue Service and Free File, Incorporated” (“Seventh MOU”), art. 2; I.R.S.,
 27 “Eighth Memorandum of Understanding on Service Standards and Disputes, Between the Internal
 28 Revenue Service and Free File, Incorporated” (“Eighth MOU”), art. 2.

¹⁶ Throughout this Complaint, the terms “Free File Agreement” and “MOU” refer, respectively,
 to the operative versions of the Free File Agreement and MOU in effect at the relevant time, while
 the “Free File Program” is used to refer to the Free File Program as a whole.

¹⁷ Eighth MOU, art. 2; see Seventh MOU, art. 2.

1 *existence*—representing only 3% of eligible filers.¹⁸ For fiscal year 2018, the IRS reported that of
2 the more than 100 million taxpayers were eligible to participate in the Free File Program, only about
3 2.5 million did, a figure accounting for less than 2.5 percent of eligible Free File Program
4 participants.¹⁹

5 27. Article 2 of both the Seventh and Eighth MOUs unambiguously states that Free File
6 members like Intuit “shall ... [m]ake tax return preparation and filing easier and reduce the burden
7 on individual taxpayers, particularly the economically disadvantaged and underserved populations,”
8 and shall also “[p]rovide greater service and access to the [Free File] Services to taxpayers.”²⁰

9 28. Again, the IRS’s stated goal of improving low-income taxpayer access to high-quality
10 commercial products at no cost—and of protecting such vulnerable populations from being misled
11 into unnecessarily paying for such services—is also repeated in several provisions of the Seventh and
12 Eighth MOUs, the Free File Agreement, and the IRS’s responses to public comments published in
13 the Federal Register.

14 29. Under the Free File Agreement, Intuit agreed to coordinate with the IRS and the other
15 providers to ensure that “their respective marketing of these Free Services . . . provide[s] uniformity”
16 and “maximize public awareness.”²¹ In 2002, the IRS wrote in the Federal Register: “The Agreement
17 ... provides that taxpayers will not have to go through additional steps or barriers to access the Free
18 Service, beyond those steps required or imposed to access the comparable paid service.”²² The IRS
19 further directed that the Free File Program was expected to offer products “equivalent to those offered
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23 ¹⁸ See *Tax Time Guide: Try Money-Saving IRS Free File*, I.R.S. (Mar. 1, 2018),
24 <https://www.irs.gov/newsroom/tax-time-guide-try-money-saving-irs-freefile>; “*Tax Maze: How the Tax Prep Industry Blocks Government from Making Tax Day Easier*” Office of Sen. Elizabeth Warren (Apr. 4, 2016), at 1, https://www.warren.senate.gov/files/documents/Tax_Maze_Report.pdf.

25 ¹⁹ *National Taxpayer Advocate delivers annual report to Congress: Addresses impact of*
26 *shutdown; urges more funding for IT modernization, supra* note 4.

27 ²⁰ Eighth MOU, arts. 2.1, 2.3; Seventh MOU, arts. 2.1, 2.3.

28 ²¹ 2002 Free File Agreement, sec. VI.A (emphasis added).

²² IRS’ Intent to Enter Into an Agreement With Free File Alliance, LLC (i.e., Free File Alliance),
67 Fed. Reg. at 67248.

1 for sale on the commercial market,” providing “all of the features and operability of those commercial
2 products.”²³

3 30. Indeed, the Free File Alliance was specifically designed to prevent the redirection of
4 lower-income individual to the providers’ paid products. Intuit and the other providers explicitly
5 agreed that “[n]o marketing, soliciting, sales or selling activity, or electronic links to such activity,
6 are permitted in the Free File Program,” except for state tax returns or where the user proves to be
7 ineligible for the Free File product.²⁴ Additionally, the Eighth MOU added that “Members shall not
8 include a ‘value added’ button (i.e., an icon, link or any functionality that provides a taxpayer with
9 access to a Member’s commercial products or services) on the Member’s Free File Landing Page.”²⁵
10 While the Seventh MOU did allow “value-added” buttons to be listed on the bottom of a Free File
11 Landing Page, it also expressly provided that “[t]he Member shall have a prominent link permitting
12 taxpayers on a Member’s Paid Service Offering Page to easily and clearly return to the Member Free
13 File Landing Page.”²⁶

14 31. Both the Seventh and Eighth MOUs also prohibit “requesting or collecting
15 bank/financial information (e.g., debit/credit card information) from customers who qualify for a free
16 return where no state tax return products have been purchased.”²⁷

17 32. The Eighth MOU also sets forth specific rules to ensure that consumers who do not
18 qualify for a particular member’s Free File product (because, for example, the member imposes a
19 lower income eligibility threshold, as Intuit does) are first redirected to other members’ Free File
20 products, for which they might be eligible, before being offered a member’s paid products.²⁸

21 33. Intuit has violated each of these provisions, among others.

24 ²³ *Id.*

25 ²⁴ Eighth MOU, art. 4.32.5; *see* Seventh MOU, art. 4.33.

26 ²⁵ Eighth MOU, art. 4.32.6.

27 ²⁶ Seventh MOU, art. 4.33.7.

28 ²⁷ Eighth MOU, art. 4.19.4; Seventh MOU, art. 4.20.4.

²⁸ Eighth MOU, art. 4.19.2.

1 34. Intuit has been a participant in the Free File Program since its 2002 inception. Indeed,
2 in their annual SEC filings, Intuit credits the Free File Program with keeping the federal government
3 from being a “direct competitor” to its offerings. As Intuit explained in its Form 10-K SEC filing for
4 fiscal year 2004 describing “risks that could affect future results,” “[a]gencies of the U.S. government
5 have made several attempts during the two most recent presidential administrations to offer taxpayers
6 a form of free tax preparation software and filing service.”²⁹

7 II. Intuit Offers a Deceptive Range of TurboTax Products

8 35. Pursuant to the Free File Agreement, Intuit offers a free online tax preparation and
9 filing product called TurboTax “Freedom Edition” that is a part of the IRS Free File Program.
10 Anyone who (i) has an AGI of \$34,000 or less, (ii) is eligible for the Earned Income Tax Credit, or
11 (iii) is on active military duty and has an AGI of \$66,000 or less is eligible to use TurboTax Freedom
12 Edition.

13 36. Turbo Tax Freedom Edition is fully-functional software designed to facilitate the e-
14 filing of federal tax returns for free, no matter how complicated. Freedom Edition supports the basic
15 IRS Form 1040, as well as 125 additional federal tax forms, including but not limited to, Schedules
16 1 through 6, 1099-MISC, and 1040 Schedules A, B, C, D, E, EIC, F, H, and J. Thus, there is no need
17 for those who are eligible to use Freedom Edition to purchase TurboTax paid products.

18 37. Intuit also offers a separate free online tax product, TurboTax “Free Edition,” which
19 has no relation to the Free File Program and has limited functionality such that it can only be used to
20 prepare and file the most basic of taxes.

21 38. TurboTax Free Edition is a very basic program that provides e-filing services for
22 simple tax returns, i.e., “simple tax returns that can be filed on Form 1040 without any attached
23 schedules.” The only taxpayers who can complete and file their returns using TurboTax Free Edition
24 for free are those that: (i) have W-2 income; (ii) have limited interest and dividend income reported
25 on a 1099-INT or 1099-DIV; (iii) claim the standard deduction; (iv) claim the Earned Income Tax
26 Credit (EIC); and/or (v) claim child tax credits.

27
28 ²⁹ Intuit Inc., Annual Report (Form 10-K), at 38 (Sept. 24, 2004).

1 39. TurboTax Free Edition cannot be used by taxpayers who need to file additional forms
2 or schedules as part of their tax return, such as itemized deductions (Schedule A), 1099-MISC income
3 (Schedule C), or credits, deductions, and income reported on Schedules 1 through 6. Rather, these
4 taxpayers are instructed by Intuit to upgrade to more expensive TurboTax products in order to
5 complete their return filing. Intuit never informs those taxpayers that they can access Freedom
6 Edition to prepare and file their returns for free, but rather fraudulently conceals this fact.

7 40. As a result, a large number of low-income taxpayers, including individuals working
8 as “freelancers,” anyone classified as “independent contractors” who are paid with Form 1099-
9 MISC. and anyone paying off student loans or who has a health savings account, cannot use TurboTax
10 Free Edition without upgrading to a fee-based Intuit product.

11 41. However, many of these taxpayers meet one of the three income eligibility thresholds
12 for TurboTax Freedom Edition, and could successfully complete their tax return for free using
13 TurboTax Freedom Edition. Accordingly, these taxpayers who are unable to complete their tax
14 returns for free using TurboTax Free Edition, due to its limited functionality, could qualify for and
15 complete their tax returns for free using TurboTax “Freedom Edition,” which supports virtually all
16 federal tax forms.

17 42. In addition to these two “free” online TurboTax products, Intuit also offers three paid
18 TurboTax online products: “Deluxe,” starting at \$59.99 for federal returns (additional for state);
19 “Premier,” starting at \$79.99; and “Self-Employed,” starting at \$119.99 (collectively, TurboTax
20 “Paid Products”), as well as a variety of add-on products and services.

21 **III. Intuit Hides its Free Product—Freedom Edition**

22 43. As described above, Intuit purportedly provides two free tax return filing programs,
23 Free Edition and Freedom Edition, but only Freedom Edition is provided pursuant to the Free File
24 Agreement and as a part of the Free File Program.

25 44. Intuit has made Freedom Edition incredibly difficult, if not impossible, to access.

26 45. In order to deceive consumers, Intuit has ensured that TurboTax Freedom Edition is
27 not available through TurboTax’s homepage website, <https://turbotax.intuit.com> (“TurboTax
28

1 Homepage”). Only TurboTax Free Edition and its three other paid products can be accessed directly
2 from the TurboTax Homepage.

3 46. Instead, TurboTax Freedom Edition can only be accessed through an entirely separate
4 and distinct website, <https://turbotax.intuit.com/taxfreedom> (“TurboTax Freedom Website”)—which
5 no reasonable consumer would know to search for when searching for free tax preparation and filing
6 services. While the TurboTax Freedom Website cannot be accessed from the TurboTax Homepage,
7 the top result for a Google search of the terms “turbotax” or “turbotax free” leads to the TurboTax
8 Homepage—*not* the TurboTax Freedom Website. Thus, Intuit has ensured that the majority of
9 consumers looking for free TurboTax products under the Free File Program never become aware of
10 the existence, functionality or applicability of TurboTax Freedom Edition.

11 47. Intuit also deliberately hid its TurboTax Freedom Website from consumers by adding
12 a line of code to the website that prevented it from appearing in any online search results. As of April
13 26, 2019, even a search for the terms “turbotax free file” and “turbotax freedom edition” did not yield
14 search results containing the TurboTax Freedom Website.

15 48. Intuit’s deception was achieved by adding the following instruction code on the
16 TurboTax Freedom Website: `<meta name="robots" content="noindex, nofollow">`. A “robots meta
17 tag” allows a website to control how Google and other search engines make content available to users
18 through search results. A robots meta tag of “noindex” instructs search engines, “[d]o not show this
19 page in search results and do not show a ‘Cached’ link in search results,” while a robots meta tag of
20 “nofollow” instructs, “[d]o not follow the links on this page.”³⁰ According to Google Support, “[i]f
21 you wish to explicitly block a page from being indexed, you should ... use the noindex robots meta
22 tag,” which effectively “guarantee[s] that a page will not appear in results.”³¹

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27 ³⁰ *Robots meta tag and X-Robots-Tag HTTP header specifications*, GOOGLE, https://developers.google.com/search/reference/robots_meta_tag (last updated Sept. 13, 2018).

28 ³¹ *About robots.txt Robots FAQs*, GOOGLE, <https://support.google.com/webmasters/answer/7424835?hl=en> (last visited May 13, 2019).

1 49. Intuit only changed the code on its TurboTax Freedom Website so that it would be
2 visible on Google and other search engines, after the nonprofit investigative newsroom ProPublica
3 exposed Intuit’s deceptive practices in an article published April 26, 2019.³²

4 50. Upon information and belief, Intuit took further actions to steer its customers who
5 qualified for the Free File Program to TurboTax Free Edition instead of TurboTax Freedom Edition.
6 Intuit did so through its advertising, by purchasing Google Search Ads (which display at the top of
7 Google search results when triggered by the advertiser’s pre-selected keywords) for the TurboTax
8 Homepage, and choosing keywords associated with the IRS Free File program.³³

9 51. According to a ProPublica report dated April 22, 2019, a Google search for “irs free
10 file taxes,” resulted in a paid ad displayed above search results for the TurboTax Homepage,
11 advertising “TurboTax Free | Free IRS Fed Filing Online.”³⁴

12 52. Intuit concealed and suppressed the distinction between Freedom Edition and Free
13 Edition to falsely convince Free File Program-eligible filers that they were unable to prepare and file
14 their taxes for free, despite Defendant’s participation in the Free File Program, and to charge Plaintiff
15 and Class members for tax preparation and filing through other TurboTax paid products.

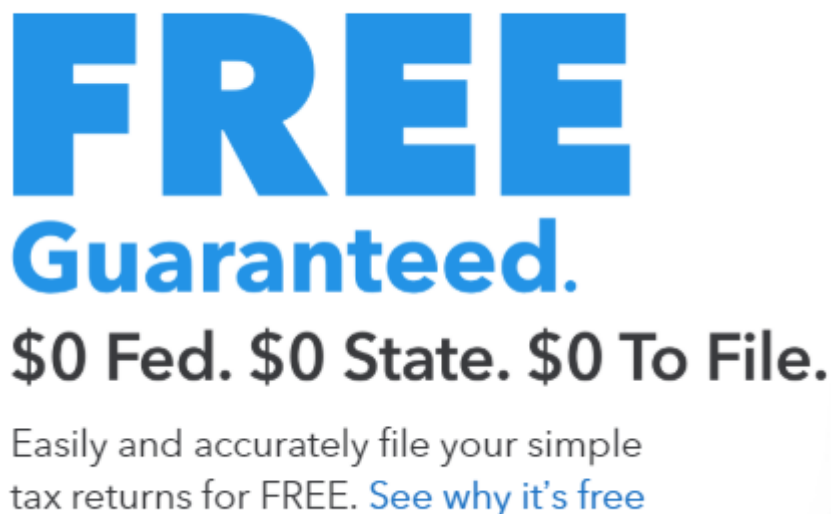
16 53. Intuit did so by omitting TurboTax Freedom from the TurboTax Homepage and by
17 marketing TurboTax Free Edition as free and of high quality, when it was in fact of limited
18 functionality, ensuring that Plaintiff and Class members would purchase upgraded and costly services
19 that were in fact available to those same consumers for free through Freedom Edition.

20 ³² Justin Elliott, *TurboTax Deliberately Hid Its Free File Page From Search Engines*,
21 PROPUBLICA (Apr. 26, 2019, 10:32 AM), <https://www.propublica.org/article/turbotax-deliberately-hides-its-free-file-page-from-search-engines>.

22 ³³ Google Ads explains, “[k]eywords are phrases that you choose to determine when and where
23 your ad can appear. They’re matched to terms that people search for or web content that they view.”
24 *Keywords*, GOOGLE, https://support.google.com/google-ads/topic/3119130?hl=en&ref_topic=3119122,3181080,3126923 (last visited May 13, 2019). According to Google Ads, “[t]o get your ads to
25 appear when people search for your product or service, the keywords you choose need to match the
26 words or phrases that people search for. ... When a customer searches for a term that matches your
keyword, your ad can enter an auction to determine if it will show.” *About keywords*, GOOGLE,
https://support.google.com/googleads/answer/1704371?hl=en&ref_topic=3119131 (last visited May
13, 2019).

27 ³⁴ Justin Elliott and Lucas Waldron, *Here’s How TurboTax Just Tricked You Into Paying to File*
28 *Your Taxes*, PROPUBLICA (Apr. 22, 2019, 5:00 AM), <https://www.propublica.org/article/turbotax-just-tricked-you-into-paying-to-file-your-taxes>.

1 54. The TurboTax Homepage is the top search result for a Google search for “turbotax,”
2 and, as shown below, conspicuously advertises: “FREE Guaranteed. \$0 Fed. \$0 State. \$0 To File.”



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14 55. Yet, the TurboTax Homepage lists only four TurboTax products: (1) “Free Edition”
15 (\$0 Fed. \$0 State. \$0 File.); (2) “Deluxe” (\$59.99*); (3) “Premier” (\$79.99*); and (4) “Self-
16 Employed” (\$119.99*). Nowhere on the TurboTax Homepage is TurboTax “Freedom Edition”
17 mentioned or linked to, even though TurboTax “Freedom Edition” is the fully-functional free online
18 TurboTax product.

19 56. The “Help” menu on the TurboTax Homepage links to “Frequently Asked Questions,”
20 which includes the question, “How do I know which product is right for me?” The answer states:

21 We have a product for your unique tax situation. You can select the
22 right product for you from our Products and Pricing page, or we’ll
23 help with a product recommendation. Plus, if you hit a point where
24 another product might be better for you, we’ll give you the
opportunity to change. The information you’ve already entered will
transfer automatically.

25 The answer contains links to the four TurboTax products described above, but does not provide any
26 reference to Freedom Edition or the Free File Program.

27 57. ProPublica reported that a former Intuit marketing employee recalled a May 2017
28 meeting in which one employee proposed that any customer whose information demonstrated

1 eligibility for the Free File Program would be shown a pop-up window directing them to TurboTax
2 Freedom Edition. The response was laughter and the meeting quickly moved on.³⁵

3 **IV. Intuit Fraudulently Induced Free File Program-Eligible Filers to Purchase**
4 **TurboTax Paid Products**

5 58. Intuit's false advertising of Free Edition and its fraudulent and intentional concealment
6 of the existence, functionality and applicability of Freedom Edition fraudulently induced taxpayers
7 who were otherwise eligible for the Free File Program to upgrade to a paid TurboTax program.
8 ProPublica reported that U.S. taxpayers eligible for a Free File product spend approximately *\$1*
9 *billion* annually in unnecessary filing fees.³⁶

10 59. Indeed, ProPublica spoke to more than 40 people who stated they sought out
11 TurboTax's free option but ended up paying fees as a result of Intuit's fraudulent conduct.³⁷
12 ProPublica's reporting of these incidents demonstrate that Intuit engaged in fraudulent conduct in
13 order to artificially inflate its profits at the expense of consumers, including Plaintiff and members of
14 the Classes.

15 60. ProPublica reported that one such victim was an unemployed woman recovering from
16 chemotherapy and her husband who was diagnosed with Parkinson's disease and only works part
17 time. The couple lives with two disabled sons, and relied on short term loans to make their rent. Yet,
18 Intuit's unfair, deceptive and fraudulent conduct resulted in a tax preparation and filing fee of almost
19 \$200, for a family with an income of \$32,877.³⁸

22 ³⁵ Justin Elliot and Paul Kiel, *TurboTax and H&R Block Saw Free Tax Filing as a Threat –and*
23 *Gutted It*, PROPUBLICA (May 2, 2019, 1:58 PM), <https://www.propublica.org/article/intuit-turbotax-h-r-block-gutted-free-tax-filing-internal-memo>.

24 ³⁶ Tik Root, *Why Are Millions Paying Online Tax Preparation Fees When They Don't Need*
25 *To?*, PROPUBLICA (June 18, 2018, 5:00 AM), <https://www.propublica.org/article/free-file-online-tax-preparation-fees-intuit-turbotax-h-r-block>.

26 ³⁷ Ariana Tobin, Justin Elliott, and Meg Marco, *Here Are Your Stories of Being Tricked Into*
27 *Paying by TurboTax. You Often Need the Money*, PROPUBLICA (Apr. 26, 2019, 1:16 PM),
<https://www.propublica.org/article/here-are-your-stories-of-being-tricked-into-paying-by-turbotax-you-often-need-the-money#>.

28 ³⁸ *Id.*

1 61. ProPublica also reported about another individual, employed as an independent
2 contractor, who earned only \$5,000 last year, and was deceived into using a TurboTax paid product,
3 resulting in a fee of \$103.95, equaling close to this total refund.

4 62. Intuit’s false advertising, and fraudulent, unfair and deceptive conduct directly
5 contradicts the IRS’s stated objective of providing free online preparation and filing for lower-income
6 individuals. Indeed, Intuits purposefully omits and/or conceals material facts regarding the eligibility
7 of taxpayers to use Freedom Edition for free preparation and filing of simple to complicated taxes.

8 63. By falsely convincing Free File Program-eligible filers that they were unable to
9 prepare and file their taxes for free, despite the existence of Freedom Edition, Intuit charged Plaintiff
10 and Class members for paid TurboTax products when it should have provided Freedom Edition for
11 free pursuant to the Free File Program.

12 64. ProPublica’s reporting included more than a dozen individuals that stated that Intuit
13 told them, when asked, that TurboTax Freedom Edition was a government product not run by
14 TurboTax, and that ProPublica’s prior reporting on the subject was fictitious.³⁹ One such individual
15 provided a recording of a call with a TurboTax agent, in which the agent told the individual that
16 “[Freedom Edition] is an IRS Product we built for [the IRS],” and that “the IRS is the one managing
17 [the software].”⁴⁰ Others reported being told that “[Freedom Edition] was “a government product
18 that is simply branded as TurboTax.”⁴¹

19 65. According to ProPublica, another individual—who had been charged \$130 by Intuit
20 when her adjusted gross income was \$376—even reported being told by Intuit (falsely) that
21 ProPublica was going to retract its prior stories.⁴²

22 66. Intuit’s fraudulent conduct has also prevented the IRS from offering its own free filing
23 service, which would be a direct competitor to TurboTax.

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25 ³⁹ Justin Elliott and Meg Marco, *Listen to TurboTax Lie to Get Out of Refunding Overcharged*
26 *Customers*, PROPUBLICA, (May 9, 2019, 11:15 AM), <https://www.propublica.org/article/listen-to-turbotax-lie-to-get-out-of-refunding-overcharged-customers>.

27 ⁴⁰ *Id.*

28 ⁴¹ *Id.*

⁴² *Id.*

1 67. Not only has Intuit misled consumers, but Intuit has relied on fraudulent compliance
2 with the Free File Program to keep the IRS from offering its own free-filing services, which it admits
3 would directly compete with Intuit's paid products, in order to increase its revenues at the expense of
4 Plaintiff and Class members. Intuit's deceptive conduct has ensured that the free filing concept
5 intended by the Free File Program is not available from any reasonably-accessible TurboTax product
6 or government source. Instead, taxpayers are conned into using Intuit's paid products *and* the IRS is
7 prevented from enacting its own free service.

8 **TOLLING OF THE STATUTE OF LIMITATIONS AND ESTOPPEL**

9 68. Any applicable statute of limitations has been tolled by Intuit's knowing and active
10 misrepresentations and omissions alleged herein. Through no fault or lack of diligence, Plaintiff and
11 members of the Classes were deceived as to the availability of the free tax filing available to them
12 through TurboTax Freedom Edition.

13 69. Plaintiff and members of the Classes did not discover and did not know of any facts
14 that would have caused a reasonable person to suspect that Intuit was concealing the true nature and
15 availability of its free tax filing software Freedom Edition, or that Intuit was falsely marketing Free
16 Edition as "free" in order to sell costly upgrades to Intuit paid products. As alleged herein, the
17 distinction between Free Edition and Freedom Edition was material to Plaintiff and members of the
18 Classes at all relevant times. Within the time period of any applicable statutes of limitations, Plaintiff
19 and members of the Classes could not have discovered through the exercise of reasonable diligence
20 the steps taken by Intuit to hide this distinction or the existence, functionality and applicability of
21 Freedom Edition for truly free tax preparation and filing through the Free File Program.

22 70. Defendant knowingly, actively, and affirmatively concealed the facts alleged herein.
23 Plaintiff and members of the Classes reasonably relied on Defendant's knowing, active, and
24 affirmative concealment.

25 71. For these reasons, all applicable statutes of limitations have been tolled based on the
26 discovery rule and Defendant's fraudulent concealment, and Defendant is estopped from relying on
27 any statutes of limitations in defense of this action
28

CLASS ACTION ALLEGATIONS

72. Plaintiff brings this action pursuant to Federal Rules of Civil Procedure 23(a) and 23(b)(2) and/or (b)(3) on behalf of the following Class and Sub-Class:

Nationwide Class: All Free File Program-eligible persons or entities in the United States who paid to use a TurboTax product to file an online tax return for the 2002 through 2018 tax filing years.

Maryland Sub-Class: All Free File Program-eligible persons or entities who are Maryland residents, and who paid to use a TurboTax product to file an online tax return for the 2002 through 2018 tax filing years.

73. Excluded from the Class and Sub-Class are Intuit and its parents, subsidiaries, employees, and corporate affiliates. Plaintiff reserves the right to revise the definitions of the Class and the Sub-Class based upon subsequently discovered information and reserves the right to establish additional subclasses where appropriate. The Class and the Sub-Class are collectively referred to herein as the “Classes.”

74. The Classes are so numerous that joinder of all members is impracticable. Plaintiff believes that there are at least hundreds of thousands of proposed members of the Classes throughout the United States.

75. Common questions of law and fact exist as to all members of the Classes and predominate over any issues solely affecting individual members of the Classes. The common and predominating questions of law and fact include, but are not limited to:

- Whether Intuit engaged in fraud or fraudulent concealment;
- Whether Intuit was unjustly enriched by its conduct;
- Whether Intuit’s website and/or advertising of Free Edition is false and misleading to reasonable consumers;
- Whether Intuit knowingly failed to comply with the Free File Program;
- Whether any false, misleading, unfair, or deceptive acts or practices of Intuit were likely to and/or did mislead reasonable consumers, including but not limited to Plaintiff and members of the Classes, about the true value and performance of its TurboTax products;

- 1 • Whether Plaintiff and members of the Classes suffered damages as a result of
- 2 Intuit’s false and misleading advertising, and unlawful, unfair, fraudulent or
- 3 deceptive acts or practices;
- 4 • Whether Intuit violated the California Consumers Legal Remedies Act, Cal.
- 5 Civ. Code § 1750 *et seq.*;
- 6 • Whether Intuit violated the California Unfair Competition Law, Cal. Bus. &
- 7 Prof. Code § 17200 *et seq.*;
- 8 • Whether Intuit violated the California False Advertising Law, Cal. Bus. &
- 9 Prof. Code § 17500, *et seq.*;
- 10 • Whether Intuit violated the Maryland Consumer Protection Act, Md. Code
- 11 Com. Law § 13-101, *et seq.*;
- 12 • Whether Intuit actively concealed material facts from Plaintiff and members
- 13 of the Classes;
- 14 • Whether actual damages, statutory damages, restitution, equitable, injunctive,
- 15 or other relief is warranted.

16 76. Plaintiff’s claims are typical of the claims of the Classes Plaintiff seeks to represent.

17 As alleged herein, Plaintiff and the Classes sustained damages arising out of the same unlawful

18 actions and conduct by Intuit.

19 77. Plaintiff is willing and prepared to serve the Classes in a representative capacity with

20 all of the obligations and duties material thereto. Plaintiff will fairly and adequately protect the

21 interests of the Classes and has no interests adverse to or in conflict with the interests of the other

22 members of the Classes.

23 78. Plaintiff’s interests are co-extensive with and are not antagonistic to those of absent

24 members within the Classes. Plaintiff will undertake to represent and protect the interests of absent

25 members within the Classes and will vigorously prosecute this action.

26 79. Plaintiff has engaged the services of the undersigned counsel. Counsel is experienced

27 in complex litigation, will adequately prosecute this action and will assert and protect the rights of,

28 and otherwise represent, Plaintiff and absent members of the Classes.

1 80. A class action is superior to all other available methods for the fair and efficient
 2 adjudication of this controversy. Plaintiff knows of no difficulty to be encountered in the
 3 management of this litigation that would preclude its maintenance as a class action.

4 81. Class action status is warranted under Rule 23(b)(3) because questions of law or fact
 5 common to the members of the Classes predominate over any questions affecting only individual
 6 members, and a class action is superior to other available methods for the fair and efficient
 7 adjudication of this controversy.

8 82. The Classes may also be certified under Rule 23(b)(2) because Intuit has acted on
 9 grounds generally applicable to the Classes, thereby making it appropriate to award final injunctive
 10 relief or corresponding declaratory relief with respect to the Classes.

11 83. The interests of members of the Classes in individually controlling the prosecution of
 12 separate actions is theoretical and not practical. The Classes have a high degree of similarity and are
 13 cohesive, and Plaintiff anticipates no difficulty in the management of this matter as a class action.

14 **COUNT I**
 15 **Fraud or Fraudulent Concealment**
 16 **(On behalf of Plaintiff and the Nationwide Class)**

17 84. Plaintiff incorporates by reference and realleges the foregoing paragraphs as if set
 18 forth fully herein.

19 85. Plaintiff brings this count on behalf of herself and the members of the Nationwide
 20 Class or, alternatively, on behalf of the Maryland Sub-Class.

21 86. Defendant fraudulently concealed and suppressed material facts regarding Plaintiff's
 22 and Class members' eligibility to use the fully-functional free tax product offered by TurboTax—
 23 TurboTax Freedom Edition. Instead, Intuit steered its customers who qualified for the Free File
 24 Program to TurboTax Free Edition, a product with limited functionality, and fraudulently
 25 misrepresented that upgraded costly products were necessary in order to complete tax preparation
 26 and filing—products that caused Plaintiff and Class members to expend monies where they otherwise
 27 would not if Intuit had disclosed the existence, functionality and/or applicability of its Freedom
 28 Edition product.

1 87. Intuit had a duty to disclose the existence of its Freedom Edition product, the fact that
2 Freedom Edition could be used to prepare and file simple to complicated taxes (unlike Free Edition),
3 and that Freedom Edition was offered free of charge as a result of the Free File Program.

4 88. Intuit had exclusive and/or far superior knowledge and access to the facts regarding
5 the Free File Program and the existence of its Freedom Edition product than Plaintiff and members
6 of the Class, and Defendant knew the facts regarding its various products that were not known to or
7 reasonably discoverable by Plaintiff and members of the Class.

8 89. Intuit intentionally concealed the foregoing from Plaintiff and members of the Class
9 and made incomplete or fraudulent representations about the availability, applicability and cost of its
10 TurboTax products, while purposefully withholding material facts regarding the eligibility of Plaintiff
11 and Class members to use Freedom Edition for free preparation and filing of simple to complicated
12 taxes that contradicted these representations.

13 90. A reasonable person purchasing online tax preparation and filing services would
14 consider these misrepresentations, omissions and concealed facts material because they would be
15 relied on, and because they directly impact the prices paid by consumers, including Plaintiff and Class
16 members. The cost of services is a material concern to a consumer, *particularly when that consumer*
17 *is entitled to those services for free*. Plaintiff and Class members would not reasonably expect Intuit
18 to take steps to actively prevent them from accessing the free TurboTax Freedom Edition, deceive
19 them about the existence and/or applicability of Freedom Edition and/or the Free File Program, and/or
20 use bait-and-switch tactics to pressure filers entitled to free services to unnecessarily pay for
21 Defendant's paid products.

22 91. Intuit concealed and suppressed the distinction between Freedom Edition and Free
23 Edition to falsely convince Free File Program-eligible filers that they were unable to prepare and file
24 their taxes for free, despite Defendant's participation in the Free File Program, and to charge Plaintiff
25 and Class members for tax preparation and filing through other TurboTax paid products.

26 92. Defendant fraudulently misrepresented, omitted, and/or actively concealed and
27 suppressed these material facts, in whole or in part, to protect its profits. Defendant concealed these
28 facts at the expense of Plaintiff and members of the Class, all the while reaping the benefits of the

1 IRS's agreement to refrain from offering its own free filing services as a result of Intuit's agreement
2 to participate in the Free File Program.

3 93. Plaintiff and Class members were unaware of these fraudulent misrepresentations
4 and/or omitted or concealed material facts, and would not have paid Intuit to prepare and file their
5 returns had they known of Defendant's fraudulent misrepresentations and/or omitted, concealed or
6 suppressed facts.

7 94. Had they been aware of the existence, functionality and/or applicability of TurboTax
8 Freedom Edition, or the costs associated with the use of TurboTax Free Edition and associated
9 product upgrades, Plaintiff and Class members would not have paid Intuit to prepare and file their
10 taxes, would have received free services through Freedom Edition, and/or would have used another
11 provider entirely.

12 95. Because of Intuit's fraudulent misrepresentations and/or omitted or concealed material
13 facts, Plaintiff and members of the Classes sustained damage because they paid for services they
14 should have received—and Defendant agreed with the IRS to offer—for free. Intuit made these
15 fraudulent misrepresentations and/or omitted or concealed material facts in order to artificially inflate
16 profits at the expense of Plaintiff and Class members.

17 96. Accordingly, Defendant is liable to Plaintiff and members of the Classes for damages
18 in an amount to be proven at trial.

19 97. Intuit's acts were done maliciously, oppressively, deliberately, with intent to defraud,
20 and in reckless disregard of Plaintiff's and the Class's rights and well-being, and with the aim of
21 enriching Defendant. Defendant's conduct, which exhibits the highest degree of reprehensibility,
22 being intentional, continuous, and targeted at those filers most in need of free services, warrants an
23 assessment of punitive damages in an amount sufficient to deter such conduct in the future, which
24 amount is to be determined according to proof.

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COUNT II
Unjust Enrichment
(On behalf of Plaintiff and the Nationwide Class)

98. Plaintiff incorporates by reference and realleges the foregoing paragraphs as if set forth fully herein.

99. Plaintiff brings this count on behalf of herself and the members of the Nationwide Class.

100. Defendant has received and retained unjust benefits from Plaintiff and members of the Class and inequity has resulted.

101. Defendant benefitted through its unjust conduct, by deceptively selling Defendant's paid products to tax filers eligible for the Free File Program, while actively concealing the existence of TurboTax Freedom Edition and deceptively redirecting Class members' attempts to access Freedom Edition to Free Edition and Defendant's paid products, resulting in Plaintiff and members of the Class overpaying for services to which they were entitled for free.

102. It is inequitable and unconscionable for Defendant to retain these ill-gotten gains and there is no adequate remedy at law.

103. Because Intuit concealed its fraud and deception, Plaintiff and Class members were not aware of the true facts concerning their eligibility to receive free tax preparation and filing from Intuit through the Free File Program and TurboTax Freedom Edition and did not benefit from Defendant's misconduct.

104. As a result of the Defendant's conduct, the amount of its unjust enrichment should be disgorged and returned to Plaintiff and Class members, in the amount of all monies paid by Plaintiff and Class members to Intuit, and in an amount to be proven at trial.

COUNT III
Violations of the California Unfair Competition Law
(Cal. Bus. & Prof. Code §17200, et seq.)
(On behalf of Plaintiff and the Nationwide Class)

105. Plaintiff brings this claim on behalf of all members of the Classes.

1 106. California’s Unfair Competition Law (“UCL”), California Business and Professions
2 Code §17200, prohibits any “unlawful, unfair, or fraudulent business act or practices.”

3 107. Defendant is a person under Cal. Bus. & Prof. Code § 17201.

4 108. In the course of its business, Defendant violated the UCL by engaging in unlawful,
5 fraudulent, and unfair and deceptive business acts and practices. Defendant violated each prong of
6 the UCL.

7 109. Specifically, Intuit violated the fraudulent prong of the UCL by, *inter alia*, knowingly
8 and intentionally fraudulently misrepresenting and concealing from Plaintiff and members of the
9 Class that TurboTax Free Edition is not a Free File Program-compliant product, offers limited
10 functionality and requires consumers to upgrade to costly paid products for anything other than the
11 most basic tax returns. Intuit also violated the fraudulent prong of the UCL by fraudulently
12 misrepresenting, omitting and concealing the existence, functionality and applicability of Freedom
13 Edition.

14 110. Intuit violated the unlawful prong of the UCL by violating California statutory and
15 common law prohibiting false advertising, unfair and deceptive trade practices, fraud and fraudulent
16 concealment, including *inter alia*, the Consumer Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.*
17 and the California False Advertising Law, Cal. Bus. & Prof. Code § 17500, *et seq.*

18 111. Intuit violated the unfair prong of the UCL because the acts and conduct alleged herein
19 offend established public policy, and are immoral, unethical, unscrupulous or substantially injurious,
20 and the harm Intuit caused to consumers greatly outweighs any benefits associated with its practices.

21 112. In addition, Intuit violated the UCL by, *inter alia*, hiding its Free File Program-
22 complaint product from the public, inserting code into its website for Freedom Edition that would
23 prevent the product from appearing in online search results so that if taxpayers looking to use
24 TurboTax’s Free File Program tried to use a search engine to find it, they would be directed to Free
25 Edition and TurboTax’s other, paid products, and not the free service that they sought, and not
26 providing a link from its website to access Freedom Edition. This conduct was taken by Intuit to
27 artificially inflate profits and deprive low-income consumers of a free product.

1 113. Intuit further violated the UCL by marketing Defendant’s functionally-limited
2 TurboTax Free Edition as “free,” while concealing the existence, availability, and functionality of
3 TurboTax Freedom Edition and marketing paid products to consumers when they were unable to
4 prepare their taxes for free due to the limited functionality of Free Edition. Intuit marketed Free
5 Edition with the intent to confuse consumers with the Free File Program-complaint product—
6 Freedom Edition.

7 114. Intuit fraudulently misrepresented that paid products were required when Freedom
8 Edition could have been used to prepare and file taxes for free, and only informed customers of the
9 need to purchase paid products after they went through the time-consuming process of entering
10 personal information into Free Edition. Once this occurred, there was no easy way to transfer that
11 information to Freedom Edition.

12 115. Defendant’s fraudulent scheme, material omissions and concealment of the true
13 characteristics of TurboTax Free Edition and the existence, availability, and functionality of
14 TurboTax Freedom Edition were material to Plaintiff and the Class. Intuit fraudulently
15 misrepresented, concealed, and/or failed to disclose the truth regarding Freedom Edition and Free
16 Edition with the intent that Plaintiff and Class members would rely on the misrepresentations,
17 concealments, and omissions.

18 116. Had they known the truth, Plaintiff and Class members would have used Freedom
19 Edition to prepare and file their taxes for free (as Intuit promised the IRS), would not have used Free
20 Edition, and/or would not have been fraudulently induced to pay Intuit for use of its paid products.

21 117. Plaintiff and Class members suffered ascertainable loss and actual damages as a direct
22 and proximate result of Defendant’s fraudulent misrepresentations, omissions, concealment of and
23 failure to disclose material information, and violations of California common and statutory law,
24 including, *inter alia*, all monies paid to Intuit for tax preparation and filing.

25 118. Defendant acted knowingly, intentionally and/or with reckless disregard for the rights
26 of Plaintiff and Class members. Intuit’s fraudulent, unfair, and unlawful conduct continues to this
27 day.

1 119. Plaintiff and Class members seek declaratory, injunctive and equitable relief,
2 including restitution and/or restitutionary disgorgement, and any other just and proper relief available
3 under the UCL.

4 **COUNT IV**
5 **Violations of the California Consumers Legal Remedies Act**
6 **(Cal. Civ. Code § 1750, *et seq.*)**
7 **(On behalf of Plaintiff and the Nationwide Class)**

8 120. Plaintiff incorporates by reference and realleges the foregoing paragraphs as if set
9 forth fully herein.

10 121. Plaintiff brings this claim on behalf of herself and members of the Nationwide Class.

11 122. California’s Consumers Legal Remedies Act (“CLRA”), Cal Civ. Code §1750, *et seq.*,
12 prohibits “unfair methods of competition and unfair or deceptive acts or practices undertaken by any
13 person in a transaction intended to result or which results in the sale or lease of goods or services to
14 any consumer.” Cal. Civ. Code § 1770(a).

15 123. The TurboTax tax preparation and filing services provided by Intuit are “services” as
16 defined in Cal. Civ. Code §1761(b).

17 124. Plaintiff and Class members are “consumers” as defined in Cal. Civ. Code §1761(d),
18 and Defendant is a “person” as defined in Cal. Civ. Code §1761(c).

19 125. As alleged above, Defendant made material misrepresentations concerning the true
20 characteristics of the TurboTax Free Edition and concealed, attempted to conceal, and reduced access
21 to TurboTax Freedom Edition in order to artificially inflate profits by deceiving consumers into
22 purchasing unnecessary paid products.

23 126. In purchasing Defendant’s paid products, Plaintiff and Class members were deceived
24 by Defendant’s failure to disclose the availability and functionality of TurboTax Freedom Edition.

25 127. Defendant has engaged in unfair or deceptive acts or practices that violated Cal. Civ.
26 Code § 1750, *et seq.*, as described herein, by among other things, representing that Free Edition has
27 characteristics, uses, benefits, and qualities which it does not have; representing that Free Edition is
28 of a particular standard, quality, and grade when it is not; advertising Free Edition, Freedom Edition,
and its paid products with the intent not to sell or lease them as advertised and representing that the

1 subject of a transaction involving them has been supplied in accordance with a previous
2 representation when it has not.

3 128. In the course of their business, Defendant failed to disclose and actively concealed the
4 availability and functionality of Freedom Edition and the costs associated with using Free Edition for
5 preparing anything other than the most basic returns, and otherwise engaged in activities with a
6 tendency or capacity to deceive.

7 129. Defendant also engaged in unlawful trade practices by employing deception, deceptive
8 acts or practices, fraud, misrepresentations, or concealment, suppression or omission of material facts
9 with intent that others rely upon such concealment, suppression, or omission, in connection with the
10 sale of its tax preparation and filing products and services.

11 130. Defendant knew that its choice of names and marketing of Free Edition was confusing
12 to customers, fraudulently misrepresented or omitted the differences between Free Edition, Freedom
13 Edition and its paid products, and failed to disclose and actively concealed those differences as well
14 the ability of Plaintiff and Class members to use Freedom Edition for fully free tax preparation and
15 filing pursuant to the Free File Program.

16 131. By failing to disclose and by actively concealing the differences between TurboTax
17 Freedom Edition and its other products, by marketing TurboTax Free Edition as free and of high
18 quality (when it was in fact of limited functionality, leading to additional costs), and by presenting
19 themselves as a reputable tax return services provider, Defendant engaged in unfair or deceptive
20 business practices in violation of the CLRA. Defendant deliberately withheld the information about,
21 and access to, TurboTax Freedom Edition, in order to ensure that consumers would purchase services
22 that were available to those same consumers for free through the Free File Program.

23 132. In the course of Defendant's business, it willfully failed to disclose and actively
24 concealed the distinctions and costs discussed above. Defendant compounded the deception by
25 repeatedly asserting that the TurboTax Free Edition allowed consumers to file for free, when in fact
26 the product was useless of the majority of taxpayers

27 133. Defendant's unfair or deceptive acts or practices, including these misrepresentations,
28 concealments, omissions, and suppressions of material facts, had a tendency or capacity to mislead,

1 tended to create a false impression in consumers, and were likely to and did in fact deceive reasonable
2 consumers, including Plaintiff and Class members.

3 134. Defendant intentionally and knowingly misrepresented material facts regarding the
4 distinction between the different editions of TurboTax with an intent to mislead Plaintiff and the
5 members of the Class.

6 135. Defendant knew or should have known that its conduct violated the CLRA.

7 136. As alleged above, Defendant made material statements about the true cost of
8 TurboTax Free Edition that were either false or misleading.

9 137. To protect its profits, Defendant concealed the true cost of TurboTax Free Edition, as
10 well as the existence, availability, and functionality of TurboTax Freedom Edition, and caused
11 unsuspecting consumers—entitled to file their returns for free—to pay for products that they did not
12 need.

13 138. Defendant owed Plaintiff and Class members a duty to disclose the true costs
14 associated with TurboTax Free Edition, as well as the existence, availability, and functionality of
15 TurboTax Freedom Edition, because Defendant (1) had exclusive and/or far superior knowledge and
16 access to the facts regarding the Free File Program, Free Edition, and Freedom Edition than Plaintiff
17 and members of the Classes; (2) knew the facts regarding its various products that were not known
18 to or reasonably discoverable by Plaintiff and Class members; (3) intentionally concealed the
19 foregoing from Plaintiff and Class members; and (4) made incomplete or fraudulent representations
20 about the cost of its services, while purposefully withholding material facts regarding the eligibility
21 of Plaintiff and Class members for truly free filing that contradicted these representations.

22 139. Defendant's failure to disclose and active concealment of the true costs associated
23 with TurboTax Free Edition, as well as the existence, availability, and functionality of TurboTax
24 Freedom Edition, were material to the members of the Classes. Had these material facts been
25 disclosed, Plaintiff and the Classes would have used Freedom Edition at no cost, would not have paid
26 Defendant to prepare or file their taxes, and/or would have used another provider entirely.

27 140. Plaintiff and the members of the Classes suffered ascertainable loss caused by
28 Defendant's misrepresentations and its failure to disclose material information. Plaintiff and Class

1 members had no way of discerning that Defendant’s representations were false and misleading, or
2 otherwise learning the facts that Defendant had concealed or failed to disclose.

3 141. Defendant’s violations were willful and oppressive and are ongoing such that
4 injunctive relief is sought and warranted.

5 142. Defendant’s unlawful acts and practices complained of herein affect the public
6 interest.

7 143. As a direct and proximate result of Defendant’s violations of the CLRA, the members
8 of the Classes have suffered injury-in-fact and/or actual damage.

9 144. In accordance with section 1782(a) of the CLRA, Plaintiff will serve Defendant with
10 notice of her and the Class’s claims and demand that Defendant correct or agree to correct the actions
11 described therein. If Defendant fails to do so, Plaintiff will amend this Complaint to seek
12 compensatory and actual damages to which Plaintiff and Class members are entitled.

13 **COUNT V**
14 **Violations of the California False Advertising Law**
15 **(Cal. Bus. & Prof. Code § 17500, *et seq.*)**
(On behalf of Plaintiff and the Nationwide Class)

16 145. Plaintiff incorporates by reference and realleges the foregoing paragraphs as if set
17 forth fully herein.

18 146. Plaintiff brings this claim on behalf of herself and the Nationwide Class.

19 147. Cal. Bus. & Prof. Code §17500 (the “FAL”) states: “It is unlawful for any ...
20 corporation ... with intent directly or indirectly to dispose of real or personal property ... to induce
21 the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or
22 disseminated ... from this state before the public in any state, in any newspaper or other publication,
23 or any advertising device, ... or in any other manner or means whatever, including over the Internet,
24 any statement ... which is untrue or misleading, and which is known, or which by the exercise of
25 reasonable care should be known, to be untrue or misleading.”

26 148. Intuit caused to be made or disseminated through California and the United States,
27 through advertising, marketing and other publications, statements that were untrue or misleading, and
28

1 which were known, or which by the exercise of reasonable care should have been known to Intuit, to
2 be untrue and misleading to consumers, including Plaintiff and Class members.

3 149. Intuit violated Cal. Bus. & Prof. Code §17500 because the misrepresentations and
4 omissions regarding the true cost of TurboTax Free Edition, as well as the existence, availability, and
5 functionality of TurboTax Freedom Edition, were material to Plaintiff and Class members, were
6 likely to deceive a reasonable consumer, and deceived Plaintiff and Class members.

7 150. As a direct and proximate result of Intuit's untrue and misleading advertisements,
8 Plaintiff and Class members have suffered an injury in fact, including the loss of money or property.
9 In using Defendant's paid products, Plaintiff and Class members relied on Defendant's untrue and
10 misleading advertisements with respect to the true costs associated with TurboTax Free Edition, as
11 well as the existence, availability, and functionality of TurboTax Freedom Edition. Had Class
12 members known they could use Freedom Edition to prepare and file simple to complicated taxes for
13 free, they would not have paid for Defendant's paid products. Accordingly, Class members overpaid
14 for Defendant's services and did not receive the benefit of the Free File Program.

15 151. The wrongful conduct alleged herein occurred, and continues to occur, in the conduct
16 of Defendant's business. Defendant's wrongful conduct is part of a course of conduct that is still
17 perpetuated and repeated, both in the State of California and nationwide.

18 152. Plaintiff and Class members seek injunctive relief, restitution, and such other relief as
19 is available under the FAL.

20 **COUNT VI**
21 **Violations of the Maryland Consumer Protection Act**
22 **(Md. Code Com. Law § 13-101, *et seq.*)**
(On behalf of Plaintiff and the Maryland Sub-Class)

23 153. Plaintiff incorporates by reference and realleges the foregoing paragraphs as if set
24 forth fully herein.

25 154. Plaintiff brings this Count on behalf of herself and the Maryland Sub-Class.

26 155. Defendant is a "person" within the meaning of Md. Code Com. Law § 13- 101(h).

27 156. Plaintiff and members of the Maryland Sub-Class are "consumers" within the meaning
28 of Md. Code Com. Law § 13-101(c)(1).

1 157. Defendant’s TurboTax products are “consumer services” within the meaning of Md.
2 Code Com. Law § 13-101(d)(1).

3 158. Intuit’s actions as set forth herein occurred in the conduct of trade or commerce.

4 159. The Maryland Consumer Protection Act (“Maryland CPA”) provides that a person
5 may not engage in any unfair or deceptive trade practices in the sale of any consumer service. Md.
6 Code Com. Law § 13-303.

7 160. The Maryland CPA makes unlawful several specific acts, including, but not limited
8 to: “representing that [c]onsumer goods, consumer realty, or consumer services have a sponsorship,
9 approval, accessory, characteristic, ingredient, use, benefit, or quantity which they do not have”;
10 “representing that [c]onsumer goods, consumer realty, or consumer services are of a particular
11 standard, quality, grade, style, or model which they are not”; and “fail[ing] to state a material fact if
12 the failure deceives or tends to deceive.” Md. Code Com. Law § 13-301.

13 161. In the course of its business, Intuit violated the Maryland CPA by knowingly
14 misrepresenting and intentionally concealing material facts concerning the true cost of TurboTax Free
15 Edition, as well as the existence, availability, and functionality of TurboTax Freedom Edition, as
16 detailed herein. Specifically, in marketing, offering for sale, and selling its services, Defendant
17 engaged in one or more of the following unfair or deceptive acts or practices as defined in Md. Code
18 Com. Law § 13-301: (1) representing that Intuit’s Free Edition and paid products have characteristics
19 or benefits which they do not have; (2) representing that Intuit’s Free Edition and paid products are
20 of a particular standard and quality, when they are not; and/or (3) advertising Freedom Edition, Free
21 Edition and TurboTax paid products with the intent not to sell them as advertised.

22 162. Defendant’s scheme and concealment of the true costs associated with TurboTax Free
23 Edition, as well as the existence, availability, and functionality of TurboTax Freedom Edition were
24 material to Plaintiff and the Maryland Sub-Class, and Defendant misrepresented, concealed, or failed
25 to disclose the truth with the intention that Plaintiff and the Maryland Sub-Class would rely on the
26 misrepresentations, concealments, and omissions. Had they known the truth, Plaintiff and the
27 Maryland Sub-Class would have used Freedom Edition to prepare and file their taxes for free, would
28 not have used Defendant’s paid products, or would have filed their taxes with another provider.

1 Accordingly, Class members overpaid for Defendant's services and did not receive the benefit of the
2 Free File Program.

3 163. Plaintiff and the Maryland Sub-Class members had no way of discerning that
4 Defendant's representations were false and misleading, or otherwise learning the facts that Defendant
5 concealed or failed to disclose, particularly in light of Defendant's manipulation of search engine
6 results and fraudulent concealment of Freedom Edition.

7 164. Defendant had an ongoing duty to Plaintiff and the Maryland Sub-Class to refrain
8 from unfair and deceptive practices under the Maryland CPA in the course of its business.
9 Specifically, Defendant owed Plaintiff and the Maryland Sub-Class members a duty to disclose all
10 material facts concerning its tax preparation and filing products because it possessed exclusive
11 knowledge, it intentionally concealed such material facts from Plaintiff and the Maryland Sub-Class,
12 and/or it made misrepresentations that were rendered misleading because they were contradicted by
13 withheld facts.

14 165. Intuit intentionally and knowingly misrepresented material facts regarding its tax
15 preparation and filing products with the intent to mislead Plaintiff and the Maryland Sub-Class.

16 166. Intuit's unfair or deceptive acts or practices were likely to and did in fact deceive
17 reasonable consumers, including Plaintiff and members of the Maryland Sub-Class.

18 167. Intuit knew or should have known that its conduct violated the Maryland CPA.

19 168. Intuit's unlawful acts and practices complained of herein affect the public interest.

20 169. Plaintiff and the Maryland Sub-Class members suffered ascertainable loss and actual
21 damages as a direct and proximate result of Defendant's unfair and deceptive practices, concealment,
22 misrepresentations, and/or failure to disclose material information.

23 170. Pursuant to Md. Code Com. Law § 13-408, Plaintiff and the Maryland Sub-Class seek
24 actual damages, attorneys' fees, and any other just and proper relief available under the Maryland
25 CPA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself and all others similarly situated, respectfully requests that this Court enter judgment against Defendant and in favor of Plaintiff and the Class and Sub-Class, and award the following relief:

- A. An order certifying this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure, declaring Plaintiff as the representatives of the Class and Sub-Class, and Plaintiff’s counsel as counsel for the Class and Sub-Class;
- B. An order awarding declaratory relief and enjoining Defendant from continuing the unlawful, deceptive, fraudulent, harmful, and unfair business conduct and practices alleged herein;
- C. Injunctive and equitable relief in the form of notifying eligible taxpayers, providing a direct link on the TurboTax website and properly advertising Freedom Edition to eligible participants, and fully reimbursing and making whole Plaintiff and all members of the Classes for all costs paid to Intuit and economic losses;
- D. A declaration that Defendant is financially responsible for all Class notice and the administration of Class relief;
- E. An order awarding costs, restitution, disgorgement, punitive damages, and exemplary damages under applicable law, and compensatory damages for economic loss and out-of-pocket costs in an amount to be determined at trial;
- F. An order awarding any applicable statutory and civil penalties;
- G. A declaration that Defendant is required to engage in corrective advertising;
- H. An order requiring Defendant to pay both pre-and post-judgment interest on any amounts awarded;
- I. An award of costs, expenses and attorneys’ fees as permitted by law; and
- J. Such other or further relief as the Court may deem appropriate, just, and equitable.

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff demands a trial by jury of any and all issues in this action so triable of right.

DATED: May 13, 2019

Respectfully submitted,

**KESSLER TOPAZ
MELTZER & CHECK, LLP**

/s/ Eli R. Greenstein
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*Attorneys for Plaintiff and the
Proposed Classes*

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

DARLEEN ALLWEIN, AS ASSIGNEE OF JUDITH L. HYLAND

(b) County of Residence of First Listed Plaintiff Anne Arundel County, Maryland (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Kessler Topaz Meltzer Check, LLP; One Sansome Street, Suite 1850, San Francisco, CA 94104; 415-400-3000

DEFENDANTS INTUIT INC.

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party) 2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation-Transfer 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(d)(2)

Brief description of cause:

Fraud or Fraudulent Concealment; Unjust Enrichment; Violation of the California Unfair Competition Law, etc.

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE TBD

DOCKET NUMBER 5:19-cv-02546

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 05/13/2019

SIGNATURE OF ATTORNEY OF RECORD

/s/ Eli Greenstein

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

Authority For Civil Cover Sheet. The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
 - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
 - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
 - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
 - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
 - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.