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Attorneys for Plaintiffs  
JEANETTE BETANCOURT

**IN THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

JEANETTE BETANCOURT,  
individually and on behalf of all  
others similarly situated,

Plaintiff,

vs.

AMERICAN INCOME LIFE  
INSURANCE COMPANY; and  
DOES 1-10, inclusive,

Defendant.

Case No.: 8:22-cv-153

**CLASS ACTION COMPLAINT**

For Violations of:

1. Electronic Funds Transfer Act (15 U.S.C. § 1693 *et seq.*);
2. Unfair Competition Law (Cal. Bus. & Prof. Code § 17200, *et seq.*); and
3. Conversion.

**DEMAND FOR JURY TRIAL**

Plaintiff, on behalf of herself and all others similarly situated, alleges as follows:

**JURISDICTION AND VENUE**

1. This Class Action Complaint is brought pursuant to Federal Rule of Civil Procedure 23 for, *inter alia*, alleged violations of the Electronic Funds Transfer Act (“EFTA”), 15 U.S.C. 1693, *et seq.*, and California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code § 17200, *et seq.* Additionally,

1 Plaintiff alleges that Defendant's conduct constitutes common law conversion.

2 2. Jurisdiction is proper under 28 U.S.C. § 1331 because this action  
3 arises under a federal statute, namely the Electronic Funds Transfer Act, 15 U.S.C.  
4 § 1693, *et seq.*

5 3. Venue is proper in the Central District of California court because a  
6 substantial portion of the events giving rise to Plaintiff's claims took place in this  
7 district.

### 8 **THE PARTIES**

9 4. Plaintiff JEANETTE BETANCOURT ("Betancourt") is, and at all  
10 relevant times was, a resident of Orange County, California.

11 5. On information and belief, Defendant AMERICAN INCOME LIFE  
12 INSURANCE COMPANY ("Defendant") is, and at all relevant times was, an  
13 insurance company incorporated in Indiana and with its principal place of business  
14 in Texas.

15 6. The identities of Defendants designated as DOES 1-10 are currently  
16 not known and may include natural persons and businesses entities including  
17 product manufacturers, medical providers, professionals, subsidiaries, divisions,  
18 professionals, contractors, estates, administrators of estates, and trusts. Any  
19 conditions precedent to the filing of suit and/or the naming of a Defendant herein  
20 that may apply have been, or will be, complied with in full by Plaintiff, including  
21 the filing of claims, notices, and/or such other action as maybe required by  
22 applicable law. Plaintiff will amend this complaint, according to all applicable  
23 laws, with the true names and capacities of any Doe defendant once ascertained.

24 7. Plaintiff is informed and believes, and thereon alleges, that at all  
25 relevant times, Defendants, and each of them, were the agents, servants,  
26 employees, co-conspirators, and/or joint venturers of each other, acting within the  
27 scope and authority of said agency, employment and/or venture and with the  
28 permission and consent of their co-Defendant(s) and/or that all of said acts were

1 subsequently performed with the knowledge, acquiescence, ratification and  
2 consent of the respective principals and that the benefits thereof were accepted by  
3 said principals.

4 8. Plaintiff is informed and believes, and thereon allege, that the acts and  
5 conduct herein alleged by Defendants, and each of them, was duly authorized,  
6 ordered and directed by the respective and collective Defendant corporate  
7 employers and its officers and management-level employees. In addition, said  
8 corporate employers participated in the aforementioned acts and conduct of their  
9 employees, agents and representatives, and upon completion of the aforesaid acts  
10 and conduct of said corporate employees, agents and representatives, Defendants,  
11 and each of them, ratified, accepted the benefits of, condoned, lauded, acquiesced,  
12 approved and consented to all said acts and conduct.

13 9. Plaintiff is informed and believes, and thereon allege, that Defendants,  
14 and each of them, were and are the alter ego and/or successors in interest of every  
15 other Defendant. At all times there existed such a unity of interest and ownership  
16 such that any separateness ceased to exist, and at all relevant times the one was a  
17 mere shell or instrumentality through which the other(s) carried out their business.  
18 Each Defendant exercised such complete control over the other(s) and so  
19 dominated it to achieve individual goals. Defendant, and each of them, so ignored  
20 business formalities that any separateness was merely a fiction and did not exist  
21 and should be deemed not to exist. At all relevant times, it is alleged that that  
22 Defendants, and each of them, acted for itself as well as on behalf of its alter  
23 ego(s).

24 10. At all times hereinafter mentioned, Plaintiff will show, according to  
25 proof, that Defendants, and each of them, were and are the alter egos, successors,  
26 and/or successors in interest, of the others.

27 **FACTUAL ALLEGATIONS**

28 11. Plaintiff incorporates by reference all preceding paragraphs as though

1 set forth fully herein.

2 12. Beginning in 2019, Plaintiff opened and paid for a life insurance  
3 policy with Defendant.

4 13. In the summer of 2021, Plaintiff upgraded her insurance policy.

5 14. In consideration of her upgraded insurance policy, Plaintiff paid  
6 Defendant \$99.52 each month until she cancelled her policy on September 24,  
7 2021.

8 15. While upgrading her policy, Defendant's insurance agent asked  
9 Plaintiff if she knew of any friends or family who might be interested in  
10 purchasing a similar policy.

11 16. Plaintiff recommended her sister, Adriana Garcia.

12 17. Defendant's agent promptly contacted Plaintiff's sister and sold her an  
13 insurance policy.

14 18. However, Plaintiff's sister does not have a checking account and, as  
15 such, Defendant's agent was unable to complete the process of signing Plaintiff's  
16 sister.

17 19. On information and belief, Defendant's agent used Plaintiff's  
18 checking account information to complete the process of signing Plaintiff's sister.

19 20. As a result, Plaintiff has been charged three (3) times for her sister's  
20 insurance policy.

21 21. Defendant charged Plaintiff on July 2, 2021 for \$78.55, September 23,  
22 2021 for \$81.15, and October 13, 2021 for \$87.37.

23 22. On information and belief, Defendant's standard practice is to  
24 automatically withdraw monthly insurance premiums from its customers personal  
25 bank accounts via electronic fund transfers ("EFTs").

26 23. Plaintiff never gave Defendant permission to withdraw funds from her  
27 checking account to pay for her sister's insurance policy.

28 24. Accordingly, Plaintiff requested that Defendant refund the charges

1 made to her checking account. Defendant has failed to respond favorably to this  
2 day.

3 **CLASS ALLEGATIONS**

4 25. Plaintiff incorporates by reference all preceding paragraphs as though  
5 set forth fully herein.

6 26. The material circumstances surrounding Plaintiff's experience were  
7 the same as, or substantially similarly to, that of other putative Class Members, all  
8 of whom were automatically charged by Defendant without authorization.

9 27. Plaintiff thus brings this action on behalf of herself and all others  
10 similarly situated, as a member of the proposed class of consumers defined as  
11 follows:

12 **Class:**

13 All persons in the United States from whose bank accounts Defendant  
14 initiated a recurring automatic electronic fund transfer not authorized in  
15 writing by the parties' original agreement, within the one year prior to the  
filing of this Complaint.

16 **California Subclass:**

17 All Class Members who resided in California at the time they executed an  
18 original agreement authorizing recurring automatic electronic fund transfers  
by Defendant.

19 28. Defendant, its affiliates, employees, agents, and attorneys and the  
20 Court are excluded from the Class.

21 29. Plaintiff reserves the right to amend the Class and/or Subclass and to  
22 add additional subclasses, if discovery and further investigation reveals such action  
23 is warranted.

24 30. While the exact number and identities of Class Members are unknown  
25 to Plaintiff at this time, and can only be ascertained through appropriate discovery,  
26 Plaintiff is informed and believes, and thereon alleges, that the Class includes  
27 hundreds, if not thousands, of members. Plaintiff is informed and believes, and  
28 thereon alleges, that Class Members may be easily ascertained by the records

maintained by Defendant.

31. No violations alleged in this complaint are contingent on any individualized interaction of any kind between members of the Class and Defendant.

32. This suit is thus properly maintainable as a class action pursuant to Fed. R. Civ. P. 23(a) because the Class is so numerous that joinder of the Class Members is impracticable and the disposition of all claims in one action will provide substantial benefits to the parties, to absent Class Members, and to the Court.

33. There are questions of law and fact common to the Class affecting all parties that predominate over questions which may affect individual Class Members, including:

- a. Whether Class Members entered into agreements with Defendant to have automatic recurring electronic payments drawn from their personal accounts to be paid to Defendant for services;
- b. Whether Class Members executed written agreements memorializing their authorization of recurring automatic electronic fund transfers;
- c. Whether Defendant provided Class Members with copies of fully executed written agreements memorializing the terms for automatic recurring electronic fund transfers;
- d. Whether, despite not receiving proper authorization, Defendant took unauthorized automatic or recurring payments from Class Members' accounts;
- e. Whether Plaintiff and members of the Classes are entitled to equitable and/or injunctive relief; and
- f. Whether Defendant's unlawful practices harmed Plaintiff and other Class Members.

34. Plaintiff represents, and is a member of, the proposed Class and

1 Subclass.

2 35. Plaintiff's claims are typical of all Class Members and are based on  
3 the same legal theories.

4 36. Plaintiff has no interest antagonistic to, or in conflict with, the Class.

5 37. Plaintiff will fairly and adequately protect the interests of all Class  
6 Members and has retained attorneys experienced in the prosecution of consumer  
7 class actions.

8 38. A class action is superior to other available methods of fair and  
9 efficient adjudication of this controversy, since individual litigation of the claims  
10 of all Class Members is impracticable. Even if every Class Member could afford,  
11 and wanted to proceed with, individual claims, such redundant litigation would be  
12 unduly burdensome to the courts. Individualized litigation would also present the  
13 potential for varying, inconsistent, or contradictory judgments and exacerbate the  
14 delay and expense to all parties, and to the courts, resulting from multiple trials of  
15 the same complex issues. The prosecution of separate actions by individual Class  
16 Members would thus create a risk of adjudications with respect to them that would,  
17 as a practical matter, be dispositive of the interests of the other Class Members not  
18 parties to such adjudications or that would substantially impair or impede the  
19 ability of such non-party Class members to protect their interests.

20 39. By contrast, proceeding with the claims alleged on a class basis  
21 presents fewer management concerns, conserves the resources of the parties and of  
22 the court system, and protects the rights of all Class Members.

23 40. As discussed in detail below, Defendant have acted, or refused to act,  
24 in ways generally applicable to the Class, thereby making appropriate final and  
25 injunctive relief with respect to all Class Members.

26 41. Pursuant to Fed. R. Civ. P. 23, a class action is appropriate and  
27 preferable because, on information and belief, the putative Class consists of  
28 hundreds, if not thousands, of individuals and is so numerous that joinder of all

putative Class Members, whether otherwise required or permitted, is impracticable. Information confirming the actual number of putative Class Members is in Defendant's exclusive control.

42. Pursuant to Fed. R. Civ. P. 23(b) (3), class certification is appropriate because no unusual difficulties will likely occur in the management of the proposed Class, as all questions of law or fact to be litigated at the liability stage are common to the putative Class and all compensatory relief is concomitant with a finding of liability and can be calculated objectively on a class-wide basis.

### **FIRST CAUSE OF ACTION**

#### **Violation of the Electronic Funds Transfer Act**

(15 U.S.C. § 1693, *et seq.*)

#### **Individually and on behalf of the Class**

43. Plaintiff incorporates by reference all preceding paragraphs as though set forth fully herein.

44. The Federal Reserve Board ("Board") implements the EFTA through Regulation E, which includes an official staff commentary and applies to accounts for which there is an agreement for EFT services to or from the account between a consumer and a third party. *See* Staff Commentary 205.3(a)-1.

45. Section 903(10) of the EFTA provides that the term "preauthorized electronic fund transfer" means "an electronic fund transfer authorized in advance to recur at substantially regular intervals." 15 U.S.C. § 1693a(10).

46. Defendant failed to comply with the writing and notice requirements of section 907(a) of the EFTA with respect to the EFTs described herein and as to all Class Members. 15 U.S.C. § 1693e.

47. Section 907(a) of the EFTA provides in pertinent part that a "preauthorized electronic fund transfer from a consumer's account may be authorized by the consumer only in writing, and a copy of such authorization shall



1 be provided to the consumer when made.” 15 U.S.C. §1693e(a).

2 48. Section 205.10 (b) of Regulation E provides similarly that  
 3 “[p]reauthorized electronic fund transfers from a consumer’s account may be  
 4 authorized only by a writing signed or similarly authenticated by the consumer.  
 5 The person that obtains the authorization shall provide a copy to the consumer.” 12  
 6 C.F.R. § 205.10(b).

7 49. Section 205.10(b) of the Board’s Staff Commentary to Regulation E  
 8 states that “[t]he authorization process should evidence the consumer’s identity and  
 9 assent to the authorization.” 12 C.F.R. § 205.10(b), Supp. I, comment 5. The Staff  
 10 Commentary states further that “[a]n authorization is valid if it is readily  
 11 identifiable as such and the terms of the preauthorized transfer are clear and readily  
 12 understandable.” 12 C.F.R. § 205.10(b), Supp. I, comment 6.

13 50. On information and belief, Defendant debited Class Members’ bank  
 14 accounts on a recurring basis without first obtaining for all such transactions a  
 15 written authorization signed or similarly authenticated by the respective Class  
 16 Members for preauthorized EFTs from their personal bank accounts, thereby  
 17 violating § 907(a) of the EFTA, 15 U.S.C. § 1693e(a), and Section 205.10(b) of  
 18 Regulation E, 12 C.F.R. § 205.10(b).

19 51. On information and belief, Defendant debited Class Members’  
 20 personal bank accounts on a recurring basis without providing each Class Member  
 21 a copy of a written authorization signed or similarly authenticated by the respective  
 22 Class Members for preauthorized EFTs, thereby violating the EFTA pursuant to 15  
 23 U.S.C. § 1693e(a) and 12 C.F.R. § 205.10(b).

## 24 **SECOND CAUSE OF ACTION**

25 Violation of the Unfair Competition Law

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

### 27 **Individually and on behalf of the Subclass**

28 52. Plaintiff incorporates by reference all preceding paragraphs as though

1 set forth fully herein.

2 53. Actions for relief under the UCL may be based on any business act or  
3 practice that is unlawful, unfair or fraudulent within the broad statutory definition.  
4 A plaintiff is required to provide evidence of a causal connection between a  
5 defendant's violative conduct and the alleged harm to show that the defendant's  
6 conduct caused or was likely to cause substantial injury to consumers. It is  
7 insufficient for a plaintiff to show merely that the defendant's conduct created a  
8 risk of harm.

9 54. As described herein, Plaintiff and Class Members have suffered injury  
10 in fact and been deprived of property as a result of Defendant's business acts and  
11 practices in California, which denied Plaintiff and Class Members monies  
12 transferred electronically without prior written authorization. Defendant's conduct  
13 is thus substantially injurious to Plaintiff and Class Members, and Plaintiff seeks to  
14 enforce important rights affecting the public interest within the meaning of Code of  
15 Civil Procedure § 1021.5.

### 16 UNLAWFUL

17 55. The UCL prohibits "any unlawful...business act or practice." Cal.  
18 Bus. & Prof. Code § 17200, *et seq.*

19 56. The violation of any state, federal, or local law is sufficient to satisfy  
20 the UCL's "unlawful" prong. Plaintiff contends, *inter alia*, that Defendant's failure  
21 to comply with the EFTA is an unlawful practice under the UCL.

22 57. As explained above, Defendant deceived Plaintiff and other Class  
23 Members by initiating EFTs not authorized by the parties' original written  
24 agreements and continuing to make such unauthorized transfers automatically on a  
25 recurring basis.

26 58. Defendant's conduct therefore caused and continues to cause  
27 economic harm to consumers.

28 59. Defendant's conduct thus constitutes an "unlawful" business practice

1 or act under the UCL.

2 60. Without injunctive relief in the form of an order directing Defendant  
3 to cease and desist the offending conduct, Defendant's will likely continue  
4 undeterred, and monetary compensation alone is not an adequate remedy.

5 61. Defendant have thus engaged in unlawful, unfair, and fraudulent  
6 business acts entitling Plaintiff and Class Members to judgment and equitable  
7 relief against Defendant, as set forth in the Prayer for Relief, including an order  
8 requiring Defendant to cease such acts of unlawful, unfair, and fraudulent business  
9 practices immediately and requiring Defendant to correct its actions, pursuant to  
10 Cal. Bus. & Prof. Code § 17203.

### 11 **THIRD CAUSE OF ACTION**

#### 12 **Conversion**

#### 13 **Individually and on behalf of the Subclass**

14 62. Plaintiff incorporates by reference all preceding paragraphs as though  
15 set forth fully herein.

16 63. During the period from approximately July 2021 through October  
17 2021, Defendant made three (3) recurring automatic EFTs in the amount of \$78.55,  
18 \$81.15, and \$87.37 from Plaintiff's account, to pay fees for her sister's policy,  
19 without permission or prior authorization from Plaintiff.

20 64. Defendant thus intentionally deprived Plaintiff of funds in his account  
21 without Plaintiff's consent.

22 65. At all relevant times, Defendant acted with malice, recklessness, and  
23 deliberate disregard for Plaintiff's contractual and personal rights.

24 66. As a proximate result of Defendant's actions, Plaintiff was deprived  
25 of approximately \$250 and experienced anxiety and mental distress.

26 67. Defendant has similarly illegally withdrawn funds from Subclass  
27 Members without authorization depriving those individuals in the same fashion as  
28 Plaintiff.

**PRAYER FOR RELIEF**

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

1. An order certifying the Class and California Subclass and appointing Plaintiff as Representative;
2. An order certifying the undersigned counsel as Class Counsel;
3. An order requiring Defendant, at their own cost, to notify all Class Members of the and deceptive conduct herein;
4. Actual damages suffered by Plaintiff and Class Members as applicable or full restitution of all funds acquired from Plaintiff and Subclass Members during the relevant class period;
5. Punitive damages, as allowable, in an amount determined by the Court or jury;
6. Any and all statutory enhanced damages, including under EFTA;
7. Pre- and post-judgment interest;
8. All reasonable attorneys' fees and costs of suit incurred herein; and
9. All other relief to which Plaintiff, Class Members, and Subclass Members may be entitled as determined by the Court.

**DEMAND FOR JURY TRIAL**

Plaintiff requests a trial by jury on all applicable claims.

Date: January 28, 2022

LAW OFFICES OF TODD M. FRIEDMAN, P.C.

By: /s/ Todd M. Friedman  
Todd M. Friedman  
Adrian R. Bacon  
Attorneys for Plaintiff  
JEANETTE BETANCOURT

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Consumer Claims American Income Life Insurance Co. Wrongfully Used Her Account to Pay for Sister's Policy](#)

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