

EXHIBIT –B-

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Los Angeles Superior Court

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10
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES, CENTRAL DISTRICT

13 **BC 675172**

14 MARICELA CUEVAS, individually and on
15 behalf of all others similarly situated,

16 Plaintiff,

17 v.

18 EQUIFAX, INC., a Georgia corporation; and
19 DOES 1 through 100, inclusive,

20 Defendants.

21 **CLASS ACTION COMPLAINT**

- 22 1. BREACH OF IMPLIED CONTRACT
- 23 2. NEGLIGENCE
- 24 3. VIOLATION OF CALIFORNIA'S UNFAIR
25 COMPETITION LAW CAL. BUS. & PROF.
26 CODE § 17200 - UNLAWFUL BUSINESS
27 PRACTICES
- 28 4. VIOLATION OF CALIFORNIA'S UNFAIR
COMPETITION LAW CAL. BUS. & PROF.
CODE § 17200 UNFAIR BUSINESS
PRACTICES
5. VIOLATION OF CALIFORNIA'S UNFAIR
COMPETITION LAW CAL. BUS. & PROF.
CODE § 17200 FRAUDULENT/DECEPTIVE
BUSINESS PRACTICES
6. CONSTITUTIONAL INVASION OF
PRIVACY
7. NEGLIGENCE *PER SE*
8. BREACH OF COVENANT OF DUTY OF
GOOD FAITH AND FAIR DEALING
9. VIOLATION OF STATE DATA BREACH
ACTS

29 **JURY TRIAL DEMANDED**

30 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD HEREIN:**

31 PLAINTIFF alleges, upon information and belief, based upon the investigation made by
32 and through her attorneys, except those allegations relating to Plaintiff and her attorneys, which

1 are alleged upon knowledge, as follows

2 **CLASS ACTION COMPLAINT**

3 Maricela Cuevas ("Plaintiff"), both individually and on behalf of all others similarly
4 situated ("California Class" and), alleges the following:

5 **I. NATURE OF THE ACTION**

6 1. Equifax, Inc. (hereinafter "Equifax" or "Defendant") operates in 24 countries and has
7 access to the data of over 820 million consumers worldwide and of 91 million businesses. Equifax is
8 one of the largest U.S. based credit reporting agencies. It collects and analyzes detailed financial
9 records for thousands of consumers worldwide. The credit assessments Equifax performs on
10 consumers affects their ability to obtain loans, housing, and jobs. Consumers expect the highest
11 quality of services when trusting a company with their private, financial and personal information.
12 Between May 2017 and July 2017, an estimated 143 million consumers' private personal and financial
13 information was obtained by an unauthorized third party in one of the largest data breaches to date.

14 2. Plaintiff, both individually and on behalf of those similarly situated persons (hereafter
15 "Class Members"), brings this Class Action to secure redress against Equifax for their reckless and
16 negligent violations of customer privacy rights. Plaintiff and Class Members are former customers
17 who entrusted Equifax with their financial information during the period of May 2017 to July 2017.

18 3. Plaintiff and Class Members suffered injury. The security breach compromised
19 customers' full names, Social Security numbers, birth dates, home addresses, driver's license
20 numbers, credit card numbers, and other Private Identifiable Information ("PII").

21 4. As a result of Equifax's wrongful actions and inactions, customer information was
22 stolen. Many of the customers who entrusted Equifax with their financial information have had their
23 PII compromised, have had their privacy rights violated, have been exposed to the risk of fraud and
24 identify theft, and have otherwise suffered damages.

25 **II. PARTIES**

26 5. At all times relevant to this action, named Plaintiff, Maricela Cuevas, is and was, a
27 resident of Los Angeles County, State of California.

28

6. Plaintiff brings this action on her own behalf and on behalf of all others similarly situated, namely all other individuals who have entrusted Equifax with their financial information, expecting Equifax to protect that data during the period of May 2017 to July 2017.

7. Upon information and belief, Defendant Equifax, Inc. (hereinafter referred to as "Defendant Equifax" or "Equifax"), is a Georgia corporation, doing substantial business in California with one of its California addresses listed as 8155 Van Nuys Boulevard, Panorama City, California.

8. The true names and/or capacities, whether individual, corporate, associate or otherwise, of Defendants Does 1 through 100, inclusive, and each of them, are unknown to Plaintiff, who therefore sue said Defendants by such fictitious names. Plaintiff are informed and believe, and upon such information and belief allege, that each of the Defendants fictitiously named herein as a Doe is legally responsible, negligently or in some other actionable manner, for the events and happenings hereinafter referred to, and proximately caused the injuries and damages to Plaintiff hereinafter alleged. Plaintiff will seek leave of Court to amend this Complaint to assert the true names and/or capacities of such fictitiously named Defendants when the same have been ascertained.

9. Plaintiff is informed and believes and thereupon alleges, that at all times mentioned herein, Defendants, and each of them, including Does 1 through 100, were the agents, servants, employees and/or joint ventures of their co-Defendants, and were, as such, acting within the course, scope and authority of said agency, employment and/or joint venture, and that each and every Defendants, as aforesaid, when acting as a principal, was negligent in the selection and hiring of each and every Defendants as an agent, employee and/or joint venturers.

III. JURISDICTION AND VENUE

10. This is brought as a class action to remedy violations of California law by Defendant Equifax. This Court has jurisdiction over this action because it is a class action and the amount in controversy is in excess of the jurisdictional minimum of this Court.

11. Specifically, Defendant engaged in substantial marketing, advertising, promotion, and selling of Equifax services throughout California. This Court has personal jurisdiction over Defendant because of the business they conduct in California and thus has sufficient minimum contacts.

1 12. The Court also has personal jurisdiction over the Parties because Equifax conducts a
2 major part of their national operations with regular and continuous business activity in California, on
3 information and belief, through its website both not exceeded in other jurisdictions throughout the
4 United States.

5 13. Venue is proper in Los Angeles County pursuant to *Section 395(a)* of the *Code of Civil*
6 *Procedure*. Defendant conducts business in Los Angeles, many of the acts giving rise to the violations
7 complained of occurred in Los Angeles County, and because Plaintiff resides in Los Angeles County.

8 IV. SUBSTANTIVE ALLEGATIONS

9 A. *The Data Breach Unravels*

10 14. Equifax operates its credit reporting system, which facilitates the gathering of sensitive
11 personal and financial data of both individuals and companies. Equifax's system serves more than 24
12 countries and has access to the data of over 820 million consumers worldwide and of 91 million
13 businesses.

14 15. On July 29, 2017, a major cybersecurity breach was discovered at one of the three main
15 clearinghouses for Americans' credit histories, credit reporting agency Equifax. Defendant Equifax
16 admitted that the breach began in May and continued until it was discovered in late July 29, 2017.
17 After waiting six weeks, Defendant Equifax disclosed that hackers gained access to sensitive personal
18 data for up to 143 million Americans, including Social Security numbers, birth dates, and homes
19 addresses.

20 16. Hackers exploited a "website application vulnerability" and gained access to personal
21 data about British and Canadian consumers as well.

22 17. Moreover, hackers accessed an unspecified number of driver's licenses, in addition
23 to credit card numbers for 209,000 consumers and credit dispute documents for 182,000 others.

24 18. In the days following the breach, three Equifax executives, Chief Financial Officer
25 John W. Gamble, Joseph M. Loughran III, the president of U.S. information solutions, and
26 Rodolfo O. Ploder, the president of workforce solutions, sold large amounts of their shares of
27 Equifax stock totaling nearly \$1.8 million. According to federal filings, these stock trades were not
28 part of a scheduled sale. Following the data breach, these three top executives were arrested for

1 insider trading. The executives sold nearly \$2 million company shares after the internal discovery
2 of the breach, but before the hack was announced to the public.

3 19. Following these sales of company stock, the value of Equifax's stock price dropped
4 13 percent.

5 20. Consumers, including Plaintiff and Class Members, paid substantial premiums for
6 Equifax services. Specifically, consumers sought out governing processes that run "smoothly and
7 efficiently."

8 ***B. Stolen Information Is Valuable to Hackers and Thieves***

9 21. It is well known, and the subject of many media reports, that payment card data is
10 highly coveted and a frequent target of hackers. Especially in the technology industry, the issue of
11 data security and threats thereto, is well known. Despite well-publicized litigation and frequent public
12 announcements of data breaches, Equifax opted to maintain an insufficient and inadequate system to
13 protect the payment information of Plaintiff and Class Members. Private Identifiable Information is
14 also highly coveted and a frequent target of hackers. Despite well-publicized litigation and frequent
15 public announcements of data breaches, Equifax and its affiliates opted to maintain an insufficient and
16 inadequate system to protect the PII of Plaintiff and Class Members.

17 22. Legitimate organizations and the criminal underground alike recognize the value of PII.
18 Otherwise, they would not aggressively seek or pay for it. As previously seen in one of the world's
19 largest breaches, hackers compromised the card holder data of 40 million customers.

20 23. Credit or debit card information is highly valuable to hackers. Credit and debit card
21 information that is stolen from the point of sale are known as "dumps." Credit and debit card dumps
22 can be sold in the cybercrime underground for a retail value of about "\$20 apiece." This information
23 can also be used to clone a debit or credit card.

24 ***C. The Data Breach Has and Will Result in Additional Identity Theft and Identity Fraud***

25 24. Equifax failed to implement and maintain reasonable security procedures and practices
26 appropriate to the nature and scope of the information compromised in the data breach.

27 25. The ramification of Equifax's failure to keep Plaintiff and Class Members' data secure
28 is severe.

26. According to Javelin Strategy and Research, “one in every three people who is notified of being a potential fraud victim becomes one . . . with 46% of consumers who had cards breached becoming fraud victims that same year.” “Someone Became an Identity Theft Victim Every 2 Seconds Last Year,” Fox Business, Feb. 5, 2014, *available at* <http://www.foxbusiness.com/personal-finance/2014/02/05/someone-became-identitytheft-victim-every-2-seconds-last-year.html>

27. It is incorrect to assume that reimbursing a consumer for a financial loss due to fraud makes that individual whole again. On the contrary, after conducting a study, the Department of Justice’s Bureau of Justice Statistics (“BJS”) found that “among victims who had personal information used for fraudulent purposes, 29% spent a month or more resolving problems.” *See* “Victims of Identity Theft,” U.S. Department of Justice, Dec 2013, *available at* <https://www.bjs.gov/content/pub/pdf/vit12.pdf>. In fact, the BJS reported, “resolving the problems caused by identity theft [could] take more than a year for some victims.”

D. Annual Monetary Losses from Identity Theft are in the Billions of Dollars

28. Javelin Strategy and Research reports that those losses increased to \$21 billion in 2013. *See* 2013 Identity Fraud Report. There may be a time lag between when harm occurs and when it is discovered, and also between when PII is stolen and when it is used. According to the U.S. Government Accountability Office (“GAO”), which conducted a study regarding data breaches:

[L]aw enforcement officials told us that in some cases, stolen data may be held for up to a year or more before being used to commit identity theft. Further, once stolen data have been sold or posted on the Web, fraudulent use of that information may continue for years. As a result, studies that attempt to measure the harm resulting from data breaches cannot necessarily rule out all future harm. GAO, Report to Congressional Requesters, at 33 (June 2007), *available at* <http://www.gao.gov/new.items/d07737.pdf> (attached hereto as Exhibit I)

29. Plaintiff and Class Members now face years of constant surveillance of their financial and personal records, monitoring, and loss of rights. The Class is incurring and will continue to incur such damages in addition to any fraudulent credit and debit card charges incurred by them and the resulting loss of use of their credit and access to funds, whether or not such charges are ultimately reimbursed by the credit card companies.

E. Plaintiff and Class Members Suffered Damages

1 30. The data breach was a direct and proximate result of Equifax's failure to properly
 2 safeguard and protect Plaintiff and Class Members' PII from unauthorized access, use, and disclosure,
 3 as required by various state and federal regulations, industry practices, and the common law, including
 4 Equifax's failure to establish and implement appropriate administrative, technical, and physical
 5 safeguards to ensure the security and confidentiality of Plaintiff and Class Members' PII to protect
 6 against reasonably foreseeable threats to the security or integrity of such information.

7 31. Plaintiff and Class Members' PII is private and sensitive in nature and was
 8 inadequately protected by Equifax. Equifax did not obtain Plaintiff and Class Members' consent to
 9 disclose their PII, except to certain persons not relevant to this action, as required by applicable law
 10 and industry standards.

11 32. As a direct and proximate result of Equifax's wrongful action and inaction and the
 12 resulting data breach, Plaintiff and Class Members have been placed at an imminent, immediate, and
 13 continuing increased risk of harm from identity theft and identity fraud, requiring them to take the
 14 time and effort to mitigate the actual and potential impact of the subject data breach on their lives by,
 15 among other things, placing "freezes" and "alerts" with credit reporting agencies, contacting their
 16 financial institutions, closing or modifying financial accounts, and closely reviewing and monitoring
 17 their credit reports and accounts for unauthorized activity.

18 33. Equifax's wrongful actions and inaction directly and proximately caused the theft and
 19 dissemination into the public domain of Plaintiff and Class Members' PII, causing them to suffer, and
 20 continue to suffer, economic damages and other actual harm for which they are entitled to
 21 compensation, including:

- 22 a. Theft of their PII;
- 23 b. The imminent and certainly impending injury flowing from potential fraud and identity
- 24 theft posed by their PII being placed in the hands of criminals and already misused via
- 25 the sale of Plaintiff and Class Members' information on the Internet black market;
- 26 c. The untimely and inadequate notification of the data breach;
- 27 d. The improper disclosure of their PII;
- 28 e. Loss of privacy;

- 1 f. Ascertainable losses in the form of out-of-pocket expenses and the value of their time
- 2 reasonably incurred to remedy or mitigate the effects of the data breach;
- 3 g. Ascertainable losses in the form of deprivation of the value of their PII, for which there
- 4 is a well-established national and international market;
- 5 h. Overpayments to Equifax for credit reporting services during the subject data breach in
- 6 that a portion of the price paid for such services by Plaintiff and Class Members to
- 7 Equifax was for the costs of reasonable and adequate safeguards and security measures
- 8 that would protect customers' PII, which Equifax did not implement and, as a result,
- 9 Plaintiff and Class Members did not receive what they paid for and by Equifax; and
- 10 i. Deprivation of rights they possess under the Unfair Competition Laws.

11 V. CLASS ACTION ALLEGATIONS

12 34. Plaintiff brings this action on her own behalf and on behalf of all other
 13 persons similarly situated pursuant to *California Civil Code § 1781* (hereinafter, "The Class"). The
 14 Class is composed of:

15 All persons residing in California whose PII was disclosed in the data
 16 breach in 2016-2017 (the "California Class").

17 35. Plaintiff does not know the exact number of members of The Class, since that information
 18 is within the exclusive control of Defendants. But, the members of The Class are believed to be in the
 19 millions. The Class is so numerous that joinder of all members is impracticable.

20 36. The Plaintiff and the members of The Class share a community of interest, as
 21 they all have a same or similar claim arising from the same or similar wrongful actions and omissions
 22 of Defendants, and each of them.

23 37. There are questions of law and/or fact common to The Class, which are
 24 substantially similar and predominate over the questions affecting the individual members. The
 25 claims and/or defenses of the representative Plaintiff are typical of the claims and/or defenses of
 26 The Class and all are based upon the same legal theories. The representative Plaintiff will fairly
 27 and adequately protect the interests of The Class. The Class Action is an appropriate method for
 28 the fair and efficient adjudication of the controversy.

COUNT I

Breach of Implied Contract

(On Behalf of Plaintiff and The Class)

41. Equifax solicited and invited Plaintiff and the members of the Class to entrust Equifax with their personal financial information.

43. Personal data and financial information provided to Equifax by Plaintiff and Class Members was provided pursuant to the mutually agreed-upon implied contract with Equifax under which Equifax agreed to safeguard and protect Plaintiff and Class Members' Private Identifiable Information and to timely and accurately notify them if such information was compromised or stolen.

44. Plaintiff and Class Members would not have provided and entrusted their Private Identifiable Information to Equifax in the absence of the implied contract between them and Equifax.

45. Plaintiff and Class Members fully performed their obligations under the implied contracts with Equifax.

46. Equifax breached the implied contracts it made with Plaintiff and Class Members by failing to safeguard and protect the Private Identifiable Information of Plaintiff and Class Members and by failing to provide timely and accurate notice to them that their Private Identifiable Information was compromised as a result of the data breach.

9

CLASS ACTION COMPLAINT

1 Equifax and Plaintiff and Class Members, Plaintiff and Class Members sustained actual losses and
2 damages as described in detail above.

3
4 **COUNT II**

5 **Negligence**

6 (On Behalf of Plaintiff and The Class)

7 48. Plaintiff repeats and fully incorporates the allegations contained in each and every
8 paragraph of this Complaint.

9 49. Upon accepting Plaintiff and Class Members' Private Identifiable Information in their
10 system, Equifax undertook and owed a duty to Plaintiff and Class Members to exercise reasonable
11 care to secure and safeguard that information from being compromised, lost, stolen, misused, and
12 or/disclosed to unauthorized parties, and to utilize commercially reasonable methods to do so. This
13 duty included, among other things, designing, maintaining, and testing Equifax's security systems to
14 ensure that Plaintiff and the Class Members' PII was adequately secured and protected.

15 50. Equifax further had a duty to implement processes that would detect a breach of its
16 security system in a timely manner.

17 51. Equifax also had a duty to timely disclose to Plaintiff and Class Members that their
18 Private Identifiable Information had been or was reasonably believed to have been compromised.
19 Timely disclosure was appropriate so that, among other things, Plaintiff and Class Members could
20 take appropriate measures to avoid use of bank funds, and monitor their account information and
21 credit reports for fraudulent activity.

22 52. Equifax breached its duty to discover and to notify Plaintiff and Class Members of the
23 unauthorized access by failing to discover the security breach within reasonable time and by failing to
24 notify Plaintiff and Class Members of the breach until May 2017. To date, Equifax has not provided
25 sufficient information to Plaintiff and Class Members regarding the extent and scope of the
26 unauthorized access and continues to breach its disclosure obligations to Plaintiff and the Class.

27 53. Equifax also breached its duty to Plaintiff and Class Members to adequately protect and
28 safeguard this information by knowingly disregarding standard information security principles, despite

1 obvious risks, and by allowing unmonitored and unrestricted access to unsecured Private Identifiable
2 Information. Furthering its negligent practices, Equifax failed to provide adequate supervision and
3 oversight of the Private Identifiable Information with which it is entrusted, in spite of the known risk
4 and foreseeable likelihood of breach and misuse, which permitted a third party to gather Plaintiff's
5 and Class Members' Private Identifiable Information, misuse the Private Identifiable Information, and
6 intentionally disclose it to others without consent.

7 54. Through Equifax's acts and omissions described in this Complaint, including Equifax's
8 failure to provide adequate security and its failure to protect Plaintiff and Class Members' Private
9 Identifiable Information from being foreseeably captured, accessed, disseminated, stolen, and
10 misused, Equifax unlawfully breached its duty to use reasonable care to adequately protect and secure
11 Plaintiff and Class Members' Private Identifiable Information during the time it was within Equifax's
12 control.

13 55. Further, through its failure to timely discover and provide clear notification of the data
14 breach to consumers, Equifax prevented Plaintiff and Class Members from taking meaningful,
15 proactive steps to secure their Private Identifiable Information.

16 56. Upon information and belief, Equifax improperly and inadequately safeguarded the
17 Private Identifiable Information of Plaintiff and Class Members in deviation from standard industry
18 rules, regulations, and practices at the time of the data breach.

19 57. Equifax's failure to take proper security measures to protect Plaintiff and Class
20 Members' sensitive PII as described in this Complaint, created conditions conducive to a foreseeable,
21 intentional criminal act, namely the unauthorized access of Plaintiff and Class Members' Private
22 Identifiable Information.

23 58. Equifax's conduct was grossly negligent and departed from all reasonable standards of
24 care, including, but not limited to: failing to adequately protect the Private Identifiable Information;
25 failing to conduct adequate regular security audits; failing to provide adequate and appropriate
26 supervision of persons having access to Plaintiff and Class Members' Private Identifiable Information.

27 59. Neither Plaintiff nor the other Class Members contributed to the data breach and
28 subsequent misuse of their Private Identifiable Information as described in this Complaint. As a direct

1 and proximate result of Equifax's negligence, Plaintiff and Class Members sustained actual losses and
2 damages as described in detail above.

3 COUNT III

4 **Violation of California's Unfair Competition Law Cal. Bus. & Prof. Code § 17200 Unlawful** 5 **Business Practices**

6 (On Behalf of Plaintiff and The Class)

7 60. Plaintiff repeats and fully incorporates the allegations contained in each and every
8 allegation of this Complaint.

9 61. Equifax has violated Cal. Bus. and Prof. Code §17200 et seq. by engaging in unlawful,
10 unfair or fraudulent business acts and practices and unfair, deceptive, untrue or misleading advertising
11 that constitute acts of "unfair competition" as defined in Cal. Bus. Prof. Code §17200. Equifax
12 engaged in unlawful acts and practices with respect to its services by establishing the sub-standard
13 security practices and procedures described herein; by soliciting and collecting Plaintiff's and Class
14 Members' Private Identifiable Information with knowledge that the information would not be
15 adequately protected; and by gathering Plaintiff's and Class Members' Private Identifiable
16 Information in an unsecure electronic environment in violation of California's data breach statute, Cal.
17 Civ. Code § 1798.81.5, which requires Equifax to take reasonable methods of safeguarding the Private
18 Identifiable Information of Plaintiff and the Class Members.

19 62. In addition, Equifax engaged in unlawful acts and practices with respect to its services
20 by failing to discover and then disclose the data breach to Plaintiff and Class Members in a timely and
21 accurate manner, contrary to the duties imposed by Cal. Civ. Code § 1798.82. To date, Equifax has
22 still not provided such sufficient information to Plaintiff and the Class Members.

23 63. As a direct and proximate result of Equifax's unlawful acts and practices, Plaintiff and
24 the Class Members were injured and lost money or property, including but not limited to the loss of
25 their legally protected interest in the confidentiality and privacy of their Private Identifiable
26 Information, and additional losses described above.

27 64. Equifax knew or should have known that its system had been breached and data
28 security practices were inadequate to safeguard Class Members' Private Identifiable Information and

1 that the risk of a data breach or theft was highly likely. Equifax's actions in engaging in the above-
 2 named unlawful practices and acts were negligent, knowing and willful, and/or wanton and reckless
 3 with respect to the rights of Class Members.

4 65. Plaintiff and members of the Class seek relief under Cal. Bus. & Prof. Code § 17200,
 5 *et. seq.*, including, but not limited to, restitution to Plaintiff and Class Members of money or property
 6 that Equifax may have acquired by means of its unlawful, and unfair business practices, restitutionary
 7 disgorgement of all profits accruing to Equifax because of its unlawful and unfair business practices,
 8 declaratory relief, attorney's fees and costs (pursuant to Cal. Code Civ. Proc. § 1021.5), and injunctive
 9 or other equitable relief.

10 **COUNT IV**

11 **Violation of California's Unfair Competition Law Cal. Bus. & Prof. Code §17200 Unfair** 12 **Business Practices**

13 (On Behalf of Plaintiff and The Class)

14 66. Plaintiff repeats and fully incorporates the allegations contained in each and every
 15 allegation of this Complaint.

16 67. Equifax engaged in unfair acts and practices by soliciting and collecting Plaintiff's and
 17 Class Members' Private Identifiable Information with knowledge that the information would not be
 18 adequately protected; while Plaintiff's and the Class Members' Private Identifiable Information would
 19 be processed in an unsecure electronic environment. These unfair acts and practices were immoral,
 20 unethical, oppressive, unscrupulous, unconscionable, and/or substantially injurious to Plaintiff and the
 21 Class Members. They were likely to deceive the public into believing their Private Identifiable
 22 Information was secure, when it was not. The harm these practices caused to Plaintiff and the
 23 members of the Class outweighed their utility, if any.

24 68. Equifax engaged in unfair acts and practices with respect to the provision of its services
 25 by failing to enact adequate privacy and security measures and protect Class Members' Private
 26 Identifiable Information from further unauthorized disclosure, release, data breaches, and theft, and
 27 failing to timely discovery and give notice of the Data Breach. These unfair acts and practices were
 28 immoral, unethical, oppressive, unscrupulous, unconscionable, and/or substantially injurious to

1 Plaintiff and Class Members. They were likely to deceive the public into believing their Private
 2 Identifiable Information was secure, when it was not. The harm these practices caused to Plaintiff and
 3 the Class Members outweighed their utility, if any.

4 69. As a direct and proximate result of Equifax's acts of unfair practices and acts, Plaintiff
 5 and the members of the Class were injured and lost money or property, including but not limited to the
 6 loss of their legally protected interest in the confidentiality and privacy of their PII, and additional
 7 losses described above.

8 70. Equifax knew or should have known that its systems and data security practices were
 9 inadequate to safeguard Class Members' Private Identifiable Information and that the risk of a data
 10 breach or theft was highly likely. Equifax's actions in engaging in the above-named unlawful
 11 practices and acts were negligent, knowing and willful, and/or wanton and reckless with respect to the
 12 rights of the Class Members.

13 71. The members of the Class seek relief under Cal. Bus. & Prof. Code § 17200, *et*
 14 *seq.*, including, but not limited to, restitution to Plaintiff and Class Members of money or property
 15 that the Equifax may have acquired by means of its unfair business practices, restitutionary
 16 disgorgement of all profits accruing to Equifax because of its unfair business practices, declaratory
 17 relief, attorney's fees and costs (pursuant to Cal. Code Civ. Proc. §1021.5), and injunctive or other
 18 equitable relief.

19 COUNT V

20 **Violation of California's Unfair Competition Law Cal. Bus. & Prof. Code §17200**

21 **Fraudulent/Deceptive Business Practices**

22 (On Behalf of Plaintiff and the Class)

23 72. Plaintiff repeats and fully incorporates the allegations contained in each and every
 24 allegation of this Complaint.

25 73. Equifax engaged in fraudulent and deceptive acts and practices by representing and
 26 advertising that it would maintain adequate data privacy and security practices and procedures to
 27 safeguard Plaintiff's and the Class Members' Private Identifiable Information from unauthorized
 28 disclosure, release, data breaches, and theft; and representing and advertising that it did and would

1 comply with the requirements of relevant federal and state laws pertaining to the privacy and security
2 of the members of the Class' Private Identifiable Information. These representations were likely to
3 deceive members of the public, including Plaintiff and Class Members, into believing their Private
4 Identifiable Information was securely stored, when it was not, and that Equifax was complying with
5 relevant law, when it was not.

6 74. Equifax engaged in fraudulent and deceptive acts and practices by omitting,
7 suppressing, and concealing the material fact of the inadequacy of the privacy and security
8 protections for Class Members' Private Identifiable Information. At the time that Class Members
9 were using Equifax's system, Equifax failed to disclose to Class Members that its data security
10 systems failed to meet legal and industry standards for the protection of their Private Identifiable
11 Information. Plaintiff would not have entrusted Equifax with their private information if they had
12 known about its substandard data security practices. These representations were likely to deceive
13 members of the public, including Plaintiff and the Class Members, into believing their Private
14 Identifiable Information was secure, when it was not, and that Equifax was complying with
15 relevant law and industry standards, when it was not.

16 75. As a direct and proximate result of Equifax's deceptive practices and acts, Plaintiff
17 and the Class Members were injured and lost money or property, including but not limited to the
18 loss of their legally protected interest in the confidentiality and privacy of their Private Identifiable
19 Information, and additional losses described above.

20 76. Equifax knew or should have known that its system and data security practices
21 were inadequate to safeguard Class Members' PII and that the risk of a data breach or theft was
22 highly likely. Equifax's actions in engaging in the above-named unlawful practices and acts were
23 negligent, knowing and willful, and/or wanton and reckless with respect to the rights of Class
24 Members.

25 77. Class Members seek relief under Cal. Bus. & Prof. Code § 17200, *et. seq.*,
26 including, but not limited to, restitution to Plaintiff and Class Members of money or property that
27 Equifax may have acquired by means of its fraudulent and deceptive business practices,
28 restitutionary disgorgement of all profits accruing to Equifax because of its fraudulent and

1 deceptive business practices, declaratory relief, attorney's fees and costs (pursuant to Cal. Code
2 Civ. Proc. §1021.5), and injunctive or other equitable relief.

3 COUNT VI

4 **Constitutional Invasion of Privacy**

5 (On Behalf of Plaintiff and The Class)

6 78. Plaintiff repeats and fully incorporates the allegations contained in each and every
7 allegation of this Complaint.

8 79. Cal. Const., Art. 1., section 1 provides that "[a]ll people are by nature free and
9 independent and have inalienable rights. Among these are enjoying and defending life and liberty,
10 acquiring, possessing, and protecting property, and pursuing and obtaining safety, happiness, and
11 privacy."

12 80. Plaintiff and Class members had a legally protected privacy interest in the Private
13 Identifiable Information provided to Equifax.

14 81. Plaintiff and Class Members had a reasonable expectation of privacy as to the
15 Private Identifiable Information they provided to Equifax under the circumstances of their
16 purchases.

17 82. Equifax's actions and inactions amounted to a serious invasion of the protected
18 privacy interests of Plaintiff and Class Members.

19 83. Equifax's invasion of Plaintiff and Class Members' reasonable expectation of
20 privacy caused Plaintiff and Class members to suffer damages.

21 COUNT VII

22 **Negligence *Per Se***

23 (On Behalf of Plaintiff and The Class)

24 84. Plaintiff repeats and fully incorporates the allegations contained in each and every
25 allegation of this Complaint.

26 85. Pursuant to state laws in California, Equifax had a duty to those California Class
27 Members to implement and maintain reasonable security procedures and practices to safeguard
28 Plaintiff and Class Members' Personal Information:

1 a. California: Cal Civ. Code § 1798.81.5

2 86. Equifax breached their duties to Plaintiff and California Class Members as
3 established under Cal Civ. Code § 1798.81.5 by failing to provide fair, reasonable, or adequate
4 computer systems and data security practices to safeguard Plaintiff and Class Members' Personal
5 Information.

6 87. Equifax's failure to comply with applicable laws and regulations constitutes
7 negligence *per se*.

8 88. But for Equifax's wrongful and negligent breach of their duties owed to Plaintiff
9 and California Class Members, Plaintiff and California Class Members would not have been
10 injured.

11 89. The injury and harm suffered by Plaintiff and California Class Members was the
12 reasonably foreseeable result of Equifax's breach of their duties. Equifax knew or should have
13 known that they were failing to meet their duties, and that Equifax's breach would cause Plaintiff
14 and California Class Members to experience the foreseeable harms associated with the exposure of
15 their Personal Information.

16 90. As a direct and proximate result of Equifax's negligent conduct, Plaintiff and Class
17 Members have suffered injury and are entitled to damages in an amount to be proven at trial.

18 **COUNT VIII**

19 **Breach of the Covenant of Duty of Good Faith and Fair Dealing**

20 (On Behalf of Plaintiff and The Class)

21 91. Plaintiff repeats and fully incorporates the allegations contained in each and every
22 allegation of this Complaint.

23 92. The law implies a covenant of good faith and fair dealing in every contract.

24 93. Plaintiff and Class Members contracted with Defendant Equifax by accepting
25 Defendant Equifax's services.

26 94. Plaintiff and Class Members performed all of the significant duties under their
27 agreements with Defendant Equifax.

28 95. The conditions required for Defendant Equifax's performance under the contract

1 has occurred.

2 96. Defendant Equifax did not provide and/or unfairly interfered with and/or frustrated
3 the right of Plaintiff and the Class Members to receive the full benefits under their agreement.

4 97. Equifax breached the covenant of good faith and fair dealing implied in its
5 contracts with Plaintiff and the Class Members by failing to use and provide reasonable and
6 industry-leading security practices.

7 98. Plaintiff and the Class Members were damaged by Equifax's breach in that they
8 paid for, but never received, the valuable security protections to which they were entitled, and
9 which would have made their products and services more valuable.

10 **COUNT IX**

11 **Violation of State Data Breach Acts**

12 (On Behalf of Plaintiff and The Class)

13 99. Plaintiff repeats and fully incorporates the allegations contained in each and every
14 allegation of this Complaint.

15 100. Equifax owns, licenses, and/or maintains computerized data that includes Plaintiff
16 and Class Members' PII.

17 101. Equifax was required to, but failed, to take all reasonable steps to dispose, or
18 arrange for the disposal, of records within its custody or control containing PII when the records
19 were no longer to be retained, by shredding, erasing, or otherwise modifying the personal
20 information in those records to make it unreadable or undecipherable through any means.

21 102. Equifax's conduct, as alleged above, violated the data breach statutes of California,
22 including: California, Cal. Civ. Code §§ 1798.80 et. seq.;

23 103. Equifax was required to, but failed, to implement and maintain reasonable security
24 procedures and practices appropriate to the nature and scope of the information compromised in
25 the Data Breach.

26 104. The Data Breach constituted a "breach of the security system" within the meaning
27 of section 1798.82(g) of the California Civil Code.

28 105. The information compromised in the Data Breach constituted "personal

information” within the meaning of section 1798.80(e) of the California Civil Code.

106. Like other State Data Breach Acts, California Civil Code § 1798.80(e) requires disclosure of data breaches “in the most expedient time possible and without unreasonable delay . . .”

107. Equifax violated Cal. Civ. Code § 1798.80(e) by unreasonably delaying disclosure of the Data Breach to Plaintiff and other Class Members, whose PII was, or was reasonably believed to have been, acquired by an unauthorized person.

108. Upon information and belief, no law enforcement agency instructed Equifax that notification to Plaintiff and Class Members would impede a criminal investigation.

109. As a result of Equifax's violation of State Data Breach Acts, including Cal. Civ. Code § 1798.80, et seq., Plaintiff and Class Members incurred economic damages, including expenses associated with monitoring their personal and financial information to prevent further fraud.

110. Plaintiff, individually and on behalf of the Class, seek all remedies available under Cal. Civ. Code § 1798.84, including, but not limited to: (a) actual damages suffered by Class Members as alleged above; (b) statutory damages for Equifax's willful, intentional, and/or reckless violation of Cal. Civ. Code § 1798.83; (c) equitable relief; and (d) reasonable attorneys' fees and costs under Cal. Civ. Code § 1798.84(g).

111. Because Equifax was guilty of oppression, fraud or malice, in that it failed to act with a willful and conscious disregard of Plaintiff and Class Members' rights, Plaintiff also seeks punitive damages, individually and on behalf of the Class.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all Class Members proposed in this Complaint, respectfully requests that the Court enter judgment in her favor and against Equifax as follows:

- A. For an Order certifying the and California Class as defined here, and appointing Plaintiff and her Counsel to represent the California Class;

- 1 B. For equitable relief enjoining Equifax from engaging in the wrongful conduct
2 complained of here pertaining to the misuse and/or disclosure of Plaintiff and Class
3 Members' Private Identifiable Information, and from refusing to issue prompt,
4 complete, and accurate disclosures to the Plaintiff and Class Members;
- 5 C. For equitable relief compelling Equifax to utilize appropriate methods and policies
6 with respect to consumer data collection, storage, and safety and to disclose with
7 specificity to Class Members the type of PII compromised.
- 8 D. For equitable relief requiring restitution and disgorgement of the
9 revenues wrongfully retained as a result of Equifax's wrongful conduct;
- 10 E. For an award of actual damages and compensatory damages, in an
11 amount to be determined;

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- 1 F. For an award of costs of suit and attorneys' fees, as allowable by law; and
2 G. Such other and further relief as this court may deem just and proper.
3 E. For Punitive Damages.

4
5 DATED: September 8, 2017

GIRARDI | KEESE

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8 By: 

9 CHRISTOPHER T. AUMAIS
10 Attorneys for PLAINTIFF
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12

13 **VI. DEMAND FOR JURY TRIAL**

14 Plaintiff, on behalf of themselves, and all others similarly situated, hereby demands a jury
15 trial for all claims so triable.

16 DATED: September 8, 2017

GIRARDI | KEESE

17
18
19 By: 

20 CHRISTOPHER T. AUMAIS
21 Attorneys for PLAINTIFF
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