

EXHIBIT –B-

ELECTRONICALLY FILED
Superior Court of California,
County of Orange

09/12/2017 at 12:53:18 PM
Clerk of the Superior Court
By Georgina Ramirez, Deputy Clerk

SAMINI SCHEINBERG, PC
Bobby Samini (SBN 181796)
Theodore G. Spanos (SBN 123654)
Matthew M. Hoesly (SBN 289593)
Bryan C. Oberle (SBN 312154)
2801 West Coast Highway, Suite 200
Newport Beach, California 92663
Telephone: (949) 724-0900
Facsimile: (949) 724-0901

*Attorneys for Plaintiff, MONIQUE DELA CRUZ, individually,
and as representative of a class of similarly-situated persons*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE – CENTRAL JUSTICE CENTER

Judge Thierry Patrick Colaw

MONIQUE DELA CRUZ, individually and as
the representative of a class of similarly
situated persons;

CASE NO.: 30-2017-00943210-CU-MC-CXC

CX-105

CLASS ACTION COMPLAINT FOR:

Plaintiffs,

vs.

EQUIFAX, INC., a Georgia Corporation, and
DOES 1 through 50, inclusive,

Defendants.

1. NEGLIGENCE
2. VIOLATION OF CALIFORNIA
CONSTITUTION ARTICLE I,
SECTION I, CONSTITUTIONAL
INVASION OF PRIVACY
3. VIOLATION OF CALIFORNIA
CIVIL CODE § 1798.80, ET SEQ.
4. VIOLATION OF BUSINESS &
PROFESSIONS CODE §17200 ET.
SEQ.

JURY TRIAL DEMANDED

SAMINI SCHEINBERG, PC
2801 West Coast Highway, Suite 200
Newport Beach, California 92663
Tel. (949) 724-0900

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

CLASS ACTION COMPLAINT

Plaintiff MONIQUE DELA CRUZ ("Plaintiff") brings this action, by and through her undersigned counsel, on behalf of herself and all others similar situated in the State of California ("Class members"), based on information and belief and the investigation of counsel, except for information based on personal knowledge, and hereby alleges as follows:

I. NATURE OF ACTION

1. This class action lawsuit is brought by the above-named Plaintiff on behalf of herself and all other similarly situated persons in the Class defined below against Defendant EQUIFAX INC. ("Equifax" or "Defendant") based on Equifax's unlawful and negligent disclosure of millions of California citizens' personal information as a result of a massive and unprecedented data breach by cyber criminals. The allegations in this Complaint are based on the personal knowledge of Plaintiff as to herself, upon the investigation of her counsel, and on information and belief as to all other matters.

2. This class action arises from a data security breach that occurred sometime between May and July 2017, by which unauthorized individuals gained access to various sensitive and private data such as: full names, social security numbers, birth dates, addresses, telephone numbers, drivers' license numbers, credit card numbers, and other "personal identifying information" affecting as many as 143 million Americans (the "Data Breach").¹

3. On September 7, 2017, Equifax announced that the Data Breach had affected more than 143 million people in the United States²—millions of whom, like Plaintiff, are citizens of California. Equifax also announced that credit card numbers for about 209,000 U.S. customers were compromised, in addition to the "personal identifying information" of about 182,000 U.S. customers.³ Plaintiff avers that while Equifax discovered the Data Breach on July 29, 2017, it did not notify the public, for whatever reason, until September 7, 2017.⁴

¹ <http://money.cnn.com/2017/09/07/technology/business/equifax-data-breach/index.html>

² <https://investor.equifax.com/news-and-events/news/2017/09-07-2017-213000628>

³ *Id.*

⁴ *Id.*

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

4. The Data Breach involving Equifax's customers' accounts is reportedly among the worst ever due to the amount of people affected and the sensitive type of information exposed.⁵ Equifax blames the Data Breach on a flaw in the "open-source software" running its online databases.⁶ Despite the fact that it collects and stores sensitive personal and financial information for millions of customers, Equifax failed to implement and maintain adequate and advanced data security and data management systems and policies, particularly in light of the credible security threats and risks that affected its operations and systems.

5. Equifax owed a duty to Plaintiff and Class members to take reasonable measure to ensure their private information was adequately protected. Equifax knew or should have known that exposure and publication of Plaintiff's and Class members' private information would result in damages and harm. Equifax breached its duty to Plaintiff and Class members by creating an undue risk that Plaintiff and Class members' private information would be compromised and exposed. Equifax failed to implement and maintain adequate information security systems and failed to implement and maintain adequate information security policies and procedures. Equifax failed to follow information security policies and procedures and failed to prevent the unauthorized access to and exposure and publication of Plaintiff's and Class members' private information. This conduct was reckless, grossly negligent, and at a minimum, negligent. As a proximate result of Equifax's breach of duty, Plaintiff and Class members' private information was compromised. Plaintiff and Class members were deprived control and use of their private information and have incurred financial harm and spent time to prevent further spread of private information. Plaintiff and Class members will continue to suffer damages to protect private information from unlawful use.

6. Plaintiff and Class members have a protected privacy interest in the private information they provided to Equifax as part of their respective user-service provider relationship. Plaintiff and Class members reasonably expected their private information would be used for the

⁵ <http://money.cnn.com/2017/09/08/technology/equifax-breach-qu/index.html>

⁶ http://nypost.com/2017/09/08/equifax-blames-giant-breach-on-vendor-software-flaw/?utm_campaign=partnerfeed&utm_medium=syndicated&utm_source=flipboard

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 limited purpose of obtaining and maintaining a user-service provider relationship with Equifax
 2 and that Equifax would protect this privacy interest. Plaintiff and Class members have suffered
 3 and continue to suffer damages as a result of Equifax's failure to protect their privacy interests.

4 II. VENUE & JURISDICTION

5 7. This Court has personal jurisdiction over Defendant because a substantial portion
 6 of the wrongdoing alleged by Plaintiff occurred in the State of California and this County,
 7 Defendant maintains sufficient minimum contacts with and/or otherwise intentionally avails itself
 8 of the markets in the State of California and this County, and Defendant has sufficient contacts
 9 with the State of California and this County such that it is fair and just for Defendant to adjudicate
 10 this dispute here in this County in the State of California.

11 8. This Court has jurisdiction over the violations alleged herein. Defendant has
 12 intentionally prevailed itself of the California market through participation and other activities,
 13 so as to render the exercise of jurisdiction over it by the California Courts consistent with
 14 traditional notions of fair play and substantial justice.

15 9. Venue is proper in this County because Defendant conducts business in this
 16 County, Plaintiff resides in this County, a substantial part of the events, transactions and/or
 17 omissions giving rise to the claims asserted herein occurred in this County and a substantial
 18 portion of Defendant's wrongdoing is believed to have occurred in this County. In addition, and
 19 upon information and belief, a significant number of Class members reside in this County in the
 20 State of California.

21 10. There is no federal jurisdiction under the Class Action Fairness Act, 28 U.S.C.
 22 §1332(d), because, on information and belief, (1) greater than two-thirds of Class members are
 23 citizens of California; (2) Plaintiff, on behalf of the Class, seeks significant relief from Defendant
 24 Equifax; and (3) the principal injuries related to the causes of action herein were incurred in
 25 California and caused by Defendant Equifax. 28 U.S.C. § 1332(d)(4)(A).

26 III. PARTIES

27 11. At all material times herein alleged, Plaintiff MONIQUE DELA CRUZ
 28 ("Plaintiff") is, and was, a user of Defendant Equifax's consumer credit reporting services who is

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 a California citizen in Orange County, CA. Plaintiff's private information was comprised and,
 2 on information and belief, publicly disseminated and in the hands of cyber criminals. The
 3 information that was comprised as part of the Data Breach includes, at a minimum: Plaintiff's full
 4 name, social security number, birth date, address, telephone number, drivers' license number,
 5 credit card number, and other "personal identifying information." On information and belief,
 6 Defendant did not inform Plaintiff of the Data Breach until September 7, 2016, or nearly two (2)
 7 months after the Data Breach occurred.

8 12. At all material times herein alleged, Defendant EQUIFAX Inc. ("Equifax" or
 9 "Defendant") is a corporation organized and existing under the laws of the state of Georgia, with
 10 its global headquarters and principal place of business at 1550 Peachtree St. & One Atlantic
 11 Center, Atlanta, Georgia. Equifax's registered agent for service of process in California is CSC
 12 Lawyers Incorporating Service, which maintains an office at 2710 Gateway Oaks Dr. Suite 150
 13 N in Sacramento, California 95833. On information and belief, Equifax is one of the three largest
 14 nationwide credit-reporting companies that track and rate the financial history of U.S. consumers.

15 13. Plaintiff is ignorant of the true names and capacities of Defendants sued herein as
 16 DOES 1 through 50, inclusive, and therefore sue said defendants by such fictitious names.
 17 Plaintiff will amend this Complaint to allege the true names and capacities of said defendants
 18 when ascertained. Plaintiff is informed and believes, and based thereon allege that each of said
 19 fictitiously named defendants acted intentionally, negligently, and/or recklessly or is responsible
 20 in some manner for the occurrences herein alleged, and that each of the violations of Plaintiffs'
 21 rights as herein alleged were proximately and legally caused by said defendants' actions.

22 14. Plaintiff is informed and believes, and based thereon allege that all of the
 23 Defendants identified herein, whether identified by name or by fictitious name, were and are the
 24 agents, servants, and employees of each of the remaining Defendants, and that in doing the things
 25 alleged herein were acting within the purpose, course and scope of said agency, service, and/or
 26 employment and with the permission, consent, authorization, and subsequent ratification of each
 27 of the remaining defendants.
 28

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

15. Plaintiff is informed and believes, and based thereon allege that Defendants agreed to, cooperated with, aided, abetted, encouraged, ratified, and/or adopted the acts, actions, wrongdoing, and representations of each of the remaining Defendants herein, and that in doing any act alleged herein, were acting in concert and through a civil conspiracy by and among each Defendant to further the interests of each Defendant individually, and all Defendants as a group. For this reason as well, all Defendants are jointly liable to the Class.

IV. FACTUAL ALLEGATIONS

16. Plaintiff repeats, re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

17. Equifax is one of the three largest nationwide credit-reporting companies that track and rate the financial history of U.S. consumers. As part of its business, Equifax collects and stores large volumes of sensitive personal and financial information about its customers, including each customers' full name, social security number, birth date, address, telephone number, drivers' license number, and credit card number. Equifax gets its data from credit card companies, banks, retailers, and lenders who report on the credit activity of individuals to credit reporting agencies, as well as by purchasing public records.⁷

18. Even though it collects and stores sensitive personal and financial information for hundreds of millions of customers, Equifax has failed to adequately protect its customers from one of the largest data breaches in history.

19. Sometime between May and July 2017, cyber criminals breached Equifax's network and gained access to the private information of approximately 143 million Equifax customers, including Plaintiff and Class members. At this time, an unknown number of terabytes of data from Equifax's network servers have been accessed by these unauthorized individuals.

20. Equifax claims that it has been aware of the Data Breach since at least July 29, 2017. However, Equifax did not notify its customers and the public of the Data Breach until it released a public statement on September 7, 2017.⁸

⁷ <https://blog.equifax.com/credit/how-do-credit-reporting-agencies-get-their-information>
⁸ <https://investor.equifax.com/news-and-events/news/2017/09-07-2017-213000628>

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

21. In its public statement, Equifax announced that information regarding the names, social security numbers, birth dates, addresses, telephone numbers, and drivers' license numbers of as many as 143 million Americans had been breached.⁹ Additionally, Equifax announced that credit card numbers for about 209,000 U.S. customers were compromised, in addition to the "personal identifying information" of about 182,000 U.S. customers.¹⁰ This Data Breach is reportedly among the worst ever due to the amount of people affected and the extremely sensitive type of information exposed. The exact nature and extent of the Data Breach is yet to be determined, or at least publicly disclosed; however, Plaintiff and Class members' private information has no doubt been compromised and publicly distributed as herein alleged.

22. Equifax's public statement also contains a link to a free website that can help customers determine if their information has been potentially impacted and to sign up for credit file monitoring and identity theft protection. However, what the public statement does not disclose is that individuals who utilize this service must sign an arbitration agreement preventing potential complainants from suing, joining a class-action suit, or benefiting from any class-action settlement.¹¹ Equifax later added an opt-out provision, but this requires customers to send a letter to Equifax in writing within 30 days of accepting the monitoring service.

23. Equifax recklessly, or as a matter of gross negligence, failed to provide adequate security measures to protect Plaintiff's and Class members' private information. Representatives of Equifax have blamed the Data Breach on a flaw in STRUTS, the open-source software created by the Apache Foundation that runs Equifax's online databases.¹² The individuals responsible for the Data Breach apparently exploited a critical vulnerability in STRUTS that has existed in its code since at least 2008.¹³ Notably, an attack code that can be used to exploit this vulnerability

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*; http://nypost.com/2017/09/08/equifax-blames-giant-breach-on-vendor-software-law/?utm_campaign=partnerfeed&utm_medium=syndicated&utm_source=flipboard

¹³ <https://arstechnica.com/information-technology/2017/09/exploit-goes-public-for-severe-bug-affecting-high-impact-sites>

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 was publicly released on the Internet on or around September 6, 2017, which was the day before
 2 Equifax's press release regarding the Data Breach.¹⁴

3 24. Upon learning of the Data Breach, Equifax failed to notify Plaintiff and Class
 4 members in a timely manner as required by law. Despite being aware of the Data Breach since at
 5 least July 29, 2017, Equifax did not notify the public until September 7, 2017. On information
 6 and belief, Equifax was only forced to make a public statement regarding the Data Breach because
 7 a code that exploits a critical vulnerability in its database software went public on or around the
 8 day before. Furthermore, and on information and belief, at no time has Plaintiff been informed by
 9 Equifax that her private information has been compromised and/or what specific information
 10 from her user account was accessed and stolen.

11 25. On information and belief, the Data Breach would not have occurred if Equifax
 12 had properly maintained, consistent with accepted industry standards, adequate security measures
 13 designed to prevent the unauthorized access to Plaintiff's and Class members' private information
 14 maintained by Equifax.

15 26. Equifax's delay of even one day, let alone two months of delays, in failing to notify
 16 and confirm the Data Breach with Plaintiff and Class members caused significant harm and
 17 damages to Plaintiff and Class members. Instead of notifying Plaintiff and Class members of the
 18 Data Breach, several executives of Equifax sought only to safeguard their own interests. Indeed,
 19 and on or about August 3, 2017, a number of Equifax executives and employees, including but
 20 not limited to its Chief Financial Officer, President of Information Solutions, and President of
 21 Workplace Solutions, sold a substantial amount of Equifax shares on the stock market, grossing
 22 an estimated \$1.8 million.¹⁵

23 27. On information and belief, Equifax knew or should have known that its security
 24 systems and technologies would leave its network vulnerable to attacks by unauthorized third-
 25 party individuals. The vulnerability in STRUTS that Equifax believes the hackers used has been
 26 known and active since at least 2008. Equifax, however, failed to take corrective and adequate
 27

28 ¹⁴ *Id.*

¹⁵ <http://money.cnn.com/2017/09/08/investing/equifax-stock-insider-sales-hack-data-breach>

SAMINI SCHEINBERG, PC
2801 West Coast Highway, Suite 200
Newport Beach, California 92663
Tel. (949) 724-0900

1 measures to update its systems and technologies, even after Equifax had express knowledge of
2 prior, highly-publicized security breaches (such as the data breach with Yahoo!, which occurred
3 the previous year).

4 28. On information and belief, Equifax has not appreciated the risk of or invested in
5 preventing security breaches. Indeed, the genesis of the instant Data Breach dates back more than
6 two months ago, according to Equifax, without Equifax publicly disseminating any information
7 whatsoever with regard to the unauthorized third-party access of its systems. Thus, and on
8 information and belief, and prior to the Data Breach, Equifax was aware that it was vulnerable to
9 a security breach and that reasonable steps that could have been taken to reduce security breaches
10 and cyberattacks, were not properly taken.

11 29. Plaintiff and Class members will never be able to change some of their private
12 information, such as their Social Security numbers, and credit monitoring will not prevent the
13 likely lifetime identity theft issues with which Plaintiff and Class members have been forced to
14 endure and will continue to endure in the future. Use of stolen data may be used and remain
15 publicly available for many years after this Data Breach.

16 30. As a result of the Data Breach, an untold number of Internet users now possess the
17 private information of Plaintiff and the other Class members. For example, and while credit card
18 companies offer protection against unauthorized charges, the process is long, costly and generally
19 aggravating. Physical cards must be replaced, credit card information must be updated on all
20 automatic payment accounts, and victims must add themselves to credit fraud watch lists, which
21 substantially impairs victims' ability to obtain additional credit. Immediate notice of breach is
22 essential to obtain the best protection afforded by these services. However, and as alleged above,
23 Equifax failed to provide such immediate notice, thus further exacerbating the damages sustained
24 by Plaintiff and the other Class members arising from the Data Breach. And unlike credit card
25 information, it is impossible to change one's Social Security number. In addition to other private
26 information, and on information and belief, photographic images of Plaintiff and Class members
27 was also accessed and released—which further exacerbates the likelihood of instances of identity
28 theft occurring in the future.

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

31. Information about Plaintiff and Class members may also be used to harass or stalk them. And, the threat of "spear phishing"—where details of a person's data can be used to tailor a "phishing" message that looks authentic, but is actually a ruse to get the consumer to divulge account information—is real. Indeed, and on information and belief, Plaintiff and Class members allege that their leaked private information will lead to email, telephone and postal scams that ask for personal information.

V. CLASS ACTION ALLEGATIONS

32. Plaintiff repeats, re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

33. Plaintiff brings this action on behalf of herself and as a class action, under Code of Civil Procedure section 382, on behalf of herself and the "Class" defined as:

"All former and current users of Equifax Inc. who are California citizens and whose private information was accessed and obtained by unauthorized individuals and/or cyber criminals, beginning on or about May 2017, culminating in Equifax's public announcement on September 7, 2017, that said private information had been hacked and obtained by said cyber criminals."

34. To the extent necessary, the Court can, in addition, and/or in the alternative, certify appropriate subclasses.

35. The "Class Period" is defined as the time period starting on or about May 1, 2017 (or the date upon which the Data Breach first occurred) and continuing through the present.

36. Specifically excluded from the Class, are: (a) any officers, directors or employees of Defendant; (b) any judge assigned to hear this case (or spouse or family member of any assigned judge); (c) any employee of the Court; (d) any juror selected to hear this case; and (e) persons who timely and properly exclude themselves from the Class.

37. All requirements for class certification are satisfied with respect to the Class.

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

38. Ascertainable Class. The community of interest among these Class members in the litigation is well defined and the proposed Class is ascertainable and identifiable from objective criteria. As part of the hiring process and employment relationship, Defendant records employee's full name, address and other contact information.

39. As such, the Class can be ascertained through objective criteria and its members can be individually identified through Equifax's records. If necessary to preserve the case as a class action, the Court itself can redefine the Class and any subclass.

40. Numerosity of the Class. Members of the Class are so numerous that their individual joinder herein is impracticable. The precise number of members of the Class is presently unknown to Plaintiff, but Plaintiff is informed and believes that the Class includes millions of individuals.

41. Common Questions of Fact and Law Exist and Predominate over Individual Issues. There is a well-defined community of interest in the questions of law and fact involved affecting the parties to be represented. These common questions of law and fact exist as to all members of the Class and predominate over the questions affecting only individual members of the Class. These common legal and factual questions include without limitation:

- a. Whether Defendant engaged in the conduct as alleged herein;
- b. Whether Defendant owed a legal duty to Plaintiff and the Class to protect their private information and, if so, whether Defendant breached its legal duty;
- c. Whether Defendant failed to exercise reasonable care to protect the private information of Plaintiff and members of the Class;
- d. Whether Defendant's conduct was reckless and/or grossly negligent;
- e. Whether Defendant informed Plaintiff and members of the Class of a breach of their private information in a timely and adequate manner;
- f. Whether Defendant's conduct violated Cal. Const., Art. 1, § 1;
- g. Whether Defendant's conduct violated Cal. Civ. Code § 1798.80, et seq.;
- h. Whether Defendant's conduct violated Cal. Bus. Prof. Code § 17200, et seq.;

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

i. Whether Plaintiff and the other members of the Class are entitled to actual, statutory, or other forms of damages, and other monetary relief; and

j. Whether Plaintiff and other members of the Class are entitled to equitable relief, including but not limited to injunctive relief and restitution.

42. Defendant has engaged in a common course of conduct giving rise to the legal rights sought to be enforced by Plaintiff individually and on behalf of the other members of the Class. Similar or identical statutory and common law violations, business practices, and injuries are involved as to all members in the Class. Individual questions, if any, pale by comparison, in both quality and quantity, to the numerous common questions that dominate this action.

43. Plaintiff is a member of and presents claims that are typical of the claims of members of the Class. Plaintiff and each Class member suffered a breach of their private information during the Class Period. Plaintiff and all Class members each sustained damages arising from Defendant's wrongful conduct, as alleged more fully herein. The same material facts that Defendant withheld from the Plaintiffs were withheld from the other members of the Class. The test for materiality is an objective test subject to class wide proof.

44. All members of the Class have been the subject of Defendant's unlawful conduct as described herein. The relief sought is common, unitary, and class-wide in nature.

45. Adequacy of Representation. The adequacy requirement is satisfied. The above-named Plaintiff is adequate to serve as class representative for the Class and is willing to fulfill any required duties. The Court makes the ultimate determination and appointment of class representatives and counsel. Plaintiff and counsel of record will have the opportunity to adequately represent and protect the interests of the members of the Class at the time the Court decides whether to certify the Class. The undersigned counsel are adequate in all respects and qualified to serve as class counsel.

46. Community of Interests. The Class (and any subclasses, if applicable) has a well-defined community of interest in the questions of fact and law to be litigated. The common questions of law and fact are predominant with respect to the liability issues, relief issues and anticipated affirmative defenses. The Named Plaintiff has claims typical of the Class. Without

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 limitation, as a result of Defendant's conduct alleged herein, the named Plaintiff was: (a) injured;
 2 (b) sustained pecuniary loss in an ascertainable amount to be proven at the time of trial.

3 47. Superiority of Class Adjudication. The certification of a class in this action is
 4 superior the litigation of a multitude of cases by members of the putative classes. Class
 5 adjudication will conserve judicial resources and will avoid the possibility of inconsistent rulings.
 6 Moreover, there are Class members who are unlikely to join or bring an action due to, among
 7 other reasons, their reluctance to sue Defendant and/or their inability to afford a separate action.
 8 Equity dictates that all persons who stand to benefit from the relief sought herein should be subject
 9 to the lawsuit and hence subject to an order spreading the costs of the litigation among the class
 10 members in relationship to the benefits received. Even if the members of the Class themselves
 11 could afford individual litigation, the court system could not. Individualized litigation presents a
 12 potential for inconsistent or contradictory judgments. Individualized litigation increases the delay
 13 and expense to all parties and the court system presented by the complex legal and factual issues
 14 of the case. By contrast, the class action device presents far fewer management difficulties, and
 15 provides the benefits of single adjudication, economy of scale, and comprehensive supervision
 16 by a single court.

17 48. In the alternative, the above-defined Class (and any subclasses, if applicable) may
 18 be certified because:

- 19 a. The prosecution of separate actions by the individual members of the Class
 20 would create a risk of inconsistent or varying adjudication with respect to
 21 individual Class members' claims which would establish incompatible
 22 standards of conduct for Defendant.
- 23 b. The prosecution of separate actions by individual members of the Class would
 24 create a risk of adjudications which would as a practical matter be dispositive
 25 of the interests of other members of the Class who are not parties to the
 26 adjudications, or which would substantially impair or impede the ability of
 27 other Class members to protect their interests; and
 28

1 c. Defendant has acted or refused to act on grounds generally applicable to the
 2 Class, thereby making appropriate final and injunctive relief with respect to
 3 the Class.

4 **FIRST CAUSE OF ACTION**

5 **NEGLIGENCE**

6 **(On Behalf of Plaintiff and Class Members)**

7 49. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as
 8 though fully set forth herein.

9 50. Plaintiff and Class members were required to provide Equifax with certain
 10 personal information, including but not limited to their full name, social security number, birth
 11 date, address, telephone number, drivers' license number, and credit card number, in connection
 12 with the use of its services. Equifax collected and stored this information.

13 51. Equifax had full knowledge of the sensitivity of Plaintiff's and Class members'
 14 personal information, as well as the type of harm that would occur if such personal information
 15 were wrongfully disclosed, if disclosure was not timely remediated, or if Class members were not
 16 timely and adequately altered of the Data Breaches.

17 52. Equifax owed a duty to Plaintiff and other Class members to exercise reasonable
 18 care in safeguarding and protecting the private information in its possession from being
 19 compromised, lost, stolen, misused, and or/disclosed to unauthorized parties. This duty included,
 20 among other things, designing, maintaining, and testing Equifax's security systems to ensure that
 21 Plaintiff's and the other Class members' private information in Equifax's possession was
 22 adequately secured and protected. Equifax further had a duty to implement processes that would
 23 detect a breach of its security system in a timely manner, and thereafter, report said breach to its
 24 affected users such as Plaintiff and Class members.

25 53. Equifax had a duty to timely disclose to Plaintiff and other Class members that
 26 their private information had been or was reasonably believed to have been compromised. Timely
 27 disclosure was appropriate so that, among other things, Plaintiff and other Class members could
 28

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 take appropriate measures to avoid use of their Social Security numbers, credit card information
 2 and monitor their other private information and credit reports, for example, for fraudulent activity.

3 54. Equifax breached its duty to exercise reasonable care in safeguarding and
 4 protecting Plaintiff's and Class members' private information in its possession by failing to adopt,
 5 implement, and maintain adequate security measures to safeguard Plaintiff's and the other Class
 6 members' private information; failing to adequately monitor the security of its network; allowing
 7 unauthorized access to Plaintiff's and the other Class members' private information stored on its
 8 servers and systems; and failing to recognize in a timely manner that its systems and servers had
 9 been breached and/or otherwise compromised by an unauthorized third party.

10 55. Equifax breached its duty to timely disclose that Plaintiff's and the other Class
 11 members' private information in its possession had been, or was reasonably believed to have been,
 12 stolen or compromised.

13 56. Equifax's failure to comply with industry regulations, such as the Payment Card
 14 Industry Data Security Standard ("PCI DSS"), and the delay between the date of intrusion (May
 15 to July 2017) and the date Equifax informed its users and the general public of the Data Breach
 16 (September 7, 2017) further evidence Equifax's negligence in failing to exercise reasonable care
 17 in safeguarding and protecting Plaintiff's and the other Class member's private information in its
 18 possession.

19 57. But for Equifax's wrongful and negligent breach of its duties owed to Plaintiff and
 20 the other Class members, their private information would not have been compromised and
 21 accessed by cyber criminals, and likely publicized and sold on the Black Market on the Internet.

22 58. The injury and harm suffered by Plaintiff and the other Class members was the
 23 reasonably foreseeable result of Equifax's failure to exercise reasonable care in safeguarding and
 24 protecting Plaintiff's and the other Class members' private information within its possession.
 25 Equifax knew or should have known that its systems and technologies for processing and securing
 26 Plaintiff's and the other Class members' private information had security vulnerabilities.

27 59. When using Equifax's services, Plaintiff believed that Equifax would protect her
 28 sensitive personal and financial information, including but not limited to her full name, social

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 security number, birth date, address, telephone number, drivers' license number, and credit card
 2 number. In exchange, Plaintiff allowed such sensitive personal and financial information to be
 3 collected and stored by Equifax.

4 60. Had Plaintiff known that Equifax would either disclose her information,
 5 inadequately protect that information, or otherwise allow unauthorized persons to acquire that
 6 information without her permission, she would not have provided that information to Equifax.

7 61. Equifax's negligence was a substantial factor in causing harm to Plaintiff and
 8 Class members.

9 62. As a result of Equifax's negligence, Plaintiff and Class members incurred and/or
 10 will continue to incur economic damages relating to expenses for credit monitoring, time and
 11 money spent protecting themselves, their credit and their reputations. Economic damages will
 12 continue to accrue because Plaintiff and Class members are at an increased risk of identity theft.

13 63. To date, Plaintiff has spent several hours taking action to mitigate the impact of
 14 the Data Breach, including research the Data Breach, reviewing her credit reports and financial
 15 accounts for fraud and suspicious activity and researching credit monitoring services.

16 64. Plaintiff, on behalf of herself and Class members, seeks all remedies available at
 17 law, including injunctive relief, in an amount and/or form of relief to be determined at trial.

18 **SECOND CAUSE OF ACTION**

19 **VIOLATION OF CAL. CONSTITUTION ART. 1, SEC. 1, CONSTITUTIONAL** 20 **INVASION OF PRIVACY**

21 **(On Behalf of Plaintiff and Class Members)**

22 65. Plaintiff incorporates by reference all preceding paragraphs of this Complaint as
 23 though fully stated herein.

24 66. Cal. Const., Art. 1., section 1 provides, in pertinent part, that "[a]ll people are by
 25 nature free and independent and have inalienable rights. Among these are enjoying and defending
 26 life and liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety,
 27 happiness, and privacy."
 28

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

67. Plaintiff and Class members had a legally protected privacy interest in the private information that they provided to Equifax and stored on its systems and servers.

68. Plaintiff and Class members had a reasonable expectation of privacy as to the private information that they provided Equifax under the circumstances of their use of Equifax's email account and general online/search engine services.

69. Equifax's actions and inactions, as alleged herein, amounted to a serious invasion of the protected privacy interests of Plaintiff and Class members.

70. Equifax's invasion of Plaintiffs and Class members' reasonable expectation of privacy caused Plaintiff and Class members to suffer damages.

71. Plaintiff, individually and on behalf of Class members, seeks all remedies available at law, including injunctive relief, in an amount and/or form to be determined at trial.

THIRD CAUSE OF ACTION

VIOLATION OF CALIFORNIA CIVIL CODE §1798.80, ET SEQ.

(On Behalf of Plaintiff and Class Members)

72. Plaintiff incorporates by reference all preceding paragraphs of this Complaint as though fully stated herein.

73. Section 1798.82 of the California Civil Code provides, in pertinent part, as follows:

(a) Any person or business that conducts business in California, and that owns or licenses computerized data that includes personal information, shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure shall be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subdivision (c), or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the data system.

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

(b) Any person or business that maintains computerized data that includes personal information that the person or business does not own shall notify the owner or licensee of the information of any breach of the security of the data immediately following discovery, if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.

(c) The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section shall be made after the law enforcement agency determines that it will not compromise the investigation.

(d) Any person or business that is required to issue a security breach notification pursuant to this section shall meet all of the following requirements:

(1) The security breach notification shall be written in plain language.

(2) The security breach notification shall include, at a minimum, the following information:

(A) The name and contact information of the reporting person or business subject to this section.

(B) A list of the types of personal information that were or are Defendant is a merchant with respect to the Devices.

(C) If the information is possible to determine at the time the notice is provided, then any of the following: (i) the date of the breach, (ii) the estimated date of the breach, or (iii) the date range within which the breach occurred. The notification shall also include the date of the notice.

(D) Whether notification was delayed as a result of a law enforcement investigation, if that information is possible to determine at the time the notice is provided.

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

(E) A general description of the breach incident, if that information is possible to determine at the time the notice is provided.

(F) The toll-free telephone numbers and addresses of the major credit reporting agencies if the breach exposed a social security number or a driver's license or California identification card number,

(e) ...

(f) Any person or business that is required to issue a security breach notification pursuant to this section to more than 500 California residents as a result of a single breach of the security system shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General. A single sample copy of a security breach notification shall not be deemed to be within subdivision (f) of Section 6254 of the Government Code.

(g) For purposes of this section, "breach of the security of the system" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person or business. Good faith acquisition of personal information by an employee or agent of the person or business for the purposes of the person or business is not a breach of the security of the system, provided that the personal information is not used or subject to further unauthorized disclosure.

74. Equifax is a "business" as defined by Cal. Civ. Code § 1798.80(a).

75. The Data Breach constituted a "breach of the security system" of Defendant.

76. Equifax unreasonably delayed informing anyone about the breach of security of Plaintiffs and other Class members' confidential and non-public information after Defendant knew that the Data Breach had occurred.

77. Equifax failed to disclose to Plaintiff and other Class members, without unreasonable delay, and in the most expedient time possible, the breach of security of its

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 unencrypted, or not properly and securely encrypted, private information when it knew or should
 2 have reasonably believed such information had been compromised.

3 78. Upon information and belief, no law enforcement agency instructed Defendant
 4 that notification to Plaintiff or other Class members would impede investigation.

5 79. The nature of the personal information of Plaintiff and Class members maintained
 6 by Equifax was highly sensitive. The highly sensitive nature of the personal information required
 7 Equifax to act with heightened care to assure the information was protected.

8 80. Equifax failed to implement and/or maintain reasonable security systems and
 9 security practices and procedures appropriate to protect the highly sensitive nature of the personal
 10 information it maintained.

11 81. Equifax's failure to implement and/or maintain reasonable security systems and
 12 security practices and procedures appropriate to protect the highly sensitive nature of the personal
 13 information it maintained resulted in the unauthorized access, use, and disclosure of Plaintiff's
 14 and Class members' personal information.

15 82. Pursuant to Cal. Civ. Code section 1798.84:

16 (a) Any waiver of a provision of this title is contrary to public policy and is void
 17 and unenforceable.

18 (b) Any customer injured by a violation of this title may institute a civil action to
 19 recover damages.

20 (c) In addition, for a willful, intentional, or reckless violation of Section 1798.83,
 21 a customer may recover a civil penalty not to exceed three thousand dollars
 22 (\$3,000) per violation; otherwise, the customer may recover a civil penalty of
 23 up to five hundred dollars (\$500) per violation for a violation of Section
 24 1798.83.

25 (d) ...

26 (e) Any business that violates, proposes to violate, or has violated this title may
 27 be enjoined.
 28

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 services particularly vulnerable to data breaches, which, is a fraudulent business practice that is
 2 likely to deceive a reasonable consumer such as Plaintiff and Class members.

3 91. The acts, omissions and conduct of Equifax as alleged constitutes a "business
 4 practice" within the meaning of the UCL.

5 92. The acts, omissions and conduct of Equifax constitutes a violation of the unlawful
 6 prong of the UCL because they resulted in the systemic Data Breach, which failed to comport
 7 with a reasonable standard of care and California public policy—as reflected in statutes like the
 8 Online Privacy Protection Act, Cal. Bus. & Prof. Code § 22576; the Information Practices Act,
 9 Cal. Civ. Code § 1798 et seq., and California Civil Code sections 1798.81.5 and 1798.82
 10 concerning customer and/or users' records— which seek to protect customer/user data and ensure
 11 that entities who solicit or are entrusted with personal private data utilize reasonable security
 12 measures. Equifax's failure to take remedial measures such as notifying its customers when it
 13 first discovered the Data Breach was also unlawful.

14 93. Equifax's acts, omissions and conduct also constitute "unfair" business acts or
 15 practices because such acts, omissions and conduct offended public policy and constitutes
 16 immoral, unethical, oppressive, and unscrupulous activities that caused substantial injury,
 17 including to Plaintiffs and the Class members. The gravity of Equifax's conduct outweighs any
 18 potential benefits attributable to such conduct and there were reasonably available alternatives to
 19 further Equifax's legitimate business interests, other than Equifax's conduct described herein.
 20 Equifax's conduct also undermines California public policy—as reflected in statutes like the
 21 Online Privacy Protection Act, Cal. Bus. & Prof. Code § 22576; the Information Practices Act,
 22 Cal. Civ. Code § 1798 et seq., and California Civil Code sections 1798.81.5 and 1798.82
 23 concerning customer and/or users' records —which seek to protect customer/user data and ensure
 24 that entities who solicit or are entrusted with personal data utilize reasonable security measures.
 25 The conduct also undermines California's public policy concerning preservation of contracts and
 26 contractual rights and obligations.

27 94. Equifax's acts, omissions, and conduct also constitute "fraudulent" business acts
 28 or practices because they are likely to deceive customers into believing that the personal

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

1 information they provide to Defendant Equifax will remain private and secure, which in fact it
 2 was not private and secure, and that Equifax would take proper measures to investigate and
 3 remediate the Data Breach, when it did not.

4 95. But for Equifax's misrepresentations and omissions, Plaintiff and Class members
 5 would not have provided their personal information to Equifax, or would have insisted that their
 6 personal information be more securely protected.

7 96. As a result of Equifax's violations, Plaintiffs and Class members are entitled to
 8 injunctive relief including, but not limited to:

9 (1) ordering that Equifax utilize strong industry standard encryption algorithms for
 10 encryption keys that provide access to stored customer/user data;

11 (2) ordering that Equifax implement the use of its encryption keys in accordance
 12 with industry standards;

13 (3) ordering that Equifax, consistent with industry standard practices, engage third
 14 party security auditors/penetration testers as well as internal security personnel to
 15 conduct testing, including simulated attacks, penetration tests and audits on
 16 Equifax's systems on a periodic basis;

17 (4) ordering that Equifax engage third party security auditors and internal
 18 personnel, consistent with industry standard practices, to run automated security
 19 monitoring;

20 (5) ordering that Equifax audit, test and train its security personnel regarding any
 21 new or modified procedures;

22 (6) ordering that Equifax, consistent with industry standard practices, segment
 23 consumer/user data by, among other things, creating firewalls and access controls
 24 so that if one area of Equifax is compromised, hackers cannot gain access to other
 25 portions of Equifax's systems;

26 (7) ordering that Equifax purge, delete, destroy in a reasonable secure manner
 27 customer data not necessary for its provisions of services;

28

SAMINI SCHEINBERG, PC
 2801 West Coast Highway, Suite 200
 Newport Beach, California 92663
 Tel. (949) 724-0900

8); ordering that Equifax, consistent with industry standard practices, conduct regular database scanning and security checks;

(9) ordering that Equifax, consistent with industry standard practices, evaluate web applications for vulnerabilities to prevent web application threats to consumers who purchase Equifax products and services through the internet;

(10) ordering that Equifax, consistent with industry standard practices, periodically conduct internal training and education to inform internal security personnel how to identify and contain a breach when it occurs and what to do in response to a breach; and

(11) ordering Equifax to meaningfully educate its customers and/or users such as Plaintiff and Class members about the threats they face as a result of the loss of their private information to third parties and the theft of Equifax's source code, as well as the steps Equifax's customers must take to protect themselves.

97. As a result of Equifax's fraudulent and unfair practices, Plaintiff and Class members have suffered injury in fact and lost money or property (i.e. control over their identity).

98. Plaintiff and Class members request that the Court issue sufficient equitable relief to restore Plaintiff and Class members to the position they would have been in had Equifax not engaged in unfair competition, including by ordering the restitution of all funds, if any, that Equifax may have acquired as a result of its unfair competition as herein alleged.

DEMAND FOR TRIAL BY JURY

Plaintiff and Class members hereby demand a Trial by Jury on all appropriate issues pursuant to each and every Cause of Action and claim herein asserted.

PRAYER FOR RELIEF AS TO ALL CAUSES OF ACTION:

WHEREFORE, Plaintiff, on behalf of herself and the Class, prays for judgment against Defendant as follows:

A. For an order certifying the proposed Class and any subclasses, as applicable, as a

SAMINI SCHEINBERG, PC
2801 West Coast Highway, Suite 200
Newport Beach, California 92663
Tel. (949) 724-0900

1 class action, naming Plaintiff as the class representative, and the undersigned
2 counsel and law firms as class counsel;

3 B. That Plaintiff and the Class are entitled to damages, statutory damages, penalties
4 and other monetary relief provided by applicable law;

5 C. That the Court award equitable, injunctive and declaratory relief as may be
6 appropriate

7 D. For pre-judgment and post-judgment interest according to proof;

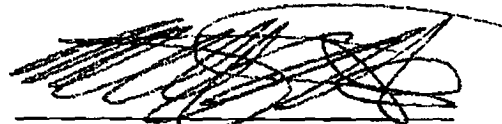
8 E. For payment of attorney's fees and costs, including those recoverable pursuant to
9 equitable principles or contribution and/or other applicable method of awarding
10 attorney's fees and costs in class actions; and

11 F. For any and all such other and further relief as the Court may deem proper.

12
13 **SAMINI SCHEINBERG, PC**

14
15
16
17 Date: September 8, 2017

By:



Bobby Samini
Theodore G. Spanos
Matthew M. Hoesly
Bryan C. Oberle
Attorneys for Plaintiff,
MONIQUE DELA CRUZ, individually,
and as representative of a class of similarly-
situated persons