

Assigned for all purposes to: Spring Street Courthouse, Judicial Officer: Yvette Palazuelos

Electronically FILED by Superior Court of California, County of Los Angeles on 03/23/2023 04:20 PM David W. Slayton, Executive Officer/Clerk of Court, by R. Lozano, Deputy Clerk

1 ERIC A. GROVER (SBN 136080)
2 eagrover@kellergrover.com
3 ROBERT W. SPENCER (SBN 238491)
4 rspencer@kellergrover.com
5 **KELLER GROVER LLP**
6 1965 Market Street
7 San Francisco, California 94103
8 Telephone: (415) 543-1305
9 Facsimile: (415) 543-7861

10 TODD GARBER (*pro hac vice* application forthcoming)
11 tgarter@fbglaw.com

12 ANDREW C. WHITE (*pro hac vice* application forthcoming)
13 awhite@fbglaw.com

14 **FINKELSTEIN, BLANKINSHIP**
15 **FREI-PEARSON & GARBER, LLP**
16 One North Broadway, Suite 900
17 White Plains, NY 10601
18 Telephone: (914) 298-3287
19 Facsimile: (914) 908-6724

20 Attorneys for Plaintiff
21 XAVIER NEAL-BURGIN

22 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
23 **FOR THE COUNTY OF LOS ANGELES**

24 XAVIER NEAL-BURGIN, on behalf of
25 himself, and all others similarly situated,

26 Plaintiff,

27 v.

28 HOUSING AUTHORITY OF THE CITY OF
LOS ANGELES.; and DOES 1 through 50,
inclusive,

Defendants.

) Case No: **23STCV06494**

) CLASS ACTION

) **CLASS ACTION COMPLAINT FOR**
) **DAMAGES AND RESTITUTION**

) **DEMAND FOR JURY TRIAL**

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 Plaintiff Xavier Neal-Burgin, individually and on behalf of all other similarly situated
2 persons, by and through his attorneys, as and for his class action complaint against defendant
3 Housing Authority of the City of Los Angeles, respectfully alleges, upon his own knowledge or,
4 where he lacks personal knowledge, upon information and belief including the investigation of
5 his counsel, as follows:

6 **INTRODUCTION**

7 1. Plaintiff Xavier Neal-Burgin (“Plaintiff”) bring this class action lawsuit on behalf
8 of himself and all other similarly situated persons against defendant Housing Authority of the
9 City of Los Angeles (“Defendant” or “HACLA”) as a result of Defendant’s failure to safeguard
10 and protect the confidential information of Plaintiff and the other members of the Class --
11 including Social Security Numbers and personal information that can be used to perpetrate
12 identity theft -- in Defendant’s custody, control, and care (the “Sensitive Information”).

13 2. Plaintiff is an applicant for housing with HACLA. As a condition of submitting an
14 application with HACLA Plaintiff was required to and did supply Sensitive Information to
15 Defendant, including, but not limited, to his Social Security Number, date of birth, driver’s
16 license or state identification number, and other personal private data.

17 3. Unbeknownst to Plaintiff, Defendant did not have sufficient cyber-security
18 procedures and policies in place to safeguard the Sensitive Information it possessed. As a result,
19 between January 15, 2022 and December 31, 2022, cybercriminals were able to access certain
20 HACLA computer systems, thereby gaining access to approximately a massive trove of 15
21 terabytes of Class Members’ Sensitive Information, including Plaintiff’s, stored in those systems
22 (the “Data Breach”). Plaintiff and members of the proposed Class have suffered damages as a
23 result of the unauthorized and preventable disclosure of their Sensitive Information.

24 4. The infamous criminal group LockBit, a hacker collective known for numerous
25 data security attacks, claimed to have perpetrated the Data Breach. On December 31, 2022
26 LockBit published Class Members’ Sensitive Information on the dark web, where it can be used
27 to facilitate identity theft and other fraud.
28

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 intentionally avails itself of the California market so as to render the exercise of jurisdiction over
2 it by the California courts consistent with traditional notions of fair play and substantial justice.

3 15. Venue is proper in this court because Defendant is located in Los Angeles County,
4 and Los Angeles County is the location where a substantial part of the events or omissions giving
5 rise to Plaintiff’s claims occurred.

6 **THE RISKS OF DATA BREACHES AND**
7 **COMPROMISED SENSITIVE INFORMATION ARE WELL KNOWN**

8 16. Defendant had obligations created by contract, industry standards, common law,
9 and representations made to current, former, and prospective students to keep Plaintiff’s and
10 Class Members’ Sensitive Information confidential and to protect it from unauthorized access and
11 disclosure.

12 17. Defendant’s data security obligations are and were particularly important given the
13 substantial increase in cyberattacks and/or data breaches widely reported on in the last few years.
14 In fact, in the wake of this rise in data breaches, the Federal Trade Commission has issued an
15 abundance of guidance for companies and institutions that maintain individuals’ Sensitive
16 Information.¹

17 18. Indeed, according to a report by Risk Based Security, Inc., by the end of June,
18 2020 was already the “worst year on record” in terms of records exposed in data breaches.²

19 19. Therefore, Defendant clearly knew or should have known of the risks of data
20 breaches and thus should have ensure that adequate protections were in place.

21 //

22 //

23 //

24 _____
25 ¹ See, e.g., *Protecting Personal Information: A Guide for Business*, FTC, available at
26 <https://www.ftc.gov/tips-advice/business-center/guidance/protecting-personal-information-guide-business>.

27 ² See *2020 Q3 Report*, Risk Based Security, available at
28 <https://pages.riskbasedsecurity.com/hubfs/Reports/2020/2020%20Q3%20Data%20Breach%20QuickView%20Report.pdf>.

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

**DEFENDANT ALLOWED CRIMINALS TO OBTAIN
PLAINTIFF’S AND THE CLASS’ SENSITIVE INFORMATION.**

20. Plaintiff and Class Members were obligated to provide Defendant with their Sensitive Information as part of their relationships with Defendant.

21. Due to inadequate security against unauthorized intrusions, cybercriminals breached Defendant’s computer systems between approximately January 15, 2022 and December 31, 2022. This Data Breach resulted in the criminals unlawfully obtaining access to current and former applicants’ Sensitive Information, including their identities and Social Security Numbers.

DATA BREACHES LEAD TO IDENTITY THEFT

22. Data breaches are more than just technical violations of their victims’ rights. By accessing a victim’s personal information, the cybercriminal can ransack the victim’s life: withdraw funds from bank accounts, get new credit cards or loans in the victims’ name, lock the victim out of his or her financial or social media accounts, send out fraudulent communications masquerading as the victim, file false tax returns, destroy their credit rating, and more.³

23. Indeed, the LockBit hacker collective has already posted Sensitive Information of Class Members on the dark web, where it can be purchased and used by malicious actors to commit a variety of fraud, including but not limited to identity theft.

24. As the United States Government Accountability Office noted in a June 2007 report on data breaches (“GAO Report”), identity thieves use identifying data such as Social Security Numbers to open financial accounts, receive government benefits, and incur charges and credit in a person’s name.⁴ As the GAO Report states, this type of identity theft is more harmful than any other because it often takes time for the victim to become aware of the theft, and the theft can impact the victim’s credit rating adversely.

³ See <https://topclassactions.com/lawsuit-settlements/privacy/data-breach/875438-recent-data-breach/> (last accessed May 7, 2019).

⁴ See *Personal Information: Data Breaches Are Frequent, but Evidence of Resulting Identity Theft Is Limited; However, the Full Extent Is Unknown* (June 2007), United States Government Accountability Office, available at <<https://www.gao.gov/new.items/d07737.pdf>> (last visited June 3, 2019).

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 25. In addition, the GAO Report states that victims of this type of identity theft will
2 face “substantial costs and inconveniences repairing damage to their credit records” and their
3 “good name.”⁵

4 26. Identity theft victims are frequently required to spend many hours and large sums
5 of money repairing the adverse impact to their credit. Identity thieves use stolen personal
6 information for a variety of crimes, including credit card fraud, phone or utilities fraud, and
7 bank/finance fraud.

8 27. There may be a time lag between when sensitive information is stolen and when it
9 is used. According to the GAO Report:

10 “[L]aw enforcement officials told us that in some cases, stolen data
11 may be held for up to a year or more before being used to commit
12 identity theft. Further, once stolen data have been sold or posted on
13 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.”⁶

14 28. With access to an individual’s Sensitive Information, cyber criminals can do more
15 than just empty a victim’s bank account -- they can also commit all manner of fraud, including:
16 obtaining a driver’s license or official identification card in the victim’s name but with the thief’s
17 picture; using the victim’s name and Social Security Number to obtain government benefits; or
18 filing a fraudulent tax return using the victim’s information. In addition, identity thieves may
19 obtain a job using the victim’s Social Security Number, rent a house, or receive medical services
20 in the victim’s name, and may even give the victim’s personal information to police during an
21 arrest, resulting in an arrest warrant being issued in the victim’s name.⁷

22 29. Such personal information is such a crucial commodity to identity thieves that
23 once the information has been compromised, criminals often trade the information on the “cyber
24 black-market” for years. As a result of recent large-scale data breaches, identity thieves and

25 _____
⁵ *Id.* at 2, 9.

26 ⁶ *Id.* at 29 (emphasis added).

27 ⁷ See Federal Trade Commission, *Warning Signs of Identity Theft*, available at
28 <https://www.identitytheft.gov/Warning-Signs-of-Identity-Theft> (last visited May 28, 2019).

1 cyber criminals have openly posted stolen credit card numbers, Social Security Numbers, and
2 other Sensitive Information directly on various Internet websites making the information publicly
3 available.

4 **DEFENDANT DELAYED NOTICE TO PLAINTIFF AND THE CLASS**

5 30. Despite becoming aware of the Data Breach on or about December 31, 2022,
6 Defendant only notified Plaintiff and members of the Class that its systems had been breached
7 and that their Sensitive Information was compromised in March, 2023 -- months after Defendant
8 learned that the Data Breach occurred.

9 31. On or about March 10, 2023, Defendant sent letters to Plaintiff and other Class
10 members advising them that their Sensitive Information had been subject to unauthorized access
11 and had been compromised on or about January 15, 2022 through December 31, 2022 (the “Letter
12 Notification”). A copy of the Letter Notification that Plaintiff received is attached as Exhibit A to
13 this Complaint. The Letter Notification offered only a single year of credit monitoring through
14 Experian IdentityWorks, and only for individuals who signed up for such monitoring by June 30,
15 2023.

16 **DEFENDANT’S OBLIGATIONS AND ITS NEGLIGENT FAILURE TO MEET THEM**

17 32. In the ordinary course of, and as a condition of, applying for housing assistance
18 with HACLA, Plaintiff, like thousands of other current and former applicants provided Sensitive
19 Information, including but not limited to his Social Security Numbers, to Defendant.

20 33. Defendant maintains this Sensitive Information within its data infrastructure.

21 34. Defendant compounded the actual and potential harm arising from the Data Breach
22 by not notifying Plaintiff and other Class Members of the compromise of their personal
23 information until March 2023, when the Letter Notification was sent. Defendant’s own Letter
24 Notification advises Plaintiff and other Class Members to “remain vigilant against incidents of
25 identity theft and fraud by reviewing your account statements and monitoring your free credit
26 reports for suspicious activity”.⁸ Defendant’s unjustified delay in notifying Plaintiff and the

27 _____
28 ⁸ See Notice Letter

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 Class that they were victims of the Data Breach will dilute any salutary effect that might come
2 from these suggestions.

3 35. Defendant’s security failure demonstrates that it failed to honor its duties and
4 promises by not:

- 5 a. Maintaining an adequate data security system to reduce the risk of data breaches
6 and cyber-attacks;
- 7 b. Adequately protecting Plaintiff’s and the Class Members’ Sensitive Information;
- 8 c. Properly monitoring its own data security systems for existing intrusions; and
- 9 d. Ensuring that agents, employees, and others with access to Sensitive Information
10 employed reasonable security procedures.

11 36. Plaintiff and all members of the Class have consequently suffered harm by virtue
12 of the compromise and exposure of their Sensitive Information -- including, but not limited to,
13 (i) an imminent risk of future identity theft; (ii) lost time expended to mitigate the threat of
14 identity theft; (iii) diminished value of personal information; and (iv) a loss of privacy. Plaintiff
15 and Class Members were also injured because they did not receive the full value of the services
16 for which they bargained; to wit, educational services plus adequate data security. Plaintiff and
17 all members of the proposed Class are and will continue to be at imminent risk for tax fraud and
18 identity theft and the attendant dangers thereof for the rest of their lives because their Sensitive
19 Information, including Social Security Numbers, is in the hands of cyber-criminals.

20 **DEFENDANT’S INADEQUATE RESPONSE TO THE DATA BREACH**

21 37. Defendant’s Letter Notification stated that it is “reviewing [HACLA’s] policies
22 and procedures relating to data privacy and security.”⁹ No details were provided, and thus it
23 cannot be determined from the Letter Notification whether Defendant did any of the foregoing, or
24 if it did, whether these enhancements are sufficient to prevent recurrences similar to the Data
25 Breach.

26
27 _____

28 ⁹ See Letter Notification at 1.

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 45. Plaintiff and the Class satisfy the requirements for class certification for the
2 following reasons:

3 46. **Numerosity of the Class.** On information and belief, the members of the Class
4 are so numerous that their individual joinder is impracticable. The precise number of persons in
5 the Class and their identities and addresses may be ascertained or corroborated from Defendant’s
6 records. If deemed necessary by the Court, members of the Class may be notified of the
7 pendency of this action.

8 47. **Common Questions of Law and Fact.** There are questions of law and fact
9 common to the Class that predominate over any questions affecting only individual members,
10 including:

- 11 a. Whether Defendant’s data security systems prior to the Data Breach met the
12 requirements of relevant laws;
- 13 b. Whether Defendant’s data security systems prior to the Data Breach met industry
14 standards;
- 15 c. Whether Plaintiff’s and other Class Members’ Sensitive Information was
16 compromised in the Data Breach; and
- 17 d. Whether Plaintiff and other Class Members are entitled to damages as a result of
18 Defendant’s conduct.

19 48. **Typicality.** The claims or defenses of Plaintiff are typical of the claims or
20 defenses of the proposed Class because Plaintiff’s claims are based upon the same legal theories
21 and same violations of law. Plaintiff’s grievances, like the proposed Class Members’ grievances,
22 all arise out of the same business practices and course of conduct by Defendant.

23 49. **Adequacy.** Plaintiff will fairly and adequately represent the Class on whose
24 behalf this action is prosecuted. His interests do not conflict with the interests of the Class.

25 50. Plaintiff and his chosen attorneys -- Finkelstein, Blankinship, Frei-Pearson &
26 Garber, LLP (“FBFG”) and Keller Grover LLP -- are familiar with the subject matter of the
27 lawsuit and have full knowledge of the allegations contained in this Complaint.
28

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 51. FBFG has been appointed as lead counsel in several complex class actions across
2 the country and has secured numerous favorable judgments in favor of its clients, including in
3 cases involving data breaches. FBFG’s attorneys are competent in the relevant areas of the law
4 and have sufficient experience to vigorously represent the Class Members. Finally, FBFG
5 possesses the financial resources necessary to ensure that the litigation will not be hampered by a
6 lack of financial capacity and is willing to absorb the costs of the litigation.

7 52. Superiority. A class action is superior to any other available method for
8 adjudicating this controversy. The proposed class action is the surest way to fairly and
9 expeditiously compensate such a large a number of injured persons, to keep the courts from
10 becoming paralyzed by hundreds -- if not thousands -- of repetitive cases, and to reduce
11 transaction costs so that the injured Class Members can obtain the most compensation possible.

12 53. Class treatment presents a superior mechanism for fairly resolving similar issues
13 and claims without repetitious and wasteful litigation for many reasons, including the following:

- 14 a. It would be a substantial hardship for most individual members of the Class if they
15 were forced to prosecute individual actions. Many members of the Class are not in
16 the position to incur the expense and hardship of retaining their own counsel to
17 prosecute individual actions, which in any event might cause inconsistent results.
- 18 b. When the liability of Defendant has been adjudicated, the Court will be able to
19 determine the claims of all members of the Class. This will promote global relief
20 and judicial efficiency in that the liability of Defendant to all Class Members, in
21 terms of money damages due and in terms of equitable relief, can be determined in
22 this single proceeding rather than in multiple, individual proceedings where there
23 will be a risk of inconsistent and varying results.
- 24 c. A class action will permit an orderly and expeditious administration of the Class
25 claims, foster economies of time, effort, and expense, and ensure uniformity of
26 decisions. If Class Members are forced to bring individual suits, the transactional
27 costs, including those incurred by Defendant, will increase dramatically, and the
28 courts will be clogged with a multiplicity of lawsuits concerning the very same

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 subject matter, with the identical fact patterns and the same legal issues. A class
2 action will promote a global resolution and will promote uniformity of relief as to
3 the Class Members and as to Defendant.

4 d. This lawsuit presents no difficulties that would impede its management by the
5 Court as a class action. The class certification issues can be easily determined
6 because the Class includes only MSMC current and former students and
7 employees, the legal and factual issues are narrow and easily defined, and the
8 Class membership is limited. The Class does not contain so many persons that
9 would make the Class notice procedures unworkable or overly expensive. The
10 identity of the Class Members can be identified from Defendant’s records, such
11 that direct notice to the Class Members would be appropriate.

12 54. In addition, Defendant has acted or refused to act on grounds generally applicable
13 to the Class, thereby making appropriate final injunctive or equitable relief with respect to the
14 Class.

FIRST CAUSE OF ACTION
NEGLIGENCE IN THE HANDLING OF
PLAINTIFF’S AND THE CLASS’ SENSITIVE INFORMATION

17 55. Plaintiff repeats each and every allegation of this Complaint as if fully set forth at
18 length herein.

19 56. Defendant owed a duty to Plaintiff and to the Class to exercise reasonable care in
20 obtaining, securing, safeguarding, properly disposing of and protecting Plaintiff’s and Class
21 Members’ Sensitive Information within its control from being compromised by or being accessed
22 by unauthorized third parties. This duty included, among other things, maintaining adequate
23 control over its computer systems and network so as to prevent unauthorized access thereof.

24 57. Defendant owed a duty of care to the Plaintiff and members of the Class to provide
25 security, consistent with industry standards, to ensure that its computer systems adequately
26 protected the Sensitive Information of the individuals who entrusted it to the Defendant.

27 58. Only Defendant was in a position to ensure that its systems were sufficient to
28 protect against the harm to Plaintiff and the members of the Class from the Data Breach.

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 59. In addition, Defendant had a duty to use reasonable security measures under
2 Section A of the Federal Trade Commission Act, 15 U.S.C. § 45, which prohibits
3 “unfair . . . practices in or affecting commerce,” including, as interpreted and enforced by the
4 FTC, the unfair practice of failing to use reasonable measures to protect confidential data.

5 60. Defendant’s duty to use reasonable care in protecting the Sensitive Information
6 arose not only as a result of the common law and the statutes and regulations described above, but
7 also because they are bound by, and have committed to comply with, industry standards for the
8 protection of confidential information.

9 61. Defendant breached its common law, statutory, and other duties -- and thus, was
10 negligent -- by failing to use reasonable measures to protect students’, alumni’s, and applicants’
11 Sensitive Information, and by failing to provide timely notice of the Data Breach. The specific
12 negligent acts and omissions committed by Defendant include, but are not limited to, the
13 following:

- 14 a. failing to adopt, implement, and maintain adequate security measures to safeguard
15 Plaintiff’s and the Class Members’ Sensitive Information;
- 16 b. failing to adequately monitor the security of its networks and systems;
- 17 c. allowing unauthorized access to Plaintiff’s and the Class Members’ Sensitive
18 Information; and
- 19 d. failing to warn Plaintiff and other Class Members about the Data Breach in a
20 timely manner so that they could take appropriate steps to mitigate the potential
21 for identity theft and other damages.

22 62. Defendant owed a duty of care to the Plaintiff and the members of the Class
23 because they were foreseeable and probable victims of any inadequate security practices.

24 63. It was foreseeable that Defendant’s failure to use reasonable measures to protect
25 Sensitive Information and to provide timely notice of the Data Breach would result in injury to
26 Plaintiff and other Class Members. Further, the breach of security, unauthorized access, and
27 resulting injury to Plaintiff and the members of the Class were reasonably foreseeable.
28

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 64. It was therefore foreseeable that the failure to adequately safeguard Sensitive
2 Information would result in one or more of the following injuries to Plaintiff and the members of
3 the proposed Class: ongoing, imminent, certainly impending threat of identity theft crimes, fraud,
4 and abuse, resulting in monetary loss and economic harm; actual identity theft crimes, fraud, and
5 abuse, resulting in monetary loss and economic harm; loss of the confidentiality of the stolen
6 confidential data; the illegal sale of the compromised data on the deep web black market;
7 expenses and/or time spent on credit monitoring and identity theft insurance; time spent
8 scrutinizing bank statements, credit card statements, and credit reports; expenses and/or time
9 spent initiating fraud alerts; decreased credit scores and ratings; lost work time; and other
10 economic and non-economic harm.

11 65. Defendant knew or reasonably should have known of the inherent risks in
12 collecting and storing the Sensitive Information of Plaintiff and members of the Class and the
13 critical importance of providing adequate security of that information, yet despite the foregoing
14 had inadequate cyber-security systems and protocols in place to secure the Sensitive Information.

15 66. As a result of the foregoing, the Defendant unlawfully breached its duty to use
16 reasonable care to protect and secure the Sensitive Information of Plaintiff and the Class which
17 Plaintiff and members of the Class were required to provide to Defendant as a condition of filing
18 an application with HACLA.

19 67. Plaintiff and members of the Class reasonably relied on the Defendant to safeguard
20 their information, and while Defendant was in a position to protect against harm from a data
21 breach, Defendant negligently and carelessly squandered that opportunity. As a proximate result,
22 Plaintiff and members of the Class suffered and continue to suffer the consequences of the Data
23 Breach.

24 68. Defendant's negligence was the proximate cause of harm to Plaintiff and members
25 of the Class.

26 69. Had Defendant not failed to implement and maintain adequate security measures
27 to protect the Sensitive Information of its students, alumni, and applicants, Plaintiff's and Class
28

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 Members’ Sensitive Information would not have been exposed to unauthorized access and stolen,
2 and they would not have suffered any harm.

3 70. However, as a direct and proximate result of Defendant’s negligence, Plaintiff and
4 members of the Class have been seriously and permanently damaged by the Data Breach.
5 Specifically, Plaintiff and members of the Class have been injured by, among other things; (1) the
6 loss of the opportunity to control how their Sensitive Information is used; (2) diminution of value
7 and the use of their Sensitive Information; (3) compromise, publication and/or theft of the
8 Plaintiff’s and the Class Members’ Sensitive Information; (4) out-of-pocket costs associated with
9 the prevention, detection and recovery from identity theft and/or unauthorized use of financial
10 and medical accounts; (5) lost opportunity costs associated with their efforts expended and the
11 loss of productivity from addressing as well as attempting to mitigate the actual and future
12 consequences of the breach including, but not limited to, efforts spent researching how to prevent,
13 detect, and recover from identity data misuse; (6) costs associated with the ability to use credit
14 and assets frozen or flagged due to credit misuse, including complete credit denial and/or
15 increased cost of the use, the use of credit, credit scores, credit reports, and assets;
16 (7) unauthorized use of compromised Sensitive Information to open new financial and/or
17 healthcare and/or medical accounts; (8) tax fraud and/or other unauthorized charges to financial,
18 healthcare or medical accounts and associated lack of access to funds while proper information is
19 confirmed and corrected and/or imminent risk of the foregoing; (9) continued risks to their
20 Sensitive Information, which remains in the Defendant’s possession and may be subject to further
21 breaches so long as Defendant fails to undertake appropriate and adequate measures to protect the
22 Sensitive Information in its possession; and (10) future costs in terms of time, effort and money
23 that will be spent trying to prevent, detect, contest and repair the effects of the Sensitive
24 Information compromised as a result of the Data Breach as a remainder of the Plaintiff’s and
25 Class Members’ lives.

26 71. Plaintiff and the Class seek damages, injunctive relief, and other and further relief
27 as the Court may deem just and proper.
28

SECOND CAUSE OF ACTION
VIOLATION OF CALIFORNIA UNFAIR COMPETITION LAW
Cal. Bus. & Prof. Code §§ 17200, *et seq*

1
2
3 72. Plaintiff repeats each and every allegation of this Complaint as if fully set forth at
4 length herein.

5 73. Defendant is a “person” as defined by Cal. Bus. & Prof. Code § 17201.

6 74. Defendant violated Cal. Bus. & Prof. Code §§ 17200, *et seq.* (“UCL”) by engaging
7 in unlawful, unfair, and deceptive business acts and practices.

8 75. Defendant’s “unfair” and “fraudulent” acts and practices include omitting,
9 suppressing, and concealing the material fact that they did not have and did not reasonably ensure
10 that HACLA reasonably or adequately secured Plaintiff’s and Class Members’ Sensitive
11 Information.

12 76. Defendant engaged in “unlawful” business practices by violating multiple laws,
13 including California’s Consumer Records Act, Cal. Civ. Code §§ 1798.81.5 (requiring reasonable
14 data security measures) and 1798.82 (requiring timely breach notification), California’s
15 Consumers Legal Remedies Act, Cal. Civ. Code §§ 1780, *et seq.*, the FTC Act, 15 U.S.C. § 45,
16 and California common law.

17 77. Defendant engaged in acts of deception and false pretense in connection with its
18 accepting, collecting, securing, and otherwise protecting Class Members’ Sensitive Information
19 and engaged in the following deceptive and unconscionable trade practices, including:

- 20 a. Failing to exercise reasonable care and implement adequate security
21 systems, protocols, and practices sufficient to protect Plaintiff’s and Class
22 Members’ Sensitive Information;
- 23 b. Failing to comply with industry standard data security standards during the
24 period of the Data Breach;
- 25 c. Failing to comply with regulations protecting the Sensitive Information at
26 issue during the period of the Data Breach;
- 27 d. Failing to adequately monitor and audit its data security systems;
- 28

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

- 1 e. Failing to adequately monitor, evaluate, and ensure the security of its
- 2 network and systems;
- 3 f. Failing to recognize in a timely manner that Plaintiff’s and other Class
- 4 Members’ Sensitive Information had been compromised; and
- 5 g. Failing to timely and adequately disclose that Plaintiff’s and Class
- 6 Members’ Sensitive Information had been improperly acquired or
- 7 accessed.

8 78. Plaintiff’s and Class Members’ Sensitive Information would not have been
9 compromised but for Defendant’s wrongful and unfair breach of its duties.

10 79. Defendant’s failure to take proper security measures to protect private Sensitive
11 Information of Plaintiff and Class Members created conditions conducive to a foreseeable,
12 intentional criminal act, namely the unauthorized access of Plaintiff’s and Class Members’
13 Sensitive Information.

14 80. Plaintiff and Class Members conferred a benefit on Defendant – assistance with
15 finding affordable housing-- in reliance on Defendant’s omissions and deceptive, unfair, and
16 unlawful practices. Had Defendant disclosed in any form, whether verbally, in writing, or via
17 electronic disclosure that they did not adequately secure Plaintiff’s and Class Members’ Sensitive
18 Information, Plaintiff and Class Members would not have sought or purchased services from
19 Defendant.

20 81. As a direct and proximate result of Defendant’s unfair, unlawful, and fraudulent
21 acts and practices, Plaintiff and Class Members were injured and lost money or property, and
22 monetary and non-monetary damages, including loss of the benefit of their bargain with
23 Defendant as they would not have paid Defendant for goods and services or would have paid less
24 for such goods and services but for Defendant’s violations alleged herein.

25 82. Plaintiff and Class Members seek all monetary and non-monetary relief allowed by
26 law, including restitution of all profits stemming from Defendant’s unfair, unlawful, and
27 fraudulent business practices or use of their Sensitive Information; reasonable attorneys’ fees and
28

1 costs under California Code of Civil Procedure § 1021.5; injunctive relief; and other appropriate
2 equitable relief.

3 **THIRD CAUSE OF ACTION**
4 **VIOLATION OF CALIFORNIA CONSUMER LEGAL REMEDIES ACT**
5 **Cal. Civ. Code §§ 1750, *et seq.***

6 83. Plaintiff repeats each and every allegation of this Complaint as if fully set forth at
7 length herein.

8 84. The Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, *et seq.* (“CLRA”) is
9 a comprehensive statutory scheme that is to be liberally construed to protect consumers against
10 unfair and deceptive business practices in connection with the conduct of businesses providing
11 goods, property or services to consumers primarily for personal, family, or household use.

12 85. Defendant is a “person” as defined by Civil Code §§ 1761(c) and 1770, and has
13 provided “services” as defined by Civil Code §§ 1761(b) and 1770.

14 86. Civil Code section 1770, subdivision (a)(5) prohibits one who is involved in a
15 transaction from “[r]epresenting that goods or services have sponsorship, approval,
16 characteristics, ingredients, uses, benefits, or quantities which they do not have.”

17 87. Civil Code section 1770, subdivision (a)(7) prohibits one who is involved in a
18 transaction from “[r]epresenting that goods or services are of a particular standard, quality, or
19 grade . . . if they are of another.”

20 88. Plaintiff and Class Members are “consumers” as defined by Civil Code §§ 1761(d)
21 and 1770, and have engaged in a “transaction” as defined by Civil Code §§ 1761(e) and 1770.

22 89. Defendant’s acts and practices were intended to and did result in the sales of
23 products and services to Plaintiff and Class Members in violation of Civil Code § 1770,
24 including, but not limited to omitting, suppressing, and concealing the material fact that they did
25 not reasonably or adequately secure Plaintiff’s and Class Members’ Sensitive Information.

26 90. Defendant’s omissions were material because they were likely to and did deceive
27 reasonable consumers about the adequacy of their data security and ability to protect the
28 confidentiality of consumers’ Sensitive Information.

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 1798.2. The disclosure must “be made in the most expedient time possible and without
2 unreasonable delay” *id.*, but “immediately following discovery [of the breach], if the personal
3 information was, or is reasonably believed to have been, acquired by an unauthorized person.”
4 Cal. Civ. Code § 1798.82, subdiv. b.

5 95. The Data Breach constitutes a “breach of the security system” of Defendant.

6 96. An unauthorized person acquired the personal, unencrypted information of
7 Plaintiff and the Class.

8 97. Defendant knew that an unauthorized person had acquired the personal,
9 unencrypted information of Plaintiff and the Class, but waited months to notify them. This was an
10 unreasonable delay under the circumstances.

11 98. Defendant’s unreasonable delay prevented Plaintiff and Class Members from
12 taking appropriate measures to protect themselves against harm.

13 99. Because Plaintiff and Class Members were unable to protect themselves, they
14 suffered incrementally increased damages that they would not have suffered with timelier notice.

15 100. Plaintiff and the Class are entitled to equitable relief and damages in an amount to
16 be determined at trial.

17 **FIFTH CAUSE OF ACTION**
18 **INVASION OF PRIVACY**

19 101. Plaintiff repeats each and every allegation of this Complaint as if fully set forth at
20 length herein.

21 102. The Restatement (Second) of Torts states:

22 One who intentionally intrudes, physically or otherwise, upon the solitude or
23 seclusion of another or his private affairs or concerns, is subject to liability to the
24 other for invasion of his privacy, if the intrusion would be highly offensive to a
25 reasonable person.

26 Restatement (Second) of Torts § 652B (1977)

27 103. Plaintiff and Class Members had a reasonable expectation of privacy in the
28 Sensitive Information that Defendant mishandled. Plaintiff and Class Members maintain a

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

1 privacy interest in their Sensitive Information, which is private, confidential information that is
2 also protected from disclosure by applicable laws set forth above.

3 104. Plaintiff's and Class Members' Sensitive Information was contained, stored, and
4 managed electronically in Defendant's records, computers, and databases that was intended to be
5 secured from unauthorized access to third-parties because it contained highly sensitive,
6 confidential matters regarding Plaintiff's and Class Members' identities, including Social
7 Security numbers, that were only shared with Defendant for the limited purpose of obtaining
8 Defendant's housing services.

9 105. Additionally, Plaintiff's and Class Members' Sensitive Information, when
10 contained in electronic form, is highly attractive to criminals who can nefariously use their
11 Sensitive Information for fraud, identity theft, and other crimes without their knowledge and
12 consent.

13 106. Defendant unlawfully intruded upon Plaintiff's and Class Members' solitude,
14 seclusion, or private affairs. Defendant's disclosure of Plaintiff's and Class Members' Sensitive
15 Information to unauthorized third parties as a result of its failure to adequately secure and
16 safeguard their Personal Information is offensive to a reasonable person.

17 107. Defendant's disclosure of Plaintiff's and Class Members' Sensitive Information to
18 unauthorized third parties permitted the physical and electronic intrusion into Plaintiff's and Class
19 Members' private quarters where their Sensitive Information was stored and disclosed private
20 facts about them (including their Social Security numbers) into the public domain (in this case,
21 the dark web).

22 108. In failing to protect Plaintiff's and Class Members' Sensitive Information, and in
23 intentionally misusing and/or disclosing their Sensitive Information, Defendant acted with
24 intentional malice and oppression and in conscious disregard of Plaintiff's and Class Members'
25 rights to have such information kept confidential and private.

26 109. Plaintiff and Class Members have been damaged by Defendant's conduct, by
27 incurring the harms and injuries arising from the Data Breach now and in the future. Plaintiff,
28 therefore, seeks an award of damages on behalf of himself and the Class.

KELLER GROVER LLP
1965 Market Street, San Francisco, CA 94103
Tel. 415.543.1305 | Fax 415.543.7861

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Xavier Neal-Burgin demands judgment on behalf of himself and the Class as follows:

- a. Certifying that the action may be maintained as a class action and appointing the named Plaintiff to be class representative and the undersigned counsel to be Class counsel;
- b. Requiring that Defendant pay for notifying the members of the Class of the pendency of this suit;
- c. Awarding Plaintiff and the Class appropriate relief, including actual damages, compensatory damages, and punitive damages on the above-listed Causes of Action;
- d. Awarding Plaintiff and the Class prejudgment and post-judgment interest;
- e. Awarding Plaintiff and the Class their attorneys' fees and costs pursuant to applicable laws, together with their costs and disbursements of this action; and
- f. Awarding such other and further relief as the Court may deem just and proper.

Respectfully submitted,

Dated: March 23, 2023

KELLER GROVER LLP

By: 
ERIC A. GROVER
ROBERT SPENCER
Attorneys for Plaintiff

DEMAND FOR TRIAL BY JURY

Plaintiff, individually and on behalf of the Class, demands a trial by jury as to all issues triable of right.

Respectfully submitted,

Dated: March 23, 2023

KELLER GROVER LLP

By: 
ERIC A. GROVER
ROBERT SPENCER
Attorneys for Plaintiff

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Los Angeles Housing Authority Hit with Class Action Over Nearly Year-Long Data Breach](#)
