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12 *Attorneys for Plaintiffs*

13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**

15 RUBEN SILVA on behalf of himself and  
 16 all others similarly situated and, RUSSELL  
 17 HARRINGTON on behalf of himself and  
 18 all others similarly situated,  
 19  
 20 Plaintiffs,  
 21  
 22 v.  
 23 MONEY NETWORK FINANCIAL, LLC  
 24 and FISERV, INC.,  
 25  
 26 Defendants.

Case No.: 2:23-cv-6798

**CLASS ACTION COMPLAINT FOR:**

- (1) Violation of the Unfair Competition Law;
- (2) Negligence;
- (3) Breach of Fiduciary Duty;
- (4) Breach of Contract (Third-Party Beneficiaries); and
- (5) Breach of Implied Covenant of Good Faith and Fair Dealing (Third-Party Beneficiaries).

**DEMAND FOR JURY TRIAL**

27 Plaintiffs Ruben Silva and Russell Harrington (“Plaintiffs”), by and through the  
 28 undersigned counsel, hereby file this Class Action Complaint against Defendants Money  
 Network Financial, LLC (“Money Network”) and Fiserv, Inc. Plaintiffs bring this action  
 on behalf of themselves and all other similarly situated individuals whose California Middle  
 Class Tax Refund was paid to them (or not, as the case may be) through debit cards issued

1 by Defendant Money Network and who did not receive the full benefit of their MCTR and  
2 allege as follows:

3 **INTRODUCTION**

4 1. In 2022, with inflation raging and the worst of the COVID-19 Pandemic barely in the  
5 rearview mirror, California’s legislature passed the Better for Families Act to help  
6 Californians like Plaintiffs Silva and Harrington. The law, which sought to “provid[e]  
7 financial relief for Californians who may have been adversely impacted” by recent  
8 economic disruptions, provided for a one-time payment of between \$200.00 and \$1050.00  
9 to California taxpayers who met certain criteria.

10 2. California’s Franchise Tax Board (“FTB”) outsourced much of the disbursement of  
11 this payment (the “Middle Class Tax Refund” or “MCTR”) to a private, for-profit, Georgia-  
12 based company, Defendant Money Network.

13 3. The contract between the FTB and Money Network provided that the FTB would pay  
14 Money Network up to \$25,335,200.00 and, in exchange, Money Network would administer  
15 the disbursement of the MCTR to eligible Californians via debit cards issued by a  
16 partnering bank (New York Community Bancorp Inc.).

17 4. The contract between the FTB and Money Network required that each MCTR debit  
18 card Money Network issued to a MCTR recipient contain an EMV chip. Specifically,  
19 Plaintiffs are informed and believe that, in its statement of work, the contract between  
20 Money Network and the FTB provided: “The State shall require the use of an EMV  
21 (Europay, MasterCard, and Visa) chip enabled card to offer the maximum protection  
22 possible.”

23 5. EMV chips are a standard security measure found in the debit and credit cards issued  
24 by most major banks and play a key role in mitigating fraud risk and keeping consumers  
25 safe.

26 6. Money Network pocketed millions in California taxpayer money and then cut corners  
27 in ways that left many middle class Californians either unable to obtain their MCTR or  
28 highly vulnerable to fraudsters who stole all or part of their MCTR.

1 7. For example, though Money Network’s contract with the FTB obliged it to issue chip  
2 enabled MCTR debit cards, many of the MCTR debit cards issued by Money Network did  
3 not contain EMV chips.

4 8. Many eligible Californians, like Plaintiff Harrington, have, as a result of Money  
5 Network’s incompetence and maladministration, not yet received the MCTR to which they  
6 are entitled.

7 9. Other eligible Californians, like Plaintiff Silva, have received a debit card from  
8 Money Network, but not the full benefit of the MCTR to which they are entitled. The chip-  
9 less cards Money Network issued were highly vulnerable to scammers; many Californians  
10 had their MCTR funds drained from their chip-less Money Network debit cards, sometimes  
11 before they ever even received the cards themselves.

12 10. This lawsuit seeks to hold Money Network and its parent company Fiserv Inc.  
13 accountable for damaging Californians like Plaintiffs Silva and Harrington by shirking its  
14 legal and contractual duties to those Californians and the FTB.

15 **JURISDICTION**

16 11. This Court has subject matter jurisdiction pursuant to: (a) 28 U.S.C. section 1332(d)  
17 because this is a class action brought on behalf of more than 100 putative class members  
18 in which the amount in controversy exceeds \$5,000,000 and all of the putative Class  
19 Members are citizens of a state (California) different than the states of which Money  
20 Network and Fiserv, Inc. are citizens; and (b) 28 U.S.C. section 1332(a) because there is  
21 diversity among the Parties and the amount in controversy exceeds \$75,000.

22 12. This court has supplemental jurisdiction under 28 United States Code section 1367  
23 with respect to the claims for relief arising under state law.

24 13. This Court has specific personal jurisdiction over Money Network and Fiserv, Inc.  
25 because both companies have sufficient minimum contacts with California, have purposely  
26 availed themselves of the benefits and protection of California law, and conduct a  
27 substantial amount of business in and with the State of California, such that the Court’s  
28 exercise of personal jurisdiction over them is reasonable and accords with due process.

1 **VENUE**

2 14. Venue is proper pursuant to 28 U.S.C. section 1391(b)(2).

3 **THE PARTIES**

4 15. Plaintiff Ruben Silva is a citizen of the State of California and resides in Goleta,  
5 California. Mr. Silva has a disabled adult son. Together with his wife he was entitled to a  
6 \$1,050.00 MCTR payment. He received a debit card (sans EMV chip) from Money  
7 Network but not the full benefit of his MCTR: he believes a fraudster depleted most of  
8 funds from his chip-less card before he was able to use them.

9 16. Plaintiff Russell Harrington is a citizen of the state of California and resides in Clovis,  
10 California. Mr. Harrington is middle class. He is entitled to an MCTR, but —despite his  
11 having spent hours of his life on the phone (and on hold) with Money Network — Money  
12 Network has failed to disburse his MCTR to him.

13 17. Defendant Money Network Financial, LLC is a Delaware limited liability corporation  
14 with its principal place of business in the State of Georgia. Money Network Financial,  
15 LLC is a wholly-owned subsidiary of Defendant Fiserv, Inc.

16 18. Defendant Fiserv, Inc. is a Wisconsin corporation with its principal place of business  
17 in Wisconsin.

18 **FACTUAL ALLEGATIONS**

19 ***Factual Allegations Common to the Class***

20 19. On June 30, 2022, Governor Gavin Newsom signed California Assembly Bill 192  
21 into law. The law, the Better for Families Act, was intended to provide economic relief to  
22 millions of middle class Californians who were being battered on all fronts by inflation,  
23 rising costs due to supply chain shortages, and the protracted financial reverberations of  
24 the COVID-19 emergency.

25 20. The law authorized a one-time payment of between \$200.00 and \$1,050.00 to  
26 qualified taxpayers. It also mandated that any contracts with third-party vendors for  
27 services related to the MCTR’s distribution optimize for fraud mitigation, providing that  
28 “the state may contract with a third-party vendor for services relating to the distribution of

1 payments made pursuant to this chapter in the form and manner best determined to expedite  
2 payment and mitigate fraud.” *See* Cal. Welf. and Inst. Code § 8163.

3 21. California’s FTB contracted with Defendant Money Network to provide services  
4 relating to the distribution of MCTR payments.

5 22. The contract between the FTB and Money Network concerning the MCTR  
6 administration (the Agreement) provided that California’s FTB would pay Money Network  
7 up to \$25,335,200.00 to “process and mail payments to California residents on behalf of  
8 the State of California by way of Debit Cards in accordance with the direction provided by  
9 the State.”

10 23. The Agreement contained numerous provisions designed to ensure — as the  
11 Legislature had mandated — that the third-party the state was contracting with would  
12 perform its MCTR-related services “in the form and manner best determined to expedite  
13 payment and mitigate fraud:”

- 14 a. The Agreement’s statement of work provided: “The State shall require the use  
15 of an EMV (Europay, MasterCard, and Visa) chip enabled card to offer the  
16 maximum protection possible.”
- 17 b. The contract also required that Money Network “[p]rovide sophisticated fraud  
18 prevention services with evidence of preventing fraud at a success rate of  
19 ninety-nine percent (99%) or higher.”
- 20 c. Money Network was obliged to “[p]rovide fraud prevention services from the  
21 point of receiving recipient account information and until all debit card  
22 balances have been exhausted by each recipient or returned to the state due to  
23 expiring.”

24 24. Money Network has not provided reasonable or adequate fraud prevention services,  
25 let alone “sophisticated” fraud prevention services, and has distributed thousands of MCTR  
26 debit cards that are not EMV chip enabled.

27 25. As a result of Money Network’s maladministration of the MCTR payment program,  
28 many Californians (like Plaintiff Harrington) have never received their MCTR debit cards

1 and still others (like Plaintiff Silva) have received non-chip enabled MCTR debit cards and  
2 had their MCTR funds rapidly depleted by scammers who, predictably, took advantage of  
3 the low-security chipless cards' vulnerabilities.

4 26. The fraud proliferating around the MCTR program means that, in effect, California  
5 taxpayers have paid Money Network millions of dollars to channel cash from State coffers  
6 into the hands of criminals.

7 27. The fraud that has proliferated around Money Network's failure to take reasonable  
8 or adequate fraud-prevention measures has attracted significant media attention.<sup>1</sup>

9 28. On internet forums, posters commiserate about losing their MCTR payment to  
10 fraudsters almost instantly upon activating their Money Network debit cards:

11 a. On or around December 2022, a user with the name "phoenyx9" posted on the  
12 Internet forum Reddit: "my card was drained before I could use it. I have been  
13 calling customer service since Friday the 16th to report the fraud and have yet  
14 to speak to anyone. The system asks for my card number; when I enter it, I'm  
15 told there is a high call volume or there is a system wide outage and then hangs  
16 up. btw, I activated it and the money flew out of there. The money was all  
17 spent within 30 minutes. If anyone is going to use this card, spend the funds  
18 immediately upon activation."<sup>2</sup>

19 b. On or around December 2022, a user with the name "sadisticallyspeaking"  
20 posted on the Internet forum Reddit: "I activated my card today and it told me  
21 I have a balance of \$0.00. Created an account online and checked that two  
22

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23 <sup>1</sup> See, e.g., Michael Finney and Renee Koury, "Hackers took their Middle Class Tax Refunds and  
24 now victims are getting a tax bill," ABC7 News (February 9, 2023), [https://abc7news.com/california-  
25 middle-class-tax-refund-scam-taxes-mctr/12793165/](https://abc7news.com/california-middle-class-tax-refund-scam-taxes-mctr/12793165/) (last accessed July 29, 2023); Kelli Saam,  
26 "Californians Report Stolen Middle Class Tax Refunds," (January 13, 2023, updated February 23, 2023),  
[https://www.actionnewsnow.com/news/californians-report-stolen-middle-class-tax-  
27 refunds/article\\_d0b9b2e0-935f-11ed-90c3-533fe0694afb.html](https://www.actionnewsnow.com/news/californians-report-stolen-middle-class-tax-refunds/article_d0b9b2e0-935f-11ed-90c3-533fe0694afb.html) (last accessed July 29, 2023).

28 <sup>2</sup> See phoenyx9, Comment to *Card Drained, customer service hung up on me*, Reddit,  
[https://www.reddit.com/r/stimuluscheck/comments/zqx6qo/comment/j132sry/?utm\\_source=share&utm\\_](https://www.reddit.com/r/stimuluscheck/comments/zqx6qo/comment/j132sry/?utm_source=share&utm_medium=web3x&utm_name=web3xcss&utm_term=1&utm_content=share_button)  
[medium=web3x&utm\\_name=web3xcss&utm\\_term=1&utm\\_content=share\\_](https://www.reddit.com/r/stimuluscheck/comments/zqx6qo/comment/j132sry/?utm_source=share&utm_medium=web3x&utm_name=web3xcss&utm_term=1&utm_content=share_button)  
[button](https://www.reddit.com/r/stimuluscheck/comments/zqx6qo/comment/j132sry/?utm_source=share&utm_medium=web3x&utm_name=web3xcss&utm_term=1&utm_content=share_button) (last accessed July 30,  
2023).

1 purchases at Marshall's in multiple counties over from me were made at times  
 2 that haven't happened yet today. I activated my card at 9:30am PST and both  
 3 transactions shown were at times 10:00am PST and 10:22am PST for today's  
 4 date. It seems like the transactions were immediately made once my card was  
 5 activated. Ofcourse the money network customer service is only open on  
 6 weekdays. I locked my card immediately. Has anyone else had this happen to  
 7 them?"<sup>3</sup>

8 c. On or around November 2022, a user with the username GhostAndGrace  
 9 posted on the online forum Reddit: "Just curious if this has happened to anyone  
 10 else. Got the card and activated it about a week ago, made a pin and everything.  
 11 Account balance \$700. I just held onto the card and waited for the next grocery  
 12 store trip, which was this afternoon. We go in and the card doesn't work. Super  
 13 annoying. Get home and try to figure it out. Out balance is now \$0 and  
 14 someone about 2 hours away used it for \$513 at Dick's Sporting Goods, then a  
 15 few small purchases until it was empty. It hasn't left my wallet and like I said,  
 16 I made a pin. Anyone else have their card ripped off? I'm not looking forward  
 17 to having to deal with all this on Monday when customer service opens."<sup>4</sup>

18 29. Plaintiffs are informed and believe that these posts accurately reflect the experiences  
 19 of the posting users with MCTR fraud and Money Network.

20 30. There is nothing surprising about the fraud that ensued when Money Network issued  
 21 MCTR benefits on non-EMV chip enabled cards: the magnetic stripe technology in the  
 22 EMV chip-less cards Money Network distributed to many members of the Class is widely  
 23

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24  
 25 <sup>3</sup> See, sadisticallyspeaking, Comment to *Thieves are draining California MCTR debit cards*,  
 26 Reddit,  
 27 [https://www.reddit.com/r/stimuluscheck/comments/zmtv2v/comment/j0ly4x1/?utm\\_source=share&utm\\_medium=web3x&utm\\_name=web3xcss&utm\\_term=1&utm\\_content=share\\_button](https://www.reddit.com/r/stimuluscheck/comments/zmtv2v/comment/j0ly4x1/?utm_source=share&utm_medium=web3x&utm_name=web3xcss&utm_term=1&utm_content=share_button) (last accessed July 29,  
 28 2023).

<sup>4</sup> See GhostAndGrace, *Anyone else had the money stolen out of their MCTR account?*, Reddit,  
[https://www.reddit.com/r/stimuluscheck/comments/zi8d9q/anyone\\_else\\_had\\_the\\_money\\_stolen\\_out\\_of\\_their/](https://www.reddit.com/r/stimuluscheck/comments/zi8d9q/anyone_else_had_the_money_stolen_out_of_their/) (last accessed July 29, 2023).

1 known in the financial industry to be less secure than EMV chip technology.

2 31. Despite the rampant MCTR-related fraud, Money Network appears blithely  
3 indifferent to the damages its failure to take reasonable and adequate fraud prevention  
4 measures have caused Plaintiffs and the Class. This blithe indifference is evidenced in its  
5 failure to adequately staff customer services lines and the extent to which it has made it  
6 difficult for MCTR recipients to report fraud. For example, in a May 15, 2023, article titled  
7 “California Middle Class Tax Refund: As issues persist, options narrow for getting a real  
8 person to help,” one investigative news agency reported that when it “called the [MCTR]  
9 activation line and followed prompts to report fraud, at least one path in the maze of voice  
10 prompts led to the call being disconnected.”<sup>5</sup>

11 32. Online, MCTR recipients have complained they’ve called in to Money Network for  
12 help with fraud or even obtaining their MCTR card in the first place only to be met with  
13 an automated recording stating that, due to high call volumes, their calls could not be  
14 answered.

15 33. For example, in or around March 2023, a user named “Ctrl-Alt-DL337” posted on  
16 the Internet forum Reddit: “I never received my card in the mail, but received a letter  
17 warning me to activate my card before the expiry date. The letter also said that if I never  
18 received my card, I should call their customer service line. So I did. And have been, for a  
19 few days now. It doesn't matter when I call, whether it be at opening, middle of day, or  
20 closing -- everytime I try to get my issue resolved, the hotline tells me that ‘due to high call  
21 volume we can not accept your call at this time, please try again later. ’ I'm worried that  
22 I'll never be able to connect, and then ultimately miss out on my refund. What the heck  
23 should I do??”<sup>6</sup>

24 34. Responding to a post titled “Card Drained, customer service hung up on me,” a Reddit

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26 <sup>5</sup> Daniel Macht, “California Middle Class Tax Refund: As issues persist, options narrow for getting  
27 a real person to help, KCRA3, [https://www.kcra.com/article/california-middle-class-tax-refund-issues-  
28 persist-help-line-real-agents-fraud-reporting/43880142](https://www.kcra.com/article/california-middle-class-tax-refund-issues-persist-help-line-real-agents-fraud-reporting/43880142) (last accessed August 14, 2023).

<sup>6</sup> Ctrl-Alt-DL337, *MCTR Customer Service Phone Line Always Busy*, Reddit,  
[https://www.reddit.com/r/stimuluscheck/comments/12br425/mctr\\_customer\\_service\\_phone\\_line\\_always  
28 busy/](https://www.reddit.com/r/stimuluscheck/comments/12br425/mctr_customer_service_phone_line_always_busy/) (last accessed July 30, 2023).



1 user with the name “MandaEskimo” posted in or around December 2022: “I can’t get  
2 anyone to answer at all, I’ve been calling every 30 minutes for the last two days and it  
3 either hangs up on me immediately, or rings for 15 minutes then hangs up as soon as it hits  
4 the 15 minute mark.”<sup>7</sup>

5 35. Plaintiffs are informed and believe that these posts accurately reflect the experiences  
6 of the posting users with Money Network’s customer service line.

7 36. Plaintiff Harrington has also experienced being hung up on by Money Network when  
8 he called to ask for assistance with obtaining his MCTR debit card.

9 37. Plaintiffs are informed and believe that Defendant Fiserv fully owns Money Network  
10 Inc. and exercises a degree of control over its actions such that Money Network is an  
11 instrumentality of Fiserv.

12 38. Fiserv’s website indicates that it has a location in Alpharetta, Georgia at 2900  
13 Westside Parkway, Alpharetta, Georgia, United States 30004. Money Network’s principal  
14 address is 2900 Westside Parkway, Alpharetta, Georgia, United States 30004.

15 39. The LinkedIn profiles of Fiserv executives suggest that Fiserv is extensively involved  
16 in the management and oversight of Money Network. For example, Charles Busa lists  
17 himself as a Fiserv executive with the title “Vice President of Sales Money Network.”  
18 Jenai Washington lists herself on LinkedIn as a Fiserv executive with the title “Senior  
19 Director, CFO Money Network.” Charles S. Postell’s LinkedIn page states that he works  
20 at Fiserv as a “Sales Executive, Digital Disbursements, Prepaid and Payroll Solutions  
21 Money Network.” And Gino De Jesus’s LinkedIn page indicates that between June 2019  
22 and November 2019 he was the “Director of Money Network and Digital Disbursements”  
23 at Fiserv, Inc. These job titles suggest that Fiserv Inc. executives so control Money  
24 Network — as its CFO, Vice President of Sales, and “Director” — that Money Network is  
25 merely an agent of Fiserv Inc.

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26  
27 <sup>7</sup> See MandaEskimo, Comment to *Card Drained, customer service hung up on me*, Reddit,  
28 [https://www.reddit.com/r/stimuluscheck/comments/zqx6qo/comment/j10fdul/?utm\\_source=share&utm\\_medium=web3x&utm\\_name=web3xcss&utm\\_term=1&utm\\_content=share\\_button](https://www.reddit.com/r/stimuluscheck/comments/zqx6qo/comment/j10fdul/?utm_source=share&utm_medium=web3x&utm_name=web3xcss&utm_term=1&utm_content=share_button) (last accessed July 30, 2023).

*Allegations Specific to Plaintiff Silva:*

*Money Network gave Plaintiff Silva a Chip-Less Card and Stood by as Scammers Stole the MCTR Intended for Mr. Silva and his Family*

40. Mr. Silva is a middle class Californian.

41. Mr. Silva and his wife were entitled to a \$1,050.00 MCTR payment.

42. Unlike Mr. Harrington, Mr. Silva received a MCTR debit card in the mail from Money Network.

43. The card Mr. Silva received from Money Network did not have an EMV chip.

44. Mr. Silva and his wife were able to use their MCTR card only a few times before the card was fully depleted.

45. Mr. and Ms. Silva did not spend anywhere near the full \$1,050.00 of their MCTR payment.

46. Mr. and Ms. Silva are informed and believe that fraudsters took advantage of their chip-less MCTR debit card's security vulnerabilities to steal hundreds of dollars of their MCTR from them.

47. In the documents it sent Mr. Silva at the time it disbursed his MCTR, Money Network did not alert Plaintiff Silva to the fact that his chip-less card was highly vulnerable to scammers and that, as such, it would be prudent of Mr. Silva to expeditiously withdraw the full balance of his MCTR from the fraud-vulnerable MCTR card as soon as he received it in order to limit the time fraudsters had to deplete his MCTR.

48. The documents Money Network sent to Mr. Silva told him to use his MCTR "before it expired." The expiration date on Mr. Silva's MCTR card was not until April, 2026.

49. Had Mr. Silva been alerted to the risks of leaving his MCTR on the MCTR card he would have promptly withdrawn the entirety of his MCTR from the chip-less Money Network and held it in a more secure medium, e.g., cash.

50. Mr. Silva realized that fraudsters had likely depleted his MCTR account when he tried to use the card and it was declined. No one at Money Network ever alerted Mr. Silva to the fact that his MCTR account had been compromised.

1 51. The MCTR website operated by Money Network invites MCTR debit-card holders  
2 to view their “balance and transaction history online any time at mctrpayment.com.”

3 52. After realizing that fraudsters had depleted his MCTR debit card, Mr. Silva attempted  
4 to view his transaction history online at mctrpayment.com. He was unsuccessful. He had  
5 the correct credentials for logging in but the website would not allow him to proceed to  
6 any sort of account homepage or to view any sort of transaction history associated with his  
7 card.

8 53. Mr. Silva was damaged by Money Network’s failure to take reasonable measures to  
9 combat and prevent fraud, for example including EMV chips in cards. Specifically, he was  
10 denied the benefit of accessing and using a large portion of his MCTR payment after  
11 fraudsters predictably took advantage of the security vulnerabilities inherent in the chip-  
12 less card Money Network issued Mr. Silva and his wife.

13 *Allegations Specific to Plaintiff Harrington:*

14 *Money Network has Never Given Mr. Harrington his MCTR*

15 54. Plaintiff Russell Harrington lives in Clovis, California, a diverse farming community  
16 that is a suburb of Fresno.

17 55. FTB and Money Network representatives have both told Mr. Harrington that he was  
18 authorized for a MCTR in October 2022.

19 56. As of mid-November 2022, Mr. Harrington had not yet received his MCTR debit  
20 card.

21 57. Mr. Harrington called the FTB several times during December 2022 regarding the  
22 status of his MCTR. Each time he was told that there were mailing delays.

23 58. Mr. Harrington called the FTB’s general number again in early January 2023 and was  
24 told to wait until late January 2023.

25 59. When late January rolled around, Mr. Harrington still did not have his MCTR debit  
26 card.

27 60. Mr. Harrington repeatedly contacted Money Network regarding his MCTR payment  
28 but was not able to get to the bottom of the problem. The Money Network agents he spoke

1 with refused to speak with him about his MCTR, placed him on hold for extended periods,  
2 and, on one occasion, hung up on him.

3 61. In March 2023, Mr. Harrington asked the FTB to issue him his MCTR directly via  
4 check rather than via a Money Network debit card. He filled out paperwork and mailed it  
5 to the designated address.

6 62. In April 2023 Mr. Harrington received an unsolicited call from the FTB informing  
7 him that he had not yet activated his MCTR card.

8 63. During the second week of May, Mr. Harrington was again contacted by a FTB staffer  
9 informing him that he hadn't activated his MCTR card. Mr. Harrington explained that  
10 Money Network had never sent him his MCTR debit card and that his efforts to contact  
11 Money Network about this issue had been futile. The staffer told Mr. Harrington his only  
12 option was to contact Money Network again. Contradicting what Mr. Harrington was told  
13 in March 2023, this FTB staffer said there was no way for him to receive his MCTR directly  
14 from the FTB in the form of a check.

15 64. It is now more than nine months after Mr. Harrington was authorized for a MCTR in  
16 October 2022. A child conceived in that month would have been welcomed into the world  
17 by now but Money Network, despite, Mr. Harrington believes, having received money  
18 from the FTB for his MCTR, still has not issued Mr. Harrington his MCTR debit card.  
19 (Mr. Harrington has also not received his MCTR from the FTB.)

20 65. Mr. Harrington has been damaged by Money Network's failure to provide him his  
21 MCTR debit card insofar as he has been deprived of the use of hundreds of dollars to which  
22 he is entitled.

23 66. Mr. Harrington has suffered non-economic injuries as a result of Money Network's  
24 wrongful conduct. Specifically, he has wasted hours of his life trying to gain access to his  
25 MCTR. This includes time spent talking to, and on hold, with both Money Network and  
26 the FTB.

**CLASS ACTION ALLEGATIONS**

67. Plaintiffs incorporate all preceding and subsequent paragraphs by reference as if set forth fully herein.

68. Plaintiffs bring this lawsuit individually and as a class action pursuant to Federal Rules of Civil Procedure Rule 23, seeking injunctive relief, declaratory relief, and damages on behalf of a class defined as follows (the “Class”): “All citizens of California presently eligible for a MCTR who have not had the benefit of the full MCTR amount to which they are entitled as of the date of this lawsuit.”

69. Plaintiffs further seek declaratory relief, damages, and injunctive relief on behalf of two sub-classes defines as follows:

a. **No EMV Chip Subclass:** All class members whose MCTR debit cards did not contain an EMV chip and whose MCTR accounts were depleted as a result of transactions not authorized by the class member and from which the class member received no benefit.

b. **No MCTR Subclass:** All class members who have neither received a debit card from Money Network nor otherwise obtained the benefit of their MCTR.

70. Excluded from the Class are governmental entities, Defendants, any entity in which Defendants have a controlling interest, and Defendants’ officers, directors, affiliates, legal representatives, employees, co-conspirators, successors, subsidiaries, and assigns. Also excluded from the Class is any judge, justice, or judicial officer presiding over this matter and the members of their immediate families and judicial staff.

71. Plaintiffs reserve the right to amend or modify the class descriptions by making them more specific or dividing the class members into further subclasses or limiting the issues.

72. **NUMEROSITY:** Plaintiffs are informed and believe, and on that basis allege, that the Class is so numerous that individual joinder of all members would be impracticable. It is apparent that the number of Californians who have been unable to access their MCTR is so large as to make joinder impracticable as the Class (or Classes) would be comprised of thousands of qualified MCTR recipients geographically dispersed across the State of

1 California.

2 73. **COMMONALITY:** Defendants' practices and omissions were applied uniformly  
3 to all members of the Class, so that the questions of law and fact are common to all  
4 members of the Class. All members of the putative Classes were and are similarly affected  
5 by having been entitled to MCTRs that they either did not receive or did not fully (or at all)  
6 benefit from and the relief sought herein is for the benefit of Plaintiffs and members of the  
7 putative Class.

8 74. **PREDOMINANCE:** Questions of law and fact common to the Class exist that  
9 predominate over questions affecting only individual members, including but not limited  
10 to: whether Defendants' alleged conduct is unlawful; whether Defendants had a duty of  
11 care to the Class; whether the alleged conduct constitutes violations of the laws asserted;  
12 whether the Defendants' wrongful conduct was intentional or knowing; whether Plaintiffs  
13 and Class members are entitled to appropriate remedies, including restitution, damages,  
14 and injunctive relief.

15 75. **TYPICALITY:** The claims asserted by Plaintiff Harrington and Silva in this action  
16 are typical of the claims of the members of the Class, as the claims arise from the same  
17 course of conduct by Defendants, all members of the Class have been similarly affected by  
18 Defendants' course of conduct, and the relief sought is common.

19 a. Plaintiff Silva's claims are typical of the claims of the No EMV Chip Subclass.

20 b. Plaintiff Harrington's claims are typical of the claims of the No MCTR  
21 Subclass.

22 76. **ADEQUACY:** Plaintiffs will fairly and adequately represent and protect the interests  
23 of the members of the Class. Plaintiffs have no interest adverse to the interests of the other  
24 Class members. Plaintiffs have retained competent counsel with substantial experience in  
25 complex litigation and litigation involving financial and consumer issues. Plaintiffs'  
26 counsel are committed to vigorously prosecuting this action on behalf of the Class.

27 77. **SUPERIORITY:** A class action is superior to other available methods for the fair  
28 and efficient adjudication of the present controversy, in that it will permit a large number

1 of claims to be resolved in a single forum simultaneously, efficiently, and without the  
2 unnecessary hardship that would result from the prosecution of numerous individual  
3 actions and the duplication of discovery, effort, expense and burden on the courts that  
4 individual actions would engender. The benefits of proceeding as a class action, including  
5 providing a method for obtaining redress for claims that would not be practical to pursue  
6 individually, far outweigh any difficulties that it might be argued could arise in connection  
7 with the management of this class action. These benefits make class litigation superior to  
8 any other method available for the fair and efficient adjudication of these claims. Absent a  
9 class action, it would be highly unlikely that the representative Plaintiffs or any other  
10 members of the Class would be able to protect their own interests because the cost of  
11 litigation through individual lawsuits might exceed expected recovery given that the  
12 absolute *maximum* amount of an MCTR is \$1,050.

13 78. Certification of this class action is appropriate because the questions of law or fact  
14 common to the respective members of the Class predominate over questions of law or fact  
15 affecting only individual members. Certification is also appropriate because Defendants  
16 acted, or failed to act, on grounds generally applicable to the Class, thereby making  
17 appropriate the relief sought on behalf of the Class as a whole. Further, given the large  
18 number of potentially injured Californians, allowing individual actions to proceed in lieu  
19 of a class action would run the risk of yielding inconsistent and conflicting adjudications.  
20 Certification of Plaintiffs' claims for class-wide treatment is also appropriate because  
21 Plaintiffs can prove the elements of the claims on a class-wide basis using the same  
22 evidence as would be used to prove those elements in individual actions alleging the same  
23 claims.

24 79. Notice to the members of the Class may be accomplished inexpensively, efficiently,  
25 and in a manner best designed to protect the rights of all Class members. Plaintiffs are  
26 informed and believe that Defendant Money Network has available to it the contact  
27 information of all Class members and that Class notice can therefore likely be directly sent  
28 to individual members of the Class if so ordered by the court.

**FIRST CAUSE OF ACTION AGAINST MONEY NETWORK AND FISERV**  
**VIOLATION OF CALIFORNIA’S UNFAIR COMPETITION LAW (“UCL”)**

*On behalf of the Class*

80. Plaintiffs, on behalf of themselves and the Class, bring this claim under the “unfair” prong of California’s Unfair Competition Law (“UCL”).

81. The UCL prohibits “unfair competition,” which includes any “unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising.” See Cal. Bus. & Prof. Code § 17200.

82. Money Network’s practice of taking millions of dollars from California taxpayers in exchange for services related to the administration of the MCTR and then failing to fulfil its contractual obligations in connection with those services and failing to exercise reasonable care in the provisioning of those services, for example by failing to use EMV chips in the MCTR debit cards it sent the No EMV Chip Subclass, is an unfair practice. In effect, Money Network’s practice of issuing non-EMV chip debit cards is a conveyor belt that diverts taxpayer dollars from their intended beneficiaries (the Class) and moves them into the hands of fraudsters.

83. Money Network’s practice of taking millions of dollars from California taxpayers in exchange for services related to the administration of the MCTR and then failing to adequately staff the customer service lines it used to provide advice and guidance to MCTR recipients calling in to report fraud or their non-receipt of the MCTR is an unfair practice.

84. These unfair practices are substantially injurious to Class members, including Plaintiffs Harrington and Silva.

85. Plaintiff Silva and other members of the No EMV Chip Subclass were injured by Money Network’s unfair practice of issuing vulnerable magnetic-stripe-only debit cards because they were left without adequate protection from fraudsters and suffered economic losses due to fraud that they, in all likelihood, would not have suffered if Money Network had complied with its contractual duties and/or followed industry best practices and issued them debit cards with EMV chips and taken other reasonable steps to prevent fraud.



1 86. Plaintiff Harrington and other members of the Class were injured because they were  
2 forced to spend hours dealing with and navigating Money Network's customer service  
3 bureaucracy which was understaffed and ill-equipped to assist Class members.

4 87. Money Network's unfair practices are not outweighed by any countervailing benefits  
5 to the Class, taxpayers, or competition.

6 88. The injuries Money Network's unfair practices caused the Class could not be avoided  
7 since: (1) Class members who were not eligible for direct deposit and who wished to  
8 receive MCTR debit cards had no choice but to receive them from Money Network; and  
9 (2) Class members did not, and could not, know that Money Network would commit the  
10 unfair acts and practices herein alleged.

11 89. Plaintiffs, on behalf of themselves and the Class and applicable Subclasses, seek  
12 restitution, disgorgement, and other equitable relief, including injunctive relief (a)  
13 prohibiting Money Network from continuing its unfair business practices, and (b) requiring  
14 the Money Network to take reasonable measures to prevent future unauthorized use of  
15 MCTR debit cards, including prospectively issuing EMV chip enabled cards to qualified  
16 recipients who have not yet received their MCTRs and retrospectively re-issuing EMV  
17 chip enabled debit cards to qualified recipients who received chip-less cards but have not  
18 yet fully used their MCTR refunds.

19 **SECOND CAUSE OF ACTION AGAINST MONEY NETWORK AND FISERV**

20 **NEGLIGENCE**

21 ***On behalf of the Class***

22 90. Defendant Money Network was under no duty or obligation to contract with the FTB  
23 to administer the MCTR. But it still stepped forward, submitted a response to the state's  
24 RFP, and then entered the Agreement. There were other service providers standing ready  
25 to help the FTB rescue taxpayers from the effects of inflation and economic disruption. By  
26 entering the Agreement, Defendant prevented these other financial services companies from  
27 stepping in to help the FTB deliver the financial rescue authorized by the Better for Families  
28 Act.

1 91. Defendant had a standard-issue duty of reasonable care running to the Class. But it  
2 *also* had a duty of reasonable care running to the class that stemmed from its **special**  
3 **relationship** with the Class, as evidenced by the following facts:

- 4 a. At the time it entered the Agreement, Defendant Money Network understood  
5 that it would play a critical role in providing often desperately-needed financial  
6 relief to taxpayers of low and moderate means living in the state with the third-  
7 highest cost of living in our country. Money Network knew that the MCTR  
8 payments it would be distributing were intended to directly and meaningfully  
9 affect Class members by providing them a vital financial lifeline in a time of  
10 economic uncertainty.
- 11 b. The harm to the Class as a result of Money Network's tortious conduct was  
12 highly foreseeable if not utterly predictable: if you distribute millions of dollars  
13 using debit cards with just magnetic stripes and no chip protection, it should  
14 be no surprise when fraudsters exploit the low-security cards to steal funds.
- 15 c. The economic damages Class members suffered as a result of Money  
16 Network's tortious conduct are clear, definite and certain.
- 17 d. There is a tight nexus between defendant's maladministration of the MCTR  
18 payment program and the injuries suffered by the Class: if Money Network  
19 had exercised reasonable care in implementing fraud-prevention measures and  
20 distributing MCTR debit cards to qualified taxpayers, Class members like  
21 Plaintiffs Silva and Harrington would have had the full benefit of their MCTR.
- 22 e. Money Network's conduct in taking millions of dollars from California  
23 taxpayers and then skimping on fraud-prevention measures and customer  
24 service staffing and logistics was morally reprehensible.
- 25 f. There is a strong policy of preventing future harm and demonstrating that for-  
26 profit corporations that enter government contracts relating to the  
27 administration of government benefits and then fail to deliver the promised  
28 services or shoddily deliver the promised services in a manner that frustrates

1 their purposes and intent, to the detriment taxpayers and the intended  
2 beneficiaries of the contracts alike, will be held accountable.

3 92. Money Network also has a duty of care to the Class **arising from statute**.  
4 Specifically, California Revenue and Taxation Code section 19554.2 provides that “[a]ny  
5 third-party vendor and any officer, employee, or agent, or former officer, employee, or  
6 agent, of a third-party vendor shall not disclose or use any information obtained from the  
7 Franchise Tax Board pursuant to this section except for the purpose of providing services  
8 relating to the distribution of payments pursuant to Section 8161 of the Welfare and  
9 Institutions Code.” *See* Cal. Rev. & Tax. Code § 19554.2(b)(2). This statute imposed a duty  
10 on Money Network to take reasonable care to ensure it did not inadvertently disclose, for  
11 example to fraudsters, information obtained from the FTB concerning “qualified recipients”  
12 of the MCTR.

13 93. On information and belief, Money Network breached its duty of reasonable care to  
14 the class by failing to exercise reasonable care in, among other things:

- 15 a. Issuing Class members debit cards that lacked EMV chips despite an  
16 awareness of the profound security risks inherent in relying solely on magnetic  
17 stripe technology;
- 18 b. Failing to provide Class members reasonable notice that their MCTR payments  
19 are highly vulnerable to fraud by including instructions with the cards directing  
20 recipients to withdraw all funds from the MCTR debit cards ASAP after  
21 activation to limit the potential for fraudsters to steal the MCTR funds;
- 22 c. Failing to ensure that its customer service representatives were capable of  
23 providing timely and effective to members of the Class calling to inquire about  
24 their non-receipt of the MCTR or fraudulent transactions;
- 25 d. Failing to employ reasonable practices to monitor and identify fraudulent  
26 transactions on MCTR accounts; and
- 27 e. Failing to exercise reasonable care to ensure it did not disclose information  
28 obtained from the FTB concerning “qualified recipients” of the MCTR

1           inadvertently to fraudsters.

2 94. Class members, including Plaintiff Silva and Plaintiff Harrington, were injured by  
3 Money Network's negligence insofar as, because of Defendants' failure to exercise  
4 reasonable care, they were denied the full benefit of their MCTR.

5 95. The damages suffered by the Class as a result of Money Network's negligence,  
6 however, are not purely economic: Class members, Mr. Harrington among them, have  
7 wasted significant time dealing with the fallout from Money Network's failure to exercise  
8 reasonable care in administering the MCTR. This time wasted dealing with Money  
9 Network and the FTB is a compensable **non-economic injury**.

10 96. The damages suffered by the Class as a result of Money Network's negligence were  
11 reasonably foreseeable because Money Network knew or should have known about the  
12 security risks inherent in foregoing EMV chips and relying on magnetic stripe technology  
13 and knew, or should have known, that the customer service resources it was devoting to  
14 administering the MCTR were insufficient to ensure that Class members would not be  
15 forced to waste significant time attempting to contact Money Network about problems with  
16 their MCTR.

17       **THIRD CAUSE OF ACTION AGAINST MONEY NETWORK AND FISERV**

18                               **BREACH OF FIDUCIARY DUTY**

19                                       *On behalf of the Class*

20 97. Defendants owed a fiduciary duty to Plaintiffs in connection with the administration  
21 of California's MCTR because:

- 22           a. The Parties' bargaining positions were wildly unequal. Unlike the typical  
23 relationship between a bank and a depositor where the depositor has numerous  
24 options available to it and can make a reasoned decision about where to bank,  
25 Class members had limited choice over the manner in which they would  
26 receive their MCTR benefits: if they wanted to receive an MCTR debit card,  
27 their only option was Money Network. Additionally, Plaintiff Harrington's  
28 experience being told that he could not receive his MCTR via a check from the

1 FTB instead of a via a Money Network debit cards suggests that, in practice, a  
2 MCTR debit card was, at least for some Class members, the only way they  
3 could receive their MCTR.

4 b. Class members were not motivated by profit; they engaged with Money  
5 Network merely to obtain funds allocated for them by the Legislature and  
6 designed to help them weather the financial storm of inflation and economic  
7 disruption that ravaged California’s economy in the early 2020s.

8 c. Delayed lump-sum contract damages would not adequately the Class for the  
9 damages they’ve suffered as a result of their inability to obtain the full benefit  
10 of the MCTR payment since the payment was designed to provide a financial  
11 lifeline to qualified recipients during a period of rampant inflation and financial  
12 upheaval, and money damages provided months or years later, once the  
13 financial disruptions that precipitated the MCTR had abated, would be  
14 insufficient to compensate the Class for their injuries.

15 d. Class members were especially vulnerable to harm because many of them had  
16 been adversely impacted by the economic disruptions that prompted the  
17 MCTR, for example the COVID-19 emergency and rampant inflation, and  
18 were counting on the MCTR to provide them some economic relief and hedge  
19 against economic insecurity.

20 e. Money Network was aware that the Californians whose MCTR benefits it was  
21 administering were, as people of low and moderate means, uniquely vulnerable  
22 to harm. Class members’ special vulnerability to harm is evidenced by the  
23 Legislature’s declaration in the Better for Families Act that “[i]ncreased costs  
24 for goods, including gas, due to inflation, supply chain disruptions, the effects  
25 of the COVID-19 emergency, and other economic pressures have had a  
26 significant negative impact on the financial health of many Californians.”

27 98. Pursuant to its fiduciary duty to the Class, Money Network was required to strive to  
28 ensure that legitimate MCTR beneficiaries received the full benefit of their MCTR and were

1 not denied all or some of their benefits due to either Money Network’s failure to distribute  
2 the benefits or scammers’ depletion of Class members’ MCTR accounts.

3 99. Money Network failed to act as reasonable fiduciary would under the circumstances.  
4 Specifically, it failed to take reasonable measures to ensure MCTR debit cards reached all  
5 Californians entitled to receive an MCTR. Defendants also issued thousands of MCTR  
6 debit cards that did not have EMV chips and failed to appropriately notify Class members  
7 of the high risk that their MCTR would be subjected to hacking.

8 100. Plaintiffs and the members of the Class were harmed by these failures insofar as these  
9 failures deprived Plaintiffs of the full benefit of the MCTR.

10 101. Defendants’ conduct was a substantial factor in causing Plaintiffs’ harm. Plaintiffs  
11 and Class Members suffered both economic and non-economic damages as a direct result  
12 of Money Network’s breach of fiduciary duty. The amount of these damages will be  
13 established according to proof at trial.

14 102. A constructive trust has been formed in which Money Network is the involuntary  
15 trustee for the benefit of Plaintiffs Silva and Harrington as well as the Class. The  
16 constructive trust encompasses the MCTR benefits that the Class has been unable to obtain  
17 as a result of MCTR’s breach of fiduciary duty.

18 103. Plaintiffs, on their own behalf and that of the Class and applicable Subclasses, request  
19 declaratory and injunctive relief as well as money damages and interest on those damages.

20 **FOURTH CAUSE OF ACTION AGAINST MONEY NETWORK AND FISERV**

21 **BREACH OF CONTRACT (Third-Party Beneficiaries)**

22 ***On behalf of the Class***

23 104. Money Network and the FTB entered a contract under which Money Network would  
24 administer the distribution of the MCTR to qualified taxpayers, the Class among them.

25 105. The Agreement imposed obligations on Money Network in connection with  
26 mitigating and preventing fraud, including using debit cards with EMV chips and providing  
27 evidence showing it was “preventing fraud at a success rate of ninety-nine percent (99%)  
28 or higher.”

1 106. Plaintiffs Harrington and Silva and the Class are all intended third-party beneficiaries  
2 of the Agreement: the entire purpose of the Agreement between the FTB and Money  
3 Network was to provide a benefit to Plaintiffs and the rest of the Class, namely, the  
4 disbursement of the MCTR payments authorized by the California Legislature. Providing  
5 this benefit to the Class was the central, primary, and motivating purpose for the contract  
6 between the FTB and Money Network.

7 107. Plaintiffs and the Class members were all known to Money Network to be third-party  
8 beneficiaries of the agreement. The Agreement's references to, for example, "qualified  
9 taxpayers" and "recipients" encompass Plaintiffs and the Class, all of whom are "qualified  
10 taxpayers" and are (or at least would be, if Money Network had done its job) "recipients"  
11 of the MCTR.

12 108. Permitting Plaintiffs and the Class to assert a breach of contract claim against Money  
13 Network in connection with its breaches of the Agreement is consistent with the purpose of  
14 the Agreement. Given the positionality of the Class vis-à-vis the Agreement, it should have  
15 been reasonably foreseeable to the contracting parties at the time of contracting that MCTR-  
16 recipients like Plaintiffs and the Class could, as intended third-party beneficiaries of the  
17 Agreement, properly assert breach of contract claims against the contracting parties.

18 109. To the extent the Agreement imposed conditions or qualifications on Plaintiffs  
19 Harrington and Silva as well as the Class, they fulfilled all, or substantially all, of them and  
20 performed all conditions precedent to Money Network's performance.

21 110. Money Network, in contrast, did not fulfil all of its obligations under the Agreement.  
22 On information and belief:

- 23 a. Money Network materially breached its obligation under the Agreement to use  
24 a "EMV (Europay, MasterCard, and Visa) chip enabled card to offer the  
25 maximum protection possible" by issuing thousands of MCTR debit cards that  
26 were not EMV chip enabled.
- 27 b. Money Network materially breached its obligation under the Agreement to  
28 "[p]rovide sophisticated fraud prevention services with evidence of preventing

1 fraud at a success rate of ninety-nine percent (99%) or higher” by failing to  
2 establish and maintain procedures for documenting and tracking fraud such  
3 that reliable evidence concerning the rate of fraud, and Money Network’s rate  
4 of fraud prevention could be generated. For example, Plaintiffs are informed  
5 and believe that for some period of time in late 2022, Money Network was  
6 automatically disconnecting calls to its customer service line due to “high call  
7 volume,” effectively preventing callers from reporting fraud to it and, by  
8 extension, artificially reducing the amount of fraud reported.

9 c. Money Network materially breached its obligation under the Agreement to  
10 “[p]rovide fraud prevention services from the point of receiving recipient  
11 account information and until all debit card balances have been exhausted by  
12 each recipient or returned to the state due to expiring” by failing to take  
13 reasonable measures to prevent fraud at every point from its receipt of recipient  
14 account information until the exhaustion of debit card balances.

15 111. Plaintiffs and the Class were damaged by Money Network’s breach of the Agreement  
16 insofar as the value of the disbursement and fraud-prevention services that Money Network  
17 actually provided for their benefit was lower than the value of the disbursement and fraud-  
18 prevention services that Money Network was obligated to provide for the Class’s benefit  
19 under the Agreement. Plaintiffs and the Class were also damaged by Money Network’s  
20 breach of the Agreement insofar as, because of Money Network’s breach, they did not  
21 receive the full benefit of the MCTR to which they were entitled.

22 112. Plaintiffs, on their own behalf and that of the Class and applicable Subclasses, request  
23 declaratory and injunctive relief as well as money damages and interest on those damages.

24 **FIFTH CAUSE OF ACTION AGAINST MONEY NETWORK AND FISERV**  
25 **BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING**  
26 **(Third-Party Beneficiaries)**

27 *On behalf of the Class*

28 113. In California, all contracts impose on a duty of good faith and fair dealing on their



1 parties.

2 114. Money Network was invested with discretionary power over how to administer the  
3 MCTR program; Plaintiffs and the Class were directly impacted by the discretionary  
4 decisions Money Network made in connection with its administration of the MCTR  
5 program.

6 115. Money Network's contract with the FTB states that Money network "will perform  
7 the requisite services to meet the following project objectives . . . Provide platinum  
8 (maximum) level fraud protection and client and customer service support." The  
9 Agreement also imposed specific responsibilities on Money Network related to fraud  
10 prevention and customer service. For example, the Agreement obliged Money Network to  
11 "[p]rovide sophisticated fraud prevention services with evidence of preventing fraud at a  
12 success rate of ninety-nine percent (99%) or higher." It also obliged Money Network to  
13 "[p]rovide multi-channel customer service and support including self-service and live  
14 service including phone . . . ."

15 116. Money Network breached the implied covenant of good faith and fair dealing by  
16 cutting corners in connection with the fraud prevention and customer service it provided in  
17 connection with the MCTR program in ways that injured the Class. Specifically, Plaintiffs  
18 are informed and believe that Money Network made a suite of decisions about the resources  
19 that should be devoted (or not) to fraud prevention and customer service that collectively  
20 deprived Plaintiffs and the Class members of the benefits they were entitled to under the  
21 Agreement. Some of the decisions, for example, the decision to issue non-EMV chip debit  
22 cards, were standalone breaches of Money Network's obligations under the Agreement. But  
23 even those that weren't, for example skimping on customer service staffing such that a Class  
24 member who wanted to call in to report fraud would have to wait on hold for an extended  
25 period, when taken together, had the effect of denying the Class the customer service and  
26 fraud prevention benefits contemplated by the Agreement.

27 117. For example, Plaintiffs are informed and believe that for some period in late 2022,  
28 Money Network was refusing to accept customer service calls: when a MCTR recipient

1 called in to, for example, report fraud, they would be told that due to high call volume their  
2 call could not be answered and then hung up on. This practice, which was undoubtedly  
3 good for Money Network's bottom line, was detrimental to the Class because it meant not  
4 only were they denied live phone customer service but also that they could not report fraud.  
5 The upshot of this practice was to obscure the full scope and effects of Money Network's  
6 deficient fraud prevention services by making it impossible or unreasonably difficult for  
7 Class members to report fraud.

8 118. As a direct result of Money Network's breach of the implied covenant of good faith  
9 and fair dealing, Plaintiffs and the Class suffered actual damages and losses.

10 119. Plaintiffs, on their own behalf and that of the Class and applicable Subclasses, request  
11 declaratory and injunctive relief as well as money damages and interest on those damages.

12 **PRAYER FOR RELIEF**

13 Plaintiffs seek the following relief from the court on their own behalf and on behalf  
14 of the Class:

15 A. An order certifying the Class and Subclasses defined above, appointing  
16 Plaintiffs as representatives for the Class, Plaintiff Harrington as representative for the No  
17 MCTR Subclass and Plaintiff Silva as representative for the No EMV Chip Subclass, and  
18 appointing Plaintiffs' counsel as counsel for the Class;

19 B. Public injunctive relief in the form of an injunction forbidding Money Network  
20 from issuing chip-less cards to MCTR recipients, ordering it to implement reasonable fraud  
21 prevention measures and provide adequately, accessible, and reasonable levels of non-  
22 automated customer service, and requiring it to take reasonable steps to identify, and  
23 compensate, MCTR recipients who have, through Money Network's maladministration of  
24 the MCTR program, been denied the full benefit of the MCTR.

25 C. A finding that such injunctive relief constitutes public injunctive relief, has  
26 resulted in the enforcement of an important right affecting the public interest, and otherwise  
27 meets the requirements of California Civil Procedure Code section 1021.5;

28 D. Actual damages, including consequential damages, against Defendants in an

1 amount to be proven in trial;

2 E. Restitution damages;

3 F. Taxable costs;

4 G. Pre- and post-judgment interest as provided by law; and

5 H. Such other relief as the court deems just and proper.

6 **JURY TRIAL DEMANDED**

7 Plaintiffs demand a jury trial of the facts alleged above on all counts and issues so  
8 triable.

9 DATED: August 18, 2023

Respectfully submitted,

10  
11 /s/ Kevin Kneupper

12 \_\_\_\_\_  
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13  
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# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Money Network 'Cut Corners' Distributing Tax Refunds to Middle Class Californians, Class Action Says](#)

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