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1	Michael W. Sobol (State Bar No. 1948) Roger N. Heller (State Bar No. 215348)	57))
2	Daniel E. Seltz (admitted pro hac vice) Avery S. Halfon (admitted pro hac vice	
3	LIEFF CABRASER HEIMANN & BE 275 Battery Street, 29th Floor	RNSTEIN LLP
4	San Francisco, CA 94111 Telephone: (415) 956-1000	
5	msobol@lchb.com rheller@lchb.com	
6 7	dseltz@lchb.com ahalfon@lchb.com	
7 8	John A. Yanchunis (pro hac vice motion Jean Sutton Martin (admitted pro hac vi	
8 9	MORGAN & MORGAN 201 North Franklin Street, 7th Floor	
10	Tampa, FL 33602 Telephone: (813) 223-5505	
11	jyanchunis@forthepeople.com jeanmartin@forthepeople.com	
12	Attorneys for Plaintiffs and the Propose	ed Class
13	[Additional counsel listed on signature	page]
14		
15	UNITED S	STATES DISTRICT COURT
16	NORTHERN	DISTRICT OF CALIFORNIA
17	MARCUS A. ROBERTS, KENNETH A. CHEWEY, AND	Case No. 3:15-cv-3418-EMC
18	ASHLEY M. CHEWEY, on behalf of themselves and all others similarly	CLASS ACTION
19	situated,	SECOND AMENDED COMPLAINT FOR:
20	Plaintiffs,	(1) VIOLATION OF BUSINESS & PROFESSIONS CODE § 17200;
21	V.	(2) VIOLATION OF BUSINESS & PROFESSIONS CODE § 17500;
22	AT&T MOBILTY LLC,	(3) VIOLATION OF THE CONSUMERS LEGAL REMEDIES ACT ("CLRA"),
23	Defendant.	CALIFORNIA CIVIL CODE §1750, <i>ET SEQ</i> ; (4) NEGLIGENT MISREPRESENTATION;
24		(5) MISREPRESENTATION; (6) FRAUDULENT CONCEALMENT;
25		(7) BREACH OF EXPRESS WARRANTY/ CONTRACT; AND
26		(8) UNJUST ENRICHMENT
27		JURY TRIAL DEMANDED
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1 Plaintiffs Marcus A. Roberts, Kenneth A. Chewey, and Ashley M. Chewey (collectively, 2 "Plaintiffs"), on behalf of themselves and all others similarly situated, file this Second Amended 3 Complaint against Defendant AT&T Mobility LLC, and for their causes of action respectfully 4 allege as follows: 5 **INTRODUCTION** 6 1. Plaintiffs bring this action on behalf of themselves and all other similarly situated 7 California consumers who have been harmed by Defendant's deceptive and unfair practice of 8 marketing its wireless service plans as being "unlimited," when in fact those plans are subject to a 9 number of limiting conditions that either are not disclosed or inadequately disclosed to 10 consumers. 11 2. Defendant lured consumers into purchasing smartphones, wireless data cards and 12 mobile service plans by aggressively promoting "unlimited" data service plans without 13 disclosing, or adequately disclosing, that its so-called "unlimited" plans are actually limited. 14 Defendant failed to disclose to consumers, including Plaintiffs and the Class, that it "throttles" 15 (*i.e.*, intentionally slows) the data speed on cellular phones or wireless cards when the consumer 16 has approached or exceeded Defendant's internally proscribed monthly data usage limits. These 17 internally proscribed data usage thresholds are not adequately disclosed to consumers. 3. 18 Defendant's throttling practices alleged herein have the effect of significantly 19 limiting consumers' access to data and services, rendering internet access and other wireless 20 functions on their phones difficult or impossible, and thus unreasonably interfering with the 21 supposedly "unlimited" service that the consumers paid for. 22 4. Defendant's throttling of the data speed of its "unlimited" data plan customers is of 23 such a degree that consumers, including Plaintiffs and Class members, have been effectively 24 unable to access data for the remainder of a billing cycle. 25 5. As a result of Defendant's deceptive and material representations, bad faith, and 26 unfair and unlawful conduct alleged herein, Plaintiffs and members of the proposed Class have 27 suffered damages, including, without limitation, payment for services that were not as advertised. 28

1	6. Plaintiffs bring this action on behalf of themselves and other similarly situated
2	California consumers who have purchased the products or services identified herein so as to halt
3	the dissemination of deceptive and misleading advertising, to correct the deceptive and
4	misleading perception Defendant has created in the minds of consumers, and to obtain redress.
5	Plaintiffs seek injunctive and monetary relief for themselves and the proposed Class.
6	7. Plaintiffs also, individually, seek public injunctive relief pursuant to their UCL,
7	FAL, and CLRA claims alleged herein, to stop and prevent Defendant from disseminating false
8	and misleading advertising to the consuming public in California regarding "unlimited" data
9	service plans.
10	THE PARTIES
11	8. Plaintiff Marcus A. Roberts is a citizen and resident of San Mateo County,
12	California.
13	9. Plaintiffs Kenneth A. Chewey and Ashley M. Chewey are citizens and residents of
14	Placer County, California.
15	10. Defendant AT&T Mobility LLC is a Delaware limited liability company with its
16	principal office or place of business at 1025 Lenox Park Boulevard NE, Atlanta, GA 30319.
17	AT&T Mobility LLC transacts or has transacted business in this District and throughout the
18	United States.
19	11. Whenever reference in this Complaint is made to any act of Defendant, or other
20	corporate Defendant as may be named in the future, the allegation shall be deemed to mean that
21	the officers, directors, agents, representatives, subsidiaries, affiliates and employees of the
22	Defendant did or authorized the act while actively engaged in the management, direction, or
23	control of the affairs of the corporate Defendant, and while acting within the course and scope of
24	their employment.
25	JURISDICTION AND VENUE
26	12. This Court has original jurisdiction pursuant to 28 U.S.C. § 1332(d)(2) in that the
27	amount in controversy, exclusive of interest and costs, exceeds the sum or value of \$5,000,000;
28	this is a class action in which there are members of the proposed Class who are citizens of a state
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different from Defendant; there are more than 100 members of the proposed Class; and none of
 the exceptions of the subsection apply.

3 13. This Court has personal jurisdiction over Defendant because, without limitation: 4 (1) Defendant has purposely availed itself of the privileges of conducting business activities in 5 California: (2) Defendant has maintained and currently maintains systematic and continuous 6 business contacts with California including marketing, selling, and issuing wireless services to 7 California consumers; and (3) Defendant maintains offices and retail locations throughout 8 California. AT&T has sufficient minimum contacts with California to render the exercise of 9 jurisdiction by this Court permissible. Further, the claims in this case arise out of Defendant's 10 contacts with California. 11 14. Venue is proper pursuant to 28 U.S.C. §1391 in that Plaintiff Marcus Roberts 12 resides in this District; many of the acts and transactions giving rise to this action occurred in this 13 District; Defendant is authorized to conduct business in this District, has intentionally availed 14 itself of the laws and markets within this District through distribution and sale of its products in 15 this District, does substantial business in this District, and is subject to personal jurisdiction in 16 this District. 17 15. Intra-District Assignment: This action is properly assigned to the San 18 Francisco/Oakland Division, where Plaintiff Marcus Roberts resides. 19 **GENERAL ALLEGATIONS** 20 Defendant Falsely Advertises Certain Service Plans as Providing "Unlimited" A. Data. 21 22 16. Defendant markets and sells wireless service plans to hundreds of millions of 23 subscribers in the United States, including millions in California. Such service plans include 24 wireless data, allowing subscribers to use their phones to browse websites, send and receive 25 emails, use smartphone applications, watch videos and stream music, and use GPS navigation. 26 17. Prior to approximately June 2010, Defendant pervasively offered to the consuming 27 public service plans that purported to include "unlimited" data each month. Defendant 28 aggressively promoted its "unlimited" plan in order to capture the burgeoning smartphone market.

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1 Between 2007 and 2010, AT&T was the sole service plan provider for the Apple iPhone and, 2 upon information and belief, Defendant's offer of an unlimited data plan was a requirement of its 3 deal with Apple. 18. Defendant's advertising and packaging of its phones and "unlimited" service plans 4 5 pervasively featured the word "unlimited" in prominent font. Examples of Defendant's 6 advertisements and representations regarding its "unlimited" data plans include the following: 7 AT&T Plans for iPhone 8 To use iPhone, you'll need to sign up for a 2-year service agreement or a renewed 2-year service agreement if you are already an AT&T customer. 9 Plans start at \$59,99 and include Visual Voicemail, Unlimited Data (email and web) and 200 SMS text messages-for use in the U.S. You can add more text messages for a little more a month. You can browse the internet and send emails as often as you like without being charged extra. 10 AT&T Nation* All plans include: 11 200 Text Messages | Rollover Unlimited Mobile to Mobile 12 Anytime Minutes UNLIMITED 900 1350 450 13 Night & Weekend 5000 UNLIMITED UNLIMITED Minutes 14 Additional Minutes .45¢ .40¢ .35C N/A 15 Per Month \$99.99 \$59.99 \$79.99 \$119,99 16 AT&T Nation 17 \$59.99 \$99.99 \$79.99 \$119.99 \$169.99 \$219.99 Minutes 450 900 1350 2000 4000 6000 18 Unlimited Data J J 4 ~ J 1 (email/web) Visual Voicemail 4 ð ð 1 J 19 200 200 200 200 200 200 SMS Text Messaging Night & Weekend Minutes 5000 Unlimited Unlimited Unlimited Unlimited Unlimited 20 Rollover Minutes* v 21 ¥ Unlimited Mobile to Mobile 1 0 Additional Minutes 25¢/min 20¢/min 45¢/min 40¢/min 35¢/min 25¢/min 22 INCLUDED FEATURES: Nationwide Long Distance and Roaming, Voicemail, Call Forwarding, Call Waiting, 3-WayCalling and Caller ID. 23 24 25 26 27 28 SECOND AMENDED COMPLAINT



19. Defendant's pervasive representations of "unlimited" data plans appeared, *inter alia*, on television, radio, print advertising, in Defendant's stores, and on Defendant's website.

20. Defendant temporarily stopped offering "unlimited" plans to new customers in or
around June 2010, but allowed existing "unlimited" plan subscribers to be "grandfathered" into
those plans, expressly representing that such subscribers would continue to enjoy "unlimited"
data.

7 21. Defendant made this "grandfathering" offer in the hopes that its "unlimited"
8 subscribers would not switch to another service provider. This was particularly important to
9 Defendant when, in 2011, it ceased to be the sole service provider for the Apple iPhone and given
10 that many competing smartphones offered by competing service providers had been introduced in
11 the market by that time.

12 22. Defendant's offer was effective: Upon information and belief, millions of
13 subscribers—including at least hundreds of thousands in California—kept their unlimited plans
14 rather than switching to a new plan or leaving AT&T. In fact, these subscribers value their
15 purportedly "unlimited" data so much that they have elected to forego opportunities to receive
16 phone upgrades for little or no cost. Accepting such phone upgrade offers often requires or
17 required customers to give up their "unlimited" data plans. Defendant's "unlimited" data promise
18 is material to consumers.

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23. Defendant continues to represent to remaining "grandfathered" customers that they will receive "unlimited" data service each month.

21 24. After it had stopped offering "unlimited" plans to new customers, Defendant 22 resumed offering "unlimited" plans to new customers in or around 2016. Since that time, 23 Defendant has continued to aggressively market and advertise "unlimited" plans, up to and 24 through the time of this filing. As before, since resuming offering "unlimited" plans to the 25 consuming public, Defendant has continued to pervasively and aggressively promote these plans 26 as being "unlimited." Defendant's pervasive advertisements of "unlimited" data plans have 27 appeared, *inter alia*, on television, radio, print advertising, in Defendant's stores, and on 28 Defendant's website.

1	25. Defendant's marketing of its "unlimited" data plans has at all relevant times
2	prominently featured the word "unlimited. Defendant has pervasively labeled and represented
3	that the plans are "unlimited" because Defendant knows that term is material to consumers,
4	induces consumers to purchase and renew wireless service through Defendant, and causes
5	consumers to assign greater value to the service.
6	26. In contrast to the representations made to its "unlimited" data subscribers,
7	Defendant disclosed the exact monthly allotment of data that subscribers are able to use (e.g., 3
8	GB, 50 GB) with respect to Defendant's "tiered" mobile data plans. Defendant also stated that
9	additional fees will apply if a "tiered" subscriber exceeds the monthly allowance.
10	B. <u>Defendant Imposes Secret Data Caps on and Regularly Throttles "Unlimited"</u>
11	Subscribers' Service Plans.
12	27. Despite its representations that "grandfathered" unlimited plan subscribers would
13	continue to have access to "unlimited" data each month, starting in or around October 2011,
14	Defendant began to systematically "throttle" (i.e. slow down) those subscribers' data speed,
15	usually without warning, once those subscribers exceeded secret monthly data usage caps. Prior
16	to that time, Defendant did not engage in such throttling policy or practice for "unlimited" plan
17	customers.
18	28. The speeds at which Defendant throttles the subscribers are so slow that they are
19	
20	unable to use their phones for certain intended and advertised purposes, such as streaming video
21	or music or even browsing webpages.
22	29. Defendant throttled the customers once they reached the secret data usage caps no
23	matter whether the customer used their device for an unauthorized purpose or whether
24	Defendant's network was not congested at the time and was capable of handling the customers'
25	data usage at regular speeds. Once throttled, customers' data speeds remained throttled until the
26	next month.
27	30. Defendant initially had different monthly data usage caps applicable to residents of
28	different cities. In some places, Defendant's data usage cap was as low as 2GB per month.
	SECOND AMENDED COMPLAINT

- 31. Beginning in or around March 2012, Defendant implemented a nationwide secret
 monthly data usage cap of 3GB for all devices using Defendant's 3G network (e.g., iPhone 3G,
 3GS, 4) and HSPA+ network (e.g., iPhone 4S), and 5 GB per billing cycle for devices using
 Defendant's LTE network (e.g., iPhone 5, 5S, 6, 6 Plus).
- 5 32. In or around the middle of 2015, Defendant again modified its throttling practice 6 for "unlimited" plan subscribers. The modified practice—which Defendant has applied to both 7 the "grandfathered" and the newer unlimited plan subscribers—continued to be based on secret 8 and/or inadequately disclosed monthly data usage caps, and remained an across-the-board 9 practice, applied systematically by Defendant without regard to whether the customers use their 10 devices for unauthorized purposes. Under Defendant's modified practice, once "unlimited" plan 11 subscribers exceed the monthly data usage caps, they are subject to throttling by Defendant (i.e., 12 they may be, and very often are, throttled by Defendant after they exceed the cap). The specific 13 monthly data caps (i.e., the numerical amounts of GB that constitute the cap) that Defendant has 14 imposed have changed some over the years, but a version of this cap and throttling practice 15 remains in place as of this filing.
- As before, after modifying its throttling practice in or around the middle of 2015,
 AT&T continued to fail to adequately disclose its data usage caps and throttling practice for
 "unlimited" plan customers, either to the "grandfathered" subscribers (who were promised
 continued access to "unlimited" data service) or to new "unlimited" subscribers. As with the premid-2015 iterations of the practice, Defendant's modified practice was and is fundamentally
 inconsistent with Defendant's prominent representations and promises that these data service
 plans are "unlimited."
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C. <u>Defendant Does Not Adequately Disclose its Throttling Practice or Secret</u> <u>Data Usage Caps to its "Unlimited" Subscribers.</u>

34. Defendant's marketing of its unlimited mobile data plans—prior to and after
Defendant transitioned to offering tiered plans to new customers, and prior to and after Defendant
modified its throttling practice in or around the middle of 2015—has failed to disclose or
adequately disclose Defendant's throttling practices, and indeed the limits applied pursuant to

1 Defendant's throttling practices are wholly inconsistent with Defendant's repeated and 2 emphasized representations that its unlimited mobile data plans are "unlimited."

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35. Defendant has failed to adequately disclose its data usage limits to customers and potential customers, or to disclose the extremely slow speeds at which customers will be throttled and how that will impact their data service and usability of their devices.

6 36. Defendant's Wireless Customer Agreement applicable to Defendant's wireless 7 service plans does not disclose or adequately disclose the data usage caps that Defendant has 8 applied to "unlimited" subscribers or Defendant's practice of regularly and systematically 9 throttling "unlimited" customers. Instead, it merely prohibits the usage of data for certain 10 activities, such as tethering phones to a computing device so that the computing device may use 11 the phones' data. This has remained true even as the language of Defendant's Wireless Customer 12 Agreement has evolved. Even assuming *arguendo* buried language in the Wireless Customer Agreement *could* override or cure Defendant's false and misleading statements that these plans 13 14 were "unlimited" (they do not) and even assuming *arguendo* that any purported restrictions in the 15 Wireless Customer Agreement applied to "unlimited" plans, the contract language itself is in all 16 events incorrect and misleading, if anything has only furthered the deception, and failed to 17 disclose or adequately disclose Defendant's actual practices. 18 37. The only "disclosure" Defendant made regarding throttling prior to implementing 19 its throttling practice was the following brief "message" included within some customers' 20 monthly bill for the July or August 2011 billing cycle: 21 **Important Update for Unlimited Data Plan Customers** 22 To provide the best possible network experience, starting 10/01/11, smartphone customers with unlimited data plans whose usage is in 23 the top 5% of users can still use unlimited data but may see reduced data speeds for the rest of their monthly billing cycle. We'll alert 24 you if you near the top 5%. To avoid slowed speeds you may use Wi-Fi or choose a tiered data plan. Details @ att.com/dataplans. 25 26 38. This statement did not adequately disclose, or even truthfully describe, 27 Defendant's throttling practice for "unlimited" plans. Among other things, the statement 28 misrepresents that only the top 5% of users will be throttled, when in fact any users that exceeded SECOND AMENDED COMPLAINT - 10 -

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1	Defendant's secret data usage caps were throttled without regard to whether they were in the top
2	5% of users. It also misrepresents that Defendant will alert customers as they reach those data
3	limits, when in fact Defendant often throttles customers without ever alerting them to the fact.
4	Further, it fails to disclose the speeds at which customers' data will be reduced or how such
5	speeds will impact customers' ability to use data.
6	39. On its website, under the heading "Info for smartphone customers with legacy
7	unlimited data plans," Defendant similarly misled "grandfathered" unlimited plan customers (to
8	the extent any of them even saw this language) about the nature of its throttling practice:
9	In line with common industry standards, we have implemented
10	network management practices to assure that our network resources are used for the benefit of all our mobile broadband customers
11	especially during periods when network demand exceeds available network resources (also known as "congestion").
12	One such practice applies when a minority of smartphone
13	customers on unlimited data plans using 3G, 4G, or 4G LTE smartphones exceed certain data usage thresholds in a billing period (3GB for 3G/4G smartphones and 5GB for 4G LTE smartphones).
14	When affected by this practice, these customers <i>may</i> experience reduced data speeds and increased latency <i>during periods of</i>
15	<i>congestion</i> as compared to other customers using the same cell site. (emphasis added).
16	40. Instead of truthfully disclosing the exact nature of its throttling practice,
17 18	Defendant's website "disclosure" implied that any throttling "might" occur during periods of
18 19	network congestion, when it fact, at least through the middle of 2015 if not later, Defendant
20	always throttled "unlimited" subscribers' data once they exceeded the data thresholds regardless
20	of whether the network was congested at the time.
21	41. Even the few text messages or emails that Defendant sends to some subscribers as
22	they approach or exceed the secret data usage caps do not adequately disclose Defendant's
23 24	throttling practice. They do not disclose the secret data caps or the speeds at which subscribers
2 4 25	will be throttled or the practical impact of same.
23 26	42. Defendant's unfair and deceptive conduct has continued after Defendant modified
20	its throttling practice in around the middle of 2015, and continues as of this filing. Defendant has
28	continued to falsely and misleadingly represent that "unlimited" plan subscribers will have
20	

"unlimited" data service each month (always prominently featuring the word "unlimited" in its
 marketing and other pervasive representations about the plans), and has continued to fail to
 adequately disclose Defendant's throttling practices or the practical consequences thereof in terms
 of the usability of the customers' devices.

5 43. In 2019, AT&T entered into a settlement agreement with the Federal Trade 6 Commission. Pursuant to Defendant's settlement with the FTC, Defendant has provided, or will 7 be providing, limited monetary relief to certain "unlimited" plan customers—including some of 8 the members of the proposed Class in this case. The FTC settlement does not provide any 9 monetary relief for some members of the proposed Class in this case, and does not provide 10 complete relief to any members of the proposed Class in this case. Based on representations 11 made by Defendant and the FTC in the FTC proceedings, most recipients of monetary benefits 12 from the FTC settlement, where such payments are effectuated, will receive approximately 13 \$12.00.

14 44. The FTC settlement also includes injunctive relief terms. The FTC settlement has 15 apparently caused Defendant to make certain changes to its disclosures (as specified in the FTC 16 settlement) but Defendant's advertising and practices regarding "unlimited" plans remain unfair 17 and deceptive in several material respects. Among other things, Defendant continues to falsely 18 and misleadingly label and advertise these plans, to customers and the consuming public, as 19 "unlimited" when in fact Defendant continues to impose monthly data usage caps or limits 20 beyond which "unlimited" plan customers are subject to throttling. Additionally, Defendant still 21 does not disclose or adequately disclose to customers and potential customers the practical 22 consequences of Defendant's throttling practices on customers' ability to use their devices. 23 Further, the FTC settlement does not require Defendant to train its customer service personnel so 24 that they are informed about Defendant's throttling practices and can accurately and fulsomely 25 explain same to customers and potential customers (a problem that Plaintiffs Ashley and Kenneth 26 Chewey experienced personally, as alleged below).

27 45. Defendant's "unlimited" plan misrepresentations and its failure to adequately
28 disclose its secret data caps and throttling practices were and are a deceptive act or practice. In

making and disseminating the statements regarding its "unlimited" data plans as alleged herein,
 Defendant knew and should have known that its statements were untrue, deceptive, and
 misleading.

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D.

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<u>Defendant's Practice of Throttling "Unlimited" Subscribers' Data is</u> <u>Contrary to those Subscribers' Expectations.</u>

6 46. Reasonable consumers are likely to be misled by Defendant's promise of
7 "unlimited" data, particularly in combination with Defendant's advertisements that encourage
8 customers to use smartphones and data plans in typical ways such as browsing the internet,
9 streaming or downloading music and videos, running apps, and using GPS navigation—uses
10 which Defendant knew caused many "unlimited" plan customers to reach and exceed the data
11 usage thresholds.

- 47. Once customers discover the truth about Defendant's "unlimited" plans, customers
 are outraged by Defendant's lies and bad faith practices. Thousands of customers have
 complained to Defendant and have submitted complaints to third party consumer protection
 entities such as the Better Business Bureau and consumeraffairs.com.
- 48. Upon information and belief, Defendant has conducted internal research and focus
 groups revealing that customers believe the word "unlimited" to mean no restrictions on data, and
 that Defendant's practice of throttling data is inconsistent with its "unlimited" representations.
 Nevertheless, Defendant has continued and continues to use the false and misleading "unlimited"
- 20 label and represent that these plans provide "unlimited" data.

49. The imposition of data usage thresholds and speed reductions is antithetical to the
term "unlimited." Defendant was and is aware that its use (and continued use) of the word
"unlimited" to describe its data plans is and was likely to, and did and does, mislead and deceive
consumers.

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E. <u>Defendant's Goal in Throttling Was to Encourage Customers to Switch to</u> <u>Limited Plans in Order to Make More Money.</u>

27 50. Defendant's goal in implementing its throttling program, beginning in or around
28 October 2011, was to make more money. Ultimately, Defendant desired to push grandfathered

subscribers off of the "unlimited" plans onto the "tiered" service plans that are either more
 expensive than the grandfathered plans or that hit subscribers with overage fees once they exceed
 the set data thresholds.

4 51. As one article noted, "unlimited" plan subscribers were faced with the choice of
5 continuing to "pay \$30 for 'unlimited' service where you're actually only getting 2 GB of data
6 before your phone becomes useless, or sign up for a 3GB tier for the same price so you're in line
7 to get socked with the usage overages of tomorrow." *See*

8 <u>http://www.dslreports.com/shownews/118235</u> (last accessed on 7/22/15).

9 52. Defendant's goal is exemplified by certain unfair practices Defendant imposed
only on its "unlimited" plan subscribers. For example, Defendant restricted the popular iPhone
application FaceTime—which allows telephone calls via video—such that it may be used only
over Wi-Fi, and not over its cellular network, for "unlimited" subscribers. In contrast,
Defendant's tiered plan subscribers were allowed to access Defendant's cellular network when
using FaceTime.

15 53. In addition, Defendant did not throttle its tiered plan subscribers' data. Indeed, for
16 years Defendant continued to throttle "unlimited" plan subscribers at secret data caps of 3GB or
17 5GB even though it offered tiered service plans with up to 50GBs of data or more per month.

18 54. Defendant's continued false and misleading advertising regarding the "unlimited"
19 plans, and its continued throttling practices, including since Defendant resumed offering
20 "unlimited" plans to new customers, have likewise been in furtherance of making Defendant
21 more money.

55. Defendant profits from misleading consumers about its "unlimited" service plans
and throttling "unlimited" subscribers' data in numerous ways. By representing its plans as being
"unlimited," Defendant is able to induce customers into keeping, and signing up for, Defendant's
"unlimited" plans rather than switching to, or signing up with, a different service provider,
increases demand for the service, and causes consumers to assign higher value for the service. In
addition, Defendant has induced customers to switch to tiered plans to avoid throttling, which
often either cost more money (depending on the amount of data provided for in the plan) or which

1 come with overage charges once a customer exceeds the data limits subject to those plans.

Further, Defendant has collected substantial early termination fees from "unlimited" plan
subscribers who cancelled service after being throttled.

4 56. Plaintiffs and Class members have been damaged, including by paying for
5 products and services which were not delivered as represented, and by paying more than they
6 otherwise would have paid.

7

INAPPLICABLE OR UNENFORCEABLE ARBITRATION CLAUSE

8 57. At all relevant times, Defendant's Wireless Customer Agreement has included
9 materially the same arbitration provision that, according to its terms and as drafted by Defendant,
10 is null and void in its entirety here.

58. Under California law, parties may not agree to waive the right to seek public
 injunctive relief under California's UCL, FAL, and CLRA in any forum, and any such
 agreements are contrary to California public policy and are unenforceable. *McGill v. Citibank, N.A.*, 393 P.3d 85 (Cal. 2017).

15 59. As the Court has already held in this case, and as the Ninth Circuit has affirmed
16 (and as multiple other courts have held), the arbitration provision in Defendant's Wireless
17 Customer Agreement purports to bar the parties from seeking public injunctive relief in any
18 forum. Such a provision is unenforceable under *McGill*.

19 60. Defendant's arbitration agreement also includes a non-severability (or "poison 20 pill") provision, providing that if the prohibition on seeking public injunctive relief in any forum 21 "is found to be unenforceable, then the entirety of this arbitration provision shall be null and 22 void." As the Court has already held in this case, and as the Ninth Circuit has affirmed (and as 23 multiple other courts have held), because the prohibition on seeking public injunctive relief in the 24 Wireless Customer Agreement is unenforceable under California law, the "entirety" of the full 25 arbitration agreement is "null and void." Therefore, the claims brought in this lawsuit are not 26 subject to any of the requirements of Defendant's arbitration agreement.

27 61. Defendant's arbitration agreement is also unenforceable because it is procedurally
28 and substantively unconscionable.

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1	CLASS ACTION ALLEGATIONS
2	62. As detailed below in the individual counts, Plaintiffs bring this lawsuit on behalf
3	of themselves and all others similarly situated, pursuant to Rule 23(a), (b)(2) and (b)(3) of the
4	Federal Rules of Civil Procedure.
5	63. Plaintiffs seek to represent the following "Class":
6 7	All consumers residing in California who purchased an unlimited data plan from AT&T Mobility LLC and whose data usage was subject to throttling prior to the expiration of the plan.
8	Excluded from the above Class are Defendant and its officers, directors and employees.
9	64. <i>Numerosity</i> . Members of the Class are so numerous that joinder of all members is
10	impracticable. While the exact number of Class members remains unknown at this time, upon
11	information and belief, there are at least hundreds of thousands of putative Class members.
12	65. Existence and Predominance of Common Questions of Law and Fact. This
13	action involves common questions of law and fact, which predominate over any questions
14	affecting individual Class members. These common legal and factual questions include, but are
15	not limited to, the following:
16	a. whether Defendant's representations that its service plans were
17	"unlimited," and practice of regularly throttling "unlimited" plan customers, constitute deceptive
18	and unfair trade practices in violation of the California Business & Professions Code § 17200 and
19	§ 17500, et. seq.;
20	b. whether Defendant's conduct had a tendency to deceive reasonable
21	consumers;
22	c. whether Defendant breached its express warranties with Plaintiffs and the
23	Class;
24	d. whether Defendant has been unjustly enriched to the detriment of Plaintiffs
25	and the Class;
26	e. whether Plaintiffs and the Class have sustained damages as a result of the
27	conduct alleged herein and, if so, what is the proper measure of such damages;
28	
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f. whether Plaintiffs and the Class are entitled to restitution and, if so, what is the proper measure of restitution; and

g. whether Plaintiffs and Class are entitled to declaratory and/or injunctive
relief.

Typicality. Plaintiffs' claims are typical of the claims of the members of the Class
because, *inter alia*, Plaintiffs and all Class members were injured through the common, systemic
misconduct described above and were subject to Defendant's deceptive "unlimited" data plan
representations. Plaintiffs are advancing the same claims and legal theories on behalf of
themselves and all members of the Class.

67. Adequacy of Representation. Plaintiffs will fairly and adequately protect the
 interests of the members of the Class. Plaintiffs have retained counsel experienced in complex
 consumer class action litigation, and Plaintiffs intend to prosecute this action vigorously.
 Plaintiffs have no adverse or antagonistic interests to those of the Class.

14 68. *Superiority*. A class action is superior to other available methods for the fair and 15 efficient adjudication of this controversy. The expense and burden of individual litigation would 16 make it impracticable or impossible for proposed Class members to prosecute their claims 17 individually. Most individual Class members have little ability to prosecute an individual action 18 due to the complexity of the issues involved in this litigation and the significant costs attendant to 19 litigation on this scale compared to the relatively small damages suffered by individual Class 20 members. Further, individualized litigation would create the danger of inconsistent or 21 contradictory judgments arising from the same set of facts. Individualized litigation would also 22 increase the delay and expense to all parties and the court system from the issues raised by this 23 action. By contrast, a class action provides the benefits of adjudication of these issues in a single 24 proceeding, economies of scale, and comprehensive supervision by a single court, and presents no 25 unusual management difficulties under the circumstances here. Trial of Plaintiffs' and Class 26 members' claims is manageable as a class action, and economies of time, effort, and expense will 27 be fostered and uniformity of decisions will be insured. Without a class action, the Class

1 members will continue to suffer damages and Defendant's violations of law will proceed without 2 remedy while Defendant continues to retain and reap the proceeds of its wrongful conduct. 3 69. Defendant has acted and refused to act on grounds generally applicable to the 4 Class, including by engaging in deceptive and misleading representations and material omissions 5 regarding its unlimited data plans that misled Plaintiffs and the Class, thereby making appropriate 6 final injunctive relief with respect to the Class as a whole. 7 PLAINTIFF SPECIFIC FACTS 8 **Plaintiff Marcus Roberts** 9 70. In 2008, Plaintiff Marcus Roberts purchased an iPhone 3G with an AT&T 10 "unlimited" data plan through Defendant. 11 71. Prior to making his purchase, Plaintiff Marcus Roberts had viewed and heard 12 advertisements for the AT&T "unlimited" data plan sold with the iPhone. All of the 13 advertisements indicated that he would receive "unlimited" data without restriction. There was 14 no indication that his data usage would be throttled when he reached a particular data usage 15 threshold. 16 72. Plaintiff Marcus Roberts read and relied on, in purchasing his iPhone 3G, 17 subsequent versions of the iPhone, and unlimited data plan, Defendant's representations that the 18 plan would provide "unlimited" data service. 19 From 2008-2014, Plaintiff Marcus Roberts upgraded to newer versions of the 73. 20 iPhone. Each such time, Defendant offered to "grandfather" him in, allowing him the opportunity 21 to continue with his "unlimited" data plan, rather than requiring him to switch to Defendant's 22 tiered data plans required for new customers. Plaintiff Marcus Roberts renewed his "unlimited" 23 plan in or around June 2012 and September 2014. In making these subsequent device purchases 24 and in continuing to subscribe to the unlimited data plan through Defendant, Plaintiff Marcus 25 Roberts continued to rely on Defendant's representations that the data plan was "unlimited." Defendants' representations of "unlimited" data were a substantial factor in 26 74. 27 Plaintiff Marcus Roberts' initial and subsequent purchase decisions. 28

1 75. In approximately August 2012, Plaintiff Marcus Roberts began noticing that by 2 approximately the middle of the month his internet connection was much slower and his ability to 3 download was hampered severely. He believed the slowed speed was due to overall service 4 issues by Defendant, as his friends with service through other carriers seemingly had faster 5 service.

6 76. After he experienced slowed data speeds in or around August 2012, Plaintiff 7 Marcus Roberts continued to experience slowed data speeds other times with that phone and with 8 the subsequent versions of the iPhone that he purchased, including in one or more months after 9 July 2015.

10 77. Defendant's filings in this case indicate that Plaintiff Marcus Roberts was throttled 11 by Defendant for the first time in August 2012 and was throttled by Defendant in multiple months 12 after that. Defendant's filings in this case to date do not address whether or to what extent 13 Plaintiff Marcus Roberts was throttled after July 2015, but as alleged above he experienced 14 throttling after that time.

15 78. On or about July 6, 2015, Plaintiff Marcus Roberts received a text stating that he 16 had used 75% of his allotted 5GB of data usage and that he may experience reduced speeds when 17 using data services. This text was the first such notice he had received from Defendant.

79. 18 Upon receipt of this text, Plaintiff Marcus Roberts called Defendant to question 19 why he had received such a message given that he had purchased an "unlimited" data plan. 20 Defendant's representative on the phone told him, for the first time, that, even though he had an 21 "unlimited" data plan, his data usage was actually restricted in that it would be throttled when he 22 reached 5GB of data usage.

23

80. Defendant failed to adequately advise Plaintiff Marcus Roberts of the limits that 24 Defendant's throttling program imposed on his supposedly unlimited mobile data plan. The 25 information that Defendant concealed from him would have been material to him.

26 81. When Plaintiff Marcus Roberts purchased and renewed his "unlimited" data plan 27 with Defendant, he reasonably believed that he would have unlimited data service, and not be

1 subject to data usage restrictions or throttling when he reached an internally-mandated data usage 2 threshold.

3 82. Plaintiff Marcus Roberts was harmed by Defendant's misleading representations 4 and omissions, including by paying for products and services that were not as advertised and by 5 paying more for his products and services than he otherwise would have paid.

6 83. Plaintiff Marcus Roberts remains a current AT&T unlimited plan customer. He 7 has been a customer of AT&T for over a decade, continues to desire to purchase and/or renew 8 unlimited wireless data service if available, continues to be exposed to AT&T's pervasive 9 "unlimited" plan advertisements and representations, and would absolutely consider purchasing 10 and/or renewing, and very well might purchase and/or renew, an AT&T unlimited plan again in 11 the future.

12 84. Plaintiff Marcus Roberts desires to be able to rely and more confidently rely on the 13 truthfulness of AT&T's advertisements regarding "unlimited" plans.

14

Plaintiffs Kenneth and Ashley Chewey

15 85. Plaintiffs Kenneth and Ashley Chewey were existing customers of Defendant 16 when they purchased an iPhone 3G with an AT&T family share plan with "unlimited" data in 17 approximately 2007.

18 86. Prior to making their purchase, Plaintiffs Kenneth and Ashley Chewey had viewed 19 and heard advertisements for the AT&T "unlimited" data plan sold with the iPhone. All of the 20 advertisements indicated that with the family share plan, they would receive "unlimited" data 21 without restriction. There was no indication that their data usage would be throttled when they 22 reached a particular data usage threshold.

23

25

87. Plaintiffs Kenneth and Ashley Chewey read and relied, in purchasing their iPhone 24 3G and family share plan with unlimited data, on Defendant's representations that the plan would provide "unlimited" data service.

26 88. In approximately December 2011, Plaintiffs Kenneth and Ashley Chewey began 27 noticing that by approximately the middle of the month their internet connection for their iPhone

was significantly slower, to the point where their ability to access the internet using the device
 was hampered severely.

3 89. After Plaintiff Kenneth Chewey noticed this slowing, he called Defendant to
4 inquire about the issue. He was told by a representative for Defendant that the problem was due
5 to his being in a high congestion area or his attempting to access the internet during a congested
6 time of day. The representative affirmatively stated to Plaintiff Kenneth Chewey that the problem
7 was not due to throttling by Defendant.

90. Plaintiffs Kenneth and Ashley Chewey renewed their "unlimited" plan in or
around October 2012. They chose to continue to have a "grandfathered" unlimited data plan
instead of a tiered data plan. In continuing to subscribe to the unlimited data plan through
Defendant, Plaintiffs Kenneth and Ashley Chewey continued to rely on Defendant's
representations that the data plan was "unlimited."

13 91. Defendants' representations of "unlimited" data were a substantial factor in
14 Plaintiffs Kenneth and Ashley Cheweys' initial and subsequent purchase decisions.

15 92. Subsequent to the conversation with Defendant's customer service representative,
16 the data service for Plaintiffs Kenneth and Ashley Chewey slowed on other occasions, including
17 sometimes to the point that there was no internet connection at all.

18 93. Defendant's filings in this case indicate that Plaintiffs Kenneth and Ashley
19 Chewey were throttled by Defendant for the first time in December 2011, and were throttled by
20 Defendant in multiple months after that between 2012 and 2015. Defendant's filings in this case
21 to date do not address whether or to what extent Plaintiffs Kenneth and Ashley Chewey were
22 throttled after July 2015, but they believe that they were.

94. On or about July 7, 2015, only seven (7) days into the current billing cycle,
Plaintiff Kenneth Chewey received two text messages stating that he was reaching a data usage
limit. This message was confusing to him, because he had understood from Defendant's
representations that his data service was unlimited pursuant to his "unlimited" plan.

- 27
- 28

- 95. Defendant failed to adequately advise Plaintiffs Kenneth and Ashley Chewey of
 the limits that Defendant's throttling program imposed on their supposedly unlimited mobile data
 plan. The information that Defendant concealed from them would have been material to them.
- 96. When Plaintiffs Kenneth and Ashley Chewey purchased and renewed their family
 share plan with "unlimited" data, they reasonably believed that they would have unlimited data
 service, and not be subject to data usage restrictions or throttling when they reached an internallymandated data usage threshold.
- 8 97. Plaintiffs Kenneth and Ashley Chewey were harmed by Defendant's misleading
 9 representations and omissions, including by paying for products and services that were not as
 10 advertised and by paying more for their products and services than they otherwise would have
 11 paid.
- 98. 12 Plaintiffs Kenneth and Ashley Chewey were customers of AT&T for a decade, 13 including AT&T unlimited plan customers for many years. While they are not presently AT&T 14 customers (they currently have wireless service through another carrier), they continue to desire 15 to purchase unlimited wireless data service if available, continue to be exposed to Defendant's 16 pervasive "unlimited" plan advertisements and representations, other than issues raised herein had 17 a generally favorable view of the quality of AT&T's services, and would absolutely consider 18 purchasing, and very well might purchase, an AT&T unlimited plan again in the future. 19 99. Plaintiffs Kenneth and Ashley Chewey desire to be able to rely and more 20 confidently rely on the truthfulness of AT&T's advertisements regarding "unlimited" plans. 21 CAUSES OF ACTION 22 FIRST CAUSE OF ACTION 23 (Violation of California Business & Professions Code § 17200 et seq.) 24 100. Plaintiffs incorporate by reference all allegations set forth in this Second Amended 25 Complaint as though fully set forth herein. 26
- California Business & Professions Code § 17200 *et seq.* prohibits any unfair,
 unlawful, or a fraudulent business practice.

1 102. Defendant violated the "unlawful" prong of the UCL, including by making
 material false and misleading representations that its data plans offer "unlimited" data service,
 when in fact Defendant regularly throttles "unlimited" plan customers' data after they reach
 certain monthly data usage thresholds or limits, and by concealing such material information, in
 violation of California's Consumer Legal Remedies Act, Cal. Civ. Code § 1750 *et seq*.

103. Defendant's practice of regularly throttling customers' "unlimited" data, after they
reach certain monthly data usage thresholds or limits, violated the "unfair" prong of the UCL
because it is immoral, unethical, oppressive, unscrupulous, unconscionable, and/or substantially
injurious to Plaintiffs and Class members. Defendant's conduct is also contrary to legislatively
declared public policy (including as such public policy is reflected in Cal. Civ. Code § 1750 *et seq.* and Cal. Civ. Code §§ 1709-1710), and the harm it caused to consumers outweighed its
utility, if any.

13 104. Defendant violated the "fraudulent" prong of the UCL, including by making
14 material false and misleading representations that its data plans were "unlimited" when they were
15 not, and by failing to disclose or adequately disclose and actively concealing material information
16 regarding its practice of regularly throttling "unlimited" plan customers' data. These material
17 false and misleading representations and nondisclosures were likely to mislead consumers.

18 105. Defendant's false and misleading representations and nondisclosures deceive or
19 have a tendency to deceive reasonable consumers and the general public.

20 106. Defendant's false and misleading representations and nondisclosures are material,
21 in that a reasonable person would attach importance to the information and would be induced to
22 act on the information in making purchase decisions. Defendant had a duty to disclose the truth,
23 including because of its affirmative false and misleading statements and because of its unique and
24 superior knowledge of the truth.

25 107. Plaintiffs and the Class members reasonably relied on Defendant's material false
26 and misleading representations and nondisclosures, and would not have purchased, or would have
27 paid less money for, Defendant's service plans, phones and other products had they known the

1	truth. Plaintiffs and the Class paid for products and services which were not delivered as
2	represented.
3	108. As a direct and proximate result of Defendant's unfair, unlawful, and fraudulent
4	conduct, Plaintiffs and the Class members lost money or property and were damaged.
5	109. Defendant's conduct has caused substantial injury to Plaintiffs and Class members.
6	Defendant's unlawful, unfair, and deceptive conduct is ongoing. Plaintiffs, on behalf of
7	themselves and the Class, seek an order enjoining Defendant from committing such unlawful,
8	unfair, and fraudulent business practices, and seek restitution and/or restitutionary disgorgement
9	of profits. Plaintiffs also seek attorneys' fees and costs under Cal. Code Civ. Proc. § 1021.5.
10	110. Plaintiffs individually seek public injunctive relief, under the UCL, to stop, and
11	protect the general public in California from, Defendant's false and misleading advertising.
12	SECOND CAUSE OF ACTION
13	(Violation of California Business & Professions Code § 17500 et seq.)
14	111. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
15	Complaint as though fully set forth herein.
16	112. Defendant has committed acts of untrue and misleading advertising, as defined by
17	California Business and Professions Code § 17500 <i>et seq.</i> , including by making material false and
18	misleading representations that its data plans were "unlimited" when they were not, and by failing
19	to disclose or adequately disclose and actively concealing material information regarding its
20	practice of regularly throttling "unlimited" plan customers' data.
21	113. Defendant's false and misleading representations and nondisclosures deceive or
22	have a tendency to deceive reasonable consumers and the general public.
23	114. Defendant's false and misleading representations and nondisclosures are material,
24	in that a reasonable person would attach importance to the information and would be induced to
25	act on the information in making purchase decisions. Defendant had a duty to disclose the truth,
26	including because of its affirmative false and misleading statements and because of its unique and
27	superior knowledge of the truth.
28	

1	115. Plaintiffs and the Class members reasonably relied on Defendant's material false
2	and misleading representations and nondisclosures, and would not have purchased, or would have
3	paid less money for, Defendant's service plans, phones and other products had they known the
4	truth. Plaintiffs and the Class paid for products and services which were not delivered as
5	represented.
6	116. As a direct and proximate result of Defendant's conduct, Plaintiffs and the Class
7	members lost money or property and were damaged.
8	117. Defendant's conduct has caused substantial injury to Plaintiffs and the Class
9	members. Defendant's false and misleading advertising is ongoing. Plaintiffs, on behalf of
10	themselves and the Class, seek an order enjoining Defendant from committing such practices and
11	from throttling Plaintiffs and the Class members, and seek restitution and/or restitutionary
12	disgorgement. Plaintiffs also seek attorneys' fees and costs under Cal. Code Civ. Proc. § 1021.5.
13	118. Plaintiffs individually seek public injunctive relief, under the FAL, to stop, and
14	protect the general public in California from, Defendant's false and misleading advertising.
15	THIRD CAUSE OF ACTION
15 16	<u>THIRD CAUSE OF ACTION</u> (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>)
	(Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 et seq.)
16	(Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
16 17	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein.
16 17 18	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c).
16 17 18 19	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code
16 17 18 19 20	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d).
 16 17 18 19 20 21 	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d). 122. The data service plans, phones, and other products that Defendant marketed and
 16 17 18 19 20 21 22 	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d). 122. The data service plans, phones, and other products that Defendant marketed and sold constitute "goods" and "services," as defined by Cal. Civ. Code §1761(a) and (b).
 16 17 18 19 20 21 22 23 	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d). 122. The data service plans, phones, and other products that Defendant marketed and sold constitute "goods" and "services," as defined by Cal. Civ. Code §1761(a) and (b). 123. The purchases of Defendant's service plans, phones, and other products by
 16 17 18 19 20 21 22 23 24 	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d). 122. The data service plans, phones, and other products that Defendant marketed and sold constitute "goods" and "services," as defined by Cal. Civ. Code §1761(a) and (b).
 16 17 18 19 20 21 22 23 24 25 	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d). 122. The data service plans, phones, and other products that Defendant marketed and sold constitute "goods" and "services," as defined by Cal. Civ. Code §1761(a) and (b). 123. The purchases of Defendant's service plans, phones, and other products by
 16 17 18 19 20 21 22 23 24 25 26 	 (Violation of the California Consumers Legal Remedies Act, Cal. Civ. Code § 1750 <i>et seq.</i>) 119. Plaintiffs incorporate by reference all allegations set forth in this Second Amended Complaint as though fully set forth herein. 120. Defendant is a "person" within the meaning of Civil Code §§1761(c). 121. Plaintiffs and the Class members are "consumers," as defined by Cal. Civ. Code §1761(d). 122. The data service plans, phones, and other products that Defendant marketed and sold constitute "goods" and "services," as defined by Cal. Civ. Code §1761(a) and (b). 123. The purchases of Defendant's service plans, phones, and other products by

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1	124. Plaintiffs and Class members purchased Defendant's service plans, phones, and
2	other products for personal, family, and household purposes as meant by Cal. Civ. Code
3	§ 1761(d).
4	125. Venue is proper under Cal. Civil Code § 1780(d) because a substantial portion of
5	the transactions at issue occurred in this county. The declarations of Plaintiffs establishing that
6	this Court has proper venue for this action are attached as Exhibit A .
7	126. Defendant deceived consumers in that it falsely and misleadingly represented that
8	its service plans offered "unlimited" data and also failed to disclose or adequately disclose and
9	actively concealed its practice of regularly throttling "unlimited" plan customers' data.
10	127. Defendant's false and misleading representations, active concealment, and failures
11	to disclose violated the CLRA in the following manner:
12	a. Defendant misrepresented that its service plans, phones, and other products
13	had characteristics, benefits, or uses that they did not have (Cal. Civ. Code § 1770(a)(5));
14	b. Defendant misrepresented that its service plans, phones, and other products
15	were of a particular standard, quality, and/or grade when they were of another (Cal. Civ. Code
16	§ 1770(a)(7));
17	c. Defendant advertised its service plans, phones, and other products with an
18	intent not to sell them as advertised (Cal. Civ. Code § 1770(a)(9));
19	d. Defendant misrepresented that its service plans, phones, and other products
20	conferred or involved rights, remedies, or obligations that they did not have (Cal. Civ. Code
21	§ 1770(a)(14));
22	e. Defendant misrepresented that its service plans, phones, and other products
23	were supplied in accordance with previous representations when they were not (Cal. Civ. Code
24	§ 1770(a)(16));
25	f. Defendant inserted unconscionable provisions in its consumer agreements,
26	including an arbitration clause with a class action waiver provision and other unenforceable
27	provisions, in violation of §1770(a)(19).
28	

1 128. Defendant's false and misleading representations and nondisclosures regarding its 2 "unlimited" data plans and its practice of regularly throttling "unlimited" plan customers' data 3 were material to Plaintiffs and Class members in that a reasonable person would have considered 4 them important in making purchase decisions. Defendant had a duty to disclose the truth, 5 including because of its affirmative false and misleading statements and because of its unique and 6 superior knowledge of the truth.

7 129. Plaintiffs and Class members reasonably relied upon Defendant's material false 8 and misleading representations and nondisclosures, and would not have purchased, or would have 9 paid less money for, Defendant's service plans, phones and other products had they known the 10 truth. Plaintiffs and the Class paid for products and services which were not delivered as 11 represented.

12

130. As a direct and proximate result of Defendant's material false and misleading 13 representations and nondisclosures, Plaintiffs and the Class have been irreparably harmed. 14 Defendant's violations of the CLRA are ongoing.

15 On behalf of themselves and the Class, Plaintiffs seek injunctive relief in the form 131. 16 of an order enjoining Defendant from making such material false and misleading representations 17 and failing to disclose or adequately disclose or actively concealing its practice of throttling 18 "unlimited" plan customers' data, and requiring AT&T to cease throttling Plaintiffs and the Class 19 members. Plaintiffs also seek attorneys' fees and costs.

20 132. Plaintiffs individually seek public injunctive relief, under the CLRA, to stop, and 21 protect the general public in California from, Defendants' false and misleading advertising.

22 133. In accordance with Cal. Civ. Code § 1782(a), on July 23, 2015, counsel for 23 Plaintiffs served Defendant with notice of their CLRA violations by certified mail, return receipt 24 requested. A true and correct copy of the CLRA demand notice is attached as **Exhibit B**. The 25 CLRA demand letter was delivered to Defendant's registered agent for service of process on July 26 28, 2015, as evidenced by Exhibit C.

27 Defendant has refused or failed to timely respond the CLRA demand notice of 134. 28 Plaintiffs.

1	135. Defendant has failed to provide appropriate relief for its CLRA violations within
2	30 days of receipt of Plaintiffs' demand notice. Accordingly, pursuant to Cal. Civ. Code
3	§§ 1780 and 1782(b), Plaintiffs are entitled to recover, for themselves and the Class, actual
4	damages, punitive damages, attorneys' fees and costs, and any other relief the Court deems
5	proper.
6	FOURTH CAUSE OF ACTION
7	(Negligent Misrepresentation)
8	136. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
9	
10	Complaint as though fully set forth herein.
11	137. During the relevant time period of this lawsuit, Defendant made express
12	statements that the wireless data plans purchased by Plaintiffs and members of the Class were
13	"unlimited." These statements were false and misleading.
14	138. Defendant used false and misleading statements to induce customers to purchase
15	"unlimited" data plans, phones, and other products.
16	139. Plaintiffs and members of the Class justifiably relied upon Defendant's false and
	misleading statements and omissions in deciding whether to purchase Defendant's wireless data
17	plans, phones and other products during the relevant time period of this lawsuit.
18	140. As a direct and proximate result of the above described practices, Plaintiffs and
19 20	members of the Class sustained damages. Plaintiffs, on behalf of themselves and the Class, seek
20	damages in an amount to be proven at trial.
21	FIFTH CAUSE OF ACTION
22	(Misrepresentation)
23	
24	141. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
25	Complaint as though fully set forth herein.
26	142. During the relevant time period of this lawsuit, Defendant made express
27	statements that the wireless data plans purchased by Plaintiffs and members of the Class were
28	"unlimited."

1	143. Defendant knew that it represented that the wireless data plans purchased by
2	Plaintiffs and members of the Class were "unlimited," and that this was false and misleading.
3	144. As such, Defendant used false and misleading statements to induce customers to
4	purchase "unlimited" data plans, phones, and other products.
5	145. Plaintiffs and members of the Class justifiably relied upon Defendant's false and
6	misleading statements in deciding whether to purchase wireless data service, phones and other
7	products from Defendant. As a direct and proximate result of the above described practices,
8	Plaintiffs and members of the Class sustained damages. Plaintiffs, on behalf of themselves and
9	the Class, seek damages in an amount to be proven at trial.
10	146. Defendant's wrongful acts alleged herein were done maliciously, oppressively and
11	with the intent to mislead and defraud. Accordingly, Plaintiffs and the Class are entitled to
12	punitive and exemplary damages.
13	SIXTH CAUSE OF ACTION
14	(Fraudulent Concealment)
15	147. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
16	Complaint as though fully set forth herein.
17	148. Defendant intentionally misrepresented or concealed the following material facts
18	from Plaintiffs and the Class:
19	
20	a. Failing to disclose or adequately disclose that its "unlimited" wireless data
21	plans were not "unlimited";
22	b. Failing to disclose or adequately disclose that "unlimited" plan customers
23	were regularly subjected to throttling;
24	c. Misrepresenting that its wireless data plans were "unlimited."
25	149. Plaintiffs and the Class relied on these representations and omissions in purchasing
26	Defendant's "unlimited" data plans, phones and other products.
27	
28	
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1	150. Defendant performed the wrongful acts, concealed the information, and made the
2	affirmative representations during the relevant time period of this lawsuit with the intent of
3	gaining its own financial advantage to the disadvantage of Plaintiffs and the Class.
4	151. As a result of Defendant's wrongful conduct, Plaintiffs and the Class have
5	suffered, and continue to suffer, economic losses and non-economic losses. Plaintiffs, on behalf
6	of themselves and the Class, seek damages in an amount to be proven at trial.
7	152. Defendant's wrongful acts alleged herein were done maliciously, oppressively and
8	with the intent to mislead and defraud. Accordingly, Plaintiffs and the Class are entitled to
9	punitive and exemplary damages.
10	SEVENTH CAUSE OF ACTION
11	(Breach of Express Warranty/Breach of Contract)
12	153. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
13	Complaint as though fully set forth herein.
14	154. Plaintiffs, and each member of the Class, formed a contract with Defendant at the
15	time they purchased an "unlimited" data plan from Defendant. The terms of that contract include
16	the express promises and affirmations of fact made by Defendant through its marketing materials
17	and statements, described above, that the data plans provided "unlimited" data service each
18	month, which representations constitute express warranties and became part of the basis of the
19 20	bargain and an essential component of the agreements between Defendant and Plaintiffs and the
20	Class. Defendant made these promises and affirmations for, inter alia, the purpose of inducing
21	Plaintiffs and the Class to purchase wireless service from Defendant and to be willing to pay
22	more than they otherwise would for the service.
23 24	155. Specifically, Defendant's marketing materials and statements expressly stated that
24 25	the data plans Plaintiffs and the Class members purchased provided "unlimited" data service each
23 26	month, and in doing so Defendant warrantied that Plaintiffs and the Class would not be subject to
20 27	throttling or other negative consequences for exceeding some data cap or limit (or "threshold").
27	
20	

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1	156. Defendant has already conceded in this case that at least through 2010, if not later,
2	"unlimited" data was understood to mean no limit on the amount of data that users could consume
3	for a fixed price. (Dkt. 169 at 2). Nor did the written contract terms at any time purport to
4	impose data caps or "thresholds" on "unlimited" plans.
5	157. All conditions precedent to Defendant's liability under this contract have been
6	performed by Plaintiffs and the Class.
7	158. Defendant breached the terms of its contracts, including the express warranties,
8	with Plaintiffs and the Class. As a matter of Defendant's company policy and practice, Plaintiffs
9	and the Class members were each "subject to throttling when they exceeded Defendant's imposed
10	monthly data caps and limits (or "thresholds").
11	159. To the extent, if any, that Defendant purported to retain discretion to impose
12	restrictions on the data service of Plaintiffs and the Class, Defendant exercised that discretion in
13	bad faith, unreasonably, and in manner that defied the reasonable expectations of the parties,
14	through its implementation of data caps and limits (or "thresholds") and throttling as a matter of
15	company policy and practice, as alleged herein. Such conduct breached the covenant of good
16	faith and fair dealing implied in every contract pursuant to California law.
17	160. As a result of Defendant's breaches of its contract and warranties, Plaintiffs and
18	the Class have been damaged in an amount to be proven at trial.
19	EIGHTH CAUSE OF ACTION
20	(Unjust Enrichment)
21	161. Plaintiffs incorporate by reference all allegations set forth in this Second Amended
22	Complaint as though fully set forth herein.
23	162. This claim is pled in the alternative to Plaintiff's breach of express
24	warranty/contract claim. See Astiana v. Hain Celestial Grp., Inc., 783 F.3d 753, 762 (9th Cir.
25	2015).
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	- 31 - SECOND AMENDED COMPLAINT CASE NO. 3:15-CV-3418

1	163. Plaintiffs and the Class have conferred a benefit upon Defendant by purchasing
2	Defendant's service plans, phones, and other products, which did not perform as promised and/or
3	did not have the attributes and benefits promised by Defendant.
4	164. By their deceptive, misleading, and unlawful conduct alleged herein, Defendant
5	has unjustly received and retained benefits at the expense of Plaintiffs and the Class, including
6	funds that Plaintiffs and the Class paid to Defendant for service plans, phones and other products.
7	165. Under principles of equity and good conscience, Defendant should not be
8	permitted to retain money belonging to Plaintiffs and the Class that it unjustly received as result
9	of its deceptive, misleading and unlawful conduct alleged herein without providing compensation
10	to Plaintiffs and the Class.
11	166. Plaintiffs and the Class have suffered financial loss as a direct result of
12	Defendant's conduct.
13	167. Plaintiffs and Class members are entitled to restitution of, disgorgement of, and/or
14	the imposition of a constructive trust upon all profits, benefits and other compensation obtained
15	by Defendant as a result of Defendant's deceptive, misleading and unlawful conduct, and for such
16	other relief that this Court deems proper.
17	PRAYER FOR RELIEF
18	WHEREFORE, as a result of the foregoing, Plaintiffs pray for relief as follows:
19	1. In order to prevent injury to the general public, Plaintiffs individually request that
20	the Court enter a public injunction, under the UCL, FAL, and CLRA, enjoining Defendant from
21	engaging in the false and misleading advertising alleged herein.
22	2. On behalf of themselves and the Class, Plaintiffs request that the Court order relief
23	and enter judgment against Defendant as follows:
24	a. Declaring this action to be a proper class action, certifying the proposed
25	Class, appointing Plaintiffs as class representatives, and appointing Plaintiffs' counsel as class
26	counsel;
27	b. An order that Defendant is permanently enjoined from its improper
28	conduct and practices as alleged;

1	c. A judgment awarding Plaintiffs and the Class members restitution,		
2	including, without limitation, restitutionary disgorgement of all profits and unjust enrichment that		
3	Defendant obtained as a result of its unlawful, unfair, and fraudulent business practices and		
4	conduct;		
5	d. A judgment awarding Plaintiffs and the Class members damages;		
6	e. A judgment awarding Plaintiffs and the Class members punitive and		
7	exemplary damages for Defendant's knowing, willful, and intentional conduct;		
8	f. Pre-judgment and post-judgment interest;		
9	g. Attorneys' fees, expenses, and the costs of this action; and		
10	3. All other and further relief as this Court deems necessary, just, and proper.		
11	JURY DEMAND		
12	Plaintiffs demand a trial by jury on all issues so triable.		
13			
14	Dated: August 3, 2020 Respectfully submitted,		
15	LIEFF CABRASER HEIMANN & BERNSTEIN, LLP		
16			
17	By: <u>/s/ Roger N. Heller</u> Roger N. Heller		
18	Michael W. Sobol (State Bar No. 194857)		
19	Roger N. Heller (State Bar No. 215348) Daniel E. Seltz (admitted pro hac vice)		
20	Avery S. Halfon (admitted pro hac vice) LIEFF CABRASER HEIMANN & BERNSTEIN LLP		
21	275 Battery Street, 29th Floor San Francisco, CA 94111		
22	(415) 956-1000		
23	John A. Yanchunis (pro hac vice motion to be filed) Jean Sutton Martin (admitted pro hac vice)		
24	MORGAN & MORGAN 201 North Franklin Street 7th Floor		
25	Tampa, Florida 33602 (813) 223-5505		
26			
27			
28			
	SECOND AMENDED COMPLAINT		

I	Case 3:15-cv-03418-EMC	Document 190 Filed 08/03/20 Page 34 of 48
1		Daniel M. Hattis (State Bar No. 232141) HATTIS LAW
2		Post Office Box 1645 Bellevue, Washington 98009-1645
3		(650) 980-1990
4 5		Alexander H. Schmidt, Esq. (admitted pro hac vice) Fairways Professional Plaza 5 Professional Circle, Ste. 204
6		Colts Neck, New Jersey 07722 Telephone: (732) 226-0004
7 8		D. Anthony Mastando (pro hac vice motion to be filed) Eric J. Artrip (pro hac vice motion to be filed)
8 9		MASTANDO & ARTRIP, LLC 301 Washington St., Suite 302 Huntsville, Alabama 35801
10		Telephone: (256) 532-2222
11		Attorneys for Plaintiffs and the Proposed Class
12		
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EXHIBIT A

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	Case 3:15-cv-03418-EMC Document	190 Filed 08/03/20 Page 36 of 48				
1	Michael W. Sobol (State Bar No. 194857)					
 Roger N. Heller (State Bar No. 215348) Nicole D. Sugnet (State Bar No. 246255) 						
3	LIEFF CABRASER HEIMANN & BERNSTEIN LLP 275 Battery Street, 29th Floor					
4	San Francisco, CA 94111 Telephone: (415) 956-1000					
5	n to be submitted)					
 John A. Yanchunis (pro hac vice application to be submitted) Rachel Soffin (pro hac vice application to be submitted) MORGAN & MORGAN 						
7 8	COMPLEX LITIGATION GROUP 201 North Franklin Street, 7th Floor					
9	Tampa, FL 33602 Telephone: (813) 223-5505					
10						
LAW OFFICE OF JEAN SUTTON MARTIN PLLC						
12 2018 Eastwood Road, Suite 225 Wilmington, North Carolina 28403 Telephone: (910) 292-6676						
13	Attorneys for Plaintiffs					
14	,					
15	UNITED STATES DISTRICT COURT					
16						
17						
18						
19	Marcus A. Roberts, Kenneth A. Chewey and Ashley M. Chewey, individually and	Case No.				
20	on behalf of themselves and all others similarly situated,	CLASS ACTION COMPLAINT				
21	Plaintiffs, v.	DECLARATION ASHLEY CHEWEY				
22	AT&T MOBILTY LLC,	DECEMBRATION ASHLET CHEWET				
23	AT& MODILITI LEC,					
24	Defendant.					
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		DECLARATION OF ASHLEY CHEWEY				
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1						
2	I, Ashley Chewey, hereby declare and state as follows:					
3	1. I am over the age of 18, and a Plaintiff in this action. The facts contained in this					
	declaration are based on my personal knowledge, and if called upon to do so, I could and would					
4	testify competently hereto.					
5	2. The complaint in this action, filed concurrently with this declaration, is filed in the					
6	proper place for trial under California Civil Code § 1780(d), because this is a county in which the					
7	Defendant does business and where a substantial portion of the transactions occurred.					
8						
9	I declare under penalty of perjury under the laws of the United States and the State of					
10	California that the foregoing is true and correct.					
11						
12	Executed on July 22, 2015, in ROSEVILLE, California.					
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14	That hey					
15	Ashley Chewey					
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	DECLARATION OF ASHLEY CHEWEY					

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1 2 3 4 5 6 7 8 9 10	Michael W. Sobol (State Bar No. 194857) Roger N. Heller (State Bar No. 215348) Nicole D. Sugnet (State Bar No. 246255) LIEFF CABRASER HEIMANN & BERNSTEIN LLP 275 Battery Street, 29th Floor San Francisco, CA 94111 Telephone: (415) 956-1000 John A. Yanchunis (pro hac vice application Rachel Soffin (pro hac vice application to 1 MORGAN & MORGAN COMPLEX LITIGATION GROUP 201 North Franklin Street, 7th Floor Tampa, FL 33602 Telephone: (813) 223-5505 Jean Sutton Martin (pro hac vice applicatio	ne submitted) n to be submitted)	
11 12	LAW OFFICE OF JEAN SUTTON MART 2018 Eastwood Road, Suite 225 Wilmington, North Carolina 28403 Telephone: (910) 292-6676	IN PLLC	
13	Attorneys for Plaintiffs		
14			
15	UNITED STA	TES DISTRICT COURT	
16	NORTHERN DIS	STRICT OF CALIFORNIA	
17	SAN FRANCISCO DIVISION		
18			
19	Marcus A. Roberts, Kenneth A. Chewey and Ashley M. Chewey, individually and	Case No.	
20	on behalf of themselves and all others similarly situated,	CLASS ACTION COMPLAINT	
21	Plaintiffs,		
22	V.	DECLARATION KENNETH CHEW	EY
23	AT&T MOBILTY LLC,		
24	Defendant.		
25			
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28			
		DECLARATION OF KENNETH	CURWEY

DECLARATION OF KENNETH CHEWEY

JUL-22-201	Case 3:15-cv-03418-EMC Document 190 Filed 08/03/20 Page 39 of 48			
1				
2	I, Kenneth Chewey, hereby declare and state as follows:			
3	1. I am over the age of 18, and a Plaintiff in this action. The facts contained in this			
4	declaration are based on my personal knowledge, and if called upon to do so, I could and would			
5	testify competently hereto.			
6	2. The complaint in this action, filed concurrently with this declaration, is filed in the			
7	proper place for trial under California Civil Code § 1780(d), because this is a county in which the			
8	Defendant does business and where a substantial portion of the transactions occurred.			
9				
10	I declare under penalty of perjury under the laws of the United States and the State of			
11	California that the foregoing is true and correct.			
12				
13	Executed on July 22, 2015, in ROSEVILE, California.			
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15	Kenneth Chewey			
16	rechnicul Chewey			
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1	2 DECLARATION OF KENNETH CHEWEY			

	Case 3:15-cv-03418-EMC Document	190 Filed 08/03/20 Page 40 of 48	
1 2 3 4 5 6 7 8	Michael W. Sobol (State Bar No. 194857) Roger N. Heller (State Bar No. 215348) Nicole D. Sugnet (State Bar No. 246255) LIEFF CABRASER HEIMANN & BERNSTEIN LLP 275 Battery Street, 29th Floor San Francisco, CA 94111 Telephone: (415) 956-1000 John A. Yanchunis (<i>pro hac vice application</i> Rachel Soffin (<i>pro hac vice application to b</i> MORGAN & MORGAN COMPLEX LITIGATION GROUP 201 North Franklin Street, 7th Floor Tampa, FL 33602		
9	Telephone: (813) 223-5505		
10	LAW OFFICE OF JEAN SUTTON MARTIN PLLC		
12	2018 Eastwood Road, Suite 225 Wilmington, North Carolina 28403		
13	Telephone: (910) 292-6676		
14	Attorneys for Plaintiffs		
15	UNITED STAT	TES DISTRICT COURT	
16	NORTHERN DISTRICT OF CALIFORNIA		
17	SAN FRA	NCISCO DIVISION	
18			
19	Marcus A. Roberts, Kenneth A. Chewey	Case No	
20	and Ashley M. Chewey, individually and on behalf of themselves and all others	CLASS ACTION COMPLAINT	
21	similarly situated, Plaintiffs,		
22	v.	DECLARATION MARCUS ROBERTS	
23	AT&T MOBILTY LLC,		
24	Defendant.		
25			
26			
27			
28			
	-	DECLARATION OF MARCUS ROBERTS	

1	I, Marcus Roberts, hereby declare and state as follows:	
2	1. I am over the age of 18, and a Plaintiff in this action. The facts contained in this	
3	declaration are based on my personal knowledge, and if called upon to do so, I could and would	
4	testify competently hereto.	
5	2. The complaint in this action, filed concurrently with this declaration, is filed in the	
6	proper place for trial under California Civil Code § 1780(d), because this is a county in which the	
7	Defendant does business and where a substantial portion of the transactions occurred.	
8		
9	I declare under penalty of perjury under the laws of the United States and the State of	
10	California that the foregoing is true and correct.	
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12	Executed on July 23, 2015, in DUSAM Will California.	
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15	Marcus Roberts	
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	DECLARATION OF MARCUS ROBERTS	

EXHIBIT B



Lieff Cabraser Heimann & Bernstein, LLP 275 Battery Street, 29th Floor San Francisco, CA 94111-3339 t 415.956.1000 f 415.956.1008

July 23, 2015

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Glenn Lurie, President and CEO AT&T Mobility, LLC 1025 Lenox Park Blvd. NE Atlanta, GA 30319

Registered Agent for Service of Process CT Corporation System 818 West Seventh Street, Suite 930 Los Angeles, CA 90017

Re: Notice of Violation of California Consumer Legal Remedies Act

Dear Mr. Lurie:

We represent Marcus Roberts, Kenneth Chewey, and Ashley Chewey, who purchased AT&T Mobility, LLC ("AT&T") "unlimited" wireless phone plans. All three have purportedly been "grandfathered" into their unlimited plans and accordingly expect to be able to access and use unlimited data on their phones. We send this letter under the California Consumers Legal Remedies Act, California Civil Code Section 1750 *et seq*. ("CLRA") to notify AT&T that its practice of regularly throttling its unlimited plan subscribers' data, often without notice, when their data usage exceeds certain undisclosed limits, violates the CLRA. We demand that AT&T rectify its violations within 30 days of receipt of this letter.

AT&T misrepresents to its "unlimited" service plan subscribers that the "unlimited" plan offers "unlimited" web and data access and that consumers may use the data access to operate their smartphones as virtual PCs by browsing the internet, streaming music and videos, or using GPS navigation. In reality, AT&T regularly throttles "unlimited" plan subscribers' data speeds once they have used 3GB or 5GB of data, often without notice. AT&T fails to truthfully and adequately disclose its throttling practice. AT&T, for example, does not inform its subscribers as to the drastically reduced speeds at which they will be throttled and how that will impact their data usage, or that their data will be throttled once they have exceeded the data usage limits regardless of whether AT&T's network is congested at the time.

Relying on AT&T's promise of "unlimited" data, in 2008, Marcus Roberts purchased an iPhone 3G with an AT&T "unlimited" data plan. Each time Mr. Roberts subsequently upgraded to a newer version of the iPhone, AT&T offered to grandfather him into his "unlimited" plan,

July 23, 2015 Page 2

which he accepted. In 2012, Mr. Roberts began noticing that, by the middle of the month, his internet connection was drastically slower and his ability to download was severely hampered. On or about July 6, 2015, AT&T sent Mr. Roberts a text stating that he had used 75% of a supposed 5GB allotment of data usage, and that he may experience reduced speeds once he exceeded that allotment. This was the first notice regarding AT&T's throttling practice that Mr. Roberts received from AT&T, and even it failed to disclose the true nature of AT&T's practice by deceptively suggesting that his speeds "may" be slowed when in fact AT&T **always** throttles "unlimited" subscribers' data once they exceed the secret data usage caps.

Similarly, Kenneth and Ashley Chewey purchased an iPhone 3G with an AT&T family share plan purportedly providing "unlimited" data in late 2009. In 2011, the Cheweys began notice that around the middle of the month, their internet connection was significantly slower and they were unable to use their iPhone for certain purposes. After noticing the issue, Mr. Chewey called AT&T. A customer service representative falsely told him that the problem was attributable to being in a high congestion area. Subsequent to this conversation, the Cheweys have noticed that their data has been severely slowed on other occasions, sometimes to the point where they are unable to use the internet at all. On or about July 7, 2015, AT&T sent Mr. Chewey two messages stating that he was reaching a data usage limit. This was the first indication from AT&T that the Cheweys' "unlimited" plan had any data restrictions.

AT&T's material misrepresentations, active concealment, and failures to disclose violated the CLRA in the following manner:

- 1. AT&T misrepresented that its phones and "unlimited" data plans had characteristics, benefits, or uses that they did not have (Cal. Civ. Code § 1770(a)(5));
- 2. AT&T misrepresented its that its phones and "unlimited" data plans were of a particular standard, quality, and/or grade when they were of another (Cal. Civ. Code § 1770(a)(7));
- 3. AT&T advertised that its phones and "unlimited" data plans with an intent not to sell them as advertised (Cal. Civ. Code § 1770(a)(9));
- 4. AT&T misrepresented that that its phones and "unlimited" data plans conferred or involved rights, remedies, or obligations that they did not have (Cal. Civ. Code § 1770(a)(14));
- 5. AT&T misrepresented that that its phones and "unlimited" data plans were supplied in accordance with previous representations when they were not (Cal. Civ. Code § 1770(a)(16));

July 23, 2015 Page 3

> 6. AT&T inserted unconscionable provisions in its Wireless Customer Agreement and other agreements, including an arbitration clause with a class action ban (Cal. Civ. Code § 1770(a)(19)).

We demand that within thirty (30) days of receiving this letter, AT&T agree to (1) refrain from engaging in the deceptive practices described above at any time in the future; and (2) return all money that AT&T "unlimited" subscribers paid for "unlimited" plans. If AT&T refuse to provide the demanded relief within thirty (30) days, we will seek compensatory and punitive damages, restitution, and any other appropriate equitable relief.

We sincerely hope to confer with you to resolve these violations without the need for litigation. I invite you to contact me to discuss this demand at any time. I can be reached at (415) 956-1000 ext. 2230 or nsugnet@lchb.com. I look forward to hearing from you.

Very truly yours,

tosyt

Nicole D. Sugnet

EXHIBIT C



