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EXPERIAN INFORMATION  
9 SOLUTIONS, INC.

10 UNITED STATES DISTRICT COURT  
11 CENTRAL DISTRICT OF CALIFORNIA  
12

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13 EXPERIAN INFORMATION  
14 SOLUTIONS, INC., a corporation,  
15  
16 Plaintiff,

17 v.

18 LIFELOCK, INC., a corporation; and  
19 DOES 1 through 10, inclusive,  
20  
21 Defendant.  
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24  
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Case No. SACV08-00165 AG (MLG\*)

Assigned for all purposes to:

DEMAND FOR JURY TRIAL

**COMPLAINT FOR:**

1. Declaratory Relief;
2. Concealment/Suppression of Fact;
3. Intentional Misrepresentation;
4. Negligent Misrepresentation;
5. Violation of Lanham Act;
6. Violation of California Business & Professions Code § 17500;
7. Violation of California Business & Professions Code § 17200;
8. Unjust Enrichment/Restitution;
9. Quantum Meruit.

1 **JURISDICTION AND VENUE**

2 1. This Court has original jurisdiction over this matter, under 28 U.S.C.  
3 § 1331, in that it is a civil action arising under a law of the United States,  
4 specifically 15 U.S.C. § 1125 and 15 U.S.C. § 1681 *et seq.*

5 2. This Court has original jurisdiction over this matter, under 28 U.S.C.  
6 § 1332, in that it is a civil action between citizens of different states in which the  
7 matter in controversy exceeds, exclusive of costs and interest, seventy-five  
8 thousand (\$75,000.00) dollars.

9 3. Venue is proper in the Central District of California, under 28 U.S.C.  
10 §1391(a), in that all of the defendants are subject to personal jurisdiction in this  
11 District at the time the action is commenced and a substantial part of the events or  
12 omissions on which the claims in this matter are based occurred in this District.

13 **INTRODUCTION**

14 4. This action arises out of LifeLock, Inc.'s ("LifeLock") illegal  
15 placement of "fraud alerts" on the credit files maintained by Experian Information  
16 Solutions, Inc. ("Experian") and other consumer reporting agencies. In conjunction  
17 therewith, LifeLock is engaged in a pattern of false and misleading advertising and  
18 fraud, which has and continues to mislead and damage Experian and consumers.

19 5. Under the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*  
20 ("FCRA"), any consumer who asserts a good faith suspicion that he or she has been  
21 or is about to become a victim of fraud or related crime, including identity theft,  
22 may request that a national consumer reporting agency (such as Experian) place an  
23 "initial fraud alert" in his or her credit file for at least 90 days. These initial alerts  
24 are a temporary measure to be requested only when the consumer actually suspects  
25 that identity theft has occurred or is about to occur. If the consumer thereafter  
26 confirms that fraud has occurred, the FCRA provides for an "extended" fraud alert  
27 when the consumer provides a police report or other "identity theft report".  
28

1           6.     Because the placement of initial fraud alerts is limited by statute to only  
2 those consumers who actually believe that fraud has occurred or is imminent, a  
3 prospective issuer of credit is required by law to take reasonable steps to confirm  
4 the identity of the person making the request before opening a new credit account  
5 or increasing a credit limit in the name of that consumer.

6           7.     Under the FCRA, an initial fraud alert is available to any eligible  
7 consumer—for free — from a national consumer reporting agency. Consumers can  
8 place a free initial fraud alert simply and quickly through a toll-free telephone  
9 number, the internet or mail. However, the FCRA mandates that a request for an  
10 initial fraud alert *must be made directly by the consumer or by an individual acting*  
11 *on behalf of or as a personal representative of a consumer.* The FCRA does not  
12 permit the placement of an initial fraud alert by corporations such as LifeLock.  
13 Despite this prohibition, LifeLock has surreptitiously placed hundreds of thousands  
14 of fraud alerts on Experian’s files by posing as the consumer.

15           8.     Once an initial fraud alert is placed, it triggers costly statutory  
16 obligations for consumer reporting agencies such as Experian. First, Experian and  
17 the other credit reporting agencies are required to mail a notice to each consumer  
18 each time a fraud alert is filed explaining various rights that the consumer has,  
19 including the right to receive a free credit report by virtue of the placement of a  
20 fraud alert. Experian is then mandated to provide a free credit report to any such  
21 consumer who requests one. Although costly for the credit reporting agencies,  
22 these requirements make sense in the context of a statute that was designed to  
23 protect consumers who have an actual and legitimate concern that fraud has  
24 occurred or is imminent. However, as described more fully below, such obligations  
25 were never intended to be triggered by a private company seeking to profit by  
26 illegally placing fraud alerts on behalf of consumers who do not have a genuine  
27 suspicion of imminent fraud.

1           9.     Befitting a company whose co-founder has spent time in jail after  
2 having been arrested for financial fraud and who has been barred by the FTC for  
3 life from engaging in certain credit reporting related activities, LifeLock’s business  
4 model consists of a scheme to “game the system,” which is imbued with illegal  
5 activity, fraud and deception at every level:

6           a.     As a corporation, LifeLock is not legally entitled to place fraud alerts  
7 on behalf of consumers, but continues to do so thousands of times per month;

8           b.     LifeLock deceives Experian (and other consumer reporting agencies)  
9 by actively concealing that its requests are being submitted by a corporation;

10          c.     LifeLock misleads consumers into believing that it is authorized to  
11 place fraud alerts with credit reporting agencies when it is not;

12          d.     Although initial fraud alerts are designed to be temporary, 90 day  
13 measures for people who actually discover or suspect fraud, LifeLock  
14 deceives consumer reporting agencies into implementing an indefinite or  
15 perpetual state of “initial” alert by submitting a "new" fraud alert request  
16 every 90 days;

17          e.     LifeLock misleads consumers into believing that the FCRA authorizes  
18 the repeated, sequential and perpetual placement of initial fraud alerts when it  
19 does not;

20          f.     LifeLock submits requests for alerts every 90 days where neither  
21 LifeLock nor the consumer has a good faith suspicion that fraud has occurred  
22 or is imminent.

23          10.    LifeLock actively advertises that its customers “...will receive an email  
24 from us stating that your credit reports have been ordered on your behalf from the  
25 major credit bureaus.” What LifeLock does not adequately disclose to the  
26 consumer is that it is charging the consumer to obtain his or her one free annual  
27 report to which they are entitled to under law. Rather than *pay* for a credit report at  
28 each of the major credit bureaus, LifeLock goes to the “centralized source” that the

1 major credit bureaus were required to jointly establish in order to provide  
2 consumers with the free annual credit report. LifeLock then requests the  
3 consumer's one free annual report from each of the major credit bureaus by posing  
4 as that consumer. Thereafter when a LifeLock customer goes to the centralized  
5 source to obtain a copy of his or her free annual credit report, that request is denied  
6 because LifeLock already used it.

7 11. LifeLock's scheme damages Experian (and other consumer reporting  
8 agencies), consumers, and the economy as a whole. LifeLock's scheme costs  
9 Experian millions of dollars every year in processing large numbers of improper  
10 initial fraud alerts, mailing mandatory notices to consumers, and providing free  
11 credit reports to consumers who are not eligible for such reports. The consuming  
12 public has been harmed too. LifeLock's scheme creates the impression that  
13 consumers must pay for the protections provided by initial fraud alerts, potentially  
14 deterring those who legitimately need fraud alerts but who cannot afford LifeLock's  
15 subscription fees. LifeLock's fraudulent scheme harms the economy as well.  
16 LifeLock's practices threaten to clog the credit system with stale and unnecessary  
17 fraud alerts, potentially devaluing the efficacy of necessary alerts as LifeLock  
18 "cries wolf" on behalf of thousands of unthreatened customers. Further, LifeLock's  
19 practices also unnecessarily slow the extension of credit, impose additional costs  
20 and burdens on businesses, and may lead to unnecessary denials of legitimate  
21 applications for credit thereby forcing consumers to make repeated applications for  
22 credit and harming their credit scores in the process.

23 12. As a result of LifeLock's wrongful conduct, Experian seeks:  
24 (i) declaratory relief establishing the parties' rights under the FCRA; (ii) restitution  
25 of the costs to Experian for LifeLock's wrongful conduct; (iii) disgorgement of  
26 profits earned by LifeLock as a result of its illegal practices; (iv) compensatory and  
27 punitive damages; and (v) an injunction precluding LifeLock from continuing to  
28 engage in false and misleading advertising regarding (a) its services and (b) the

1 efficacy and availability of fraud alerts (for free) from Experian, Trans Union  
2 and Equifax.

3 **PARTIES**

4 13. Experian is an Ohio corporation having its principal place of business at  
5 475 Anton Boulevard, Costa Mesa, California 92626.

6 14. LifeLock is a Delaware corporation with its principal place of business  
7 located at 60 Salado Pkwy, Tempe, Arizona 85281.

8 15. The true names and capacities, whether individual, corporate, associate  
9 or otherwise, of the defendants named as DOES 1 through 10, inclusive, are  
10 unknown to Experian who, therefore, sues those defendants by such fictitious  
11 names. Experian is informed and believes and thereon alleges that each of the  
12 defendants sued herein as DOES 1 through 10 are and were the agents and/or  
13 employees of each and every other defendant and were at all relevant times acting  
14 within the course and scope of such agency and employment, and/or are legally  
15 responsible in some manner for the events and happenings herein referred to and  
16 caused injuries and damages proximately thereby to Experian as herein alleged.  
17 Experian will seek to amend its complaint to allege the true names and capacities of  
18 such defendants when ascertained.

19 16. Experian is informed and believes and thereon allege that, at all  
20 relevant times, each Defendant was acting as the agent, employee, principal,  
21 officer, partner, joint venturer, director or other representative of one or more of the  
22 other Defendants, and, in committing the acts and/or omissions mentioned herein,  
23 was acting within the course and scope of such employment, agency, partnership,  
24 joint venture, or other relationship, and with the knowledge and consent of the  
25 remaining Defendants.

1 **BACKGROUND**

2 **THE FCRA AND THE FRAUD ALERT SYSTEM**

3 17. The FCRA provides for three types of fraud alerts, which are available  
4 to consumers based upon the consumers' risk of becoming, or having been, an  
5 actual victim of fraud, including identity theft. *See* 15 U.S.C. §§ 1681c-1(a)(1),  
6 1681c-1(b)(1), 1681c-1(c). These fraud alerts are not available as a matter of right  
7 to all consumers, but only upon a showing that the consumer falls within a  
8 particular risk category, entitling them to receive a fraud alert.

9 18. Under 15 U.S.C. § 1681c-1(a), a consumer can request an "initial" 90-  
10 day fraud alert, which is designed as a temporary, stopgap measure for a consumer  
11 who suspects he or she has been or is in imminent danger of becoming a victim of  
12 fraud. Such alerts are available to consumers "[u]pon the direct request of a  
13 consumer, or an individual acting on behalf of or as a personal representative of a  
14 consumer, who asserts in good faith a suspicion that the consumer has been or is  
15 about to become a victim of fraud or related crime, including identity theft..." and  
16 the provision of "appropriate proof of the identity of requestor." 15 U.S.C.  
17 § 1681c-1(a)(1).

18 19. Once a consumer requests an initial alert and asserts his or her good  
19 faith suspicion, the credit reporting agency must: (i) include a fraud alert in that  
20 consumer's file for at least 90 days (15 U.S.C. § 1681c-1(a)(1)(A)); (ii) refer the  
21 fraud alert to each of the other credit reporting agencies (15 U.S.C. § 1681c-  
22 1(a)(1)(B)); (iii) disclose to the consumer that the consumer may receive a free  
23 copy of his credit report (15 U.S.C. § 1681c-1(a)(2)(A)); and (iv) provide the  
24 consumer with a credit report free of charge upon the request of the consumer  
25 (15 U.S.C. § 1681c-1(a)(2)(B)).

26 20. Under 15 U.S.C. § 1681c-1(b), a consumer who is the actual victim of a  
27 documented case of identity theft can obtain an "extended" fraud alert. Extended  
28 alerts are available "[u]pon the direct request of a consumer, or an individual acting

1 on behalf of or as a personal representative of a consumer, who submits an identity  
2 theft report to a consumer reporting agency...” 15 U.S.C. § 1681c-1(b)(1).

3 21. Once a consumer requests an extended alert and provides an identity  
4 theft report, the credit reporting agency must: (i) include a fraud alert in the  
5 consumer’s file for the next seven (7) years (15 U.S.C. § 1681c-1(b)(1)(A)); (ii) for  
6 the next five (5) years, “exclude the consumer from any list of consumers provided  
7 by the agency to any third party to offer credit or insurance to the consumer that  
8 was not initiated by the consumer” (15 U.S.C. § 1681c-1(b)(1)(B)); (iii) refer the  
9 fraud alert to each of the other credit reporting agencies (15 U.S.C. § 1681c-  
10 1(b)(1)(C)); (iv) disclose to the consumer that the consumer may receive a free  
11 copy of his credit report (15 U.S.C. § 1681c-1(b)(2)(A)); and (v) provide the  
12 consumer with a credit report free of charge upon the request of the consumer  
13 (15 U.S.C. § 1681c-1(b)(2)(B)).

14 22. Section 15 U.S.C. § 1681c-1(c) allows an “active duty military  
15 consumer” to obtain a 12-month fraud alert. Active duty alerts are available  
16 “[u]pon the direct request of a consumer, or an individual [not a corporate entity]  
17 acting on behalf of or as a personal representative of an active duty military  
18 consumer...” 15 U.S.C. § 1681c-1(c). This is the only type of alert permitted  
19 under the FCRA that allows consumers to obtain a fraud alert without any type of  
20 showing that they are, or are likely to become, a victim of fraud.

21 23. The FCRA provides that whenever a consumer reporting agency  
22 receives a request for an initial fraud alert, the agency must “refer the information  
23 regarding the alert” to each of the other credit reporting agencies. 15 U.S.C.  
24 § 1681c-1(a)(B). When a credit reporting agency receives a referral from another  
25 credit reporting agency, it must follow the procedures for handling the fraud alert  
26 “as though the agency received the request from the consumer directly.” 15 U.S.C.  
27 § 1681c-1(e). Because Experian has no way of determining whether an initial fraud  
28 alert that was referred to Experian from another credit reporting agency was legal



1 (i.e., a request from “a consumer, or an individual acting on behalf of or as a  
2 personal representative of a consumer”) or illegal (i.e., through LifeLock), without  
3 seeking verification directly from each consumer, Experian: (i) places an initial  
4 fraud alert on the consumer’s file; (ii) notifies the consumer of the availability of a  
5 free credit report; and (iii) within three (3) days, provides a free credit report to the  
6 consumer upon the consumer’s request.

7 24. The FCRA specifically provides that credit reporting agencies must  
8 honor a request for an initial fraud alert from “a consumer, or an individual acting  
9 on behalf of or as a personal representative of a consumer.” 15 U.S.C. §§ 1681c-  
10 1(a)(1). The FCRA does not require the credit reporting agencies to accept fraud  
11 alerts placed by corporations (such as LifeLock) on behalf of consumers.

12 25. “Initial” fraud alerts place limits on potential creditors who use a credit  
13 report to establish a “new credit plan,” grant an “extension of credit,” issue an  
14 “additional credit card” on an existing account, or “grant an increase in credit limit”  
15 on an existing account. 15 U.S.C. § 1681c-1(h)(1)(B). When an initial fraud alert  
16 appears on a consumer’s credit report, the creditor must “utilize[] reasonable  
17 procedures to form a reasonable belief that the user knows the identity of the person  
18 making the request.” 15 U.S.C. § 1681c-1(h)(1)(B). The consumer may provide a  
19 contact phone number in placing a fraud alert; however, there is no requirement that  
20 the creditor call the consumer directly to verify that the consumer has authorized  
21 the credit application. Instead of calling the consumer, the creditor may “take  
22 reasonable steps to verify the consumer’s identity and confirm that the application  
23 or a new credit plan is not the result of identity theft.” 15 U.S.C. § 1681c-  
24 1(h)(1)(B)(ii).

25 26. Fraud alerts only are effective against certain types of fraud. While  
26 they can be useful to prevent the opening of certain new accounts that require a  
27 credit report to be pulled, they are ineffective to prevent identity theft involving the  
28 opening of accounts that do not require a credit report. Fraud alerts provide no

1 protection to individuals against the fraudulent use of existing accounts, such as the  
2 unauthorized use of a credit card, and they provide little or no protection against an  
3 identity theft that already is in progress.

4 27. A fraud alert places a significant burden on creditors before they may  
5 grant credit. For example, it imposes upon them an obligation “to take reasonable  
6 steps to verify the consumer’s identity and confirm that the application for a new  
7 credit plan is not the result of identity theft.” 15 U.S.C. § 1681(h)(1)(B). These  
8 measures are over and above the procedures that many creditors have in place for  
9 verifying a consumer’s identity prior to granting credit.

10 28. Fraud alerts can have unintentional negative effects on individuals, and  
11 their ability to obtain credit. Creditors can simply deny a credit application if a  
12 consumer’s credit report has a fraud alert rather than implement procedures that  
13 satisfy the verification requirements. For creditors that implement verification  
14 procedures, they must deny a credit application if the creditor is unable to verify the  
15 legitimacy of the application at the time of processing. Thus, unnecessary fraud  
16 alerts can result in increased denials of credit to consumers who neither are the  
17 victims of identity theft nor are about to become victims of identity theft. Denials  
18 such as these can lead to repeated attempts to apply for credit which, in turn, may  
19 reduce a consumer’s credit score or credit rating. Further, the cumulative effect of  
20 placing unwarranted and unauthorized fraud alerts on consumers’ files places undue  
21 and unnecessary burdens on the credit granting industry as a whole, and results in  
22 even broader implications for the economy.

23 29. Under 15 U.S.C. § 1681j(a), each of the national credit reporting  
24 agency must provide every consumer with a free credit report once per year upon  
25 the request of the consumer. The free credit report is available to consumers  
26 through a “centralized source” located at [www.annualcreditreport.com](http://www.annualcreditreport.com), and  
27 established jointly by the three national credit bureaus. The credit reporting  
28 agencies are required to provide the free annual credit report “only if the request

1 from the consumer is made using the centralized source established for such  
2 purpose...” 15 U.S.C. § 1681j(a)(1)(B). The free credit reports are available online  
3 immediately, or are mailed to consumers at their address on file with the credit  
4 reporting agencies for consumers who request their credit reports by telephone, or  
5 in writing.

## 6 **EXPERIAN**

7 30. Experian is a consumer credit reporting agency under the FCRA. As a  
8 consumer credit reporting agency, Experian acts as a conduit of credit information  
9 that is pertinent to prudent credit granting and related decisions. Experian gathers  
10 credit information originated by others, and makes that information available to  
11 parties engaged in credit-related transactions. Experian essentially acts as a  
12 storehouse of credit information by storing, retrieving, and furnishing data as  
13 allowed by the FCRA and similar state laws.

14 31. Under 15 U.S.C. § 1681c-1, Experian allows individuals to request  
15 “initial” fraud alerts — the exact same fraud alerts placed by LifeLock’s paid  
16 service — quickly and easily over its website located at [www.experian.com](http://www.experian.com) or  
17 through a toll-free number (which is posted on Experian’s website) and without  
18 cost. The request process can be completed in a matter of minutes; the process is  
19 completely free of charge; Experian automatically generates a notice to consumers  
20 that they can request a free credit report and provides credit reports for those who  
21 make that request; online consumers who request a report may immediately view  
22 their credit report over the Internet; telephone consumers who request a report will  
23 receive a credit report in the mail; those who request an extended alert may request  
24 two free reports in the twelve month period after they submit an identity theft  
25 report; and Experian automatically refers all fraud alerts to the other credit  
26 reporting agencies.

## LIFELOCK

1  
2 32. Todd Davis and Robert J. Maynard, Jr. founded LifeLock in 2005.  
3 Although LifeLock has touted its founders as “seasoned veterans of the banking  
4 credit and security industries,” who “did solid research for more than three years”  
5 to develop its system, LifeLock does not disclose less auspicious information about  
6 its founding and, specifically, about its founding-member, Maynard. According to  
7 newspaper reports, Maynard developed the idea for LifeLock while sitting in a jail  
8 cell after having been arrested for renegeing on a \$16,000.00 casino marker taken  
9 out at the Mirage Hotel in Las Vegas. Maynard, who initially held the title of Chief  
10 Operating Officer, and later Marketing Director, had been banned for life by the  
11 FTC from “advertising, promoting, offering for sale, selling, performing, or  
12 distributing any product or service relating to credit improvement services.” That  
13 lifetime ban resulted from Maynard’s previous scheme involving the operation of a  
14 credit repair clinic. The credit repair industry is notorious for a multitude of  
15 unsavory practices and characters. This fact is particularly relevant here given that  
16 the legislative history to the FCRA confirms that the statute was drafted to  
17 specifically exclude companies, like credit repair agencies, from placing fraud  
18 alerts on consumer credit files: The legislative history states that the statute “use[s]  
19 the word ‘individual’ instead of ‘person’ to ensure that the provision would only  
20 apply to specific individuals such as a consumer’s authorized family members or  
21 guardians (or attorneys acting as personal representatives), authorized  
22 representatives from bona fide military service organizations, **and not to**  
23 **companies and entities such as credit repair clinics.”** See H.R. Rep. No. 108-  
24 263 at 40 (Sept. 4, 2003) (emphasis added).

25 33. Despite all of this, under the scheme developed by Maynard and his  
26 partners, LifeLock charges consumers to request placement of initial fraud alerts,  
27 even though they are available for free from a consumer reporting agency upon  
28

1 direct request of the consumer. LifeLock currently charges \$10 per month or \$110  
2 per year.

3 34. Under the FCRA, LifeLock is not authorized to request placement of an  
4 initial fraud alert on a consumer's credit file; instead, only the consumer, or an  
5 individual acting on behalf of or as a representative of the consumer, may submit  
6 requests for the placement of initial fraud alerts. But LifeLock improperly places  
7 fraud alerts for consumers. Worse yet, LifeLock does so for consumers who are not  
8 even eligible for such alerts.

9 35. The FCRA requires that the consumer or personal representative "assert  
10 in good faith a suspicion that the consumer has been or is about to become a victim  
11 of fraud or related crime, including identity theft..." LifeLock submits requests  
12 where neither it nor its customers have such a belief. LifeLock's advertising and  
13 customer intake process attempts to dilute this standard by convincing consumers  
14 that fraud alerts may be set as a proactive, preventive measure to combat identity  
15 theft rather than in reaction to a good faith suspicion that they are or are about to  
16 become a victim of identity theft (as required by the FCRA). For example,  
17 LifeLock's website repeatedly touts LifeLock as "proactive identity theft  
18 protection," and even suggests that the desire to stop receiving junk mail "alone is  
19 worth the price." LifeLock's order form asks consumers to state "why do you think  
20 you or your family members will become a victim of identity theft?" Among the  
21 answers scripted by LifeLock (which allow consumers to enroll in LifeLock) are  
22 responses that are not assertions "in good faith that the consumer has been or is  
23 about to become a victim of fraud..." — to wit: (i) "I have heard media reports that  
24 give me a reason"; or (ii) "One of my friends or family members is a victim of  
25 identity theft." Worse, LifeLock allows customers who did not, or refuse to,  
26 disclose their reason to enroll (provided they pay LifeLock a fee).

27 36. LifeLock's scheme also includes automatically renewing the initial  
28 fraud alerts, and continuing to renew the alerts, so long as the consumer continues

1 to pay LifeLock a subscription fee. This conduct effectively converts “initial” fraud  
2 alerts into perpetual or indefinite “initial” alerts. The FCRA does not authorize  
3 indefinite fraud alerts under any of the three categories of alerts established by  
4 Congress.

5 37. LifeLock does not require that its customers affirmatively assert —  
6 prior to making each request for an initial fraud alert — that they believe that they  
7 are or about to become victims of fraud or related crime, including identity theft.  
8 Instead, after misleading consumers into believing that lesser fears or concerns  
9 constitute a good faith suspicion of identity theft, LifeLock seeks the consumer’s  
10 agreement to notify LifeLock if that suspicion ever changes. The FCRA does not  
11 authorize the placement of an initial fraud alert where that request is based upon the  
12 consumer’s failure to retract an assertion that the consumer was or was about to  
13 become a victim of fraud or related crime, including identity theft, which was made  
14 in connection with a prior request for an initial fraud alert.

15 38. In order to place fraud alerts on behalf of consumers with Experian,  
16 LifeLock has engaged in systematic fraud and concealment. Experian has  
17 established an automated system over a toll free number to allow consumers to  
18 quickly and easily place fraud alerts for free. Experian’s automated phone system  
19 requires its users to input information following a series of prompts. Although the  
20 precise wording of the prompts has varied over time, the substance has not. These  
21 prompts require, among other things, the caller to respond affirmatively to  
22 statements such as: (i) “if you believe your credit information is being used  
23 fraudulently, press 3”; (ii) “to add an alert to your credit report through our  
24 automated system, press 2”; and (iii) “if you suspect you are a victim of fraud and  
25 want to add a temporary initial fraud security alert to your account, press 1.” The  
26 prompts also ask the caller to enter personal information, such as “enter your social  
27 security number,” “enter your 5 digit ZIP code now,” and “enter the numeric  
28 portion of your address now.”

1           39. After calling Experian's telephone system, LifeLock responds  
2 affirmatively to these prompts by pressing the corresponding number and by  
3 entering in the requested information. This is fraud: (i) *LifeLock* did not believe  
4 that its own credit information was being used fraudulently or that it was a victim  
5 of fraud; (ii) *LifeLock* was not seeking to add an alert to its credit reports;  
6 (iii) *LifeLock* was not seeking a temporary alert (but was seeking to craft an  
7 indefinite or perpetual alert for someone else); and (iv) *LifeLock* did not enter its  
8 own social security number, ZIP code or address.

9           40. Experian's automated system also includes a prompt for personal  
10 representatives requesting a fraud alert on the behalf of another to press the  
11 appropriate number, with corresponding instructions to submit a written request to  
12 Experian. LifeLock did not respond affirmatively to that prompt or make the  
13 written submission that Experian's instructions required.

14           41. Further, LifeLock did not have a good faith suspicion that the consumer  
15 had been or was about to become a victim of fraud or related crime, including  
16 identity theft. LifeLock knew that, in many cases, the consumers on whose behalf  
17 it was surreptitiously and illegally requesting the placement of initial fraud alerts  
18 were instead acting on desires to proactively prevent identity theft, generalized  
19 concern about identity theft, the suspected victimization of a person other than the  
20 consumer, on the basis of media reports about identity theft, or even a desire not to  
21 receive junk mail.

22           42. Additionally, many of LifeLock's customers were not affirmatively  
23 asserting, at the time that LifeLock made the request for the placement of a fraud  
24 alert, that they had been or were about to become a victim of fraud. Instead, the  
25 customers had simply failed to retract assertions made months or years previously  
26 in connection with a prior request for an initial fraud alert.

27           43. In addition to making express misrepresentations to Experian to induce  
28 Experian place fraud alerts on behalf of LifeLock, LifeLock engaged in an

1 elaborate scheme to disguise its activities, including laundering the fraud alerts  
2 through the other national credit reporting agencies.

3 44. LifeLock placed large numbers of fraud alerts, as many as thousands  
4 per day, through Experian's toll-free number using a single telephone number based  
5 in Canada. This caused Experian to incur significant costs in maintaining its toll-  
6 free number, which is toll-free to consumers, but which Experian must pay for on a  
7 per call basis.

8 45. After Experian discovered that the calls were placed by LifeLock, not  
9 consumers as LifeLock had represented, Experian attempted to block calls from this  
10 number. LifeLock then attempted to disguise its activities by placing calls through  
11 another phone bank, this time in Pennsylvania, which Experian again discovered  
12 and attempted to block. LifeLock then resorted to larger banks of telephone  
13 numbers in an attempt to further disguise its activities; Experian once again  
14 discovered LifeLock's activities and attempted to block the calls. Upon  
15 information and belief, Experian's efforts to completely block all of LifeLock's  
16 improper phone calls into Experian's system have been unsuccessful, and LifeLock  
17 continues to improperly use Experian's phone system to place fraud alerts on behalf  
18 of consumers.

19 46. LifeLock also continues to place fraud alerts with Experian by  
20 laundering these alerts through Trans Union and Equifax. LifeLock games the  
21 automatic referral system for fraud alerts established in 15 U.S.C. § 1681c-  
22 1(a)(1)(B) by fraudulently representing to Trans Union and Equifax that LifeLock  
23 is a "consumer" or "individual" placing a fraud alert on its own credit file, and  
24 concealing its identity as a corporation from Trans Union and Equifax. Trans  
25 Union and Equifax then automatically forward such alerts to Experian. When  
26 Experian receives those alerts, Experian: (i) is unable to determine whether the  
27 referred alerts were placed by LifeLock or whether they were placed by consumers;  
28 and (ii) must honor the fraud alerts as if placed by consumers directly with



1 Experian. If Experian could effectively determine which fraud alerts were placed  
2 by LifeLock, Experian would block such requests.

3 47. In order to maximize the number of consumers who request LifeLock  
4 to place fraud alerts with Experian, LifeLock has engaged in a campaign to mislead  
5 consumers into enrolling for LifeLock's service. LifeLock markets its product  
6 through its website located at [www.lifelock.com](http://www.lifelock.com), through press releases and news  
7 outlets, and through television and radio commercials. The representations made in  
8 LifeLock's marketing are false, misleading, and fail to disclose material facts  
9 regarding the service offered by LifeLock.

10 48. **LifeLock Misrepresents Its Authority And Ability To Place Alerts.**  
11 LifeLock misrepresents and creates the overall net impression that LifeLock can  
12 place fraud alerts on behalf of consumers even though the FCRA does not require  
13 credit reporting agencies to honor requests made by corporations. Specific  
14 misrepresentations include, *inter alia*:

15 (i) “[W]e will, upon enrollment...request that Equifax, Experian  
16 and TransUnion, or other credit bureau [sic] as may become  
17 appropriate, place fraud alerts on your consumer to the extent  
18 permitted by 15 U.S.C. § 1681c-1.” (LifeLock Website at the  
19 webpage address: [www.lifelock.com/about-us/about-](http://www.lifelock.com/about-us/about-lifelock/terms-and-conditions)  
20 [lifelock/terms-and-conditions](http://www.lifelock.com/about-us/about-lifelock/terms-and-conditions), dated Jan. 26, 2008.)

21 (ii) “[W]e...use integrity and operate within the law.” (LifeLock  
22 Website at the webpage address: [www.lifelock.com/lifelock-for-](http://www.lifelock.com/lifelock-for-people/who-we-are/who-uses-lifelock)  
23 [people/who-we-are/who-uses-lifelock](http://www.lifelock.com/lifelock-for-people/who-we-are/who-uses-lifelock), dated Jan. 26, 2008.)

24 49. **LifeLock Misrepresents What Constitutes A Sufficient Good Faith**  
25 **Belief Regarding Identity Theft.** LifeLock induces consumers to enroll in its  
26 service by misleading them as to what constitutes a “good faith...suspicion that the  
27 consumer has been or is about to become a victim of fraud or related crime,  
28 including identity theft.” LifeLock creates the net impression that general concerns

1 about identity theft or the proactive desire to prevent identity theft is a sufficient  
2 basis to place a fraud alert. They are not. LifeLock's website repeatedly touts  
3 LifeLock as "proactive identity theft protection." (LifeLock Website at the webpage  
4 address: [www.lifelock.com](http://www.lifelock.com), dated Jan. 26, 2008.) LifeLock's website includes  
5 testimonials from customers who do not express any suspicion that they were or  
6 were about to become the victim of identity theft: "I had seen a new report about  
7 LifeLock. The CEO gave out his social security number on TV! The reporter tried  
8 to use it to open new accounts and couldn't. That's when I signed up." (LifeLock  
9 Website at the webpage address: [www.lifelock.com](http://www.lifelock.com), dated Jan. 26, 2008.)  
10 LifeLock's advertisements and website suggest that a desire to end junk mail is a  
11 sufficient reason to cause LifeLock to place fraud alerts: "[A]ll that mail is just so  
12 irritating. Many of our clients tell us that this alone is worth the price." (LifeLock  
13 Website at the webpage address: [www.lifelock.com/lifelock-for-people](http://www.lifelock.com/lifelock-for-people), dated  
14 Jan. 26, 2008.) LifeLock's website even includes testimonials from individuals  
15 who enrolled in LifeLock even though they were skeptical that they needed  
16 protection from identity theft: "When I first learned about a company called  
17 LifeLock that protects families from identity theft, my husband was skeptical. I  
18 signed us up anyway, and forgot about it." (LifeLock Website at the webpage  
19 address: [www.lifelock.com](http://www.lifelock.com), dated Jan. 26, 2008.) LifeLock's order form asks  
20 consumers to state "why do you think you or your family members will become a  
21 victim of identity theft?" Among the answers scripted by LifeLock are responses  
22 that are not assertions "in good faith that the consumer has been or is about to  
23 become a victim of fraud..." such as: (i) "I have heard media reports that give me a  
24 reason"; or (ii) "One of my friends or family members is a victim of identity theft."  
25 LifeLock also allows customers who did not, or refuse to, disclose their reason  
26 to enroll.

27 **50. LifeLock Misrepresents That Everyone Is Entitled To Fraud Alerts**  
28 **As A Preventative Measure.** LifeLock misrepresents, and creates the overall net

1 impression, that all individuals are entitled to receive a fraud alert. They are not.  
2 The FCRA only allows individuals who “assert[] in good faith a suspicion that the  
3 consumer has been or is about to become a victim of fraud or related crime” to  
4 place an initial fraud alert on their credit files. LifeLock also makes such specific  
5 misrepresentations, including, *inter alia*:

- 6 (i) “[P]roactive identity theft protection.” (LifeLock Website at the  
7 webpage address: [www.lifelock.com](http://www.lifelock.com), dated Jan. 26, 2008.)
- 8 (ii) “The key that everybody can do is go out and place a fraud alert  
9 with the major credit bureaus.” (Statement by Todd Davis, CEO  
10 of LifeLock, Inc., in article titled “Fraud alerts can protect ID,”  
11 [www.azstarnet.com/business/202488](http://www.azstarnet.com/business/202488), Sept. 22, 2008.)
- 12 (iii) “Any individual with an identity worth protecting can benefit  
13 from LifeLock proactive identity theft services.” (LifeLock  
14 Website at the webpage address: [www.lifelock.com/lifelock-for-people/who-we-are/who-uses-lifelock](http://www.lifelock.com/lifelock-for-people/who-we-are/who-uses-lifelock), dated Jan. 26, 2008.)
- 15 (iv) “LifeLock, the industry leader in proactive identity theft  
16 protection, offers a proven solution that prevents your identity  
17 from being stolen before it happens.” (LifeLock Website at the  
18 webpage address: [www.lifelock.com](http://www.lifelock.com), dated Jan. 26, 2008.)
- 19 (v) “This is the kind of preventative measures all companies should  
20 be taking for their employees and the people they serve.”  
21 (LifeLock press release dated January 8, 2008, located at  
22 [www.lifelock.com/about-us/2008-press-release-narfe-premier-federal-credit-union-selects-lifelock-to-provide-protection-to-employees-and-members](http://www.lifelock.com/about-us/2008-press-release-narfe-premier-federal-credit-union-selects-lifelock-to-provide-protection-to-employees-and-members).)

26 **51. LifeLock Misrepresents That Consumers Are Entitled To**  
27 **Automatic Renewals.** LifeLock misrepresents and creates the overall net  
28 impression that consumers are entitled to receive automatic renewals of fraud alerts

1 without an assertion of a good faith suspicion that the consumer has been or is  
2 about to become a victim of fraud or related crime.

3       **52. LifeLock Misrepresents To Consumers The Scope Or Effectiveness**  
4 **Of Fraud Alerts.** LifeLock misrepresents and creates the overall net impression  
5 that LifeLock can protect against all types of fraud including computer hacking and  
6 accessing a bank account using stolen passwords when fraud alerts only are  
7 effective against fraud that requires accessing a credit report. LifeLock also makes  
8 such specific misrepresentations, including, *inter alia*:

- 9           (i)     “Here’s a report I have on John Sheiper, a young hacker – sent  
10                   out a virus, put more than 250,000 computers to work stealing  
11                   passwords to bank accounts from people around the world.”  
12                   (LifeLock radio advertisement.)
- 13           (ii)    “This very second, someone could be using your identity  
14                   to...clear out your bank accounts ...Stop it from happening now.  
15                   Call LifeLock...” (LifeLock radio advertisement.)
- 16           (iii)   “You’ll find out how to lock down your identity making it  
17                   virtually impossible for identity thieves to wreak havoc on your  
18                   good name...” (LifeLock radio advertisement.)

19       **53. LifeLock Misrepresents That Fraud Alerts Prevents Access To**  
20 **Credit Reports.** LifeLock misrepresents and creates the overall net impression  
21 that LifeLock “locks” the credit file of a consumer, when in fact it only requests the  
22 placement of a fraud alert in the credit file, and does not restrict access to the credit  
23 file in any way. Such specific misrepresentations include, *inter alia*:

- 24           (i)     The use of the name “LifeLock;”
- 25           (ii)    “As our name states, we’re the lock, and you hold the key;”  
26                   (LifeLock Website at the webpage address:  
27                   [www.lifelock.com/lifelock-for-people/who-we-are/how-we-do-](http://www.lifelock.com/lifelock-for-people/who-we-are/how-we-do-it/how-is-lifelock-different-from-a-credit-monitoring-system)  
28                   it/how-is-lifelock-different-from-a-credit-monitoring-system,

1 dated Jan. 26, 2008.)

2 (iii) “Our goal was to lock down every individual’s private  
3 information so no one except that individual can approve of its  
4 use.” (LifeLock Website at the webpage address:  
5 www.lifelock.com/lifelock-for-people/who-we-are/who-is-  
6 lifelock, dated Jan. 26, 2008.)

7 (iv) “Which would you rather have, a lock on your door keeping the  
8 thieves out, or an alarm telling you after the thief has ripped you  
9 off.” (LifeLock Website at the webpage address:  
10 www.lifelock.com/lifelock-for-people/how-we-do-it/how-is-  
11 lifelock-different-from-a-credit-monitoring-system, dated  
12 Jan. 26, 2008.)

13 **54. LifeLock Creates The Impression That Obtaining Fraud Alerts**  
14 **Through Credit Bureaus Is More Difficult.** LifeLock misrepresents and creates  
15 the overall net impression that consumers cannot obtain fraud alerts effectively or  
16 easily from any other source, and that obtaining fraud alerts without subscribing to  
17 LifeLock is a time-consuming, difficult process, when in fact it is easier to obtain a  
18 fraud alert directly with the credit bureaus than it is with LifeLock. Such specific  
19 misrepresentations include, *inter alia*, “Think of it this way: all of us can change  
20 our own oil, but most of us have it done by specialists. We’d like to think that what  
21 we do is more complicated than changing oil, but you get the idea.” (LifeLock  
22 Website at the webpage address: www.lifelock.com/lifelock-for-people, dated  
23 Jan. 26, 2008.) In fact, consumers can place fraud alerts with all three national  
24 consumer reporting agencies with a simple and free telephone call to Experian.

25 **55. LifeLock Misrepresents That Only It Can Place Fraud Alerts.**  
26 LifeLock misrepresents, and creates the overall net impression, that only it can  
27 place fraud alerts, that fraud alerts must be purchased through LifeLock, and that  
28 the fraud alerts placed by LifeLock are different or more effective than fraud alerts

1 that consumers can place themselves directly through the credit bureaus. LifeLock  
2 claims, for example: “At LifeLock, We Guarantee Your Good Name. No one else  
3 does because no one else can.” (LifeLock Website at the webpage address:  
4 www.lifelock.com, dated Jan. 26, 2008.)

5 **56. LifeLock Misrepresents That It May Place Fraud Alerts Directly**  
6 **With Experian.** LifeLock misrepresents, and creates the overall net impression,  
7 that it may place fraud alerts with Experian, does not disclose to consumers that  
8 Experian has attempted to block the placement of fraud alerts by LifeLock, or that  
9 LifeLock has placed fraud alerts with Experian by disguising its identity and  
10 fraudulently misrepresenting to Experian that it was the consumer. Such specific  
11 misrepresentations include, *inter alia*:

12 (i) “[W]e ask the credit bureaus to set fraud alerts on your behalf.  
13 Usually, this is done through our automated systems and the  
14 alerts are set within an hour.” (LifeLock Website at the webpage  
15 address: www.lifelock.com/lifelock-for-people, dated  
16 Jan. 26, 2008.)

17 (ii) “[W]e will, upon enrollment...request that Equifax, Experian  
18 and TransUnion, or other credit bureau [sic] as may become  
19 appropriate, place fraud alerts on your consumer to the extent  
20 permitted by 15 U.S.C. § 1681c-1.” (LifeLock Website at the  
21 webpage address: www.lifelock.com/about-us/about-  
22 lifelock/terms-and-conditions, dated Jan. 26, 2008.)

23 **57. LifeLock Misrepresents That Creditors Will Call Consumers To**  
24 **Verify The Identity Of The Consumer.** LifeLock misrepresents and creates the  
25 overall net impression, that consumers will receive a telephone call when the  
26 consumers’ personal information is used to apply for new credit, even though there  
27 is no requirement under the FCRA that initial fraud alerts require creditors to place  
28 a telephone call to consumers. Such representations include, *inter alia*:

- 1 (i) “Once fraud alerts have been placed, you will receive a phone  
2 call – most people register their cell phone numbers – anytime  
3 someone tries to open a credit line in your name.” (Statement by  
4 Todd Davis, CEO of LifeLock, Inc., in article titled “Fraud alerts  
5 can protect ID,” [www.azstarnet.com/business/202488](http://www.azstarnet.com/business/202488),  
6 Sept. 22, 2008.)
- 7 (ii) “If its you trying to open the account, then you’ll get the call  
8 while you’re standing there.” (Statement by Todd Davis, CEO of  
9 LifeLock, Inc., in article titled “Fraud alerts can protect ID,”  
10 [www.azstarnet.com/business/202488](http://www.azstarnet.com/business/202488), Sept. 22, 2008.)
- 11 (iii) “You should receive a phone call from the bank asking if you are  
12 actually the person applying for credit in your name.” (LifeLock  
13 Website at the webpage address: [www.lifelock.com/lifelock-for-people/what-we-do/how-does-lifelock-protect-my-identity](http://www.lifelock.com/lifelock-for-people/what-we-do/how-does-lifelock-protect-my-identity), dated  
14 Jan. 26, 2008.)
- 15 (iv) “If it’s not you or if you don’t answer, then the credit application  
16 is declined at the other end...” (Statement by Todd Davis, CEO  
17 of LifeLock, Inc., in article titled “Fraud alerts can protect ID,”  
18 [www.azstarnet.com/business/202488](http://www.azstarnet.com/business/202488), Sept. 22, 2008.)
- 19 (v) “When someone seeks to open a new account, the creditor will  
20 call to confirm that it’s really you through a series of identifying  
21 questions.” (Statement by Todd Davis, CEO of LifeLock, Inc., in  
22 article titled “Protecting identity among the tell-all generation,”  
23 [www.startribune.com/templates/Print\\_This\\_Story?sid=1191451](http://www.startribune.com/templates/Print_This_Story?sid=1191451),  
24 Aug. 14, 2007.)

25  
26 **58. LifeLock Fails To Adequately Disclose To Consumers The Source**  
27 **Of The Credit Report Ordered By LifeLock.** LifeLock represents to consumers  
28 that its service includes a credit report from each of the three credit bureaus every

1 12 months. LifeLock fails to adequately disclose, however, that the credit report  
2 ordered by LifeLock on behalf of the consumer is the free annual credit report to  
3 which consumers are entitled; fails to adequately disclose that LifeLock's ordering  
4 of the credit report makes the consumer ineligible to order the report for the next 12  
5 months; fails to adequately disclose that ordering the free credit report from  
6 www.annualcreditreport.com is duplicative of the free credit report consumers are  
7 entitled to when placing a fraud alert under 15 U.S.C. § 1681c-1(a)(2)(B).

8 59. On February 11, 2008, Experian sent LifeLock a letter via express mail  
9 informing LifeLock that Experian only was required to honor requests for fraud  
10 alerts made by "consumers" or "individuals," not corporate entities such as  
11 LifeLock; informing LifeLock that its practice of automatically renewing such  
12 fraud alerts violated the FCRA's statutory scheme; and demanding that LifeLock  
13 cease and desist placing fraud alerts on behalf of consumers with any of the three  
14 credit bureaus and renewing such fraud alerts. Experian further informed LifeLock  
15 that if it continued in the activities described above, Experian would seek all  
16 available remedies against LifeLock. Undeterred, LifeLock continues to engage in  
17 its illegal and fraudulent activities.

### 18 **FIRST CAUSE OF ACTION**

#### 19 **(Declaratory Judgment Act against LifeLock and** 20 **DOES 1 through 10)**

21 60. Experian repeats and reasserts the averments contained in Paragraphs 1  
22 through 59 above as though fully set forth herein.

23 61. An actual controversy has arisen and now exists between Experian and  
24 LifeLock relating to the parties' rights and obligations under 15 U.S.C. § 1681c-1  
25 for which Experian desires a declaration of rights.

26 62. A declaratory judgment, under 28 U.S.C. § 2201, is necessary in that  
27 Experian contends, and LifeLock denies, the following:

28 (i) LifeLock neither is a "consumer" nor "an individual" "acting on



1                   behalf of or as a personal representative of a consumer” within  
2                   the meaning of 15 U.S.C. § 1681c-1(a)(1), and is not authorized  
3                   to submit requests for initial fraud alerts to a consumer reporting  
4                   agency under 15 U.S.C. § 1681c-1.

5                   (ii) A request for an initial fraud alert submitted by LifeLock is not a  
6                   “direct request of a consumer, or an individual acting on behalf  
7                   of or as a personal representative of a consumer,” within the  
8                   meaning of 15 U.S.C. § 1681c-1(a)(1), and Experian, as a  
9                   consumer reporting agency, is not required by 15 U.S.C.  
10                  § 1681c-1(a)(1) to follow the procedures set forth in 15 U.S.C.  
11                  § 1681c-1(a)(1)(A) and 15 U.S.C. § 1681c-1(a)(1)(B) in  
12                  connection with a request for an initial fraud alert submitted  
13                  by LifeLock.

14                  (iii) Experian, as a consumer reporting agency, is not required to  
15                  follow the procedures set forth in 15 U.S.C. § 1681c-1(e) in  
16                  connection with a referral of a fraud alert from another consumer  
17                  reporting agency where the request for the initial fraud alert was  
18                  submitted to the referring consumer reporting agency by  
19                  LifeLock.

20                  (iv) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting  
21                  agency is not required to refer information to Experian in  
22                  connection with an initial fraud alert where the request for that  
23                  initial fraud alert was submitted to the consumer reporting  
24                  agency by LifeLock.

25                  (v) LifeLock is not authorized to submit a request for an initial fraud  
26                  alert to Experian or other consumer reporting agency prior to the  
27                  expiration of any initial fraud alert in the file of the consumer.

28                  (vi) Experian, as a consumer reporting agency, is not required to

1 follow the procedures set forth by 15 U.S.C. § 1681c-1(a)(1) and  
2 15 U.S.C. § 1681c-1(a)(1)(B), when a request for an initial fraud  
3 alert is requested to be placed in the file of a consumer prior to  
4 the expiration of any initial fraud alert in the file of that  
5 consumer.

6 (vii) Experian, as a consumer reporting agency, is not required to  
7 follow the procedures set forth by 15 U.S.C. § 1681c-1(a)(1) and  
8 15 U.S.C. § 1681c-1(a)(1)(B), when a request for an initial fraud  
9 alert is referred from another credit reporting agency prior to the  
10 expiration of any initial fraud alert in the file of that consumer.

11 (viii) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting  
12 agency is not required to refer information to Experian in  
13 connection with an initial fraud alert where the request for that  
14 initial fraud alert was requested to be placed in the file of a  
15 consumer prior to the expiration of any initial fraud alert in the  
16 file of that consumer.

17 (ix) Under 15 U.S.C. § 1681c-1(a)(1), a consumer or individual  
18 requesting the placement of an initial fraud alert must  
19 affirmatively assert a good faith suspicion that the consumer has  
20 been or is about to become a victim of fraud or related crime,  
21 including identity theft, at the time the request for placement of  
22 that initial fraud alert is made.

23 (x) LifeLock is not authorized to submit a request for an initial fraud  
24 alert to Experian or other consumer reporting agency, where the  
25 consumer has not affirmatively asserted in good faith that the  
26 consumer has been or is about to become a victim of fraud or  
27 related crime, including identity theft, at the time that the request  
28 for the placement of that initial fraud alert is made.

1 (xi) Experian, as a consumer reporting agency, is not required by  
2 15 U.S.C. § 1681c-1(a)(1) to follow the procedures set forth in  
3 15 U.S.C. § 1681c-1(a)(1)(A) and 15 U.S.C. § 1681c-1(a)(1)(B),  
4 in connection with a request for an initial fraud alert where the  
5 consumer has not affirmatively asserted in good faith that the  
6 consumer has been or is about to become a victim of fraud or  
7 related crime, including identity theft, at the time that the request  
8 for the placement of that initial fraud alert is made.

9 (xii) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting  
10 agency is not required to refer information to Experian in  
11 connection with an initial fraud alert where the consumer has not  
12 affirmatively asserted in good faith that the consumer has been  
13 or is about to become a victim of fraud or related crime,  
14 including identity theft, at the time that the request for the  
15 placement of that initial fraud alert is made.

16 (xiii) LifeLock is not authorized to submit a request for an initial fraud  
17 alert to Experian or other consumer reporting agency alert where  
18 the request for that initial fraud alert is based on the consumer's  
19 failure to retract an assertion that the consumer was or was about  
20 to become a victim of fraud or related crime, including identity  
21 theft, which was made in connection with a prior request for an  
22 initial fraud alert.

23 (xiv) Experian, as a consumer reporting agency, is not required by  
24 15 U.S.C. § 1681c-1(a)(1) to follow the procedures set forth in  
25 15 U.S.C. § 1681c-1(a)(1)(A) and 15 U.S.C. § 1681c-1(a)(1)(B),  
26 in connection with a request for an initial fraud alert which is  
27 based on the consumer's failure to retract an assertion that the  
28 consumer was or was about to become a victim of fraud or

1 related crime, including identity theft, which was made in  
2 connection with a prior request for an initial fraud alert.

3 (xv) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting  
4 agency is not required to refer information to Experian in  
5 connection with an initial fraud alert, which is based upon the  
6 consumer's failure to retract an assertion that the consumer was  
7 or was about to become a victim of fraud or related crime,  
8 including identity theft, and which was made in connection with  
9 a prior request for an initial fraud alert.

10 63. By reason of acts by LifeLock and DOES 1-10 alleged herein, Experian  
11 has suffered, and will continue to suffer, irreparable harm, for which Experian has  
12 no adequate remedy at law, unless and until the conduct by LifeLock and DOES 1-  
13 10 is enjoined.

14 **SECOND CAUSE OF ACTION**

15 **(Concealment/Suppression of Fact against LifeLock and**  
16 **DOES 1 through 10)**

17 64. Plaintiff repeats, re-alleges and incorporates herein by reference the  
18 allegations of paragraphs 1 through 63, inclusive, above.

19 65. From on or about, June 2005, LifeLock and DOES 1-10 have  
20 surreptitiously submitted requests for initial fraud alerts to Experian and other  
21 consumer reporting agencies.

22 66. In submitting requests for initial fraud alerts to Experian, and other  
23 consumer reporting agencies, LifeLock and DOES 1-10 actively have concealed  
24 and suppressed, and continue to conceal and suppress:

- 25 (i) their corporate status and identity as the party submitting the  
26 requests;
- 27 (ii) that the party submitting the request for the initial fraud alert was  
28 neither the consumer nor an individual acting on behalf of or as a

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- personal representative of a consumer;
- (iii) that they did not, at the time they surreptitiously requested the placement of initial fraud alerts, have a good faith a suspicion that the consumer on whose behalf they requested the alert had been or was about to become a victim of fraud or related crime, including identity theft;”
- (iv) that the consumers on whose behalf they had surreptitiously requested the placement of initial fraud alerts were not, at the time of the request, “assert[ing] in good faith a suspicion that the consumer has been or is about to become a victim of fraud or related crime, including identity theft;”
- (v) that they were placing fraud alerts on behalf of consumers based on assertions regarding the consumers’ belief about identity theft which did not constitute a “good faith...suspicion that the consumer has been or is about to become a victim of fraud or related crime,” including a desire to proactively prevent identity theft, a generalized concern about identity theft, because an individual they knew had been a victim of identity theft, on the basis of media reports about identity theft, or a desire not to receive junk mail;
- (vi) that the additional requests for initial fraud alerts they surreptitiously submitted were not based on a concurrent, affirmative assertion by the consumer that he or she had been or was about to become a victim of fraud, and that such requests are instead based on the consumer not retracting an assertion made in connection with a prior request for an initial fraud alert;
- (vii) that their intent was to sequentially place initial fraud alert requests to create an indefinite or perpetual fraud alert.

1           67. LifeLock and DOES 1-10 concealed and suppressed, and continue to  
2 conceal and suppress, these facts by, *inter alia*:

- 3           (i) not providing proof of its identity as the requesting party in  
4           connection with the requests for initial fraud alerts it placed;
- 5           (ii) using a phone number other than those registered to LifeLock to  
6           place calls to Experian's toll-free number;
- 7           (iii) employing third parties and foreign phone banks to place  
8           requests for initial fraud alerts;
- 9           (iv) changing phones and/or numbers used to place requests for  
10           initial fraud alerts after prior phones and phone numbers had  
11           been detected and attempted to be blocked by Experian;
- 12           (v) by responding affirmatively, inputting information in response  
13           to, and continuing to use the automated system, after automated  
14           prompts that ask: (i) "if you believe your credit information is  
15           being used fraudulently, press 3"; (ii) "to add an alert to your  
16           credit report through our automated system, press 2"; (iii) "if you  
17           suspect you are a victim of fraud and want to add a temporary  
18           initial fraud security alert to your account, press 1"; and (iv) the  
19           caller to enter personal information, such as "enter your social  
20           security number," "enter your 5 digit ZIP code now," and "enter  
21           the numeric portion of your address now;"
- 22           (vi) completing the request for placement of initial fraud alerts over  
23           the phone, rather than submitting documents establishing that  
24           the requesting party was a bona fide personal representative of  
25           the consumer as prompted by the automated system;
- 26           (vii) submitting requests for initial fraud alerts to other credit  
27           reporting agencies, thereby requiring the other agencies to refer  
28           the alerts to Experian and laundering the identity of the party

1 making the initial request.

2 68. LifeLock and DOES 1-10 made the non-disclosures, concealments and  
3 suppressions of fact alleged herein with the intent to induce Experian (and the other  
4 consumer reporting agencies) to act in reliance thereon, including placing fraud  
5 alerts in the files of the customers of LifeLock and DOES 1-10, providing free  
6 credit reports to customers of LifeLock and DOES 1-10, and to refer the requests to  
7 the other consumer reporting agencies, and with the intention of depriving Experian  
8 of property or otherwise causing injury.

9 69. At the time that LifeLock and DOES 1-10 made the failures to disclose  
10 and suppression of fact herein alleged, Experian was unaware of these facts, and  
11 would not have acted as it did if it had known the undisclosed, concealed or  
12 suppressed facts.

13 70. As a proximate result of LifeLock's and DOES 1-10 failure to disclose,  
14 concealment and suppression of fact, Experian has incurred, and continues to incur,  
15 costs and has suffered, and continues to suffer, damages.

16 71. In doing the things aforementioned, LifeLock and DOES 1-10 have  
17 been guilty of malice, oppression, and fraud, and Experian is, therefore, entitled to  
18 recover punitive damages.

19 72. By reason of acts by LifeLock and DOES 1-10 alleged herein, Experian  
20 has suffered, and will continue to suffer, irreparable harm, for which Experian has  
21 no adequate remedy at law, unless and until the conduct by LifeLock and DOES 1-  
22 10 is enjoined.

23 **THIRD CAUSE OF ACTION**

24 **(Intentional Misrepresentation against LifeLock and**  
25 **DOES 1 through 10)**

26 73. Plaintiff repeats, re-alleges and incorporates herein by reference the  
27 allegations of paragraphs 1 through 72, inclusive, above.

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1           74. From on or about, June 2005, during the course of requesting the  
2 placement of thousands of initial fraud alerts on consumers' files through the toll-  
3 free number maintained by Experian, LifeLock and DOES 1-10 misrepresented:  
4 (i) the identity of the parties requesting the placement of the fraud alerts; (ii) that  
5 they were individuals seeking placement of a fraud alert in their own files; (iii) that  
6 they were individuals with a good faith belief that they had been the victim of  
7 fraud; and (iv) that they had a good faith suspicion that the consumer had been or  
8 was about to become a victim of fraud or related crime, including identity theft.  
9 Experian did not discover LifeLock's wrongful conduct until 2007.

10           75. LifeLock and DOES 1-10 made these misrepresentations by way of  
11 responding affirmatively to, or entering information in response to, the prompts by  
12 Experian's automated telephone system for the placement of fraud alerts by  
13 individuals. Although the precise wording of the prompts has varied over time, the  
14 substance has not. These prompts require, among other things, the caller to respond  
15 affirmatively to statements such as: (i) "if you believe your credit information is  
16 being used fraudulently, press 3"; (ii) "to add an alert to your credit report through  
17 our automated system, press 2"; and (iii) "if you suspect you are a victim of fraud  
18 and want to add a temporary initial fraud security alert to your account, press 1."  
19 The prompts also ask the caller to enter personal information, such as "enter your  
20 social security number," "enter your 5 digit ZIP code now," and "enter the numeric  
21 portion of your address now."

22           76. The representations of LifeLock and DOES 1-10 in response to these  
23 prompts were false. In fact, LifeLock and DOES 1-10: (i) did not believe that their  
24 credit information was being used fraudulently or that they were a victim of fraud;  
25 (ii) were not seeking to add an alert to their credit reports; (iii) were not seeking a  
26 temporary alert, but were seeking to craft an indefinite or perpetual alert; and  
27 (iv) entered social security numbers, ZIP codes or addresses, which were not  
28 their own.



1           77. Further, LifeLock and DOES 1-10 did not have a good faith suspicion  
2 that the consumer on whose behalf they were surreptitiously requesting a fraud alert  
3 had been or was about to become a victim of fraud or related crime, including  
4 identity theft. LifeLock and DOES 1-10 knew that, in many cases, the consumers  
5 on whose behalf they were surreptitiously requesting the placement of initial fraud  
6 alerts, were instead acting on desires to proactively prevent identity theft,  
7 generalized concerns about identity theft, the suspected victimization of a person  
8 other than the consumer, on the basis of media reports about identity theft, or even  
9 the desire not to receive junk mail.

10           78. Further, many of the customers of LifeLock and DOES 1-10 were not  
11 affirmatively asserting that, at the time that LifeLock and DOES 1-10 made the  
12 request for the placement of a fraud alert, they had been or were about to become a  
13 victim of fraud. Instead, the customers simply had failed to retract assertions made  
14 months or years previously in connection with a prior request for an initial  
15 fraud alert.

16           79. Upon information and belief, LifeLock and DOES 1-10 have made  
17 similar misrepresentations in the course of placing alerts through the automated  
18 systems maintained by other consumer reporting agencies, including Equifax and  
19 TransUnion.

20           80. At the time they made these misrepresentations, LifeLock and DOES 1-  
21 10 knew that these representations were false.

22           81. LifeLock and DOES 1-10 made, and continue to make, the  
23 representations herein alleged with the intention of inducing Experian, Trans Union  
24 and Equifax to place fraud alerts in the credit files of the customers of LifeLock and  
25 DOES 1-10, send notice to consumers that they are entitled to a free credit report,  
26 send a free credit report to customers who request one and “refer the information  
27 regarding the fraud alert to each of the credit reporting agencies,” and, once  
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1 referred, treat the referral “as though the agency received the request from the  
2 consumer directly.”

3 82. Experian was unaware of the falsity of the misrepresentations made by  
4 LifeLock and DOES 1-10, and acted in justifiable reliance upon those  
5 misrepresentations, in that Experian, *inter alia*, placed initial fraud alerts in the files  
6 of customers of LifeLock and DOES 1-10, sent notice to consumers that they are  
7 entitled to a free credit report, and generated and mailed free credit reports to those  
8 customers who requested such reports.

9 83. Experian was unaware of the falsity of the misrepresentations made by  
10 LifeLock and DOES 1-10 to Equifax and TransUnion, and acted in justifiable  
11 reliance upon those representations, in that Experian was required to place fraud  
12 alerts on consumers’ files which were referred to Experian from Trans Union  
13 and Equifax.

14 84. LifeLock and DOES 1-10 made the intentional misrepresentations  
15 herein alleged with the intention of depriving Experian of property or otherwise  
16 causing injury.

17 85. As a proximate result of the intentional misrepresentations of LifeLock  
18 and DOES 1-10, Experian has incurred, and continues to incur, costs and has  
19 suffered, and continues to suffer, damages.

20 86. In doing the things aforementioned, LifeLock and DOES 1-10 were  
21 guilty of malice, oppression, and fraud, and Experian is, therefore, entitled to  
22 recover punitive damages.

23 87. By reason of acts by LifeLock and DOES 1-10 alleged herein, Experian  
24 has suffered, and will continue to suffer, irreparable harm, for which Experian has  
25 no adequate remedy at law, unless and until the conduct by LifeLock and DOES 1-  
26 10 is enjoined.

1 **FOURTH CAUSE OF ACTION**

2 **(Negligent Misrepresentation against LifeLock and**

3 **DOES 1 through 10)**

4 88. Experian repeats, realleges, and incorporates by reference the  
5 allegations contained in Paragraph 1 through 87, inclusive.

6 89. At the time LifeLock and DOES 1-10 made the representations herein  
7 alleged, LifeLock and DOES 1-10 did not have reasonable ground for believing that  
8 those representations were true.

9 90. LifeLock and DOES 1-10 made, and continue to make, the  
10 misrepresentations herein alleged with the intention of inducing Experian,  
11 TransUnion and Equifax to place fraud alerts in the credit files of the customers of  
12 LifeLock and DOES 1-10, send those costumers a free credit report and “refer the  
13 information regarding the fraud alert to each of the credit reporting agencies,” and,  
14 once referred, treat the referral “as though the agency received the request from the  
15 consumer directly.”

16 91. Experian was unaware of the falsity of the representations made by  
17 LifeLock and DOES 1-10, and acted in justifiable reliance upon the truth of those  
18 representations, in that Experian, *inter alia*, placed initial fraud alerts in the files of  
19 customers of LifeLock and DOES 1-10, sent notice to consumers that they are  
20 entitled to a free credit report, and generated and mailed free credit reports to those  
21 customers who requested such reports.

22 92. Experian was unaware of the falsity of the representations made by  
23 LifeLock and DOES 1-10 to Equifax and TransUnion, and acted in justifiable  
24 reliance upon those representations, in that Experian was required to place fraud  
25 alerts on consumers’ files which were referred to Experian from Trans Union  
26 and Equifax.

27 93. As a result of Experian’s reliance upon the truth of the representations  
28 of LifeLock and DOES 1-10, and as a direct, proximate and foreseeable result of

1 the above-described conduct, Experian sustained compensatory, incidental and  
2 consequential damages in an amount to be proven at trial.

3 94. By reason of the acts by LifeLock and DOES 1-10 alleged herein,  
4 Experian has suffered, and will continue to suffer, irreparable harm, for which  
5 Experian has no adequate remedy at law, unless and until the conduct by LifeLock  
6 and DOES 1-10 is enjoined.

7 **FIFTH CAUSE OF ACTION**  
8 **(Lanham Act against LifeLock and**  
9 **DOES 1 through 10)**

10 95. Experian repeats, realleges, and incorporates by reference the  
11 allegations contained in Paragraph 1 through 94, inclusive.

12 96. Since in or about June 2005, the website, television commercials and  
13 radio advertisements of LifeLock and DOES 1-10 are commercial  
14 advertisements/promotional materials that have been placed into interstate  
15 commerce by LifeLock and DOES 1-10 in connection with the sale and/or  
16 marketing of its fraud alert placement service.

17 97. Many of the material descriptions and/or representations of fact  
18 contained in its advertisements are false and/or misleading, and therefore  
19 misrepresent the nature or qualities of goods/commercial activities of LifeLock and  
20 DOES 1-10. Such representations are false and/or misleading in that they:

- 21 (i) misrepresent, and create the overall net impression, that  
22 LifeLock can place fraud alerts on behalf of consumers, when  
23 the FCRA does not require credit reporting agencies to honor  
24 requests made by corporations;
- 25 (ii) misrepresent, and create the overall net impression that everyone  
26 is entitled to receive a fraud alert, when the FCRA only allows  
27 individuals who “assert[] in good faith a suspicion that the  
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- consumer has been or is about to become a victim of fraud or related crime” to place an initial fraud alert on their credit files;
- (iii) misrepresent, and create the overall net impression, that consumers are entitled to receive automatic renewals of fraud alerts without an assertion of a good faith suspicion that the consumer has been or is about to become a victim of fraud or related crime;
  - (iv) misrepresent, and create the overall net impression, that consumers are entitled to receive automatic renewals of fraud alerts without disclosing that the FCRA requires consumers to provide an identity theft report in order to receive extended alerts;
  - (v) misrepresent, and create the overall net impression, that LifeLock can protect against all types of fraud including computer hacking, and accessing a bank account using stolen passwords when fraud alerts are only effective against fraud that requires accessing a credit report;
  - (vi) misrepresent, and create the overall net impression, that LifeLock “locks” a credit file of a consumer, when, in fact, it only requests the placement of a fraud alert in the credit file, and does not restrict access to the credit file in any way;
  - (vii) misrepresent, and create the overall net impression that fraud alerts must be purchased through LifeLock, and that the fraud alerts placed by LifeLock are different or more effective than fraud alerts that consumers can place themselves directly through the credit bureaus;
  - (viii) misrepresent, and create the overall net impression, that consumers cannot obtain fraud alerts effectively or easily from

1 any other source, and that obtaining fraud alerts without  
2 subscribing to LifeLock is a time-consuming, difficult process,  
3 when in fact it is easier to obtain a fraud alert directly with the  
4 credit bureaus than it is with LifeLock;

5 (ix) misrepresent, and create the overall net impression, that  
6 LifeLock is allowed to place fraud alerts directly with Experian,  
7 when in fact Experian has attempted to block the placement of  
8 fraud alerts by LifeLock, and LifeLock disguises its identity and  
9 fraudulently misrepresents to Experian that LifeLock is  
10 the consumer;

11 (x) misrepresent, and create the overall net impression, that  
12 consumers will receive a telephone call when the consumers'  
13 personal information is used to apply for new credit, when there  
14 is no requirement under the FCRA that initial fraud alerts require  
15 creditors to place a telephone call to consumers.

16 98. The above-described acts of LifeLock and DOES 1-10 constitute false  
17 advertising in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

18 99. The above-described acts of LifeLock and DOES 1-10 actually  
19 deceived or have the tendency to deceive a substantial segment of consumers who  
20 see or hear such representations.

21 100. The above-described acts of LifeLock and DOES 1-10 are material, in  
22 that they are likely to influence a consumer's purchasing decision.

23 101. As a result of the acts of LifeLock and DOES 1-10, Experian, as a  
24 competitor of LifeLock and DOES 1-10, has suffered, and will continue to suffer,  
25 damage to its business reputation and goodwill and the loss of sales and profits.

26 Such damages include:

27 (i) Damage to Experian's reputation regarding its process for  
28 allowing consumers to place fraud alerts in consumers' Experian

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credit file;

(ii) Losses from reduced orders for credit reports by consumers to whom Experian is required to provide a free credit report upon receipt of a request for a fraud alert;

(iii) Losses from reduced orders by consumers for credit freezes placed by Experian on consumers' credit files.

102. Additionally, Experian has incurred, and will continue to incur, liability for costs and attorney's fees.

103. Upon information and belief, the above-described acts by LifeLock and DOES 1-10 were willful and have been engaged in knowing them to be deceptive such as to warrant the trebling of damages in order to provide just compensation.

104. Upon information and belief, LifeLock and DOES 1-10 have unfairly profited from the actions alleged herein, and will continue to be unjustly enriched unless and until such conduct is enjoined.

105. By reason of acts by LifeLock and DOES 1-10 alleged herein, Experian has suffered, and will continue to suffer, irreparable harm, for which Experian has no adequate remedy at law, unless and until the conduct by LifeLock and DOES 1-10 is enjoined.

**SIXTH CAUSE OF ACTION**

**(California Business and Professions Code § 17500 against LifeLock and DOES 1 through 10)**

106. Experian repeats, realleges, and incorporates by reference, the allegations contained in Paragraph 1 through 105, inclusive.

107. From on or about, June 2005, LifeLock and DOES 1-10 have engaged in website, television, radio, and print advertising to the public offering identity theft protection. Such advertisements are false and/or misleading representations in that they:

- 1 (i) misrepresent, and create the overall net impression, that  
2 LifeLock can place fraud alerts on behalf of consumers, when  
3 the FCRA does not require credit reporting agencies to honor  
4 requests made by corporations;
- 5 (ii) misrepresent, and create the overall net impression that everyone  
6 is entitled to receive a fraud alert, when the FCRA only allows  
7 individuals who “assert[] in good faith a suspicion that the  
8 consumer has been or is about to become a victim of fraud or  
9 related crime” to place an initial fraud alert on their credit files;
- 10 (iii) misrepresent, and create the overall net impression, that  
11 consumers are entitled to receive automatic renewals of fraud  
12 alerts without an assertion of a good faith suspicion that the  
13 consumer has been or is about to become a victim of fraud or  
14 related crime;
- 15 (iv) misrepresent, and create the overall net impression, that  
16 consumers are entitled to receive automatic renewals of fraud  
17 alerts without disclosing that the FCRA requires consumers to  
18 provide an identity theft report in order to receive  
19 extended alerts;
- 20 (v) misrepresent, and create the overall net impression, that  
21 LifeLock can protect against all types of fraud including  
22 computer hacking, and accessing a bank account using stolen  
23 passwords when fraud alerts are only effective against fraud that  
24 requires accessing a credit report;
- 25 (vi) misrepresent, and create the overall net impression, that  
26 LifeLock “locks” a credit file of a consumer, when, in fact, it  
27 only requests the placement of a fraud alert in the credit file, and  
28 does not restrict access to the credit file in any way;



- 1 (vii) misrepresent, and create the overall net impression that fraud  
2 alerts must be purchased through LifeLock, and that the fraud  
3 alerts placed by LifeLock are different or more effective than  
4 fraud alerts that consumers can place themselves directly through  
5 the credit bureaus;
- 6 (viii) misrepresent, and create the overall net impression, that  
7 consumers cannot obtain fraud alerts effectively or easily from  
8 any other source, and that obtaining fraud alerts without  
9 subscribing to LifeLock is a time-consuming, difficult process,  
10 when in fact it is easier to obtain a fraud alert directly with the  
11 credit bureaus than it is with LifeLock;
- 12 (ix) misrepresent, and create the overall net impression, that  
13 LifeLock is allowed to place fraud alerts directly with Experian,  
14 when in fact Experian has attempted to block the placement of  
15 fraud alerts by LifeLock, and LifeLock disguises its identity and  
16 fraudulently misrepresents to Experian that LifeLock is  
17 the consumer;
- 18 (x) misrepresent, and create the overall net impression, that  
19 consumers will receive a telephone call when the consumers'  
20 personal information is used to apply for new credit, when there  
21 is no requirement under the FCRA that initial fraud alerts require  
22 creditors to place a telephone call to consumers.

23 108. LifeLock and DOES 1-10 engaged in the advertising herein alleged  
24 with the intent to induce members of the public to believe that they had the  
25 authority to place fraud alert requests on their behalf and/or to induce Experian and  
26 members of the public to believe that it had the authority to place fraud alert  
27 requests on behalf of its subscribers.  
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1 109. Experian has suffered injury in fact and has lost money and property  
2 as a result of the false advertising by LifeLock and DOES 1-10.

3 110. In making or disseminating the statements herein alleged, LifeLock  
4 and DOES 1-10 knew or with the exercise of reasonable care should have known  
5 that the statements were untrue/false and/or misleading and so acted in violation of  
6 Sections 17500 *et seq.* of the Business and Professions Code.

7 111. In making or disseminating the statements herein alleged, LifeLock  
8 and DOES 1-10 did not intend to sell the products as advertised.

9 112. Unless restrained by this Court, LifeLock and DOES 1-10 will  
10 continue to engage in untrue/false and misleading advertising, as alleged above, in  
11 violation of Section 17500 *et seq.* of the Business and Professions Code, thus  
12 tending to render judgment in the instant action ineffectual. Experian has no  
13 adequate remedy at law in that LifeLock and DOES 1-10 will continue to engage in  
14 untrue and misleading advertising, as alleged above, in violation of Section 17500  
15 *et seq.* of the Business and Professions Code, thus engendering a multiplicity of  
16 judicial proceedings.

### 17 **SEVENTH CAUSE OF ACTION**

#### 18 **(California Business and Professions Code § 17200 against LifeLock and** 19 **DOES 1 through 10)**

20 113. Experian repeats, realleges, and incorporates by reference, the  
21 allegations contained in Paragraph 1 through 112, inclusive.

22 114. From on or about, June 2005, LifeLock and DOES 1-10 engaged in  
23 that acts and practices herein alleged while doing business, in that such acts and  
24 practices were done in the course of selling its LifeLock product to consumers in  
25 California, and throughout the United States.

26 115. LifeLock and DOES 1-10 have violated California Business and  
27 Professions Code § 17200 *et seq.* by engaging in unlawful, unfair and fraudulent  
28 conduct including, but not limited, to:

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- (i) misrepresenting, and creating the overall net impression, that LifeLock can place fraud alerts on behalf of consumers, when the FCRA does not require credit reporting agencies to honor requests made by corporations;
- (ii) misrepresenting, and creating the overall net impression that everyone is entitled to receive a fraud alert, when the FCRA only allows individuals who “assert[] in good faith a suspicion that the consumer has been or is about to become a victim of fraud or related crime” to place an initial fraud alert on their credit files;
- (iii) misrepresenting, and creating the overall net impression, that consumers are entitled to receive automatic renewals of fraud alerts without an assertion of a good faith suspicion that the consumer has been or is about to become a victim of fraud or related crime;
- (iv) misrepresenting, and creating the overall net impression, that consumers are entitled to receive automatic renewals of fraud alerts without disclosing that the FCRA requires consumers to provide an identity theft report in order to receive extended alerts;
- (v) misrepresenting, and creating the overall net impression, that LifeLock can protect against all types of fraud including computer hacking, and accessing a bank account using stolen passwords when fraud alerts are only effective against fraud that requires accessing a credit report;
- (vi) misrepresenting, and creating the overall net impression, that LifeLock “locks” a credit file of a consumer, when, in fact, it only requests the placement of a fraud alert in the credit file, and does not restrict access to the credit file in any way;

- 1 (vii) misrepresenting, and creating the overall net impression that  
2 fraud alerts must be purchased through LifeLock, and that the  
3 fraud alerts placed by LifeLock are different or more effective  
4 than fraud alerts that consumers can place themselves directly  
5 through the credit bureaus;
- 6 (viii) misrepresenting, and creating the overall net impression, that  
7 consumers cannot obtain fraud alerts effectively or easily from  
8 any other source, and that obtaining fraud alerts without  
9 subscribing to LifeLock is a time-consuming, difficult process,  
10 when in fact it is easier to obtain a fraud alert directly with the  
11 credit bureaus than it is with LifeLock;
- 12 (ix) misrepresenting, and creating the overall net impression, that  
13 LifeLock is allowed to place fraud alerts directly with Experian,  
14 when in fact Experian has attempted to block the placement of  
15 fraud alerts by LifeLock, and LifeLock disguises its identity and  
16 fraudulently misrepresents to Experian that LifeLock is  
17 the consumer;
- 18 (x) misrepresenting, and creating the overall net impression, that  
19 consumers will receive a telephone call when the consumers'  
20 personal information is used to apply for new credit, when there  
21 is no requirement under the FCRA that initial fraud alerts require  
22 creditors to place a telephone call to consumers.

23 116. In doing so, LifeLock and DOES 1-10 have:

- 24 (i) violated California Civil Code § 1770(a)(5) by representing that  
25 goods or services have sponsorship, approval, characteristics,  
26 ingredients, uses, benefits, or quantities which they do not have;
- 27 (ii) violated California Civil Code § 1770(a)(7) by representing that  
28 goods or services are of a particular standard, quality, or grade,

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or that goods are of a particular style or model, if they are of another;

- (iii) violated California Civil Code § 1770(a)(8) by disparaging the goods, services, or business of another by false or misleading representations of fact;
- (iv) violated California Civil Code § 1770(a)(9) by advertising goods or services with intent not to sell them as advertised;
- (v) violated California Civil Code § 1770(a)(14) by representing that a transaction confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law;
- (vi) violated 18 U.S.C. § 1343 by transmission of the misrepresentations identified in Paragraphs 38 through 42 by means of telephone or other interstate wire in furtherance of a scheme to defraud Experian and the other credit reporting agencies;
- (vii) violated California’s False Advertising Law, California Business and Professions Code § 17500;
- (viii) violated the Lanham Act, 15 U.S.C. § 1125(a).

117. LifeLock and DOES 1-10 have violated California Business and Professions Code § 17200 *et seq.* by engaging in unlawful, unfair and fraudulent conduct including, but not limited to, making the misrepresentations to Experian and other consumer reporting agencies identified in paragraphs 38 through 42 above.

118. In doing so, LifeLock and DOES 1-10 have:

- (i) violated California Civil Code § 1770(a)(2) by misrepresenting the source, sponsorship, approval or certification of goods or services;

- 1 (ii) violated California Civil Code § 1770(a)(3) by misrepresenting  
2 the affiliation, connection, or association with, or certification  
3 by, another;
- 4 (iii) violated of 18 U.S.C. § 1343 by transmission of the  
5 misrepresentations identified in Paragraphs 48 through 58 by  
6 means of telephone or other interstate wire in furtherance of a  
7 scheme to defraud Experian and the other credit reporting  
8 agencies;
- 9 (iv) violated the Lanham Act, 15 U.S.C. § 1125(a).

10 119. The acts and practices alleged herein constitute unlawful, unfair and/or  
11 deceptive business practices as set forth in Business and Professions Code § 17200  
12 *et seq.*

13 120. LifeLock and DOES 1-10 continue to engage in such unlawful, unfair  
14 and/or deceptive business practices as identified herein to the present day, including  
15 in its dealings with Experian, and there is a substantial risk that the wrongful acts  
16 will continue in the future, thus warranting (and necessitating) injunctive relief.

17 121. Experian has suffered injury in fact and has lost money and property  
18 as a result of the unfair competition by LifeLock and DOES 1-10.

19 122. Pursuant to California Business and Professions Code Section 17203,  
20 Experian is entitled to equitable relief, including restitution of all profits LifeLock  
21 and DOES 1-10 have retained as a consequence of the unlawful business practices,  
22 in which Experian has an interest and to which Experian is entitled as a result of the  
23 unlawful and unfair business practices.

24 123. Experian is also entitled to injunctive relief preliminary and  
25 permanently restraining LifeLock from continuing the unlawful and unfair business  
26 practices described herein.

1 **EIGHTH CAUSE OF ACTION**

2 **(Unjust Enrichment/Restitution against LifeLock and**  
3 **DOES 1 through 10)**

4 124. Experian repeats, realleges, and incorporates by reference, the  
5 allegations contained in Paragraph 1 through 123, inclusive.

6 125. LifeLock and DOES 1-10 have been unjustly enriched at Experian's  
7 expense by gaming the FCRA, defrauding Experian and consumers, and laundering  
8 fraud alerts through the other credit reporting agencies to Experian's harm and  
9 detriment and to LifeLock's benefit.

10 126. LifeLock and DOES 1-10 neither are "consumers" nor "individual[s]  
11 acting on behalf of or as a personal representative of a consumer," and are not  
12 authorized and/or permitted by the FCRA to submit fraud alerts to Experian directly  
13 or to cause fraud alerts to be referred to Experian by submitting requests for fraud  
14 alerts to other consumer reporting agencies. LifeLock and DOES 1-10 have done  
15 so, and continue to do so, without statutory authorization or permission, while  
16 concealing, misrepresenting and laundering both their identities as the party  
17 requesting the placement of the fraud alert and their corporate status from Experian  
18 and other consumer reporting agencies.

19 127. LifeLock and DOES 1-10 have submitted, and continue to submit,  
20 requests for initial fraud alerts without possessing a good faith suspicion that the  
21 consumer has been or is about to become a victim of fraud or related crime,  
22 including identity theft. In fact, LifeLock and DOES 1-10 have mislead their  
23 customers into believing that they are eligible for fraud alerts on the basis of a  
24 desire to proactively prevent identity theft, if a friend or family member has been a  
25 victim of identity theft, or on the basis of media reports about identity theft.

26 128. LifeLock and DOES 1-10 sequentially submit requests that additional  
27 "initial" fraud alerts be placed in a consumer's file in order to indefinitely extend  
28 the lifespan of the fraud alert. The FCRA does not authorize and/or permit

1 LifeLock and DOES 1-10 to request the repeated, sequential placement of initial  
2 alerts based on the same set of circumstances. The FCRA requires that extended  
3 alerts be requested on the basis of an identity theft report, rather than the suspicion  
4 that the consumer has been or is about to become a victim of fraud or related crime,  
5 including identity theft. The FCRA does not authorize perpetual or indefinite  
6 fraud alerts.

7 129. LifeLock and DOES 1-10 do not obtain their customers' affirmative  
8 assertions that, concurrent with the request for additional initial fraud alerts, the  
9 consumer has a good faith suspicion that the consumer has been or is about to  
10 become a victim of fraud or related crime, including identity theft. Instead,  
11 LifeLock and DOES 1-10 request additional fraud alerts whenever their customers  
12 do not notify LifeLock that they no longer hold such a suspicion.

13 130. LifeLock and DOES 1-10 have solicited consumers with misleading  
14 and false advertising regarding LifeLock's authority to place initial fraud alerts on  
15 consumers' files, consumers' eligibility for initial fraud alerts, the nature and effect  
16 of initial fraud alerts, and the ease in which a customer may request an initial fraud  
17 alert directly from the consumer reporting agencies for free.

18 131. LifeLock and DOES 1-10 have been unjustly enriched by, and  
19 improperly benefited from, its conduct in that: (i) the FCRA contemplates that  
20 fraud alerts will be placed without charge to the requesting consumer, but LifeLock  
21 and DOES 1-10 have charged, received and retained monies paid by consumers for  
22 the placement of fraud alerts; (ii) LifeLock and DOES 1-10 are profiting at the  
23 expense of Experian, who bears all of the costs and burdens of placing and  
24 maintaining the fraud alert in the consumer's file, referring fraud alerts to other  
25 consumer reporting agencies, and providing the consumer with notices and the free  
26 credit report to consumers who request such a report; (iii) LifeLock and DOES 1-10  
27 are profiting from services and work it has wrongly induced Experian to perform,  
28 and (iv) LifeLock and DOES 1-10 are profiting from the placement of fraud alerts



1 for consumers who are not eligible for such alerts, and the provision of free credit  
2 reports to consumers who are not eligible for such reports.

3 132. It would be unjust and unconscionable to permit LifeLock and DOES  
4 1-10 to be enriched at the expense of Experian and to retain the benefits that were  
5 wrongfully obtained through Experian.

6 133. LifeLock and DOES 1-10 have improperly benefited from fraudulent  
7 activities, and thus Experian seeks restitution from LifeLock and DOES 1-10 in the  
8 amount LifeLock and DOES 1-10 have been unjustly enriched and an order  
9 disgorging all profits, benefits and other compensation obtained by LifeLock and  
10 DOES 1-10.

11 **NINTH CAUSE OF ACTION**  
12 **(Quantum Meruit against LifeLock and**  
13 **DOES 1 through 10)**

14 134. Experian repeats, realleges, and incorporates by reference, the  
15 allegations contained in Paragraph 1 through 133, inclusive.

16 135. Experian provides services at the request of LifeLock and DOES 1-10  
17 for which LifeLock charges its customers a monthly fee, including implementation  
18 of fraud alerts and the provision of free credit reports. Experian has received no  
19 compensation from LifeLock and DOES 1-10 for providing these services, and  
20 LifeLock and DOES 1-10 have offered none.

21 136. LifeLock and DOES 1-10 have benefited from the services they have  
22 wrongfully obtained from Experian.

23 137. Experian is entitled to compensation in an amount equal to the value  
24 of the services obtained from it by LifeLock and DOES 1-10.

25 **PRAYER**

26 WHEREFORE, Plaintiff prays judgment against Defendants, and each of  
27 them, as follows:  
28

FIRST CAUSE OF ACTION

1  
2       1.    For a declaration that:

- 3           (i)    LifeLock neither is a “consumer” nor “an individual” “acting on  
4                    behalf of or as a personal representative of a consumer” within  
5                    the meaning of 15 U.S.C. § 1681c-1(a)(1), and is not authorized  
6                    to submit requests for initial fraud alerts to a consumer reporting  
7                    agency under 15 U.S.C. § 1681c-1.
- 8           (ii)   A request for an initial fraud alert submitted by LifeLock is not a  
9                    “direct request of a consumer, or an individual acting on behalf  
10                   of or as a personal representative of a consumer,” within the  
11                   meaning of 15 U.S.C. § 1681c-1(a)(1), and Experian, as a  
12                   consumer reporting agency, is not required by 15 U.S.C.  
13                   § 1681c-1(a)(1) to follow the procedures set forth in 15 U.S.C.  
14                   § 1681c-1(a)(1)(A) and 15 U.S.C. § 1681c-1(a)(1)(B) in  
15                   connection with a request for an initial fraud alert submitted  
16                   by LifeLock.
- 17           (iii)   Experian, as a consumer reporting agency, is not required to  
18                   follow the procedures set forth in 15 U.S.C. § 1681c-1(e) in  
19                   connection with a referral of a fraud alert from another consumer  
20                   reporting agency where the request for the initial fraud alert was  
21                   submitted to the referring consumer reporting agency by  
22                   LifeLock.
- 23           (iv)   Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting  
24                   agency is not required to refer information to Experian in  
25                   connection with an initial fraud alert where the request for that  
26                   initial fraud alert was submitted to the consumer reporting  
27                   agency by LifeLock.
- 28           (v)    LifeLock is not authorized to submit a request for an initial fraud

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alert to Experian or other consumer reporting agency prior to the expiration of any initial fraud alert in the file of the consumer.

(vi) Experian, as a consumer reporting agency, is not required to follow the procedures set forth by 15 U.S.C. § 1681c-1(a)(1) and 15 U.S.C. § 1681c-1(a)(1)(B), when a request for an initial fraud alert is requested to be placed in the file of a consumer prior to the expiration of any initial fraud alert in the file of that consumer.

(vii) Experian, as a consumer reporting agency, is not required to follow the procedures set forth by 15 U.S.C. § 1681c-1(a)(1) and 15 U.S.C. § 1681c-1(a)(1)(B), when a request for an initial fraud alert is referred from another credit reporting agency prior to the expiration of any initial fraud alert in the file of that consumer.

(viii) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting agency is not required to refer information to Experian in connection with an initial fraud alert where the request for that initial fraud alert was requested to be placed in the file of a consumer prior to the expiration of any initial fraud alert in the file of that consumer.

(ix) Under 15 U.S.C. § 1681c-1(a)(1), a consumer or individual requesting the placement of an initial fraud alert must affirmatively assert a good faith suspicion that the consumer has been or is about to become a victim of fraud or related crime, including identity theft, at the time the request for placement of that initial fraud alert is made.

(x) LifeLock is not authorized to submit a request for an initial fraud alert to Experian or other consumer reporting agency, where the consumer has not affirmatively asserted in good faith that the

1 consumer has been or is about to become a victim of fraud or  
2 related crime, including identity theft, at the time that the request  
3 for the placement of that initial fraud alert is made.

4 (xi) Experian, as a consumer reporting agency, is not required by  
5 15 U.S.C. § 1681c-1(a)(1) to follow the procedures set forth in  
6 15 U.S.C. § 1681c-1(a)(1)(A) and 15 U.S.C. § 1681c-1(a)(1)(B),  
7 in connection with a request for an initial fraud alert where the  
8 consumer has not affirmatively asserted in good faith that the  
9 consumer has been or is about to become a victim of fraud or  
10 related crime, including identity theft, at the time that the request  
11 for the placement of that initial fraud alert is made.

12 (xii) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting  
13 agency is not required to refer information to Experian in  
14 connection with an initial fraud alert where the consumer has not  
15 affirmatively asserted in good faith that the consumer has been  
16 or is about to become a victim of fraud or related crime,  
17 including identity theft, at the time that the request for the  
18 placement of that initial fraud alert is made.

19 (xiii) LifeLock is not authorized to submit a request for an initial fraud  
20 alert to Experian or other consumer reporting agency alert where  
21 the request for that initial fraud alert is based on the consumer's  
22 failure to retract an assertion that the consumer was or was about  
23 to become a victim of fraud or related crime, including identity  
24 theft, which was made in connection with a prior request for an  
25 initial fraud alert.

26 (xiv) Experian, as a consumer reporting agency, is not required by  
27 15 U.S.C. § 1681c-1(a)(1) to follow the procedures set forth in  
28 15 U.S.C. § 1681c-1(a)(1)(A) and 15 U.S.C. § 1681c-1(a)(1)(B),

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in connection with a request for an initial fraud alert which is based on the consumer's failure to retract an assertion that the consumer was or was about to become a victim of fraud or related crime, including identity theft, which was made in connection with a prior request for an initial fraud alert.

(xv) Under 15 U.S.C. § 1681c-1(a)(1)(B), a consumer reporting agency is not required to refer information to Experian in connection with an initial fraud alert, which is based upon the consumer's failure to retract an assertion that the consumer was or was about to become a victim of fraud or related crime, including identity theft, and which was made in connection with a prior request for an initial fraud alert.

- 2. For injunctive relief, enjoining Defendants from submitting requests for fraud alerts to Experian, Trans Union and Equifax;
- 3. For costs of suit herein incurred; and
- 4. For such other and further relief as the Court may deem proper.

SECOND CAUSE OF ACTION

- 1. For actual damages in an amount to be proven at trial;
- 2. For restitution to the extent permitted by law;
- 3. For injunctive relief, enjoining Defendants from submitting requests for fraud alerts to Experian, Trans Union and Equifax;
- 4. For costs of suit herein incurred; and
- 5. For such other and further relief as the Court may deem proper.

THIRD CAUSE OF ACTION

- 1. For actual damages in an amount to be proven at trial;
- 2. For restitution to the extent permitted by law;
- 3. For injunctive relief, enjoining Defendants from submitting requests for fraud alerts to Experian, Trans Union and Equifax;

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- 4. For punitive damage;
- 5. For costs of suit herein incurred; and
- 6. For such other and further relief as the Court may deem proper.

FOURTH CAUSE OF ACTION

- 1. For actual damages in an amount to be proven at trial;
- 2. For restitution to the extent permitted by law;
- 3. For injunctive relief, enjoining Defendants from submitting requests for fraud alerts to Experian, Trans Union and Equifax;
- 4. For costs of suit herein incurred; and
- 5. For such other and further relief as the Court may deem proper.

FIFTH CAUSE OF ACTION

- 1. For actual damages in an amount to be proven at trial;
- 2. For restitution to the extent permitted by law;
- 3. For injunctive relief, enjoining Defendants from placing and/or making, or authorizing the placing or making of, any advertisements and/or representations which contain false and misleading statements regarding Defendants' ability and authority to place fraud alerts, the need for a good faith belief in placing fraud alerts, the availability of fraud alerts as a proactive, preventative measure, that consumers are entitled to automatic renewals of fraud alerts, the efficacy of fraud alerts against all types of fraud, that fraud alerts prevent access to credit reports, the difficulty of obtaining fraud alerts through credit bureaus, that LifeLock places fraud alerts directly with Experian, that consumers can only receive the protection afforded by fraud alerts by purchasing LifeLock's service, that creditors will call consumers who have a fraud alert on their file, the source of the credit report provided by LifeLock, and, any other advertising false or misleading advertising regarding fraud alerts, and enjoining the use of the LifeLock name.

- 1 4. For punitive damages;
- 2 5. For costs of suit herein incurred; and
- 3 6. For such other and further relief as the Court may deem proper.

4 SIXTH CAUSE OF ACTION

- 5 1. For restitution to the extent permitted by law;
- 6 2. For disgorgement of profits;
- 7 3. For injunctive relief, enjoining Defendants from placing and/or
- 8 making, or authorizing the placing or making of, any advertisements
- 9 and/or representations which contain false and misleading statements
- 10 regarding Defendants' ability and authority to place fraud alerts, the
- 11 need for a good faith belief in placing fraud alerts, the availability of
- 12 fraud alerts as a proactive, preventative measure, that consumers are
- 13 entitled to automatic renewals of fraud alerts, the efficacy of fraud
- 14 alerts against all types of fraud, that fraud alerts prevent access to credit
- 15 reports, the difficulty of obtaining fraud alerts through credit bureaus,
- 16 that LifeLock places fraud alerts directly with Experian, that
- 17 consumers can only receive the protection afforded by fraud alerts by
- 18 purchasing LifeLock's service, that creditors will call consumers who
- 19 have a fraud alert on their file, the source of the credit report provided
- 20 by LifeLock, and, any other advertising false or misleading advertising
- 21 regarding fraud alerts, and enjoining the use of the LifeLock name.
- 22 4. For costs of suit herein incurred; and
- 23 5. For such other and further relief as the Court may deem proper.

24 SEVENTH CAUSE OF ACTION

- 25 1. For restitution to the extent permitted by law;
- 26 2. For disgorgement of profits;
- 27 3. For injunctive relief, enjoining Defendants from submitting fraud alerts
- 28 on behalf of consumers to Experian, Trans Union and Equifax; and

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enjoining Defendants from placing and/or making, or authorizing the placing or making of, any advertisements and/or representations which contain false and misleading statements regarding Defendants' ability and authority to place fraud alerts, the need for a good faith belief in placing fraud alerts, the availability of fraud alerts as a proactive, preventative measure, that consumers are entitled to automatic renewals of fraud alerts, the efficacy of fraud alerts against all types of fraud, that fraud alerts prevent access to credit reports, the difficulty of obtaining fraud alerts through credit bureaus, that LifeLock places fraud alerts directly with Experian, that consumers can only receive the protection afforded by fraud alerts by purchasing LifeLock's service, that creditors will call consumers who have a fraud alert on their file, the source of the credit report provided by LifeLock, and, any other advertising false or misleading advertising regarding fraud alerts, and enjoining the use of the LifeLock name.

- 4. For costs of suit herein incurred; and
- 5. For such other and further relief as the Court may deem proper.

EIGHTH CAUSE OF ACTION

- 1. For restitution to the extent permitted by law;
- 2. For disgorgement of profits;
- 3. For costs of suit herein incurred; and
- 4. For such other and further relief as the Court may deem proper.



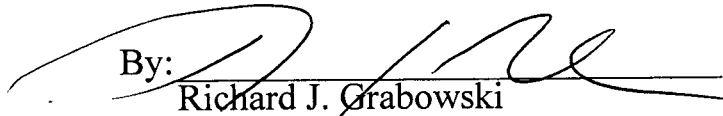
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NINTH CAUSE OF ACTION

1. For restitution to the extent permitted by law;
2. For costs of suit herein incurred; and
3. For such other and further relief as the Court may deem proper.

Dated: February 13, 2008

JONES DAY

By: 

Richard J. Grabowski

Attorneys for Plaintiff  
EXPERIAN INFORMATION  
SOLUTIONS, INC.

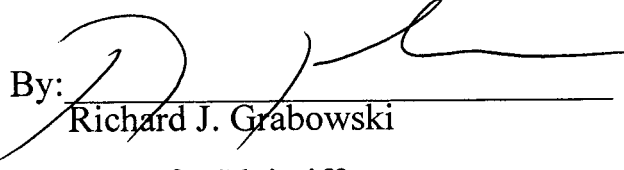
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**DEMAND FOR JURY TRIAL**

Plaintiff Experian Information Solutions, Inc. hereby demands trial by jury.

Dated: February 13, 2008

JONES DAY

By:   
Richard J. Grabowski

Attorneys for Plaintiff  
EXPERIAN INFORMATION  
SOLUTIONS, INC.