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5 **Attorneys for Plaintiffs**

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7
8 **IN THE SUPERIOR COURT OF CALIFORNIA**
9 **IN AND FOR THE COUNTY OF SAN DIEGO**

10 **SAN DIEGO CONSUMERS' ACTION**
11 **NETWORK and JEAN FRAZIER, on**
12 **behalf of themselves, its members, and all**
13 **others similarly situated,**

14 **Plaintiffs,**

15 **v.**

16 **LYFT, INC., a corporation, and DOES 1-**
17 **25,**

18 **Defendants.**

19 **Case No.**

20 **CLASS ACTION COMPLAINT**

21 **Jury Trial Demanded On All Causes**
22 **of Action So Triable**

23 Plaintiffs SAN DIEGO CONSUMERS' ACTION NETWORK ("SDCAN") and JEAN
24 FRAZIER, by and through their counsel, bring this Class Action Complaint against Defendant
25 Lyft, Inc. and DOES 1-25 (collectively, "Lyft" or "Defendant"), on behalf of themselves, SDCAN's
26 members, and all others similarly situated, and allege, upon personal knowledge as to their own
27 actions and counsel's investigation, and upon information and belief as to all other matters, as
28 follows:

29 **NATURE OF THE ACTION**

30 1. Plaintiffs bring this action pursuant to Code Civ. Proc. § 382 and Cal. Civ. Code §
31 1781 seeking restitution and equitable relief for Defendant's acts of unfair competition and
32 violations of law in connection with the assessment and collection of an up to \$1.50 "Trust and
33 Safety Fee".

1 2. Defendant operates a Transportation Network Company (“TNC”) service,
2 commonly known as “Lyft,” which provides transportation services to consumers in cities
3 throughout California and the United States. Defendant operates its ride sharing service
4 exclusively through a mobile phone application (the “Lyft App”) that permits consumers to
5 summon, arrange and pay for transportation network services electronically via their mobile
6 phone. When creating an account with Defendant, which is done by downloading the Lyft App,
7 consumers place a credit or debit card on file with Defendant, which eliminates the need for cash
8 payments. Lyft calculates the fare based on GPS information and thereafter controls the financial
9 transaction between consumers and Lyft drivers. When a consumer completes a Lyft ride,
10 Defendant obtains payment from the consumer’s credit or debit card, retains a substantial portion
11 for itself and pays the balance to the driver.

12 3. Lyft allows almost any person 21 and over with a car less than 12 years old to
13 provide TNC services to consumers through Lyft for compensation, as long as they can provide
14 proof of personal auto insurance -- a requirement for any driver of their own vehicle in California.

15 4. Claiming it was focused and concerned about passenger safety (since virtually
16 anyone can become a Lyft driver), in or about April 2014, Lyft began to charge all consumers a
17 mandatory \$1.00 “Trust and Safety Fee”, which it then increased to \$1.50 in or about October
18 2014. The revenues that Defendant generates by charging the Trust and Safety Fee far exceed the
19 cost of insurance required by California regulators and the amounts Defendant spends on the
20 efforts it claims to undertake to ensure safety, which is supposedly at “the core of its business”.
21 In 2015 Lyft estimates it will provide over 9 million rides. This would mean, on an annualized
22 basis, Lyft would earn more than \$130 million in such fees. In December 2014 when it claims to
23 have provided over 2 million rides, it would have made \$3 million in that month alone. As a
24 consequence, by assessing and charging consumers the \$1.50 Trust and Safety Fee, Defendant
25 has been, and will continue to be, unjustly benefitted.

26 5. Initially, until it entered into a consent decree in December 2014, Lyft represented
27 that its “industry leading” background check process screened out drivers with any history of violent
28 crimes, sexual offenses, theft, property damage, felonies or drug related offenses, which in part

1 justified the fee it imposed. In fact the background check information it accessed was limited in
2 duration and was unable to provide assurance that a Lyft driver has never been convicted of such
3 offenses. It also purported to compare features of its criminal background check process to that
4 performed on taxicab drivers and claimed to perform more stringent checks. Lyft, however, does not
5 and has never provided such a background check process in California or nationwide. To the
6 contrary, the background check process used by Defendant does not use fingerprint identification
7 and therefore cannot ensure that the information Defendant obtains from a background check
8 actually pertains to the driver that submitted the information. By contrast, taxi regulators in
9 major cities in California require drivers to undergo criminal background checks using fingerprint
10 identification, usually employing a technology called “LiveScan.” Requiring fingerprints for
11 background checks ensures that the person whose criminal history has been run is, in fact, the
12 applicant, and is the industry leading background check process.

13 6. Furthermore, revenue generated from the Trust and Safety Fee is not solely used to
14 provide regular comprehensive motor vehicle checks for all vehicles, since Lyft simply has a
15 representative perform a routine check that simply makes sure vehicles are in working order. Nor
16 is revenue generated from the Trust and Safety Fee solely used to provide comprehensive driver
17 safety education for all drivers, as Defendant does not require Lyft drivers to participate in any
18 type of substantial driver safety education program.

19 7. Lyft is shifting its cost of doing business and regulatory compliance to consumers
20 as a separate line item, then touting the fact it is only complying with the minimal level of basic
21 regulatory requirements as a justification for charging this fee. Defendant’s assessment and
22 collection of the \$1.50 Trust and Safety Fee in amounts far in excess of the amounts required for
23 such services constitutes acts of unfair competition as set forth below.

24 8. Plaintiffs bring this class action against Defendant for: (1) violations of
25 California’s Consumers Legal Remedies Act, Cal. Civ. Code § 1750, *et seq.* (injunctive and
26 equitable relief only); and (2) violations of the unlawful, unfair and fraudulent or deceptive prongs
27 of California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, *et seq.* (the “UCL”).
28 Plaintiffs seek an order requiring Defendant to, among other things: (1) cease the unlawful

1 assessment and collection of the Trust and Safety Fee without providing full and adequate
2 disclosure and an accounting as set forth below; (2) conduct a corrective advertising campaign;
3 and (3) pay restitution to Plaintiffs and Class members.

4 **PARTIES**

5 9. Plaintiff SAN DIEGO CONSUMERS' ACTION NETWORK is a state-sanctioned
6 membership non-profit association located in San Diego, California. Since July, 2014, SDCAN has
7 used the Lyft service on approximately eight occasions, has been repeatedly charged the Trust
8 and Safety Fee. It estimates it has paid over \$12 in such fees to Lyft. It has been injured in fact
9 and lost money or property as a result of being charged and paying this fee.

10 10. Plaintiff JEAN FRAZIER is an individual residing in San Diego, California. Since
11 July, 2014, Plaintiff has used the Lyft service on approximately 13 occasions, and has been
12 repeatedly charged the Trust and Safety Fee. She estimates she has paid over \$20 in such fees to
13 Lyft. She has been injured in fact and lost money or property as a result of being charged and
14 paying this fee.

15 11. Defendant Lyft, Inc. is a corporation with its headquarters and principal place of
16 business located in San Francisco, California. It is responsible for setting, disclosing, assessing
17 and collecting the Trust and Safety Fee.

18 12. The true names, roles and capacities of Defendants named as Does 1 through 25,
19 inclusive, are currently unknown to Plaintiffs and, therefore, are named as Defendants under
20 fictitious names pursuant to California Code of Civil Procedure section 474. Plaintiffs will
21 identify their true identities and their involvement in the wrongdoing at issue if and when they
22 become known. Defendants' conduct described herein was undertaken or authorized by Lyft's
23 officers or managing agents who were responsible for supervision and operations decisions. The
24 described conduct of said managing agents and individuals was therefore undertaken on behalf of
25 Lyft. Lyft further had advance knowledge of the actions and conduct of said individuals whose
26 actions and conduct were ratified, authorized, and approved by such managing agents.

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JURISDICTION AND VENUE

1 13. This Court has general subject matter jurisdiction over this action because it is a
2 general matter not subject to trial in other courts.

3 14. This Court has personal jurisdiction over Defendants because Lyft’s principal place
4 of business is located in San Francisco, California, Defendants conduct business in California and
5 otherwise intentionally avails themselves of the markets in California to render the exercise of
6 jurisdiction by this Court proper.

7 15. Venue is proper in this County because Plaintiffs engaged in transactions here, Lyft
8 engages in substantial transactions in this County, conducts business here and many of the acts and
9 omissions complained of occurred here.

FACTUAL ALLEGATIONS

11 **A. The Lyft App and Defendant’s Transportation Network Services**

12 16. Defendant operates a TNC service, commonly known as “Lyft,” which provides
13 transportation services to consumers in cities throughout California and the United States.
14 Defendant operates its ride sharing service exclusively through the “Lyft App” that permits
15 consumers to summon, arrange and pay for transportation services electronically via a mobile
16 phone.

17 17. In order to book transportation services via the Lyft App, passengers must first
18 download the Lyft App to a mobile phone and create an account with Defendant. When creating
19 an account with Lyft, consumers place a credit card on file with Defendant, which eliminates the
20 need for cash payments. When a consumer completes a Lyft ride, Defendant obtains payment
21 from the consumer’s credit card, retains a substantial portion for itself and pays the balance to the
22 driver.

23 **B. Defendant Charges A \$1.50 Trust and Safety Fee Ostensibly To Provide**
24 **Background Checks And Other Safety-Related Services For The Benefit Of**
25 **Consumers**

26 18. In or about April 2014, after announcing it would decrease rates for passengers by
27 up to 20%, Lyft did not in fact materially decrease rates but instead began to charge all consumers
28 of its services a mandatory \$1.00 per ride “Trust and Safety Fee”. This fee was increased by 50%

1 in October 2014, to an average \$1.50 per ride. At least until December 2014 Defendant did not
2 clearly and conspicuously disclose the Trust and Safety Fee to consumers, and even now only
3 does so at the completion of the transaction.

4 19. Beginning with Defendant’s introduction of the Trust and Safety Fee in or about
5 April 2014, Defendant made the following claims: “Trust and safety are our top priorities and are at
6 the core of everything we do. The Trust & Safety fee supports our *industry-leading safety standards*
7 including upfront and ongoing driving record checks, background checks, and insurance.”; “At Lyft,
8 safety is our top priority. From background checks to our first-of-its-kind \$1M liability insurance,
9 *we go above and beyond to create a more safe community.*”; “Every driver who applies to become a
10 part of the community is *screened for criminal offenses and driving incidents.* The criminal
11 background check includes national, county level and national sex offender databases.”;
12 “Background check – No violent crimes – No sexual offenses – No theft – No property damage – No
13 felonies”; “The Lyft platform provides drivers with excess liability insurance up to \$1,000,000 per
14 occurrence. *This first-of-its-kind solution offers peace of mind for both drivers and passengers.*”
15 (Emphasis added.)

16 20. Even after its website was modified in response to the consent decree described
17 below, continuing through the present, Defendant represents on its website that the Trust and
18 Safety Fee was assessed to “support our safety standards, including upfront and ongoing driving
19 record checks, background checks, and insurance”, implying its efforts are industry leading
20 practices that can be relied on by using phrases focusing on issues of safety, including “as
21 pioneers in transportation”, “our first of its kind insurance plan”, “we designed safety into every
22 part of Lyft”, “trust and safety are our top priorities and are at the core of everything we do”, “we
23 go the extra mile for safety” and “we’re changing the industry with safety front of mind”.

24 **C. The Trust and Safety Fee Is A Profit Center For Defendant, Not A Genuine Fee Used**
25 **Exclusively To Obtain Comprehensive Background Checks, Pay for Insurance and**
26 **Driver Education, And Fund Other Programs That Benefit Consumer Safety**

27 21. Defendant generates far more revenues from the assessment and collection of the
28 \$1.50 Trust and Safety Fee than it likely spends on efforts to provide safe rides for the consumers
that pay the Trust and Safety Fee, which it indicates is the sole purpose of imposing this fee. In

1 order to be a Lyft driver, all one needs to provide is proof to Lyft of insurance coverage for their
2 vehicles, that they are over 21 years old and have driven for more than a year, and have a car less
3 than 12 years old. They need to participate in an undefined and likely inexpensive criminal
4 background check of national and county level databases and their driving record to confirm that
5 they do not have any “major” violations in the last three years, any DUIs, hit and run accidents or
6 felonies involving a vehicle in the last 7 years (which is the minimum the CPUC requires).
7 Drivers also participate in an undefined training program where “drivers learn tips for ensuring
8 safe trips, how to contact support, etc.” and a single meeting with a “Lyft mentor” that acts as a
9 passenger on a “short distance trip within the city” and a car inspection. It is up to the driver to
10 continue to receive any type of driver training from Lyft, which is primarily made available on-
11 line at little or no cost to Lyft.

12 22. As Lyft requires its drivers to show proof of insurance and only has purchased an
13 excess auto liability coverage policy that should simply be part of the cost of doing business in
14 any event, Lyft has elected to pass on the regulatory costs of providing safe passage directly to its
15 users, supposedly under the guise of protecting their safety and garnering their trust.

16 23. Lyft anticipates in 2015 it will earn at least \$1.2 billion in gross revenues and \$300
17 million in net revenues. Only a fraction of those net revenues appear to be used for ensuring
18 passenger safety by background and automotive checks and insurance.

19 24. According to Lyft internal financial projections, in December 2014 it delivered 2.2
20 million rides, which was a seven-fold increase from December 2013. In 2015 its ridership is
21 expected to increase from 2.5 million rides per month to almost 13 million rides a month, or an
22 anticipated 90 million rides in 2015. If each consumer is charged \$1.50 per ride, that would
23 account for \$135 million in revenues in 2015 alone, not to mention the millions of dollars in fees
24 Lyft collected in 2014. These fees thus could account for 50% of Lyft’s anticipated 2015 net
25 revenues. And in 2016 Lyft expects its earnings to more than double based on massive increases
26 in ridership. Thus, this is not an insignificant fee – it is a fee that can be the difference in whether
27 Lyft is a profitable venture.

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1 25. Lyft’s claims about the exclusive uses of such funds are also misleading given the
2 massive amount of funding the company has received in the last year. As of March 2015, Lyft
3 announced it had raised \$530 million in new funding, and obtained an additional \$100 million in
4 funding in May 2015. That this funding does not provide the company the wherewithal to
5 connect riders with safe drivers without any further surcharges is extremely dubious. Rather, this
6 fee likely reimburses Lyft in substantial part for the cost of those capital infusions.

7 26. Thus it is highly unlikely Lyft uses over \$100 million annually solely for purposes
8 of paying for routine automotive reviews, on-line driver education, excess auto insurance
9 premiums and incomplete background checks.

10 27. Further, the fees at issue are not based on mileage but rather on a per-trip basis.
11 As a result, this is a highly regressive fee that does not appear to charge customers for the
12 insurance costs that they impose upon Lyft. Rather, it is merely another profit source.

13 **D. Defendant Does Not Provide Or Pay For Comprehensive Background Checks**
14 **Exclusively From the Trust and Safety Fee Proceeds**

15 28. Defendant does not exclusively use the revenues it generates from the Trust and
16 Safety Fee to provide for comprehensive background checks. Defendant does not, and has never,
17 provided consumers of its Lyft services with an acceptable comprehensive background check
18 process.

19 29. To the contrary, the background check process used by Defendant does not use
20 fingerprint identification and therefore cannot ensure that the information Defendant obtains from
21 a background check actually pertains to the Lyft driver that submitted the information.

22 30. Instead of using fingerprints, Defendants’ background check process relies upon its
23 drivers to submit personal identifiers (name, address, driver’s license number and state, and social
24 security number) and then only checks unspecified federal and county-wide data bases for
25 information on criminal conviction history and driving records.

26 31. This process cannot ensure that the information in the background check report is
27 actually associated with the applicant since it does not use a unique biometric identifier such as a
28 fingerprint.

1 32. Lyft also apparently claimed, at least through approximately December 2014, it
2 performed background checks as rigorous than taxicabs. However, taxi regulators in the most
3 populous parts of the United States require drivers to undergo criminal background checks using
4 fingerprint identification employing a technology called “LiveScan.” For example, taxi
5 regulators in San Francisco and Los Angeles all require LiveScan.

6 33. LiveScan fingerprinting in California occurs at a facility designated by the
7 California Department of Justice. The fingerprints allow a biometric search of the California
8 Department of Justice’s criminal history databases and the option to obtain a search of the Federal
9 Bureau of Investigation’s database of multistate criminal history information. The process of
10 using a biometric identifier to search government databases is the highest standard for a
11 background check process.

12 34. Because of the unique identifying characteristics of fingerprints, the LiveScan
13 Process provides assurance that the person whose criminal history has been run is, in fact, the
14 applicant. This would ensure that a registered sex offender could not use his law-abiding brother’s
15 identification information to become a Lyft driver. Lyft does not use this database, however, as
16 on its website it only claims to access “national and county-level databases, as well as national
17 sex offender registries.” It also concedes these types of enhanced background checks are only
18 performed in New York City. The omission of its failure to access these important state-wide
19 databases is material, since this state-wide database is the one most likely to provide the most
20 relevant information to protect the safety of consumers. However, it is a more expensive
21 background check process. If in fact safety was at the core of everything Lyft does, as it claims,
22 it would utilize such a process as it has the financial wherewithal to do so based on the fees it
23 collects from consumers.

24 **E. Defendant Does Not Pay For The Other Safety-Related Services It Claims Are**
25 **Supported By The Trust and Safety Fee**

26 35. Defendant also does not exclusively use the revenues it generates from the Trust
27 and Safety Fee to provide for comprehensive regular motor vehicle checks, driver safety education
28 and insurance.

1 36. Defendant does not use the Trust and Safety Fee exclusively for regular motor
2 vehicle checks, as it claims in a letter from Lyft’s CEO to the CPUC that all it requires is a Lyft
3 employee conduct a routine vehicle inspection that in all likelihood takes less than an hour, and at
4 little cost to Lyft.

5 37. Defendant also does not use the Trust and Safety Fee exclusively to provide Lyft
6 drivers with comprehensive driver safety education. Instead, according to a letter from Lyft’s
7 CEO to the CPUC, Defendant only offers Lyft drivers the opportunity to participate in an on-line
8 training course as well as “tips for ensuring safe trips, how to contact support, etc.”, how to put
9 their phone in “hands free” mode, and testing consisting of a short driving trip with a “Lyft
10 mentor”. After that, drivers only need to voluntarily access “continued driver training via
11 webinars, performance tracking, driver coaching, etc.”, all at virtually no cost to Lyft.

12 38. Even though the CPUC requires a certificate of public insurance to be available on
13 Lyft’s website, Lyft does not make this certificate easily accessible on its website, if at all. And
14 while Lyft touts the availability of “our first of its kind insurance plan” on its website, Lyft
15 obtains no more coverage than the CPUC requires, as it is only an excess coverage plan to
16 driver’s insurance coverage with limited per-incident collision coverage.

17 **F. Lyft Has Entered Into a Consent Decree Over These Practices But Has Yet to Pay**
18 **Restitution**

19 39. In December 2014, Lyft entered into a consent decree with the Los Angeles and
20 San Francisco County District Attorneys in *People v. Lyft, Inc.*, S.F. Sup. Ct. Case No. GCG-14-
21 543113. In their Complaint the People alleged, *inter alia*, how Lyft’s background check claims
22 were false and misleading, and violated both the UCL and CLRA. While ultimately Lyft agreed
23 to pay up to \$500,000 in penalties, it did not pay any restitution to consumers adversely affected
24 by these illegal practices.

25 40. Lyft also agreed in that consent decree it would not make any false or misleading
26 representations, expressly or by implication or material omission, to any consumer, regarding its
27 background checks, or in connection with any description of its efforts to ensure rider safety that
28 includes a reference to background checks, unless they use the most comprehensive and

1 technologically advanced background check process available to screen drivers in California. Yet
2 while it has subsequently modified its website to exclude several of the statements set forth
3 above, Lyft still makes claims about ensuring safety that includes references to background
4 checks but that omits material facts, specifically that Lyft does not use the best available methods
5 for conducting background checks in California and nationwide, such as LiveScan.

6 **CLASS ACTION ALLEGATIONS**

7 41. Plaintiffs seek relief under Code Civ. Proc. § 382 and Cal. Civ. Code § 1781 on
8 behalf of themselves, SDCAN's members, and all others similarly situated, defined as follows: "All
9 persons residing in California who since at least April 2014 paid the Trust and Safety Fee to
10 Defendant" (the "Class").

11 42. Excluded from the Class are Defendant, including any entity in which any
12 Defendant has a controlling interest, is a parent or subsidiary, or which is controlled by Defendant,
13 as well as the officers, directors, affiliates, legal representatives, predecessors, successors, and
14 assigns of any Defendant. Also excluded are the judges and court personnel in this case and any
15 members of their immediate families.

16 43. Plaintiffs reserve the right to amend or modify the Class definition or create
17 subclasses after having had an opportunity to conduct discovery.

18 44. Numerosity. The Class is so numerous that joinder of all members is
19 impracticable. While the precise number of Class members has not been determined at this time,
20 likely hundreds of thousands of consumers have paid the Trust and Safety Fee since at least April
21 2014.

22 45. Commonality. There are questions of law and fact common to each Class member,
23 which predominate over any questions affecting only individual members of the Class. These
24 common questions of law and fact include, without limitation:

- 25 a. Whether or the extent to which Defendant uses revenues generated by the
26 collection of the Trust and Safety Fee exclusively to perform comprehensive motor
27 vehicle inspections, insurance premiums, comprehensive driver safety education,
28 and other efforts to ensure consumer safety;
- b. Whether Defendant violated the UCL or the CLRA; and

1 c. The nature of the relief to which Plaintiffs and the Class members are entitled.

2 46. Typicality. Plaintiffs' claims are typical of the claims of the Class they seek to
3 represent. Plaintiffs and all Class members were exposed to uniform practices, paid the fees at
4 issue, and sustained injuries arising out of and resulting from Defendant's unlawful conduct.

5 47. Adequacy of Representation. Plaintiffs will fairly and adequately represent and
6 protect the interests of the members of the Class. Plaintiffs' counsel is competent and
7 experienced in litigating class actions.

8 **FIRST CAUSE OF ACTION**

9 **Violation of Consumers Legal Remedies Act – Civil Code § 1750, *et seq.***
10 **Equitable Relief Only)**

11 48. Plaintiffs incorporate all preceding factual allegations as if fully set forth herein.

12 49. This cause of action is brought pursuant to the Consumers Legal Remedies Act,
13 California Civil Code § 1750, *et seq.* (the "CLRA"). Defendant's actions and conduct described
14 herein constitute transactions that have resulted in the sale or lease of services to consumers.

15 50. Plaintiffs, its members and/or members of the Class are consumers as defined by
16 California Civil Code §1761(d).

17 51. The transactions at issue involve services within the meaning of Civil Code
18 §1761(a).

19 52. Defendant violated the CLRA in at least the following respects:

20 a. In violation of Cal. Civ. Code § 1770(a)(5) and (7), Defendant advertised these
21 transportation services and the Trust and Safety Fee as having approval,
22 characteristics, uses, or benefits, which they do not have, or are of a particular standard
23 or quality when they are of another, in that such fees are not used exclusively for the
24 represented purposes, or omitted material facts to the contrary they were obligated to
25 disclose in light of the claims they made about the purpose of fee.

26 b. In violation of Cal. Civ. Code § 1770(a)(13) and (14), Defendant represented that a
27 transaction involves obligations by assessing and charging the Trust and Safety Fee
28 and itemizing it on each consumer's receipt, which it does not have or which are

1 prohibited by law, or the reasons for or existence of price reductions, in that such fees
2 are not used exclusively for the represented purposes, or omitted material facts to
3 the contrary they were obligated to disclose in light of the claims they made.

4 c. In violation of Cal. Civ. Code § 1770(a)(16), Defendant represented that the
5 subject of a transaction (charging of the Trust and Safety Fee) has been supplied in
6 accordance with a previous representation when it was not, in that such fees are not
7 used exclusively for the represented purposes, or omitted material facts to the contrary
8 they were obligated to disclose in light of the claims they made.

9 53. Prior to the initiation of this action, Plaintiffs sent a letter notifying Defendant in
10 writing, by certified mail, of the violations alleged herein and demanded that Defendant remedy
11 those violations.

12 54. If Defendant fails to remedy the violations alleged herein within 30 days of receipt
13 of Plaintiffs' notice, Plaintiffs will amend this Complaint to add claims for actual, exemplary, and
14 statutory damages pursuant to the CLRA.

15 55. Plaintiffs do not seek damages at this time and only seek injunctive or other
16 equitable relief as set forth below.

17 **SECOND CAUSE OF ACTION**

18 **Unlawful Business Practices In Violation of Bus. & Prof. Code § 17200, *et seq.***

19 56. Plaintiffs incorporate all preceding factual allegations as if fully set forth herein.

20 57. Defendant's conduct constitutes unlawful business acts or practices under
21 California's UCL, California Business & Professions Code § 17200, *et seq.*

22 58. Defendant's business practices are unlawful because they violate, *inter alia*, the
23 CLRA and the False Advertising Law, Bus. & Prof. Code Section 17500 *et seq.*, as well as the
24 consent decree entered in the *People v. Lyft* action.

25 59. As a result of Defendant's unlawful business acts and practices, Plaintiffs, its
26 members and/or other Class members have suffered injury in fact and lost money or property.

27 60. Plaintiffs request that the Court issue sufficient equitable relief to restore Class
28 members to the position they would have been in had Defendant not engaged in acts of unfair

1 competition, including by ordering restitution of all funds that Defendant may have acquired as a
2 result of its unfair competition, and an injunction prohibiting the charging of the Trust and Safety
3 Fee in its current amount and structure (*i.e.*, a flat fee not tied to distance or the fare charged)
4 without disclosure of the material facts set forth above and without providing a full accounting of
5 the sources and uses of such funds and/or using the best technologically available methods for
6 engaging in background checks, driver education, vehicle inspections and insurance, and engage
7 in a corrective advertising campaign to correct the misperceptions in the market place created by
8 Defendant’s misleading and uncorrected prior and on-going public statements and omissions of
9 material fact.

10 **THIRD CAUSE OF ACTION**

11 **Unfair Business Practices In Violation of Bus. & Prof. Code § 17200, *et seq.***

12 61. Plaintiffs incorporate all preceding factual allegations as if fully set forth herein.

13 62. A business act or practice is “unfair” under the UCL if the reasons, justifications
14 and motives of the alleged wrongdoer are outweighed by the gravity of the harm to the alleged
15 victims. A business act or practice is also “unfair” under the UCL if Defendant’s conduct is
16 immoral, unethical, oppressive, unscrupulous or substantially injurious to consumers. A business
17 act or practice is also “unfair” under the UCL where the consumer injury is substantial, the injury
18 is not outweighed by any countervailing benefits to consumers or competition, and the injury is
19 one that consumers themselves could not reasonably have avoided considering the available
20 alternatives.

21 63. Defendant’s conduct as detailed herein constitutes “unfair” business acts and
22 practices.

23 64. Defendant charged and collected a Trust and Safety Fee to support driver safety
24 education, but did not use all the revenues generated from the collection of the Trust and Safety
25 Fee to provide comprehensive driver safety education for Lyft drivers.

26 65. Defendant charged and collected a Trust and Safety Fee to support regular motor
27 vehicle inspections, but did not use all the revenues generated from the collection of the Trust and
28 Safety Fee to provide comprehensive motor vehicle inspections for all Lyft drivers.

1 F. Ordering Defendants to pay attorneys' fees and litigation costs to Class Counsel
2 pursuant to, *inter alia*, the CLRA, C.C.P. Section 1021.5, the private Attorney General and
3 substantial benefit doctrines;

4 G. Awarding pre- and post-judgment interest on any awarded monetary amounts; and

5 H. Ordering such other and further relief as the Court may determine to be appropriate.

6
7 **JURY DEMAND**

8 Plaintiffs demand a trial by jury of all claims in this Complaint that are so triable.

9 DATED: June 12, 2015

CONSUMER LAW GROUP OF CALIFORNIA

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