

1 JASON M. WUCETICH (STATE BAR NO. 222113)  
 jason@wukolaw.com  
 2 DIMITRIOS V. KOROVILAS (STATE BAR NO. 247230)  
 dimitri@wukolaw.com  
 3 WUCETICH & KOROVILAS LLP  
 222 N. Pacific Coast Hwy., Suite 2000  
 4 El Segundo, CA 90245  
 Telephone: (310) 335-2001  
 5 Facsimile: (310) 364-5201

6 MICHAEL S. MORRISON (SBN 205320)  
 mmorrison@amflp.com  
 7 ERIN A. LIM (SBN 323930)  
 elim@amflp.com  
 8 ALEXANDER MORRISON + FEHR LLP  
 1900 Avenue of the Stars, Suite 900  
 9 Los Angeles, CA 90067  
 Telephone: (310) 394-0888  
 10 Facsimile: (310) 394-0811

11 Attorneys for Plaintiffs  
 WILLIAM MULLER and ANTONIO KNEZEVICH,  
 12 individually and on behalf of all others similarly situated

13  
 14 UNITED STATES DISTRICT COURT  
 15 NORTHERN DISTRICT OF CALIFORNIA  
 16

17 WILLIAM MULLER and ANTONIO  
 KNEZEVICH, individually and on behalf  
 18 of all others similarly situated,

19 Plaintiffs,

20 v.

21 UKG INC.; and DOES 1 through 10,

22 Defendants.  
 23  
 24  
 25  
 26  
 27  
 28

CASE NO.

**CLASS ACTION**

**COMPLAINT FOR:**

- (1) NEGLIGENCE
- (2) NEGLIGENCE PER SE
- (3) UNJUST ENRICHMENT
- (4) DECLARATORY JUDGMENT
- (5) BREACH OF CONTRACT
- (6) VIOLATION OF THE CALIFORNIA CONSUMER PRIVACY ACT, CAL. CIV. CODE § 1798.150
- (7) VIOLATION OF THE CALIFORNIA CUSTOMER RECORDS ACT, CAL. CIV. CODE § 1798.84
- (8) VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW, CAL. BUS. & PROF. CODE § 17200

**DEMAND FOR JURY TRIAL**

1 Plaintiffs William Muller and Antonio Knezevich (“Plaintiffs”), individually and on  
2 behalf of all others similarly situated, hereby complain of defendant UKG Inc. as follows:

3 **SUMMARY OF THE CASE**

4 1. This putative class action arises from defendant UKG Inc.’s negligent failure to  
5 implement and maintain reasonable data security procedures and practices, and the consequent  
6 massive security breach of its systems that began in December 2021 and remains ongoing as of  
7 the date of this complaint. UKG is a multi-billion dollar workforce management technology  
8 company that provides third-party human resources services, including timekeeping and payroll  
9 services, to companies around the globe. In connection with those services, UKG collects, stores,  
10 and processes data for thousands of companies and millions of workers, including a multitude of  
11 companies and workers in California and throughout the nation. UKG’s clients form a broad  
12 cross section of corporate America and public organizations, including the likes of PepsiCo,  
13 Tesla, Gamestop, the University of California system, the County of Santa Clara, and many  
14 private and public hospital and healthcare organizations.

15 2. Due to its lack of adequate security measures, UKG suffered a ransomware attack  
16 and data breach on or around December 11, 2021. That breach not only exposed millions of  
17 workers’ personal information to cybercriminals, but also crippled timekeeping and payroll  
18 systems for their employees, resulting in workers whose data was affected not being paid, being  
19 paid late, or being paid incorrectly. To compound the matter, the timing of the breach left  
20 workers worrying about these financial issues and data concerns in the midst of the holiday  
21 season, wondering if they would be able to make ends meet and how long the problem would  
22 continue. Those worries proved concrete, as UKG has yet to rectify its security problems and its  
23 systems remain disabled as of the date of this complaint.

24 3. Plaintiffs Muller and Knezevich, California PepsiCo and Tesla workers whose data  
25 was impacted by the breach and who lost wages as a result, bring this class action complaint to  
26 redress these injuries, on behalf of themselves and a nationwide class and California subclass of  
27 similarly situated persons. Plaintiffs assert claims on behalf of a nationwide class for negligence,  
28 negligence per se, unjust enrichment, declaratory judgment, and breach of contract, as well as

1 claims on behalf of a California subclass for violation of the California Consumer Privacy Act,  
2 Cal. Civ. Code § 1798.150, California Customer Records Act, Cal. Civ. Code § 1798.80 *et seq.*,  
3 and violation of the California Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 *et seq.*  
4 Plaintiffs seek, among other things, compensatory damages, punitive and exemplary damages,  
5 injunctive relief, attorneys' fees, and costs of suit. Plaintiffs further intend to amend this  
6 complaint to seek statutory damages on behalf of the California subclass upon expiration of the  
7 30-day cure period pursuant to Cal. Civ. Code § 1798.150(b).

8 **PARTIES**

9 4. Plaintiff William Muller is a citizen and resident of the state of California who  
10 works as a truck driver for New Bern Transport Corporation, an exclusive carrier and wholly-  
11 owned subsidiary of PepsiCo.

12 5. Plaintiff Antonio Knezevich is a citizen and resident of the state of California who  
13 works as a truck driver for Tesla, Inc.

14 6. On information and belief, defendant UKG Inc. is a corporation organized and  
15 existed under the laws of the state of Delaware, with dual corporate headquarters in Weston,  
16 Florida, and Lowell, Massachusetts.

17 7. Plaintiff is unaware of the true names and capacities, whether individual,  
18 association, partnership, corporation, other otherwise, of Does 1 through 10, and therefore sues  
19 these defendants by these fictitious names. Each Doe defendant is the principal, agent, or  
20 employee of the other and was acting within the scope of such agency or employment to commit  
21 the acts alleged herein. Each Doe defendant sued herein aided and abetted the other with the  
22 intent that each would be successful in their mutual endeavors. Each Doe defendant contributed  
23 to Plaintiffs' damages and the statutory violations alleged herein. Plaintiffs will amend this  
24 complaint to allege the Doe defendants' true names and capacities when they become known to  
25 Plaintiffs.

26 8. Plaintiffs bring this action on behalf of themselves, on behalf of the general public  
27 as a Private Attorney General pursuant to California Code of Civil Procedure § 1021.5 and on  
28 behalf of a class and subclass of similarly situated persons pursuant Federal Rule of Civil

1 Procedure 23.

2 **JURISDICTION & VENUE**

3 9. This Court has general personal jurisdiction over UKG Inc. because, at all relevant  
4 times, it has had systematic and continuous contacts with the State of California. UKG is  
5 registered to do business in California with the California Secretary of State. UKG regularly  
6 contracts with a multitude of businesses and organizations in California to provide continuous and  
7 ongoing human resources services, including timekeeping and payroll services. And UKG does  
8 in fact actually provide such continuous and ongoing human resources services to such companies  
9 in California.

10 10. Furthermore, this Court has specific personal jurisdiction over UKG Inc. because  
11 the claims in this action stem from its specific contacts with the State of California — namely,  
12 UKG’s provision of payroll and other human resource services to a multitude of companies in  
13 California, UKG’s collection, maintenance, and processing of the personal data of Californians in  
14 connection with such services, UKG’s failure to implement and maintain reasonable security  
15 procedures and practices with respect to that data, and the consequent ransomware attack and  
16 security breach of such data in December 2021 that resulted from UKG’s failures.

17 11. This Court has diversity subject matter jurisdiction under 28 U.S.C. § 1332(d) in  
18 that the mater in controversy exceeds the sum or value of \$5,000,000, exclusive of interests and  
19 costs, and is a class action in which members of the class defined herein include citizens of a  
20 State different from the defendant. Specifically, defendant UKG Inc. is a citizen of the states of  
21 Delaware and/or Florida and/or Massachusetts, and the plaintiff class and/or subclasses defined  
22 herein include citizens of other states, including California.

23 12. Venue is proper in the Northern District of California under 28 U.S.C. § 1391  
24 (b)(1)-(2) and (c)(2) in that defendant UKG Inc. resides within this judicial district and,  
25 alternatively, because a substantial part of the events or omissions giving rise to the claims  
26 alleged herein occurred within this judicial district, specifically UKG’s provision of payroll,  
27 timekeeping, and other human resource services to a multitude of companies in California,  
28 UKG’s collection, maintenance, and processing of the personal data of Californians in connection

1 with such services, UKG’s failure to implement and maintain reasonable security procedures and  
2 practices with respect to that data, and the consequent ransomware attack and security breach of  
3 such data in December 2021 that resulted from UKG’s failure. In addition, Plaintiff is informed  
4 and believes and thereon alleges that members of the class and subclass defined below reside in  
5 the Northern District.

6 **INTRADISTRICT ASSIGNMENT**

7 13. Assignment to the San Francisco/Oakland divisions is proper because a substantial  
8 part of the events or omissions which give rise to the claims herein occurred within San Francisco  
9 County. Further, pursuant to Civil L. R. 3-2(c), all civil actions which arise in the counties of  
10 Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Napa, San Francisco,  
11 San Mateo, or Sonoma shall be assigned to the San Francisco/Oakland Divisions. A substantial  
12 part of the events or omissions giving rise to the claims herein occurred also within these counties  
13 and therefore assignment to the San Francisco/Oakland divisions is proper.

14 **FACTUAL BACKGROUND**

15 14. UKG Inc. (an acronym for Ultimate Kronos Group) is a workforce management  
16 technology company with dual headquarters in Florida and Massachusetts that provides human  
17 resource services, including timekeeping and payroll services, to a multitude of companies  
18 worldwide. The company was founded in April 2020 as the result of a merger between Ultimate  
19 Software and Kronos Incorporated. UKG has reportedly been valued at \$22 billion, generates  
20 approximately \$3.5 billion in revenue per year, and is one of the largest cloud computing  
21 companies in the world. Among other products in its suite of services, UKG provides services  
22 known as the “Kronos Private Cloud” and “UKG Workforce Central,” which are timekeeping and  
23 payroll services.

24 15. UKG provides its timekeeping and payroll services to a multitude of companies  
25 and organizations nationwide, including many that operate in California, the likes of which  
26 include, are not limited to, PepsiCo, Tesla, Gamestop, the University of California system, the  
27 County of Santa Clara, and many private and public hospital and healthcare organizations.  
28 UKG’s timekeeping and payroll services affect thousands of employers and millions of

1 employees.

2 16. In connection with those services, UKG collects, stores, and processes sensitive  
3 personal data for thousands of companies and millions of workers. According to its own privacy  
4 policy, available at [www.ukg.com/privacy](http://www.ukg.com/privacy), in connection with its services, UKG collects personal  
5 information of individuals from a variety of sources, including directly from its customers and  
6 their employees. The privacy policy contains a section entitled “Customers’ Information [and the  
7 Information of Their Employees and Job Applicants]”, which states that UKG collects data  
8 including, but not limited to “name, company name, address, email address, time and attendance  
9 and schedule information, and Social Security Numbers.” On information and belief, UKG also  
10 collects banking information in connection with provision of direct deposit payroll processes as  
11 well as employee identification numbers. For example, UKG’s website indicates that its services,  
12 among other things, allow customers to “[e]nsure accurate, on-time pay to your people” and  
13 “[q]uickly generate payroll documents, such as paychecks and direct-deposit files.”<sup>1</sup>

14 17. UKG knew that it was a prime target for hackers given the significant amount of  
15 sensitive personal information processed through its computer data and storage systems. Experts  
16 studying cyber security routinely identify companies such as UKG that collect, process, and store  
17 massive amounts of data for other companies as being particularly vulnerable to cyberattacks  
18 because of the value of the personal information that they collect and maintain and due to the  
19 massive scope of the adverse impact from a breach. UKG’s knowledge is underscored by the  
20 massive number of data breaches that have occurred in recent years.

21 18. Despite knowing the prevalence of data breaches, UKG failed to prioritize data  
22 security by adopting reasonable data security measures to prevent and detect unauthorized access  
23 to its highly sensitive systems and databases. UKG has the resources to prevent a breach, but  
24 neglected to adequately invest in data security, despite the growing number of well-publicized  
25 breaches. UKG failed to undertake adequate analyses and testing of its own systems, training of  
26 its own personnel, and other data security measures to ensure vulnerabilities were avoided or  
27 remedied and that Plaintiffs’ and class members’ data were protected.

28 <sup>1</sup> See <https://www.ukg.com/resources/ukg-pro-pay-product-profile.pdf>.

1           19.     In or around the weekend of December 11, 2021, UKG experienced a massive data  
2 security breach as a result of a ransomware attack, which the company disclosed at the beginning  
3 of the next week and which was widely reported by the media on December 17, 2021.<sup>2</sup> The  
4 breach impacted, among other things, UKG’s “Kronos Private Cloud”, which is a data storing  
5 device for the company’s services, including its timekeeping and payroll services. The breach  
6 came after a longstanding security flaw in widely used software across the internet, called Log4j,  
7 was made public, opening the door in many companies’ systems to hackers. As a result of the  
8 security breach, UKG’s timekeeping and payroll services were disabled, crippling critical wage  
9 payment infrastructure for millions of workers.

10           20.     In addition to payroll issues, the security breach has also resulted in data privacy  
11 problems, as the data maintained by UKG includes social security numbers and, on information  
12 and belief, banking information. The City of Cleveland announced in a statement after the breach  
13 that UKG alerted it that social security numbers of workers may have been stolen in by the  
14 hackers inside UKG’s network.<sup>3</sup>

15           21.     On information and belief, the personal information UKG collects and which was  
16 impacted by the data breach includes an individual’s first name or first initial and the individual’s  
17 last name in combination with one or more of the following data elements, with either the name  
18 or the data elements not encrypted or redacted: (i) Social security number; (ii) Driver’s license  
19 number, California identification card number, tax identification number, passport number,  
20 military identification number, or other unique identification number issued on a government  
21 document commonly used to verify the identity of a specific individual; (iii) account number or  
22 credit or debit card number, in combination with any required security code, access code, or  
23 password that would permit access to an individual’s financial account; (iv) medical information;  
24 (v) health insurance information; (vi) unique biometric data generated from measurements or  
25 technical analysis of human body characteristics, such as a fingerprint, retina, or iris image, used  
26 to authenticate a specific individual.

27 <sup>2</sup> See <https://www.cnn.com/2021/12/16/tech/kronos-ransomware-attack/index.html>.

28 <sup>3</sup> See <https://clecityhall.com/2021/12/13/city-of-cleveland-statement-on-ultimate-kronos-group-cybersecurity-incident/>.





1 gap measure, since the breach PepsiCo and Tesla have adopted a practice of calculating wages  
2 due to employees based on, among other things, the averaging of their hours in the weeks prior to  
3 the breach. That practice has proved woefully inadequate, resulting in Plaintiffs and employees  
4 like Plaintiffs not being fully paid for all time worked, not being paid overtime, being provided  
5 inaccurate wage statements or no wage statements at all, not being provided meal and rest breaks  
6 or compensation in lieu thereof, all in violation of California law. As but one example, Plaintiffs  
7 and other PepsiCo and Tesla drivers worked extensive extra overtime hours since the breach due  
8 to it being the busy holiday season. However, PepsiCo's and Tesla's haphazard averaging  
9 techniques naturally failed to account for those overtime hours because, among other reasons,  
10 they were based on stale data from a less busy season earlier in the year. Accordingly, Plaintiffs,  
11 along with other PepsiCo and Tesla employees, have experienced significant monetary loss as  
12 consequence of UKG's security breach.

13 27. Members of the class defined herein have similarly experienced significant  
14 monetary loss as a result of the security breach because their employers have likewise failed to  
15 pay them on time, failed to pay them accurately, or failed to pay them at all due to the crippling of  
16 their employers' payroll systems that resulted from the UKG breach.

17 28. As a direct and foreseeable result of UKG's negligent failure to implement and  
18 maintain reasonable data security procedures and practices and the resultant breach of its systems,  
19 Plaintiffs have also suffered harm in that their sensitive personal information has been exposed to  
20 cybercriminals and they has an increased risk and fear of identity theft and fraud. This is not just  
21 a generalized anxiety of possible identify theft, privacy, or fraud concerns, but a concrete risk of  
22 harm resulting from an actual breach and accompanied by actual instances of reported problems  
23 suspect to stem from the breach. In connection with counsel's investigation of this case, workers  
24 impacted by the breach, including PepsiCo employees, have reported hacking of their banking  
25 information in the weeks following the breach. Twitter users have further reported that as a result  
26 of the UKG security breach, hackers obtained workers' phone numbers and began phishing  
27 scams. For example, on December 26, 2021, at 1:58 P.M., Twitter user @\_genosis\_ tweeted:  
28 "For all those who have been affected by the Kronos hack please be aware of this. They have

1 already managed to scam a couple hundred employees from another company so be on the look  
2 out!” That twitter user posted an image of a text chain stating:

3 Hey Team just a heads up. My sister in law is the HR director [for] Gatorade. They too  
4 have been hit by the KRONOS outage. She let me know yesterday that the people that  
5 hacked kronos did in fact get employee phone #'s and names. They are now calling  
6 PepsiCo/Gatorade employees and saying their work for kronos and are calling to verify  
7 employee info. They have managed to scam a couple hundred employees already. Make  
8 sure your teams [know] that there is ZERO reason anyone would ever call them and [ask]  
9 for their info.

10 Accordingly, Plaintiffs have suffered harm in the form of increased fear and risk of identity theft  
11 and fraud resulting from the breach.

12 29. Class members, like Plaintiffs, have also suffered harm in the form of increased  
13 risk and fear of identity theft and fraud stemming from the breach. Class members are well aware  
14 of the security breach event, as it has impacted their payroll and been widely reported in the  
15 media. They are likewise well aware that their sensitive personal information, including social  
16 security numbers and potentially banking information, risks being available to other  
17 cybercriminals on the dark web.

### 18 CLASS ACTION ALLEGATIONS

19 30. Plaintiffs bring this action on behalf of themselves and all other similarly situated  
20 persons pursuant to Federal Rule of Civil Procedure 23, including Rule 23(b)(1)-(3) and (c)(4).  
21 Plaintiffs seek to represent the following class and subclasses:

22 **Nationwide Class.** All persons in the United States whose personal information  
23 and/or payroll systems were compromised in or as a result of the data breach of  
24 UKG Inc. announced on or around December 11, 2021.

25 **California Subclass.** All persons residing in California whose personal  
26 information and/or payroll systems were compromised in or as a result of the data  
27 breach of UKG Inc. announced on or around December 11, 2021.

28 Excluded from the class are the following individuals and/or entities: Defendant and its parents,  
subsidiaries, affiliates, officers, directors, or employees, and any entity in which Defendant has a  
controlling interest; all individuals who make a timely request to be excluded from this  
proceeding using the correct protocol for opting out; and all judges assigned to hear any aspect of

1 this litigation, as well as their immediate family members.

2 31. Plaintiffs reserve the right to amend or modify the class definitions with greater  
3 particularity or further division into subclasses or limitation to particular issues.

4 32. This action has been brought and may be maintained as a class action under Rule  
5 23 because there is a well-defined community of interest in the litigation and the proposed classes  
6 are ascertainable, as described further below:

- 7 a. Numerosity: The potential members of the class as defined are so numerous that  
8 joinder of all members of the class is impracticable. While the precise number of  
9 class members at issue has not been determined, Plaintiffs believe the security  
10 breach affected tens of millions of workers nationwide and at least many tens of  
11 thousands within California.
- 12 b. Commonality: There are questions of law and fact common to Plaintiffs and the  
13 class that predominate over any questions affecting only the individual members of  
14 the class. The common questions of law and fact include, but are not limited to,  
15 the following:
- 16 i. Whether UKG owed a duty to Plaintiffs and class members to exercise due  
17 care in collecting, storing, processing, and safeguarding their personal  
18 information;
  - 19 ii. Whether UKG owed a legal duty to Plaintiffs and class members to  
20 exercise due care to avoid sudden disruption of its human resources  
21 services, including their timekeeping and payroll services;
  - 22 iii. Whether UKG breached those duties;
  - 23 iv. Whether UKG implemented and maintained reasonable security procedures  
24 and practices appropriate to the nature of the personal information of class  
25 members;
  - 26 v. Whether UKG acted negligently in connection with the monitoring and/or  
27 protecting of Plaintiffs' and class members' personal information;
- 28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- vi. Whether UKG knew or should have known that they did not employ reasonable measures to keep Plaintiffs' and class members' personal information secure and prevent loss or misuse of that personal information;
- vii. Whether UKG adequately addressed and fixed the vulnerabilities which permitted the data breach to occur;
- viii. Whether UKG caused Plaintiffs and class members damages;
- ix. Whether the damages UKG caused to Plaintiffs and class members include lost wages resulting from the disabling of UKG's timekeeping and payroll services;
- x. Whether the damages UKG caused to Plaintiffs and class members includes the increased risk and fear of identity theft and fraud resulting from the access and exfiltration, theft, or disclosure of their personal information;
- xi. Whether UKG violated the law by failing to promptly notify class members that their personal information had been compromised;
- xii. Whether Plaintiffs and class members are entitled to credit monitoring and other monetary relief;
- xiii. Whether UKG's failure to implement and maintain reasonable security procedures and practices constitutes negligence;
- xiv. Whether UKG's failure to implement and maintain reasonable security procedures and practices constitutes negligence per se;
- xv. Whether UKG's failure to implement and maintain reasonable security procedures and practices constitutes violation of the Federal Trade Commission Act, 15 U.S.C. § 45(a);
- xvi. Whether UKG's failure to implement and maintain reasonable security procedures and practices constitutes violation of the California Consumer Privacy Act, Cal. Civ. Code § 1798.150, California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200; as well as violations of the laws of

1 the state of Maryland, Delaware, and Florida (the states of which UKG is a  
2 citizen), including: the Massachusetts Data Security Statute, Mass. Gen.  
3 Laws. Ann. Ch. 93A, §§ 1-2(a), 201 Mass. Code Regs. 17.01-05, the  
4 Delaware Computer Security Breach Act, 6 Del. Code Ann. §§ 12B-102, *et*  
5 *seq.*, the Delaware Consumer Fraud Act, 6 Del. Code §§ 2513 *et seq.*, and  
6 Florida’s Deceptive and Unfair Trade Practices Act, Fla. Stat. §§ 501.201  
7 *et seq.*

8 xvii. Whether the California subclass is entitled to actual pecuniary damages  
9 under the private rights of action in the California Customer Records Act,  
10 Cal. Civ. Code § 1798.84 and the California Consumer Privacy Act, Civ.  
11 Code § 1798.150, and the proper measure of such damages.

12 c. Typicality. The claims of the named Plaintiffs are typical of the claims of the class  
13 members because all had their personal information and/or payroll systems  
14 compromised as a result of UKG’s failure to implement and maintain reasonable  
15 security measures and the consequent data breach.

16 d. Adequacy of Representation. Plaintiffs will fairly and adequately represent the  
17 interests of the class. Counsel who represent Plaintiffs are experienced and  
18 competent in consumer and employment class actions, as well as various other  
19 types of complex and class litigation.

20 e. Superiority and Manageability. A class action is superior to other available means  
21 for the fair and efficient adjudication of this controversy. Individual joinder of all  
22 Plaintiffs is not practicable, and questions of law and fact common to Plaintiffs  
23 predominate over any questions affecting only Plaintiff. Each Plaintiff has been  
24 damaged and is entitled to recovery by reason of Defendant’s unlawful failure to  
25 adequately safeguard their data. Class action treatment will allow those similarly  
26 situated persons to litigate their claims in the manner that is most efficient and  
27 economical for the parties and the judicial system. As any civil penalty awarded to  
28 any individual class member may be small, the expense and burden of individual

1 litigation make it impracticable for most class members to seek redress  
2 individually. It is also unlikely that any individual consumer would bring an  
3 action solely on behalf of himself or herself pursuant to the theories asserted  
4 herein. Additionally, the proper measure of civil penalties for each wrongful act  
5 will be answered in a consistent and uniform manner. Furthermore, the  
6 adjudication of this controversy through a class action will avoid the possibility of  
7 inconsistent and potentially conflicting adjudication of the asserted claims. There  
8 will be no difficulty in the management of this action as a class action, as  
9 Defendant's records will readily enable the Court and parties to ascertain affected  
10 companies and their employees.

11 33. Class certification is also appropriate under Fed. R. Civ. P. 23(a) and (b)(2)  
12 because Defendant has acted or refused to act on grounds generally applicable to the class, so that  
13 final injunctive relief or corresponding declaratory relief is appropriate as to the class as a whole.

14 34. Likewise, particular issues under Rule 23(c)(4) are appropriate for certification  
15 because such claims present only particular, common issues, the resolution of which would  
16 advance the disposition of the matters and the parties' interests therein. Such particular issues  
17 include, but are not limited to:

- 18 a. Whether UKG owed a legal duty to Plaintiffs and class members to exercise due  
19 care in collecting, storing, processing, using, and safeguarding their personal  
20 information;
- 21 b. Whether UKG breached that legal duty to Plaintiffs and class members to exercise  
22 due care in collecting, storing, processing, using, and safeguarding their personal  
23 information;
- 24 c. Whether UKG owed a legal duty to Plaintiffs and class members to exercise due  
25 care to avoid sudden disruption of its human resources services, including their  
26 timekeeping and payroll services;

27  
28

- 1 d. Whether UKG breached that legal duty to Plaintiffs and class members to exercise  
2 due care to avoid sudden disruption of its human resources services, including  
3 their timekeeping and payroll services;
- 4 e. Whether UKG failed to comply with their own policies and applicable laws,  
5 regulations, and industry standards relating to data security;
- 6 f. Whether UKG failed to implement and maintain reasonable security procedures  
7 and practices appropriate to the nature of the personal information compromised in  
8 the breach; and
- 9 g. Whether class members are entitled to actual damages, credit monitoring,  
10 injunctive relief, and/or punitive damages as a result of UKG's wrongful conduct  
11 as alleged herein.

12 **FIRST CAUSE OF ACTION**

13 **(Negligence, By Plaintiffs and the Nationwide Class Against All Defendants)**

14 35. Plaintiffs reallege and incorporate by reference the preceding paragraphs as if fully  
15 set forth herein.

16 36. UKG owed a duty to Plaintiffs and class members to exercise reasonable care in  
17 obtaining, storing, using, processing, deleting and safeguarding their personal information in its  
18 possession from being compromised, stolen, accessed, and/or misused by unauthorized persons.  
19 That duty includes a duty to implement and maintain reasonable security procedures and practices  
20 appropriate to the nature of the personal information that were compliant with and/or better than  
21 industry-standard practices. UKG's duties included a duty to design, maintain, and test its  
22 security systems to ensure that Plaintiffs' and class members' personal information was  
23 adequately secured and protected, to implement processes that would detect a breach of its  
24 security system in a timely manner, to timely act upon warnings and alerts, including those  
25 generated by its own security systems regarding intrusions to its networks, and to promptly,  
26 properly, and fully notify its customers, Plaintiffs, and class members of any data breach.

27 37. UKG's duties to use reasonable care arose from several sources, including but not  
28 limited to those described below.

1           38.     UKG had a common law duty to prevent foreseeable harm to others. This duty  
2 existed because Plaintiffs and class members were the foreseeable and probable victims of any  
3 inadequate security practices. In fact, not only was it foreseeable that Plaintiffs and class  
4 members would be harmed by the failure to protect their personal information because hackers  
5 routinely attempt to steal such information and use it for nefarious purposes, but UKG also knew  
6 that it was more likely than not Plaintiffs and other class members would be harmed.

7           39.     UKG's duty also arose under Section 5 of the Federal Trade Commission Act, 15  
8 U.S.C. § 45, which prohibits "unfair . . . practices in or affecting commerce," including, as  
9 interpreted and enforced by the FTC, the unfair practice of failing to use reasonable measures to  
10 protect personal information by companies such as UKG.

11           40.     Various FTC publications and data security breach orders further form the basis of  
12 UKG's duty. According to the FTC, the need for data security should be factored into all  
13 business decision making.<sup>4</sup> In 2016, the FTC updated its publication, *Protecting Personal*  
14 *Information: A Guide for Business*, which established guidelines for fundamental data security  
15 principles and practices for business.<sup>5</sup> Among other things, the guidelines note that businesses  
16 should protect the personal customer information that they keep; properly dispose of personal  
17 information that is no longer needed; encrypt information stored on computer networks;  
18 understand their network's vulnerabilities; and implement policies to correct security problems.  
19 The guidelines also recommend that businesses use an intrusion detection system to expose a  
20 breach as soon as it occurs; monitor all incoming traffic for activity indicating someone is  
21 attempting to hack the system; watch for large amounts of data being transmitted from the  
22 system; and have a response plan ready in the event of a breach. Additionally, the FTC  
23 recommends that companies limit access to sensitive data, require complex passwords to be used  
24 on networks, use industry-tested methods for security, monitor for suspicious activity on the  
25 network, and verify that third-party service providers have implemented reasonable security

26 <sup>4</sup> *Start with Security, A Guide for Business*, FTC (June 2015),  
27 <https://www.ftc.com/system/files/documents/plain-language/pdf0205-startwithsecurity.pdf>.

28 <sup>5</sup> *Protecting Personal Information, A Guide for Business*, FTC (Oct. 2016),  
[https://www.ftc.com/system/files/documents/plain-language/pdf-0136\\_proteting-personal-informaiton.pdf](https://www.ftc.com/system/files/documents/plain-language/pdf-0136_proteting-personal-informaiton.pdf).



1 measures.

2 41. In addition, individual states have enacted statutes based on the FTC Act that also  
3 created a duty, including, among others, those referenced in paragraph 32.b.xvi.

4 42. UKG's duty also arose from its unique position as one of the largest cloud  
5 computing companies in the world whose services constitute a linchpin of the payroll services of  
6 a substantial fraction of the nation. As set forth above, the data breach herein affected thousands  
7 of companies and millions of employees. UKG undertakes its collection of sensitive personal  
8 information of employees generally through direct relationships between UKG and employers,  
9 generally without the direct consent of employees who have no option but to be affected by  
10 UKG's actions. Plaintiffs and class members cannot "opt out" of UKG's activities. UKG holds  
11 itself out as a trusted steward of consumer and employee data, and thereby assumed a duty to  
12 reasonably protect that data. Plaintiffs and class members, and indeed the general public,  
13 collectively repose a trust and confidence in UKG to perform that stewardship carefully.

14 Otherwise consumers and employees would be powerless to fully protect their interests regarding  
15 their personal information, which is controlled by UKG. Because of its crucial role within the  
16 payroll system, UKG was in a unique and superior position to protect against the harm suffered  
17 by Plaintiffs and class members as a result of the UKG data breach. By obtaining, collecting,  
18 using, and deriving a benefit from Plaintiffs' and class members' personal information, UKG  
19 assumed legal and equitable duties and knew or should have known that it was responsible for  
20 protecting Plaintiffs' and class members' personal information from disclosure.

21 43. UKG admits that it has an enormous responsibility to protect employee data, that it  
22 is entrusted with this data, and that it did not live up to its responsibilities to protect the personal  
23 information at issue here.

24 44. UKG's privacy policy has a specific "Security" section which states:

25 To prevent unauthorized access or disclosure, to maintain data accuracy, and to  
26 allow only the appropriate use of your PI, UKG utilizes physical, technical, and  
27 administrative controls and procedures to safeguard the information we collect.

28 To protect the confidentiality, integrity, availability and resilience of your PI, we  
utilize a variety of physical and logical access controls, firewalls, intrusion

1 detection/prevention systems, network and database monitoring, anti-virus, and  
2 backup systems. We use encrypted sessions when collecting or transferring  
sensitive data through our websites.

3 We limit access to your PI and data to those persons who have a specific business  
4 purpose for maintaining and processing such information. Our employees who  
5 have been granted access to your PI are made aware of their responsibilities to  
6 protect the confidentiality, integrity, and availability of that information and have  
been provided training and instruction on how to do so.

7 Accordingly, UKG admits that it has a duty and responsibility to adequately safeguard Plaintiffs'  
8 and class members' personal information.

9 45. UKG also had a duty to safeguard the personal information of Plaintiffs and class  
10 members and to promptly notify them and their employers of a breach because of state laws and  
11 statutes that require UKG to reasonably safeguard personal information, as detailed herein,  
12 including Cal. Civ. Code § 1798.80 *et seq.*

13 46. Timely notification was required, appropriate, and necessary so that, among other  
14 things, Plaintiffs and class members could take appropriate measures to freeze or lock their credit  
15 profiles, cancel or change usernames or passwords on compromised accounts, monitor their  
16 account information and credit reports for fraudulent activity, contact their banks or other  
17 financial institutions that issue their credit or debit cards, obtain credit monitoring services,  
18 develop alternative timekeeping methods or other tacks to avoid untimely or inaccurate wage  
19 payments, and take other steps to mitigate or ameliorate the damages caused by UKG's  
20 misconduct.

21 47. UKG also owed a duty to Plaintiffs and class members to exercise reasonable care  
22 to avoid sudden disruption of their human resources services, including their timekeeping and  
23 payroll services. UKG undertook of its own volition responsibility to provide continuous and  
24 ongoing timekeeping and payroll services to the employers of Plaintiffs and class members,  
25 knowing that such services were for the benefit of making timely wage payments to them, among  
26 other things, and that any disruption, particularly any sudden disruption, would cause Plaintiffs  
27 and class members harm.

28 48. Plaintiffs and class members have taken reasonable steps to maintain the

1 confidentiality of their personal information.

2 49. UKG breached the duties it owed to Plaintiffs and class members described above  
3 and thus was negligent. UKG breached these duties by, among other things, failing to: (a)  
4 exercise reasonable care and implement adequate security systems, protocols and practices  
5 sufficient to protect the personal information of Plaintiffs and class members; (b) prevent the  
6 breach; (c) detect the breach while it was ongoing; (d) maintain security systems consistent with  
7 industry standards and necessary to avoid the disabling of payroll systems for thousands of  
8 companies and millions of workers; (e) disclose that Plaintiffs' and class members' personal  
9 information in UKG's possession had been or was reasonably believed to have been stolen or  
10 compromised; and (f) avoid disruption and continued disruption of its timekeeping and payroll  
11 services.

12 50. UKG knew or should have known of the risks of collecting and storing personal  
13 information and the importance of maintaining secure systems, especially in light of the  
14 increasing frequency of ransomware attacks and known coding vulnerabilities previously reported  
15 by news media and Alibaba earlier in 2021. Specifically, among other things, the Log4Shell is a  
16 software vulnerability in Apache Log4j 2, a popular Java library for logging error messages in  
17 applications. The vulnerability, published prior to the data breach, enables an attacker to take  
18 control of a device on the internet if the device is running certain versions of Log4j 2. These  
19 vulnerabilities had been reported earlier in 2021. The sheer scope of UKG's operations, which  
20 affect thousands of employers and millions of employees, further shows that UKG knew or  
21 should have known of the risks and possible harm that could result from its failure to implement  
22 and maintain reasonable security measures. On information and belief this is but one of the  
23 several vulnerabilities that plagued UKG's systems and led to the data breach.

24 51. Through UKG's acts and omissions described in this complaint, including UKG's  
25 failure to provide adequate security and its failure to protect the personal information of Plaintiffs  
26 and class members from being foreseeably captured, accessed, exfiltrated, stolen, disclosed,  
27 accessed, and misused, UKG unlawfully breached its duty to use reasonable care to adequately  
28 protect and secure Plaintiffs' and class members' personal information. UKG further failed to

1 timely and accurately disclose to customers, Plaintiffs, and class members that their personal  
2 information had been improperly acquired or access and was available for sale to criminals on the  
3 dark web. Indeed, Plaintiffs and class members received no notice of the breach directly from  
4 UKG. UKG issued a public statement and in some instances issued notices to its customers (the  
5 employers of Plaintiffs and class members) but failed to adequately describe all types of personal  
6 information that were exfiltrated, stolen, disclosed, or accessed by the ransomware attackers.

7 52. UKG further breached its duty to Plaintiffs and Class members to exercise  
8 reasonable care to avoid sudden disruption of their human resources services, including their  
9 timekeeping and payroll services, by allowing its systems to remain disabled for multiple weeks  
10 (and counting) and failing to adequately and timely remedy its security vulnerabilities.

11 53. But for UKG's wrongful and negligent breach of its duties owed to Plaintiffs and  
12 class members, their personal information would not have been compromised nor their  
13 timekeeping and payroll services disabled.

14 54. Plaintiffs and class members relied on UKG to keep their personal information  
15 confidential and securely maintained, and to use this information for business purposes only, and  
16 to make only authorized disclosures of this information.

17 55. As a direct and proximate result of UKG's negligence, Plaintiffs and class  
18 members have been injured as described herein, and are entitled to damages, including  
19 compensatory, punitive, and nominal damages, in an amount to be proven at trial. As a result of  
20 UKG's failure to protect Plaintiffs' and class members' personal information, Plaintiffs' and class  
21 members' personal information has been accessed by malicious cybercriminals. Plaintiffs' and  
22 the class members' injuries include:

- 23 a. damages stemming from Plaintiffs and class members not being fully paid for all  
24 time worked, not being paid overtime, being provided inaccurate wage statements  
25 or no wage statements at all, not being provided meal and rest breaks or  
26 compensation in lieu thereof, all in violation of federal and state laws;
- 27 b. damages stemming from the fear and anxiety of Plaintiffs and class members  
28 concerning whether they would be fully, timely, and accurately paid for all time

1 worked during the 2021-2022 holiday season, and regarding how long such  
2 disruptions to their payroll systems would continue;

- 3 c. theft of their personal information;
- 4 d. costs associated with requested credit freezes;
- 5 e. costs associated with the detection and prevention of identity theft and  
6 unauthorized use of their financial accounts;
- 7 f. costs associated with purchasing credit monitoring and identity theft protection  
8 services;
- 9 g. unauthorized charges and loss of use of and access to their financial account funds  
10 and costs associated with the inability to obtain money from their accounts or  
11 being limited in the amount of money they were permitted to obtain from their  
12 accounts, including missed payments on bills and loans, late charges and fees, and  
13 adverse effects on their credit;
- 14 h. lowered credit scores resulting from credit inquiries following fraudulent  
15 activities;
- 16 i. costs associated with time spent and loss of productivity from taking time to  
17 address and attempt to ameliorate, mitigate, and deal with the actual and future  
18 consequences of the data breach, including finding fraudulent charges, cancelling  
19 and reissuing cards, enrolling in credit monitoring and identity theft protection  
20 services, freezing and unfreezing accounts, and imposing withdrawal and purchase  
21 limits on compromised accounts;
- 22 j. the imminent and certainly impending injury flowing from potential fraud and  
23 identity theft posed by their personal information being placed in the hands of  
24 criminals;
- 25 k. damages to and diminution of value of their personal information entrusted,  
26 directly or indirectly, to UKG with the mutual understanding that UKG would  
27 safeguard Plaintiffs' and the class members' data against theft and not allow  
28 access and misuse of their data by others;

- 1 l. continued risk of exposure to hackers and thieves of their personal information,  
2 which remains in UKG's possession and is subject to further breaches so long as  
3 UKG fails to undertake appropriate and adequate measures to protect Plaintiffs and  
4 class members;
- 5 m. loss of the inherent value of their personal information;
- 6 n. and other significant additional risk of identity theft, financial fraud, and other  
7 identity-related fraud in the indefinite future.

## 8 **SECOND CAUSE OF ACTION**

### 9 **(Negligence Per Se, By Plaintiffs and the Nationwide Class Against All Defendants)**

10 56. Plaintiffs reallege and incorporate by reference the preceding paragraphs as if fully  
11 set forth herein.

12 57. Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, prohibits “unfair .  
13 . . . practices in or affecting commerce,” including, as interpreted and enforced by the FTC, the  
14 unfair practice of failing to use reasonable measures to protect personal information by companies  
15 such as UKG. Various FTC publications and data security breach orders further form the basis of  
16 UKG's duty. In addition, individual states have enacted statutes based on the FTC Act that also  
17 created a duty.

18 58. UKG violated Section 5 of the FTC Act (and similar state statutes) by failing to  
19 use reasonable measures to protect personal information and not complying with industry  
20 standards. UKG's conduct was particularly unreasonable given the nature and amount of  
21 personal information it obtained and stored and the foreseeable consequences of a data breach at  
22 one of the largest cloud computing companies in the world handling timekeeping and payroll data  
23 for thousands of companies and millions of employees.

24 59. UKG's violation of Section 5 of the FTC Act (and similar state statutes)  
25 constitutes negligence *per se*.

26 60. Plaintiffs and class members are consumers within the class of persons Section 5  
27 of the FTC Act (and similar state statutes) was meant to protect.

28 61. Moreover, the harm that has occurred is the type of harm that the FTC Act (and

1 similar state statutes) was intended to guard against. Indeed, the FTC has pursued over fifty  
2 enforcement actions against businesses which, as a result of their failure to employ reasonable  
3 data security measures and avoid unfair and deceptive practices, caused the same harm suffered  
4 by Plaintiffs and the class.

5 62. UKG is a citizen of the states of Massachusetts, Delaware, and/or Florida, in that it  
6 incorporated in Delaware and operates dual headquarters in Massachusetts and Florida. All of its  
7 activities are therefore subject to the laws of these states. UKG's actions as described herein  
8 constitute unfair methods of competition and unfair and deceptive acts and practices in the  
9 conduct of trade or commerce, in violation of Mass. Gen. Laws. Ann. Ch. 93A, §§ 1-2(a), as well  
10 as violations of the Massachusetts Data Security statute and its implementing regulations, Mass.  
11 Gen. Laws. Ann. Ch. 93H, § 2; and 201 Mass. Code Regs. 17.01-05, violations of the Delaware  
12 Computer Security Breach Act, 6 Del. Code Ann. §§ 12B-102, *et seq.*, the Delaware Consumer  
13 Fraud Act, 6 Del. Code §§ 2513 *et seq.*, and violations of Florida's Deceptive and Unfair Trade  
14 Practices Act, Fla. Stat. §§ 501.201 *et seq.*, specifically in that UKG misrepresented that it would  
15 protect the privacy and confidentiality of Plaintiffs and class members' personal information,  
16 including by implementing and maintaining reasonable security measures, then failed to do so,  
17 and further failed to promptly, fully, and adequately notify Plaintiffs and class members of the  
18 breach. UKG's violations of these statutes constitute negligence *per se*. Plaintiffs and class  
19 members are within the class of persons these statutes were meant to protect. Moreover, the harm  
20 that has occurred is the type of harm that these state statutes intended to guard against.

21 63. As a direct and proximate result of UKG's negligence, Plaintiffs and class  
22 members have been injured as described herein and in paragraph 55 above, and are entitled to  
23 damages, including compensatory, punitive, and nominal damages, in an amount to be proven at  
24 trial.

### 25 **THIRD CAUSE OF ACTION**

#### 26 **(Unjust Enrichment, By Plaintiffs and the Nationwide Class Against All Defendants)**

27 64. Plaintiffs reallege and incorporate by reference the preceding paragraphs as though  
28 fully set forth herein.

1           65. Plaintiffs and class members have an interest, both equitable and legal, in the  
2 personal information about them that was conferred upon, collected by, and maintained by UGK  
3 and that was ultimately converted, stolen, removed, deleted, exfiltrated, or disclosed in the UKG  
4 data breach. This personal information was conferred on UKG in most cases by third parties,  
5 class members' employers, but in some instances directly by Plaintiffs and class members  
6 themselves.

7           66. UKG was benefitted by the conferral upon it of the personal information  
8 pertaining to Plaintiffs and class members and by its ability to retain and use that information.  
9 UKG understood that it was in fact so benefitted.

10           67. UKG also understood and appreciated that the personal information pertaining to  
11 Plaintiffs and class members was private and confidential and its value depended upon UKG  
12 maintaining the privacy, security, and confidentiality of that personal information.

13           68. But for UKG's willingness and commitment to maintain its privacy, security, and  
14 confidentiality, that personal information would not have been transferred to and entrusted with  
15 UKG. Further, if UKG has disclosed that its data security measures were inadequate, UKG  
16 would not have been permitted to continue in operation by regulators, its shareholders, and  
17 participants in the marketplace.

18           69. As a result of UKG's wrongful conduct as alleged in this Complaint (including  
19 among other things its failure to employ adequate data security measures, its continued  
20 maintenance and use of the personal information belonging to Plaintiffs and class members  
21 without having adequate data security measures, and its other conduct in facilitating the theft of  
22 that personal information), UKG has been unjustly enriched at the expense of, and to the  
23 detriment of, Plaintiffs and class members. Among other things, UKG has and continues to  
24 benefit and profit from the sale of the personal information and from its contracts to use that  
25 personal information to process timekeeping and payroll, while the value to Plaintiffs and class  
26 members has been diminished.

27           70. UKG's unjust enrichment is traceable to, and resulted directly and proximately  
28 from, the conduct alleged herein, including the compiling and use of Plaintiffs' and Class



1 members' sensitive personal information, while at the same time failing to maintain that  
2 information secure from intrusion and theft by hackers and identity thieves.

3 71. Under the common law doctrine of unjust enrichment, it is inequitable for UKG to  
4 be permitted to retain the benefits it received, and is still receiving, without justification, from  
5 Plaintiffs and class members in an unfair and unconscionable manner. UKG's retention of such  
6 benefits under circumstances making such retention inequitable constitutes unjust enrichment.

7 72. The benefit conferred upon, received, and enjoyed by UKG was not conferred  
8 officiously or gratuitously, and it would be inequitable and unjust for UKG to retain the benefit.

9 73. UKG is therefore liable to Plaintiffs and class members for restitution in the  
10 amount of the benefit conferred on UKG as a result of its wrongful conduct, including  
11 specifically the value to UKG of the personal information that was stolen and the payroll systems  
12 that were compromised in the UKG data breach and the profits UKG is receiving from the use,  
13 sale, and processing of that information, including any profits from its timekeeping and payroll  
14 services.

15 **FOURTH CAUSE OF ACTION**

16 **(Declaratory Judgment, By Plaintiffs and the Nationwide Class Against All Defendants)**

17 74. Plaintiffs reallege and incorporate by reference the preceding paragraphs as though  
18 fully set forth herein.

19 75. Under the Declaratory Judgment Act, 28 U.S.C. §§ 2201 *et seq.*, this Court is  
20 authorized to enter a judgment declaring the rights and legal relations of the parties and grant  
21 further necessary relief. Furthermore, the Court has broad authority to restrain acts, such as here,  
22 that are tortious and violate the terms of the federal and state statutes described in this complaint.

23 76. An actual controversy has arisen in the wake of the UKG data breach regarding its  
24 present and prospective common law and other duties to reasonably safeguard its customers and  
25 their employees' personal information, to avoid disruption of timekeeping and payroll services,  
26 and regarding whether UKG is currently maintaining data security measures adequate to protect  
27 Plaintiffs and class members from further data breaches that compromise their personal  
28

1 information and timekeeping and payroll services. Plaintiffs allege that UKG's data security  
2 measures remain inadequate. UKG denies these allegations. Plaintiffs continue to suffer injury  
3 as a result of the compromise of their personal information and remain at imminent risk that  
4 further compromises of their personal information will occur in the future.

5 77. Pursuant to its authority under the Declaratory Judgment Act, this Court should  
6 enter a judgment declaring, among other things, the following:

- 7 a. UKG continues to owe a legal duty to secure consumers' and employees personal  
8 information, including Plaintiffs' and class members' personal information, to  
9 timely notify them of a data breach under the common law, Section 5 of the FTC  
10 Act, and various state statutes, and to avoid disruption to their timekeeping and  
11 payroll services;
- 12 b. UKG continues to breach this legal duty by failing to employ reasonable measures  
13 to secure Plaintiffs' and class members' personal information and by failing to  
14 avoid disruption of their timekeeping and payroll services.

15 78. The Court should issue corresponding prospective injunctive relief requiring UKG  
16 to employ adequate security protocols consistent with law and industry standards to protect  
17 Plaintiffs' and class members' personal information and timekeeping and payroll services.

18 79. If an injunction is not issued, Plaintiffs will suffer irreparable injury, and lack an  
19 adequate legal remedy, in the event of another data breach at UKG. The risk of another such  
20 breach is real, immediate, and substantial. If another breach at UKG occurs, Plaintiffs will not  
21 have an adequate remedy at law because many of the resulting injuries are not readily quantified  
22 and they will be forced to bring multiple lawsuits to rectify the same conduct.

23 80. The hardship to Plaintiffs if an injunction does not issue exceeds the hardship to  
24 UKG if an injunction is issued. Among other things, if another massive data breach occurs at  
25 UKG, Plaintiffs and class members will likely be subjected to substantial identity theft and other  
26 damage, including continuing lost wages from timekeeping and payroll interruptions. On the  
27 other hand, the cost to UKG of complying with an injunction by employing reasonable  
28 prospective data security measures is relatively minimal, and UKG has a pre-existing legal

1 obligation to employ such measures.

2 81. Issuance of the requested injunction will not disserve the public interest. To the  
3 contrary, such an injunction would benefit the public by preventing another data breach at UKG,  
4 thus eliminating the additional injuries that would result to Plaintiffs and the millions of class  
5 members whose confidential information would be further compromised.

6 **FIFTH CAUSE OF ACTION**

7 **(Breach of Contract, By Plaintiffs and the Nationwide Class Against All Defendants)**

8 82. Plaintiffs reallege and incorporate by reference the preceding paragraphs as though  
9 fully set forth herein.

10 83. UKG’s privacy policy is an agreement between UKG and its customers as well as  
11 the employees of its customers, who include Plaintiffs and class members, and who provided their  
12 personal information to UKG.

13 84. UKG’s privacy policy has a “Security” section which specifically states:

14 To prevent unauthorized access or disclosure, to maintain data accuracy, and to  
15 allow only the appropriate use of your PI, UKG utilizes physical, technical, and  
16 administrative controls and procedures to safeguard the information we collect.

17 To protect the confidentiality, integrity, availability and resilience of your PI, we  
18 utilize a variety of physical and logical access controls, firewalls, intrusion  
19 detection/prevention systems, network and database monitoring, anti-virus, and  
20 backup systems. We use encrypted sessions when collecting or transferring  
21 sensitive data through our websites.

22 We limit access to your PI and data to those persons who have a specific business  
23 purpose for maintaining and processing such information. Our employees who  
24 have been granted access to your PI are made aware of their responsibilities to  
25 protect the confidentiality, integrity, and availability of that information and have  
26 been provided training and instruction on how to do so.

27 85. This privacy policy constitutes a contract or implied contract between UKG, on the  
28 one hand, and Plaintiffs and class members, on the other hand. This contract or implied contract  
was formed when Plaintiffs and Class members entrusted their personal information to their  
employers, who in turn entrusted it to UKG, and in instances when Plaintiffs and class members  
provided their personal information directly to UKG. UKG specifically contracted to implement

1 and maintain reasonable security measures and to limit access to Plaintiffs’ and class members’  
2 data, and undertook a responsibility and contractual obligation to do so. UKG undertook these  
3 duties specifically for the purpose of facilitating continuing and ongoing payroll and timekeeping  
4 services for Plaintiffs and class members.

5 86. Plaintiffs and class members are further third-party beneficiaries of any such  
6 contract between their employers and UKG.

7 87. Plaintiffs and class members fully performed their obligations under the contracts  
8 or implied contracts with UKG.

9 88. UKG breached its contracts or implied contracts with Plaintiffs and class members  
10 by failing to protect their personal information. Specifically, it failed to take reasonable steps to  
11 use safe and secure systems to protect that information, failed to have appropriate security  
12 protocols and measures in place to protect that information, such as adequate internal and external  
13 firewalls, physical security, technological security measures, and encryption, disclosed that  
14 information to unauthorized third parties, failed to promptly alert or give notice of the breach to  
15 Plaintiffs and class members, and failed to adequately continue to provide ongoing payroll and  
16 maintenance services to Plaintiffs and class members.

17 89. As a direct and proximate result of UKG’s breaches of contract, Plaintiffs and  
18 class members sustained actual losses, damages, and consequential damages as described above,  
19 and are also entitled to recover nominal damages.

20 **SIXTH CAUSE OF ACTION**

21 **(Violation of the California Consumer Privacy Act,**  
22 **Cal. Civ. Code §§ 1798.100 *et seq.*, § 1798.150(a)**  
23 **By Plaintiffs and the California Subclass Against All Defendants)**

24 90. Plaintiffs reallege and incorporate by reference the preceding paragraphs as though  
25 fully set forth herein.

26 91. The California Consumer Privacy Act (“CCPA”), Cal. Civ. Code § 1798.150(a),  
27 creates a private cause of action for violations of the CCPA. Section 1798.150(a) specifically  
28 provides:

1 Any consumer whose nonencrypted and nonredacted personal information, as  
2 defined in subparagraph (A) of paragraph (1) of subdivision (d) of Section  
3 1798.81.5, is subject to an unauthorized access and exfiltration, theft, or  
4 disclosure as a result of the business’s violation of the duty to implement and  
5 maintain reasonable security procedures and practices appropriate to the  
6 nature of the information to protect the personal information may institute a  
7 civil action for any of the following:

8 (A) To recover damages in an amount not less than one hundred  
9 dollars (\$100) and not greater than seven hundred and fifty (\$750) per  
10 consumer per incident or actual damages, whichever is greater.

11 (B) Injunctive or declaratory relief.

12 (C) Any other relief the court deems proper.

13 92. UKG is a “business” under § 1798.140(b) in that it is a corporation organized for  
14 profit or financial benefit of its shareholders or other owners, with gross revenue in excess of \$25  
15 million. Indeed, its revenue reaches into the many billions per year.

16 93. Plaintiffs and California subclass members are covered “consumers” under §  
17 1798.140(g) in that they are natural persons who are California residents.

18 94. The personal information of Plaintiffs and the California subclass at issue in this  
19 lawsuit constitutes “personal information” under § 1798.150(a) and 1798.81.5, in that the  
20 personal information UKG collects and which was impacted by the data breach includes an  
21 individual’s first name or first initial and the individual’s last name in combination with one or  
22 more of the following data elements, with either the name or the data elements not encrypted or  
23 redacted: (i) Social security number; (ii) Driver’s license number, California identification card  
24 number, tax identification number, passport number, military identification number, or other  
25 unique identification number issued on a government document commonly used to verify the  
26 identity of a specific individual; (iii) account number or credit or debit card number, in  
27 combination with any required security code, access code, or password that would permit access  
28 to an individual’s financial account; (iv) medical information; (v) health insurance information;  
(vi) unique biometric data generated from measurements or technical analysis of human body  
characteristics, such as a fingerprint, retina, or iris image, used to authenticate a specific  
individual.

1           95.     UKG knew or should have known that its computer systems and data security  
2 practices were inadequate to safeguard the California subclass’s personal information and that the  
3 risk of a data breach or theft was highly likely. UKG failed to implement and maintain  
4 reasonable security procedures and practices appropriate to the nature of the information to  
5 protect the personal information of Plaintiffs and the California subclass. Specifically, UKG  
6 subjected Plaintiffs’ and the California subclass’s nonencrypted and nonredacted personal  
7 information to an unauthorized access and exfiltration, theft, or disclosure as a result of the  
8 UKG’s violation of the duty to implement and maintain reasonable security procedures and  
9 practices appropriate to the nature of the information, as described herein.

10           96.     As a direct and proximate result of UKG’s violation of its duty, the unauthorized  
11 access and exfiltration, theft, or disclosure of Plaintiffs’ and class members’ personal information  
12 included exfiltration, theft, or disclosure through UKG’s servers, systems, and website, and/or the  
13 dark web, where hackers further disclosed UKG’s customers’ and their employees’ personal  
14 information.

15           97.     As a direct and proximate result of UKG’s acts, Plaintiffs and the California  
16 subclass were injured and lost money or property, including but not limited to lost wages due to  
17 the disabling of their payroll and timekeeping services, the loss of Plaintiffs’ and the subclass’s  
18 legally protected interest in the confidentiality and privacy of their personal information, nominal  
19 damages, and additional losses described above.

20           98.     Section 1798.150(b) specifically provides that “[n]o [prefiling] notice shall be  
21 required prior to an individual consumer initiating an action solely for actual pecuniary damages.”  
22 Accordingly, Plaintiffs and the California subclass by way of this complaint seek actual pecuniary  
23 damages suffered as a result of UKG’s violations described herein. Plaintiffs have issued and/or  
24 will issue a notice of these alleged violations pursuant to § 1798.150(b) and intend to amend this  
25 complaint to seek statutory damages and injunctive relief upon expiration of the 30-day cure  
26 period pursuant to § 1798(a)(1)(A)-(B), (a)(2), and (b).

**SEVENTH CAUSE OF ACTION**

**(Violation of the California Customer Records Act, Cal. Civ. Code §§ 1798.80 *et seq.*,  
By Plaintiffs and the California Subclass Against All Defendants)**

99. Plaintiffs reallege and incorporate by reference the preceding paragraphs as though fully set forth herein.

100. Cal. Civ. Code § 1798.81.5 provides that “[i]t is the intent of the Legislature to ensure that personal information about California residents is protected. To that end, the purpose of this section is to encourage businesses that own, license, or maintain personal information about Californians to provide reasonable security for that information.”

101. Section 1798.81.5(b) further states that: “[a] business that owns, licenses, or maintains personal information about a California resident shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.”

102. Cal. Civ. Code § 1798.84(b) provides that [a]ny customer injured by a violation of this title may institute a civil action to recover damages.” Section 1798.84(e) further provides that “[a]ny business that violates, proposes to violate, or has violated this title may be enjoined.”

103. Plaintiffs and member the California subclass are “customers” within the meaning of Civ. Code § 1798.80(c) and 1798.84(b) because they are individuals who provided personal information to UKG, directly and/or indirectly through their employers, for the purpose of obtaining a service from UKG.

104. The personal information of Plaintiffs and the California subclass at issue in this lawsuit constitutes “personal information” under § 1798.81.5(d)(1) in that the personal information UKG collects and which was impacted by the data breach includes an individual’s first name or first initial and the individual’s last name in combination with one or more of the following data elements, with either the name or the data elements not encrypted or redacted: (i) Social security number; (ii) Driver’s license number, California identification card number, tax identification number, passport number, military identification number, or other unique

1 identification number issued on a government document commonly used to verify the identity of  
2 a specific individual; (iii) account number or credit or debit card number, in combination with any  
3 required security code, access code, or password that would permit access to an individual's  
4 financial account; (iv) medical information; (v) health insurance information; (vi) unique  
5 biometric data generated from measurements or technical analysis of human body characteristics,  
6 such as a fingerprint, retina, or iris image, used to authenticate a specific individual.

7 105. UKG knew or should have known that its computer systems and data security  
8 practices were inadequate to safeguard the California subclass's personal information and that the  
9 risk of a data breach or theft was highly likely. UKG failed to implement and maintain  
10 reasonable security procedures and practices appropriate to the nature of the information to  
11 protect the personal information of Plaintiffs and the California subclass. Specifically, UKG  
12 failed to implement and maintain reasonable security procedures and practices appropriate to the  
13 nature of the information, to protect the personal information of Plaintiffs and the California  
14 subclass from unauthorized access, destruction, use, modification, or disclosure. UKG further  
15 subjected Plaintiffs' and the California subclass's nonencrypted and nonredacted personal  
16 information to an unauthorized access and exfiltration, theft, or disclosure as a result of the  
17 UKG's violation of the duty to implement and maintain reasonable security procedures and  
18 practices appropriate to the nature of the information, as described herein.

19 106. As a direct and proximate result of UKG's violation of its duty, the unauthorized  
20 access, destruction, use, modification, or disclosure of the personal information of Plaintiffs and  
21 the California subclass included hackers' access to, removal, deletion, destruction, use,  
22 modification, disabling, disclosure and/or conversion of the personal information of Plaintiffs and  
23 the California subclass by the ransomware attackers and/or additional unauthorized third parties  
24 to whom those cybercriminals sold and/or otherwise transmitted the information.

25 107. As a direct and proximate result of UKG's acts or omissions, Plaintiffs and the  
26 California subclass were injured and lost money or property, including but not limited to lost  
27 wages due to the disabling of their payroll and timekeeping services, the loss of Plaintiffs' and the  
28 subclass's legally protected interest in the confidentiality and privacy of their personal



1 information, nominal damages, and additional losses described above. Plaintiffs seek  
2 compensatory damages as well as injunctive relief pursuant to Cal. Civ. Code § 1798.84(b).

3 **EIGHTH CAUSE OF ACTION**

4 **(Violation of the California Unfair Competition Law, Cal. Bus. & Prof. Code §17200 *et seq.***  
5 **By Plaintiffs and the California Subclass Against All Defendants)**

6 108. Plaintiffs reallege and incorporate by reference the preceding paragraphs as though  
7 fully set forth herein.

8 109. UKG is a “person” defined by Cal. Bus. & Prof. Code § 17201.

9 110. UKG violated Cal. Bus. & Prof. Code § 17200 *et seq.* (“UCL”) by engaging in  
10 unlawful, unfair, and deceptive business acts and practices.

11 111. UKG’s “unfair” acts and practices include:

12 a. UKG failed to implement and maintain reasonable security measures to protect  
13 Plaintiffs and California subclass members’ personal Information from  
14 unauthorized disclosure, release, data breaches, and theft, which was a direct and  
15 proximate cause of the UKG data breach. UKG failed to identify foreseeable  
16 security risks, remediate identified security risks, and adequately improve security  
17 following previous cybersecurity incidents and known coding vulnerabilities in the  
18 industry, for example the Log4Shell is a software vulnerability in Apache Log4j 2,  
19 a popular Java library for logging error messages in applications. UKG failed to  
20 patch these and other problems, which made it trivial for a hacker to penetrate  
21 UKG’s systems. This conduct, with little if any utility, is unfair when weighed  
22 against the harm to Plaintiffs and the California subclass, whose personal  
23 Information has been compromised.

24 b. UKG’s failure to implement and maintain reasonable security measures also was  
25 contrary to legislatively-declared public policy that seeks to protect consumers’  
26 data and ensure that entities that are trusted with it use appropriate security  
27 measures. These policies are reflected in laws, including the FTC Act (15 U.S.C. §  
28 45), California’s Customer Records Act (Cal. Civ. Code § 1798.80 *et seq.*), and

1 California's Consumer Privacy Act (Cal. Civ. Code § 1798.150).

2 c. UKG's failure to implement and maintain reasonable security measures also led to  
3 substantial consumer injuries, as described above, that are not outweighed by any  
4 countervailing benefits to consumers or competition. Moreover, because  
5 consumers could not know of UKG's inadequate security, consumers could not  
6 have reasonably avoided the harms that UKG caused.

7 d. Engaging in unlawful business practices by violating Cal. Civ. Code § 1798.82.

8 112. UKG has engaged in "unlawful" business practices by violating multiple laws,  
9 including California's Consumer Records Act, Cal. Civ. Code §§ 1798.81.5 (requiring reasonable  
10 data security measures) and 1798.82 (requiring timely breach notification), California's  
11 Consumer Privacy Act, Cal. Civ. Code § 1798.150, California's Consumers Legal Remedies Act,  
12 Cal. Civ. Code §§ 1780, *et seq.*, the FTC Act, 15 U.S.C. § 45, and California common law.

13 113. UKG's unlawful, unfair, and deceptive acts and practices include:

- 14 a. Failing to implement and maintain reasonable security and privacy measures to  
15 protect Plaintiffs and California subclass members' personal information, which  
16 was a direct and proximate cause of the UKG data breach
- 17 b. Failing to identify foreseeable security and privacy risks, remediate identified  
18 security and privacy risks, and adequately improve security and privacy measures  
19 following previous cybersecurity incidents, which was a direct and proximate  
20 cause of the UKG data breach;
- 21 c. Failing to comply with common law and statutory duties pertaining to the security  
22 and privacy of Plaintiffs and California subclass members' personal information,  
23 including duties imposed by the FTC Act, 15 U.S.C. § 45, California's Customer  
24 Records Act, Cal. Civ. Code §§ 1798.80 *et seq.*, and California's Consumer  
25 Privacy Act, Cal. Civ. Code § 1798.150, which was a direct and proximate cause  
26 of the UKG data breach.
- 27 d. Misrepresenting that it would protect the privacy and confidentiality of Plaintiffs  
28 and California subclass members' personal information, including by

1 implementing and maintaining reasonable security measures;

- 2 e. Misrepresenting that it would comply with common law and statutory duties  
3 pertaining to the security and privacy of Plaintiffs and California subclass  
4 members' personal information, including duties imposed by the FTC Act, 15  
5 U.S.C. § 45, California's Customer Records Act, Cal. Civ. Code §§ 1798.80, *et*  
6 *seq.*, and California's Consumer Privacy Act, Cal. Civ. Code § 1798.150.
- 7 f. Omitting, suppressing, and concealing the material fact that it did not reasonably  
8 or adequately secure Plaintiffs and California subclass members' personal  
9 information; and
- 10 g. Omitting, suppressing, and concealing the material fact that it did not comply with  
11 common law and statutory duties pertaining to the security and privacy of  
12 Plaintiffs and California subclass members' personal information, including duties  
13 imposed by the FTC Act, 15 U.S.C. § 45, California's Customer Records Act, Cal.  
14 Civ. Code §§ 1798.80, *et seq.*, and California's Consumer Privacy Act, Cal. Civ.  
15 Code § 1798.150.

16 114. UKG's representations and omissions were material because they were likely to  
17 deceive reasonable consumers about the adequacy of UKG's data security and ability to protect  
18 the confidentiality of consumers' personal information and ongoing provision of timekeeping and  
19 payroll services.

20 115. As a direct and proximate result of UKG's unfair, unlawful, and fraudulent acts  
21 and practices, Plaintiffs and California subclass members were injured and lost money or  
22 property, including the lost wages directly resulting from the disabling of the timekeeping and  
23 payroll systems of the employers of Plaintiffs and subclass members, which would not have  
24 occurred but for the unfair and deceptive acts, practices, and omissions alleged herein, as well as  
25 the costs passed through from UKG to its customers and their employees for their timekeeping  
26 and payroll services, monetary damages from fraud and identity theft, time and expenses related  
27 to monitoring their financial accounts for fraudulent activity, an increased, imminent risk of fraud  
28 and identity theft, and loss of value of their Personal Information, and well as the time and

1 expense of finding alternative methods of timekeeping and payroll services.

2 116. UKG acted intentionally, knowingly, and maliciously to violate California's  
3 Unfair Competition Law, and recklessly disregarded Plaintiffs and California subclass members'  
4 rights. Past data breaches put it on notice that its security and privacy protections were  
5 inadequate.

6 117. Plaintiffs and California subclass members seek all monetary and nonmonetary  
7 relief allowed by law, including restitution of all profits stemming from UKG's unfair, unlawful,  
8 and fraudulent business practices or use of their personal information; declaratory relief;  
9 reasonable attorneys' fees and costs under California Code of Civil Procedure § 1021.5;  
10 injunctive relief; and other appropriate equitable relief, including public injunctive relief.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, Plaintiffs, on behalf of themselves, the nationwide class, and the  
13 California subclass, pray for the following relief:

- 14 1. An order certifying the nationwide class and California subclass as defined above  
15 pursuant to Fed. R. Civ. P. 23 and declaring that Plaintiffs are proper class  
16 representatives and appointing Plaintiffs' counsel as class counsel;
- 17 2. Permanent injunctive relief to prohibit UKG from continuing to engage in the  
18 unlawful acts, omissions, and practices described herein;
- 19 3. Compensatory, consequential, general, and nominal damages in an amount to be  
20 proven at trial, in excess of \$5,000,000;
- 21 4. Disgorgement and restitution of all earnings, profits, compensation, and benefits  
22 received as a result of the unlawful acts, omissions, and practices described herein;
- 23 5. Punitive, exemplary, and/or trebled damages to the extent permitted by law;
- 24 6. A declaration of right and liabilities of the parties;
- 25 7. Costs of suit;
- 26 8. Reasonable attorneys' fees, including pursuant to Cal. Civ. Pro. Code § 1021.5;
- 27 9. Pre- and post-judgment interest at the maximum legal rate;
- 28 10. Distribution of any monies recovered on behalf of members of the Class or the general

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

public via fluid recovery or *cy pres* recovery where necessary and as applicable to prevent Defendant from retaining the benefits of their wrongful conduct; and  
11. Such other relief as the Court deems just and proper.

Dated: January 18, 2022

ALEXANDER MORRISON + FEHR LLP  
WUCETICH & KOROVILAS LLP

By:           /s/ Dimitrios V. Korovilas            
DIMITRIOS V. KOROVILAS  
Attorneys for Plaintiffs  
William Muller and Antonio Knezevich,  
individually and on behalf of  
all others similarly situated

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DEMAND FOR JURY TRIAL**

Plaintiff, on behalf of himself and the putative class and subclass, hereby demands a trial by jury on all issues of fact or law so triable.

Dated: January 18, 2022

ALEXANDER MORRISON + FEHR LLP  
WUCETICH & KOROVILAS LLP

By:           /s/ Dimitrios V. Korovilas            
DIMITRIOS V. KOROVILAS  
Attorneys for Plaintiffs  
William Muller and Antonio Knezevich,  
individually and on behalf of  
all others similarly situated

**CIVIL COVER SHEET**

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

<p><b>I. (a) PLAINTIFFS</b> WILLIAM MULLER and ANTONIO KNEZEVICH, individually and on behalf of all others similarly situated</p> <p><b>(b) County of Residence of First Listed Plaintiff</b> (EXCEPT IN U.S. PLAINTIFF CASES) Fresno</p> <p><b>(c) Attorneys (Firm Name, Address, and Telephone Number)</b> Jason M. Wucetich (SBN 222113), WUCETICH &amp; KOROVILAS LLP 222 N. Pacific Coast Hwy, Ste. 2000, EL Segundo, CA 90245 (310) 335-2001</p>	<p><b>DEFENDANTS</b> UKG INC.; and DOES 1 through 10</p> <p>County of Residence of First Listed Defendant San Francisco, per 28 U.S.C. 1391(c)(2) (IN U.S. PLAINTIFF CASES ONLY)</p> <p>NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED. Attorneys (If Known)</p>
--	--

<p><b>II. BASIS OF JURISDICTION</b> (Place an "X" in One Box Only)</p> <p><input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)</p> <p><input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)</p>	<p><b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> (Place an "X" in One Box for Plaintiff and One Box for Defendant)</p> <table style="width:100%;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:10%;"><input checked="" type="checkbox"/> 1</td> <td style="width:10%;"><input type="checkbox"/> 1</td> <td style="width:33%;">Incorporated or Principal Place of Business In This State</td> <td style="width:10%;"><input type="checkbox"/> 4</td> <td style="width:10%;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input checked="" type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4														
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input checked="" type="checkbox"/> 5														
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6														

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	LABOR	BANKRUPTCY	OTHER STATUTES
110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment Of Veteran's Benefits 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise	<b>PERSONAL INJURY</b> 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury -Medical Malpractice  <b>CIVIL RIGHTS</b> 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/Accommodations 445 Amer. w/Disabilities-Employment 446 Amer. w/Disabilities-Other 448 Education	<b>PERSONAL INJURY</b> 365 Personal Injury - Product Liability 367 Health Care/Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability  <b>PERSONAL PROPERTY</b> 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability  <b>PRISONER PETITIONS</b>  <b>HABEAS CORPUS</b> 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty  <b>OTHER</b> 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee-Conditions of Confinement	625 Drug Related Seizure of Property 21 USC § 881 690 Other  <b>LABOR</b> 710 Fair Labor Standards Act 720 Labor/Management Relations 740 Railway Labor Act 751 Family and Medical Leave Act 790 Other Labor Litigation 791 Employee Retirement Income Security Act  <b>IMMIGRATION</b> 462 Naturalization Application 465 Other Immigration Actions	422 Appeal 28 USC § 158 423 Withdrawal 28 USC § 157  <b>PROPERTY RIGHTS</b> 820 Copyrights 830 Patent 835 Patent-Abbreviated New Drug Application 840 Trademark 880 Defend Trade Secrets Act of 2016  <b>SOCIAL SECURITY</b> 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g))  <b>FEDERAL TAX SUITS</b> 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS-Third Party 26 USC § 7609	375 False Claims Act 376 Qui Tam (31 USC § 3729(a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced & Corrupt Organizations 480 Consumer Credit 485 Telephone Consumer Protection Act 490 Cable/Sat TV 850 Securities/Commodities/Exchange <input checked="" type="checkbox"/> 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes

**V. ORIGIN** (Place an "X" in One Box Only)

1 Original Proceeding     2 Removed from State Court     3 Remanded from Appellate Court     4 Reinstated or Reopened     5 Transferred from Another District (specify)     6 Multidistrict Litigation-Transfer     8 Multidistrict Litigation-Direct File

**VI. CAUSE OF ACTION** Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
Class Action Fairness Act, 28 U.S.C. 1332(d), Declaratory Judgment Act, 28 USC 2201 (and state law class action claims)

Brief description of cause:  
Data breach related class action claims for negligence (including per se), unjust enrichment, declaratory judgment, Cal. Civ. Code 1798.84, Cal. Civ. Code 1798.150, Cal. Bus. & Prof. Code 17200

**VII. REQUESTED IN COMPLAINT:**  CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P.    DEMAND \$ >\$5,000,000    CHECK YES only if demanded in complaint: JURY DEMAND:  Yes  No

**VIII. RELATED CASE(S), IF ANY** (See instructions):    JUDGE \_\_\_\_\_    DOCKET NUMBER \_\_\_\_\_

**IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)**  
(Place an "X" in One Box Only)     SAN FRANCISCO/OAKLAND     SAN JOSE     EUREKA-MCKINLEYVILLE

DATE 01/18/2022    SIGNATURE OF ATTORNEY OF RECORD

## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

**Authority For Civil Cover Sheet.** The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
  - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
  - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
  - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
  - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
  - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.