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7
8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA

10 MICHAEL EDENBOROUGH,
11
12 Plaintiff,
13 vs.
14 ADT LLC, *et al.*,
15 Defendants.

Case No.

**NOTICE OF REMOVAL; DEMAND FOR
JURY TRIAL BY DEFENDANT ADT LLC**

**[Filed Concurrently with Civil Cover Sheet;
Certificate of Interested Entities; Rule 7.1
Corporate Disclosure Statement]**

16
17
18 Defendant ADT LLC, through its undersigned counsel, now removes this civil action to this
19 Court pursuant to 28 U.S.C. § 1441(a) and 1453, and states:

20 1. ADT LLC is the only named defendant in this civil action, originally filed on or
21 about March 18, 2015, in the Superior Court for the State of California, County of Alameda, Case
22 Number RG16808243. Plaintiff also brings this action against fifty anonymous John Doe
23 defendants. ADT is the nation's oldest and largest supplier of electronic alarm systems to residences
24 and small businesses.

25 2. This action, pled individually and on behalf of a class of California residents similarly
26 situated, seeks injunctions, restitution, interest, costs and attorney fees arising from alleged
27 misrepresentations of the security of ADT's wireless alarm systems. The complaint does not plead a
28 specific amount in controversy.

1 **TIMELINESS OF REMOVAL**

2 3. Removal is timely under 28 U.S.C. § 1446(b)(1). ADT LLC was served on April 5,
3 2016.

4 **BASIS FOR JURISDICTION**

5 4. This Court has original jurisdiction over this action based on diversity of citizenship
6 pursuant to 28 U.S.C. § 1332(d)(2).

7 5. The complaint alleges that plaintiff Michael Edenborough is a citizen and resident of
8 Oakland, California. Mr. Edenborough brings his action individually and on behalf of a class of
9 similarly-situated California residents.

10 6. ADT LLC is a limited liability company organized under the laws of the State of
11 Delaware, with its principal place of business at 1501 Yamato Road, Boca Raton, Florida 33431.
12 ADT LLC is a citizen of Delaware and Florida because its sole member, ADT U.S. Holdings Inc., is
13 a corporation organized under the laws of the State of Delaware, with its principal place of business
14 at 1501 Yamato Road, Boca Raton, Florida 33431. *See Johnson v. Columbia Properties Anchorage,*
15 *LP*, 437 F.3d 894, 899 (9th Cir. 2006).

16 7. Diversity of citizenship exists among the named parties for the purposes of 28 U.S.C.
17 § 1332(d)(2)(A). The plaintiff and his putative class members are alleged to be California citizens
18 and residents. ADT LLC is not a citizen of California.

19 8. The complaint does not allege a specific amount in controversy. However, the
20 matter in controversy far exceeds the sum or value of \$5,000,000, exclusive of interest and costs, for
21 the purposes of 28 U.S.C. § 1332(d)(2). In assessing the amount in controversy, a court must
22 “assume that the allegations of the complaint are true and assume that a jury will return a verdict for
23 the plaintiff on all claims made in the complaint.” *Campbell v. Vitran Exp., Inc.*, 471 Fed. Appx.
24 646, 647 (9th Cir. Mar. 8, 2012), *quoting Kenneth Rothschild Trust v. Morgan Stanley Dean Witter*,
25 199 F. Supp. 2d 993, 1001 (C.D. Cal. 2002). “[T]he amount in controversy is simply an estimate of
26 the total amount in dispute, not a prospective assessment of defendant’s liability.” *Lewis v. Verizon*
27 *Comm., Inc.*, 627 F.3d 395, 400 (9th Cir.2010). The jurisdictional minimum may readily be
28 discerned from the complaint’s allegations and demands.

1 9. The complaint demands, *inter alia*, restitution of the “the monthly fees paid for
2 monitoring services” by all putative class members over a four-year period. (Ex. A, Complaint
3 ¶ 66(b).) The complaint alleges that plaintiff pays \$47.99 per month for monitoring services, (Ex. A,
4 Complaint ¶ 26) that all ADT customers sign substantially identical, uniform contracts with ADT,
5 (Ex. A, Complaint ¶ 37) and that the class consists of at least 30,000 ADT customers in California.
6 (Ex. A, Complaint ¶ 35.) Were ADT required to return even four months of monthly fees to the
7 class described in the complaint – let alone the four years demanded in the complaint – the amount
8 in controversy would exceed the \$5,000,000 jurisdictional minimum.

9 **NO CONSENT FROM CODEFENDANTS REQUIRED**

10 10. No other defendant is required to consent to removal. ADT LLC is the only
11 defendant to have been identified and served by the plaintiff.

12 WHEREFORE, ADT LLC now removes Case Number RG16808248 from the Superior
13 Court for the State of California, County of Alameda, to this Court.

14 Dated: April 25, 2016

Respectfully submitted,

15
16 SHOOK HARDY & BACON

17 By: /s/ Katherine A. Wolf
18 Randall Haimovici
Katherine A. Wolf

19 Attorneys for Defendant ADT LLC

20 **DEMAND FOR JURY TRIAL**

21 Defendant ADT LLC demands a trial by jury on all issues that may be tried by a jury.

22 Dated: April 25, 2016

Respectfully submitted,

23
24 SHOOK HARDY & BACON

25 By: /s/ Katherine A. Wolf
26 Randall Haimovici
Katherine A. Wolf

27 Attorneys for Defendant ADT LLC

EXHIBIT A

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5 Tel: (415) 381-5599
6 Fax: (415) 381-5572

7 Attorneys for Plaintiff Michael Edenborough and
8 the Proposed Class

ENDORSED
FILED
ALAMEDA COUNTY

MAR 18 2016

CLERK OF THE SUPERIOR COURT
By Ciceli Johnson
Deputy

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF ALAMEDA
11 UNLIMITED JURISDICTION

12 MICHAEL EDENBOROUGH, individually
13 and on behalf of all others similarly situated,

14 Plaintiff,

15 vs.

16 ADT, LLC d/b/a ADT SECURITY
17 SERVICES, INC. a Florida limited liability
18 company, and DOES 1 through 50, inclusive,

19 Defendants.

) Case No: RG16808243

) CLASS ACTION

) COMPLAINT FOR VIOLATION THE
) CONSUMERS LEGAL REMEDIES ACT
) AND BUS. & PROF. CODE § 17200, ET
) SEQ.; EQUITABLE RELIEF

) DEMAND FOR JURY TRIAL

20
21
22 BY FAX
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1 Plaintiff Michael Edenborough (“Plaintiff”), by and through his attorneys, brings this
2 action on behalf of himself and all others similarly situated against Defendants ADT, LLC, which
3 does business as ADT Security Services, Inc. (collectively, “ADT”), and DOES 1-50
4 (collectively, “Defendants”) and alleges as follows:

5 **INTRODUCTION**

6 1. This is a class action lawsuit filed by Plaintiff on behalf of himself and all others
7 similarly situated who have suffered and will continue to suffer harm as a result of ADT’s
8 unlawful, unfair, and deceptive business practices relating to certain fundamental, material
9 omissions made by ADT in connection with wireless home security systems that ADT selects,
10 installs and monitors. ADT is well aware that, due to its use of unencrypted wireless signals and
11 other vulnerabilities known to ADT, unauthorized third parties can easily disable or suppress
12 ADT’s wireless home security systems. ADT fails to disclose and actively conceals these
13 vulnerabilities from its customers while simultaneously extolling and promoting the purported
14 safety, security and peace of mind that ADT’s systems will provide to its customers. (*See* ADT,
15 Remote Security: Wireless Home & Apartment Systems, *at*
16 <http://www.adt.com/resources/understanding-wireless-home-security-systems>).

17 2. ADT’s knowing omissions and active concealment of the vulnerability of wireless
18 home security systems that it installs and monitors violates California’s Consumers Legal
19 Remedies Act (“CLRA”), Civil Code section 1750 *et seq.*, and constitute unfair business practices
20 under all three prongs of California’s Unfair Competition Law (“UCL”), Bus. & Prof. Code
21 section 17200, *et seq.*

22 **PARTIES**

23 3. Plaintiff is a natural person over the age of 18 and at all relevant times resided in
24 Oakland, California. Plaintiff entered into an initial contract with ADT on March 30, 2012 to
25 monitor the wireless home security system that ADT selected and installed in his home. Since the
26 initial two year term of the initial contract lapsed, Plaintiff has each month renewed his contract
27 with ADT, paying ADT on a monthly basis to monitor his home through the ADT wireless home
28 security system that ADT installed.

1 4. Defendant ADT is a limited liability corporation organized under the laws of
2 Florida that does business as ADT Security Services, with a principal place of business at 1501
3 Yamato Road, Boca Raton, Florida 33431. Defendant does business in California and, in
4 particular, in Alameda County, as “ADT Security Services, Inc.”

5 5. Plaintiff does not know the true names and capacities of Defendants sued herein as
6 DOES 1-50, and therefore sues these Defendants by fictitious names. Plaintiff will amend his
7 complaint to state the true names and capacities when ascertained. Plaintiff is informed and
8 believes and thereon alleges that each of the fictitiously named Defendants is responsible in some
9 manner for the occurrences alleged herein, and thereby proximately caused Plaintiff’s injuries
10 alleged herein.

11 6. Plaintiff is informed and believes and thereon alleges that each of the Defendants
12 acted in concert with each and every other Defendant, intended to and did participate in the
13 events, acts, practices and courses of conduct alleged herein, and proximately caused damage and
14 injury thereby to Plaintiff as alleged herein.

15 **JURISDICTION AND VENUE**

16 7. Jurisdiction and venue are proper in this Court and the County of Alameda because
17 ADT conducts business in Alameda County, ADT maintains offices in Alameda County, the acts
18 and practices challenged by Plaintiff occurred in Alameda County, Plaintiff is a resident of
19 Alameda County, and because ADT is a foreign corporation that has not designated a principal
20 office in California and therefore may be sued in any county in the State.

21 8. In compliance with Civil Code section 1780, subdivision (d), Plaintiff has
22 separately filed a declaration stating facts showing that this action has been commenced in a
23 proper place for the trial of this action.

24 **FACTUAL BACKGROUND**

25 9. ADT markets home security systems to consumers in California. Among the
26 systems that ADT monitors are wireless home security systems that it installs. According to ADT,
27 “[a] wireless home security system gives you the features you need, plus greater flexibility.” ADT
28

1 thus markets the wireless home security systems as providing the same—if not more—security
2 than wired systems.

3 10. The radio transmissions utilized by the wireless home security systems, however,
4 are transmitted over known frequencies. They are also unencrypted and unauthenticated. Left
5 open to the world, the transmissions are insufficiently protected from intrusion and interference
6 by unauthorized third parties who can readily turn the wireless sensors off. Such hacking can
7 easily be accomplished by anyone who obtains software and electronics that are easily available,
8 in some cases for free.

9 11. Throughout the putative class period, ADT knew or at least should have known
10 that its wireless home security systems are vulnerable to such attack. The wireless home security
11 equipment that ADT has selected to install in California is designed to operate over fixed radio
12 frequencies using unsecured and unencrypted protocols that ADT developed and/or customized
13 for its own purposes. Through communications with the manufacturers of the home security
14 equipment that ADT installs, ADT has known since at least 2012 that its home wireless security
15 systems are vulnerable to disruption, suppression and circumvention.

16 12. ADT's business model requires that ADT sign up as many customers as possible
17 for its services. Accordingly, ADT determined that it would trade off cost and security with
18 regard to wireless home security systems to lower the barriers to entry for customers and
19 encourage more customers to sign up for ADT's services.

20 13. In July 2014, ADT was contacted by reporters from *Forbes* investigating the
21 vulnerability of ADT's wireless home security systems. Despite knowing that the wireless home
22 security systems it was installing were in fact vulnerable, ADT deflected the questions,
23 responding instead that "[s]afety and security is a top priority at ADT, and we have spent the past
24 140 years earning the trust of our customers." ADT's spokesperson Jason Shockley continued to
25 deflect, stating "[b]ecause we have yet to see the details of this particular research, we are unable
26 to comment on the specifics." In deflecting the *Forbes* questions, and on information and belief
27 inquiries made by class members, ADT actively concealed the vulnerabilities of its wireless home
28 security systems.

1 14. Only after ADT was sued, first in Illinois, and then in Arizona, did ADT finally
2 admit in its February 2, 2016 Form 10-Q statement for the quarter ending December 31, 2015 that
3 its “products may be subject to potential vulnerabilities of wireless and Internet of Things
4 devices” and that its “service may be subject to hacking or other unauthorized access.” (ADT
5 Corporation, Form 10-Q (Dec. 31, 2015), p. 26.)

6 15. However, it is not that wireless security systems cannot be made secure. They can.
7 For instance, ADT offers business customers certain wireless security systems that utilize
8 encryption and authentication to prevent transmissions from being read or spoofed. These systems
9 also use anti-jamming technology like spread-spectrum technology that allows transmissions to
10 hop between different frequencies.

11 16. ADT furthermore recognizes that encrypting the wireless signals used in its
12 wireless home security systems is feasible. In other recent litigation, though, ADT has admitted
13 that it made an internal cost-benefit determination not to encrypt the wireless signals in its home
14 security systems or otherwise secure the wireless systems from their vulnerabilities.

15 17. Despite its knowledge and the tradeoffs it made, ADT has never disclosed to
16 Plaintiff or any class member that the wireless home security systems use signals that are
17 unencrypted and unauthenticated and can easily be jammed, leaving Plaintiff and members of the
18 class in the dark as they continue to pay for equipment and monitoring services that do not
19 provide the level of protection they are lead to believe they are receiving. Instead, ADT has
20 actively concealed the vulnerabilities, electing to tout its wireless home security systems as safe,
21 reliable, and secure. For example, ADT represents and continues to represent on its website that it
22 uses “advanced” and “innovative” technology even though the wireless home security systems
23 technically use decades old legacy technology, from the late 1990s and early 2000s.

24 18. ADT also touts its wireless home security systems over the more traditional wired
25 systems even though the wired systems cannot be similarly defeated. Thus, ADT states on its
26 website that “[t]raditional systems can be just as effective as a wireless alarm system, but one
27 disadvantage is that they run off electricity supplied through electrical wires.” The only stated
28 disadvantages for wireless systems is that “[s]ensors will need batteries to operate, so there is a

1 possibility that the batteries will die if they are not checked often” and that “[c]omponents need to
2 be close to the central control panel [which] . . . can limit where some sensors are placed.”¹

3 19. ADT’s marketing materials on its website further emphasize ADT’s purported
4 advanced technology. In those materials, ADT represents:

5 (a) “ADT takes pride in using the most advanced technology...”;

6 (b) “Only ADT has the most security industry experience, is the leader in
7 innovative security technology, and can provide you with the fastest
8 response times”;

9 (c) “Our experience, technology and people make the difference in your
10 security protection”; and

11 (d) “You invest in ADT home security and automation systems to help protect
12 your loved ones. Your satisfaction is important to us, and is the reason we
13 are committed to providing you with state-of-the-art equipment and
14 service.”

15 20. ADT’s marketing materials are designed to give customers the overall impression
16 that ADT provides the highest and most advanced level of safety and that customers can feel
17 secure in trusting that their security systems will work as advertised. Those materials emphasize
18 safety and security, and give the impression that ADT would not ever install a security system
19 that could be easily breached or interfered with. As a consequence of ADT’s marketing, Plaintiff
20 and class members had a reasonable belief that they would be protected and that the wireless
21 home security systems would be secured against outside interference.

22 21. The specific workings and technological details of a wireless security system are
23 outside the realm of knowledge of the average consumer. In selecting and installing wireless
24 security systems in customers’ homes, ADT unquestionably has greater knowledge of the
25 workings and vulnerabilities of those systems than the average consumer. Plaintiff and members
26 of the class, therefore, can reasonably expect to rely on ADT’s representations regarding the

27 _____
28 ¹ <http://www.adt.com/resources/understanding-wireless-home-security-systems> (last visited
March 7, 2016.)

1 safety and reliability of its wireless security systems. ADT—as a provider of security systems and
2 monitoring services—has had reason to know that consumers such as Plaintiff and members of
3 the class—who are simple consumers—would rely on ADT’s skill or judgment to furnish suitable
4 goods.

5 22. Especially given these pervasive assurances of safety and security of the
6 monitoring afforded by its wireless home security systems, ADT is under a duty to disclose the
7 omitted information regarding its wireless home security systems’ lack of encryption, lack of
8 authentication and other severe vulnerabilities that undermine the truthfulness of those
9 assurances.

10 23. Yet ADT does not warn customers in its marketing materials that its wireless
11 systems can readily be hacked, or even to take precautions against hacking. Nor does ADT
12 disclose that its wireless signals are unencrypted and unauthenticated or that the signals can easily
13 be jammed. ADT’s omissions regarding the *insecurity* of its wireless systems is especially
14 material because they leave customers believing that they and their families have a layer of
15 protection guarding them when the wireless systems are activated, whereas, in truth, that
16 protection is easily disabled, circumvented, or otherwise turned against the customers.

17 24. ADT’s omissions regarding the security of its wireless systems were deliberate and
18 intentional, and were designed to mislead customers as to the security and quality of its wireless
19 home security systems and to actively conceal the systems’ shortcomings. Because the primary if
20 not sole function of ADT’s wireless systems is to provide safety and security, ADT’s omissions
21 directly pertain to that primary function and are undeniably material to ADT customers like
22 Plaintiff and the other members of the putative class.

23 **FACTS SPECIFIC TO PLAINTIFF**

24 25. Plaintiff purchased a house in 2012. The house did not come with any home
25 security system. Concerned for the safety of his family and their belongings, Plaintiff responded
26 to an advertisement from ADT for home security services and called ADT to purchase such
27 services.

28

1 information essential to the pursuit of these claims, without any fault or lack of diligence on their
2 part.

3 31. Despite the fact that ADT knew or should have known about the vulnerabilities in
4 its wireless home security systems, ADT failed to inform Plaintiff and members of the class of
5 these facts.

6 32. ADT has been under a continuous duty to disclose to Plaintiff and members of the
7 class material information regarding the vulnerabilities in ADT's wireless home security systems.
8 The existence of the vulnerabilities in the wireless home security systems is material information
9 that a reasonable purchaser would consider important when selecting a home security system.

10 33. Since Plaintiff and members of the class had no way of knowing or suspecting that
11 ADT's wireless home security systems were vulnerable, ADT is estopped from relying on any
12 statute of limitations in its defense of this action.

13 **CLASS ALLEGATIONS**

14 34. Plaintiff brings this action on behalf of himself and all other similarly situated
15 consumers pursuant to California Code of Civil Procedure section 382 and seeks certification of
16 the following class:

17 All California residents who paid for an ADT wireless home
18 security system in the four years preceding the filing of this action.

19 35. Members of the class are so numerous that joinder of all class members is
20 impracticable. Plaintiff is informed and believes, and on that basis alleges, that the proposed class
21 contains thousands of members because ADT sells and services thousands of home security
22 systems in the state of California. ADT has in other litigation, for example, indicated that in
23 Arizona there are over 30,000 ADT customers with wireless home security systems. The precise
24 number of class members in the much more populated state of California is unknown to Plaintiff
25 and can only be obtained through discovery. However, the numbers are clearly more than can be
26 consolidated in one complaint and impractical for each to bring suit individually. The individual
27 class members are ascertainable as the names and addresses of all class members can be identified
28

1 from ADT's business records. Plaintiff does not anticipate any difficulties in the management of
2 the action as a class action.

3 36. Common questions of law and fact exist as to all members of the class that
4 predominate over questions affecting only individual class members. The common legal and
5 factual questions include, but are not limited to, the following:

- 6 (a) whether ADT's wireless home security systems are vulnerable to attack by
7 unauthorized third parties;
- 8 (b) whether ADT has a duty to disclose that its wireless home security systems
9 are vulnerable to attack by unauthorized third parties;
- 10 (c) whether ADT has ever disclosed to consumers that its wireless home
11 security systems are vulnerable to attack by unauthorized third parties;
- 12 (d) whether ADT has committed any unlawful, unfair and/or deceptive
13 business practices in violation of the UCL;
- 14 (e) whether Plaintiff and members of the class were damaged as a result of
15 ADT's conduct alleged herein; and
- 16 (f) whether Plaintiff and members of the class are entitled to other appropriate
17 remedies, including restitution, injunctive, declaratory or other equitable
18 relief.

19 37. Plaintiff's claims are typical of the claims of the members of the class because of
20 the similarity, uniformity, and common purpose of Defendants' conduct. Each class member has
21 sustained, and will continue to sustain injuries in the same manner as a result of Defendants'
22 conduct. Plaintiff is advancing the same claims and legal theories on behalf of himself and all
23 members of the class. Upon information and belief, the terms of Plaintiff's contract were the same
24 or substantially similar to all class members' contracts because Defendants use standardized,
25 uniform contracts for all of their California customers. Moreover, Defendants' website and
26 marketing materials were disbursed generally to all potential customers.

27 //

28 //

1 38. Plaintiff will fairly and adequately represent and protect the interests of the
2 members of the class. Plaintiff has retained counsel competent and experienced in both consumer
3 protection and class litigation.

4 39. A class action is superior to other available methods for the fair and efficient
5 adjudication of this controversy. The expense and burden of individual litigation would make it
6 impracticable or impossible for proposed class members to prosecute their claims individually. It
7 would thus be virtually impossible for the class, on an individual basis, to obtain effective redress
8 for the wrongs done to them. Furthermore, even if class members could afford such
9 individualized litigation, the court system could not. Individualized litigation would create the
10 danger of inconsistent or contradictory judgments arising from the same set of facts.
11 Individualized litigation would also increase the delay and expense to all parties and the court
12 system from the issues raised by this action. By contrast, the class action device provides the
13 benefits of adjudication of these issues in a single proceeding, economies of scale, and
14 comprehensive supervision by a single court, and presents no unusual management difficulties
15 under the circumstances here.

16 40. The class also may be certified because Defendants have acted or refused to act on
17 grounds generally applicable to the class thereby making appropriate final declaratory and/or
18 injunctive relief with respect to the members of the class as a whole.

19 41. Plaintiff seeks preliminary and permanent injunctive and equitable relief on behalf
20 of the entire class, on grounds generally applicable to the entire class, to enjoin and prevent
21 Defendants from engaging in the acts described, and to require that Defendants to provide full
22 restitution to Plaintiff and members of the class.

23 42. Unless a class is certified, Defendants will retain monies received as a result of
24 their conduct that were taken from Plaintiff and members of the class. Unless a class-wide
25 injunction is issued, Defendants will continue to commit the violations alleged.

26
27 **FIRST CAUSE OF ACTION**
 (Violation of Consumers Legal Remedies Act)

28 43. Plaintiff incorporates the preceding paragraphs as if fully set forth herein.

1 44. At all relevant times, Plaintiff and members of the class have contracted with ADT
2 to install and monitor ADT wireless homes security systems. Plaintiffs and members of the class
3 contracted for these services primarily for personal, family, or household purposes.

4 45. At all relevant times, ADT has been a limited liability company doing business as
5 ADT Security Services, Inc.

6 46. In offering the monitoring of wireless home security systems to the public, ADT
7 has not disclosed, and will continue to not disclose, that the wireless home security systems are
8 unencrypted, lack authentication and are otherwise vulnerable to attack by unauthorized third
9 parties in ways that prevent the systems from properly alerting the monitoring center of an
10 intrusion or break in.

11 47. At all relevant times, ADT knew that Plaintiff and members of the class did not
12 know or could not have reasonably discovered the vulnerability prior to entering into or renewing
13 a monitoring agreement with ADT featuring a wireless home security system.

14 48. A reasonable person contracting for home security services would attach
15 importance to the ease with which a wireless home security system can be readily defeated in
16 determining whether to contract for such services. Plaintiff would not have entered into his
17 contract with ADT for monitoring a wireless home security system had he known that the
18 wireless home security system that ADT selected and installed in his house could be easily
19 defeated.

20 49. At all relevant times, ADT had a duty to disclose the vulnerabilities of its wireless
21 home security systems clearly and conspicuously prior to the time of sale given (1) the materiality
22 of the information; (2) the risks and expenses posed by the security flaws inherent in the wireless
23 home security systems ADT selected and installed; (3) ADT's knowledge of material facts not
24 known to Plaintiff and members of the class; (4) ADT's active concealment of a material fact
25 from Plaintiff, and (5) ADT's partial representations regarding the security and reliability of
26 wireless home security systems while suppressing the vulnerabilities of such systems.
27 By virtue of ADT's ongoing practices and course of conduct, Defendants have violated and will
28 continue to violate Civil Code section 1770, subdivision (a)(7), by misrepresenting through

1 omission that ADT's monitoring service and wireless home security systems are of a particular
2 standard or quality when they are not of that standard or quality.

3 50. By virtue of ADT's ongoing omissions, practices and course of conduct,
4 Defendants have violated and will continue to violate Civil Code section 1770, subdivision (a)(5),
5 by misrepresenting through omission that ADT's monitoring service and wireless home security
6 systems have characteristics, uses and benefits which they do not have.

7 51. By virtue of ADT's ongoing practices and course of conduct, Defendants have
8 violated and will continue to violate Civil Code section 1770, subdivision (a)(16), by
9 misrepresenting through omission that ADT's monitoring service and wireless home security
10 systems have been supplied in accordance with ADT's representations about being "innovative,"
11 "state-of-the-art" and "secure" when they are not.

12 52. Defendants' violations of the CLRA present a continuing threat to Plaintiff and
13 members of the class in that Defendants continue to engage in the above-referenced omissions
14 and practices, and unless enjoined from doing so by this Court, will continue to do so. Had
15 Plaintiff and members of the class been informed of the vulnerabilities of the home wireless
16 security systems, they would not have contracted with ADT for the monitoring services.

17 53. Pursuant to Civil Code section 1780, subdivision (a), the Court should enjoin
18 Defendants from continuing to market and install home wireless security systems without
19 disclosing the vulnerabilities of such systems and to take appropriate steps to secure Plaintiff's
20 and class members' wireless home security systems against such vulnerabilities.

21 54. WHEREFORE, Plaintiff prays for relief as set forth below.

22
23 **SECOND CAUSE OF ACTION**
Unfair Competition

24 55. Plaintiff incorporates the preceding paragraphs as if fully set forth herein.

25 56. California's Unfair Competition Law ("UCL"), Business & Professions Code
26 section 17200, *et seq.*, prohibits unfair competition in the form of any unlawful, unfair or
27 fraudulent business acts or practices. The UCL provides that a Court may enjoin acts of unfair
28 competition, and order restitution to affected members of the public.

1 57. California Business and Professions Code section 17203 allows a person injured
2 by unfair business acts or practices to prosecute a civil action for violation of the UCL. Plaintiff
3 has lost money or property as a result of Defendants' unfair business practices by virtue of paying
4 for services that do not have the features and quality ADT misleadingly misrepresents through
5 omission.

6 58. Beginning at an exact date unknown to Plaintiff, but at least since four years prior
7 to the filing of this suit, Defendants have entered into contracts with Plaintiff and members of the
8 class to provide monitoring of wireless home security systems that Defendants have installed that
9 Defendants knew are readily vulnerable to attack and easily defeated. Defendants, however, never
10 disclosed to Plaintiff and members of the class prior to entering into the contract that the wireless
11 home security systems that it would install were vulnerable to attack and could be easily defeated,
12 including the complete lack of encryption of the wireless signals.

13 59. Defendants' conduct as alleged above has been and will continue to be unlawful in
14 that the conduct constitutes and will continue to constitute a violation of the CLRA as alleged
15 herein.

16 60. Defendants' conduct as alleged above has been and will continue to be unfair in
17 that the harm to Plaintiff and members of the class arising from Defendants' conduct outweighs
18 the utility, if any, of the conduct alleged above.

19 61. Defendants' conduct as alleged above has been and will continue to be fraudulent
20 and likely to deceive reasonable consumers in that Defendants have omitted and/or failed to
21 disclose, and will continue to omit and/or fail to disclose, material facts regarding the
22 vulnerabilities of the wireless home security systems. Defendants' failure to disclose the
23 vulnerabilities constitutes deception by omission. Defendants had a duty to disclose these material
24 facts yet there is no mention of the vulnerabilities in any of the marketing and promotion
25 materials that Defendants disburse prior to contracting.

26 62. The facts concealed and omitted are material facts that a reasonable consumer
27 would have considered important in deciding whether or not to enter into the contract with ADT
28 for monitoring a wireless home security system.

1 63. Business and Professions Code § 17203 provides that a court may make such
2 orders or judgments as may be necessary to prevent the use or employment by any person of any
3 practice which constitutes unfair competition. Injunctive relief is necessary and appropriate to
4 prevent Defendants from repeating and continuing their unlawful, unfair and fraudulent business
5 acts and business practices alleged above. If Defendants are not enjoined from this conduct, they
6 will continue to engage in these unlawful practices.

7 64. Plaintiff's success in this action will enforce important rights affecting the public
8 interest and in that regard Plaintiff sues on behalf of himself as well as others similarly situated.
9 Plaintiff and the class seek and are entitled to declaratory and injunctive relief, and all other
10 equitable remedies owing to them.

11 65. Plaintiff herein takes upon himself enforcement of these laws and lawful claims.
12 There is a financial burden involved in pursuing this action, the action is seeking to vindicate a
13 public right, and it would be against the interests of justice to penalize Plaintiff by forcing him to
14 pay attorneys' fees from the recovery in this action. Attorneys' fees are appropriate pursuant to
15 Code of Civil Procedure § 1021.5 and otherwise.

16 66. As a result of Defendant's practices, Plaintiff and members of the class have
17 suffered and will continue to suffer injury in fact and have lost money or property, including
18 specifically monthly monitoring fees paid out-of-pocket to ADT. As a direct and proximate result
19 of the acts and practices alleged above, pursuant to California Business & Professions Code
20 section 17203, Plaintiff and the class are therefore entitled to:

- 21 (a) preliminary and permanent injunctive relief;
- 22 (b) restitution of all monies paid as a result of Defendants' deceptive and
23 unlawful practices, including but not limited to, the monthly fees paid for
24 monitoring services;
- 25 (c) interest as allowable by law; and
- 26 (d) an award of attorneys' fees and costs and expenses incurred in filing and
27 prosecuting this action, pursuant to, *inter alia*, California Code of Civil
28 Procedure section 1021.5.

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67. WHEREFORE, Plaintiff prays for relief as set forth below.

PRAYER FOR RELIEF


WHEREFORE, Plaintiff seeks judgment in favor of himself and the proposed class for the following:

- 1. an order certifying the proposed class and appointing Plaintiff and his counsel to represent the class;
- 2. injunctive and declaratory relief as pled or as the Court may deem proper;
- 3. an award of restitution in favor of Plaintiff and the class;
- 4. interest as allowable by law;
- 5. an award of reasonable attorneys' fees as provided by applicable law;
- 6. all costs of suit; and
- 7. such other and further relief as this Court deems just and proper.

Respectfully submitted,

Dated: March 18, 2016

CHAVEZ & GERTLER LLP

By: 
Mark A. Chavez

Attorneys for Plaintiff and the Proposed Class

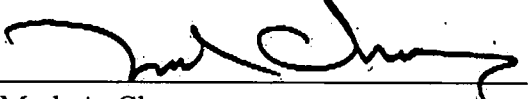
DEMAND FOR JURY TRIAL

Plaintiff requests a jury trial for any and all causes of action for which a trial by jury is permitted by law.

Respectfully submitted,

Dated: March 18, 2016

CHAVEZ & GERTLER LLP

By: 
Mark A. Chavez

Attorneys for Plaintiff and the Proposed Class

CIVIL COVER SHEET

JS 44 (Rev. 11/15)

The JS 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 by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

MICHAEL EDENBOROUGH

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Mark A. Chavez, Chavez & Gertler LLP, 42 Miller Ave., Mill Valley, CA 94941, (415) 381-5599

DEFENDANTS

ADT LLC, d/b/a ADT SECURITY SERVICES, INC.

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: INLAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

Randall D. Haimovici, Katherine A. Wolf Shook, Hardy & Bacon L.L.P., One Montgomery, Ste. 2700, San Francisco, CA 94104, (415) 544-1900

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

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

Table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes various legal categories like Insurance, Personal Injury, Real Estate, etc.

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, 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1441(a), 1446, 1453 and 1332. Brief description of cause: Putative class action alleging violations of California's Consumers Legal Remedies Act and California Bus. & Prof. code § 17200, et seq.

VII. REQUESTED IN COMPLAINT:

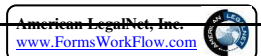
CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 04/25/2016

SIGNATURE OF ATTORNEY OF RECORD /s/ Katherine A. Wolf



RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____



INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 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 by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating 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 Rule 8(a), F.R.Cv.P., 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.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 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.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 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 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.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- 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 Rule 23, F.R.Cv.P.
 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 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.