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

17 DEBORAH WESCH, individually and on behalf
18 of all others similarly situated,

19 Plaintiff,

20 v.

21 YODLEE, INC., a Delaware corporation, and
22 ENVESTNET, INC., a Delaware corporation,

23 Defendants.
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Case No.:

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

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1 Plaintiff Deborah Wesch (“Plaintiff”), on behalf of herself and all others similarly situated,
2 asserts the following against Defendants Yodlee, Inc., (“Yodlee”) and Envestnet Inc., (“Envestnet”)
3 (collectively “Defendants”), based upon personal knowledge, where applicable, information and
4 belief, and the investigation of counsel.

5 **SUMMARY OF ALLEGATIONS**

6 1. The Internet age has spawned the development of a vast data economy. Among its
7 key players are data aggregators, companies that collect and repackage data from various sources
8 for sale to advertisers, investors, researchers, and other third parties.

9 2. Yodlee is one of the largest financial data aggregators in the world. Its business
10 focuses on selling highly sensitive financial data, such as bank balances and credit card transaction
11 histories, collected from individuals throughout the United States. For example, as Yodlee’s former
12 chief product officer explained in a 2015 interview, “‘Yodlee can tell you down to the day how
13 much the water bill was across 25,000 citizens of San Francisco,’ or the daily spending at
14 McDonald’s throughout the country.”¹

15 3. This data is not available from public sources and is so sensitive that the individuals
16 it concerns would not voluntarily turn it over.

17 4. Rather, Yodlee surreptitiously collects such data from software products that it
18 markets and sells to some of the largest financial institutions in the country. These institutions,
19 including 15 top banks (e.g., Bank of America, Merrill Lynch, and Citibank), 10 top wealth
20 management firms, and digital payment platforms like PayPal, use Yodlee’s software for various
21 purposes, including to connect their systems to one another.

22 5. Yodlee, in turn, acquires financial data about each individual that interacts with the
23 software installed on its customers’ systems. However, these individuals often have no idea they are
24 dealing with Yodlee.

25 _____
26 ¹ Bradley Hope, *Provider of Personal Finance Tools Tracks Bank Cards, Sells Data to Investors*,
27 WALL ST. J. (Aug. 6, 2015), <https://www.wsj.com/articles/provider-of-personal-finance-tools-tracks-bank-cards-sells-data-to-investors-1438914620>.
28

1 6. This is by design. Given the highly sensitive nature of the data Yodlee collects,
2 Yodlee’s software is developed to be seamlessly integrated directly into the host company’s existing
3 website and/or mobile app in a way that obscures who the individual is dealing with and where their
4 data is going. For example, when individuals connect their bank accounts to PayPal, they are
5 prompted to enter their credentials into a log in screen that mirrors what they would see if they
6 directly logged into their respective bank’s website. *See* Part II, below. Their financial institution’s
7 logo is prominently displayed on each of the screens that they interact with and the individuals use
8 the same usernames and passwords they would to log in to their financial institution’s own website
9 or mobile app. At no point are the individuals prompted to create or use a Yodlee account.

10 7. Moreover, to the extent Yodlee is mentioned, individuals are not given accurate
11 information about what Yodlee does or how it collects their data. For example, PayPal discloses to
12 individuals that Yodlee is involved in connecting their bank account to PayPal’s service for the
13 limited purpose of confirming the individual’s bank details, checking their balance, and transactions,
14 as needed. While this might be true for that initial log in, Yodlee’s involvement with the individual’s
15 data goes well beyond the limited consent provided to facilitate a connection between their bank
16 account and PayPal.

17 8. Yodlee, in fact, stores a copy of each individual’s bank log in information (i.e., her
18 username and password) on its own system *after* the connection is made between that individual’s
19 bank account and any other third party service (e.g., PayPal).

20 9. Yodlee then exploits this information to routinely extract data from that user’s
21 accounts without their consent.

22 10. This process continues even if, for example, an individual severs the connection
23 between its bank account and the third party service (e.g., PayPal) that Yodlee facilitated. In that
24 instance, Yodlee relies on its own stored copy of the individual’s credentials to extract financial data
25 from her accounts long after the access is revoked.

26 11. This unagreed-to data collection is particularly problematic because “[c]onsumers’
27 credit and debit card transactions can reveal information about their health, sexuality, religion,
28

1 political views, and many other personal details.”² It is no wonder that Yodlee has been highly
2 successful as, according to the *Wall Street Journal*, companies are willing to pay as much as \$4
3 million a year for access to this sort of highly personal data.

4 12. Plaintiff Deborah Wesch connected her PNC Bank account to PayPal using a Yodlee-
5 powered portal in order to facilitate transfers among those accounts. At no time was it disclosed by
6 PayPal, Yodlee, or PNC Bank that the Defendants would continuously access Plaintiff’s bank
7 account to extract and sell data without her consent.

8 13. This is especially troubling as reports have revealed that Defendants are mishandling
9 the data they collected from individuals without authorization by distributing it in unencrypted plain
10 text files. These files, which can be read by anyone who acquires them, contain highly sensitive
11 information that make it possible to identify the individuals involved in each transaction.

12 14. Yodlee’s failure to take even the most basic steps to protect this highly sensitive data
13 (e.g., requiring a password to open such files) has placed Plaintiff and all Class members at
14 significant risk of fraud and identity theft. This risk is especially heightened given Yodlee’s practice
15 of reselling the data it collects—without authorization—to third parties. While Yodlee claims to
16 protect this data while in its custody, it has admitted in filings with the United States Securities and
17 Exchange Commission (“SEC”) that it “does not audit its customers to ensure that they have acted,
18 and continue to act, consistently with such assurances.”³ Yodlee, accordingly, cannot guarantee
19 Plaintiff or other Class members that its clients, or anyone with whom its clients share Class
20 members’ sensitive personal data, are not using such data for nefarious purposes.

21 15. Given Defendants’ secretive data collection practices and recent reports regarding its
22 grossly inadequate approach to data security, Plaintiff believes that additional evidence supporting
23 its claims will be uncovered following a reasonable opportunity for discovery.

24 _____
25 ² Letter from Senator Ron Wyden et al, Cong. of the U.S., to Joseph J. Simons, Chairman, Fed.
26 Trade Comm’n (Jan. 17, 2020),
27 <https://www.wyden.senate.gov/imo/media/doc/011720%20Wyden%20Brown%20Eshoo%20Envestnet%20Yodlee%20Letter%20to%20FTC.pdf>.

28 ³*Proxy Statement/Prospectus*, YODLEE (Oct. 21, 2015),
<https://www.sec.gov/Archives/edgar/data/1337619/000104746915007906/a2226277z424b3.htm>.

JURISDICTION AND VENUE

1
2 16. Pursuant to 28 U.S.C. § 1331, this Court has original subject matter jurisdiction over
3 the claims that arise under the Computer Fraud and Abuse Act, 18 U.S.C. § 1030, and the Stored
4 Communications Act, 18 U.S.C. § 2701. This Court has supplemental jurisdiction over all other
5 claims pursuant to 28 U.S.C. § 1367(a).

6 17. This Court also has jurisdiction over the subject matter of this action pursuant to 28
7 U.S.C §1332(d), because the amount in controversy for the Class exceeds \$5,000,000 exclusive of
8 interest and costs, there are more than 100 putative class members defined below, and a significant
9 portion of putative class members are citizens of a state different from Defendants.

10 18. This Court has general personal jurisdiction over Yodlee because Yodlee’s principal
11 place of business is in Redwood City, California.

12 19. This Court has specific personal jurisdiction over Envestnet because it regularly
13 conducts business in this District and a substantial portion of the events and conduct giving rise to
14 Plaintiff’s claims occurred in this State.

15 20. Venue is proper in this District pursuant to 28 U.S.C. §1391(b), (c), and (d) because
16 Defendants transact business in this District; a substantial portion of the events giving rise to the
17 claims occurred in this District; and because Defendant Yodlee is headquartered in this District.

18 21. Intra-district Assignment: A substantial part of the events and omissions giving rise
19 to the violations of law alleged herein occurred in the County of San Mateo, and as such, this action
20 may be properly assigned to the San Francisco or Oakland divisions of this Court pursuant to Civil
21 Local Rule 3-2(c).

22 **PARTIES**

23 **A. PLAINTIFF**

24 22. Plaintiff Deborah Wesch (“Plaintiff”) is a natural person and citizen of the State of
25 New Jersey and a resident of Monmouth County.

26 23. Plaintiff Ms. Wesch is a PayPal user who connected her bank account to PayPal
27 through Yodlee’s account verification application programming interface (“API”). Defendants
28 abused their access to Ms. Wesch’s bank account by collecting and selling Plaintiff Wesch’s

1 sensitive personal data without her knowledge or consent.

2 **B. DEFENDANT**

3 24. Defendant Yodlee, Inc. is a Delaware corporation with principal executive offices
4 located at 3600 Bridge Parkway, Suite 200, Redwood City, CA 94065.

5 25. Defendant Envestnet, Inc. is a Delaware corporation, with principal executive offices
6 located at 35 East Wacker Drive, Suite 2400, Chicago, Illinois 60601.

7 **FACTUAL BACKGROUND**

8 **I. THE FOUNDING OF YODLEE**

9 26. Yodlee was founded in 1999. Initially, Yodlee was focused on providing banks and
10 financial institutions with software that would improve the user experience, for example, making it
11 possible for banking clients to view bank statements, financial accounts, and investment portfolios
12 all at once without relying on multiple logins or webpages.

13 27. Yodlee later expanded its business to develop APIs for financial apps and software
14 (collectively, “FinTech Apps”). This includes payment apps, such as Paypal; personal budgeting
15 apps, such as Personal Capital; and apps for particular banks. Yodlee’s software silently integrates
16 into its clients’ existing platforms to provide various financial services, like budgeting tools, savings
17 trackers, or account history information. In each instance, the customer believes that it is interacting
18 with its home institution (e.g., its bank) and has no idea it is logging into or using a Yodlee product.

19 28. Defendants profit from these interactions in two ways. First, the financial institutions
20 that use Defendants’ software pay a licensing fee to integrate Yodlee’s API into their platform.
21 Second, Yodlee collects the financial data of each individual that connects to one of the FinTech
22 Apps through a bank or other financial institution using its software. This information, which
23 includes bank account balances, transaction history and other data, is then aggregated with that of
24 other individuals and sold to third parties for a fee.

25 29. Yodlee’s reach and the amount of data it collects is extraordinary. More than 150
26 financial institutions and a majority of the 20 largest U.S. banks integrate Defendants’ API into their
27 platforms. According to filings with the SEC, more than 900 companies subscribe to the Yodlee
28 platform to power customized FinTech Apps and services for millions of their users.

1 30. Given its widespread success, Yodlee went public on NASDAQ in October of 2014,
2 generating almost \$100 million that year. Prior to its public offering, Yodlee claims it only provided
3 data to third parties for “research uses,” such as “enhanc[ing] predictive analysis.”

4 31. In 2015, Yodlee was acquired by Envestnet. The deal valued Yodlee at \$590 million
5 or approximately \$19 per share. The acquisition was considered the second largest FinTech deal in
6 U.S. history at the time.

7 32. That same year, the *Wall Street Journal* released a report revealing for the first time
8 that a large part of Yodlee’s revenue was actually generated by a different lucrative source: selling
9 user data. The report concluded that Yodlee has been selling data it gathers from users for at least
10 the last year.

11 33. Yodlee denied the *Wall Street Journal* report, claiming it had only “a very limited
12 number of partnerships with firms to develop . . . sophisticated analytics solutions.” Yodlee claimed
13 these partners only received “a small, scrubbed, de-identified, and dynamic sample of data to enable
14 trend analysis. Yodlee does not offer, nor do partners receive, raw data.”

15 34. Currently, Defendants sell sensitive personal data of tens of millions of individuals
16 to a large customer base, including investment firms and some of the largest banks in the United
17 States, like J.P. Morgan.⁴ One of Yodlee’s products, called its “Data Platform,” offers “the best and
18 most comprehensive financial data at massive scale across retail banking, credit, and wealth
19 management.” Yodlee explains “[t]his is made possible through the strengths of our data acquisition
20 capabilities, extensive data cleaning and enrichment expertise, and massive scale.”⁵

21 35. Defendants’ sale of users’ highly sensitive personal data violates their privacy rights
22 and several state and federal laws because, as explained below, that data is collected without
23 Plaintiff’s and Class members’ knowledge or consent. Furthermore, Yodlee fails to implement
24

25 ⁴ Joseph Cox, *Leaked Document Shows How Big Companies Buy Credit Card Data on Millions of*
26 *Americans*, VICE, (Feb. 19, 2017), https://www.vice.com/en_us/article/jged4x/envestnet-yodlee-credit-card-bank-data-not-anonymous.

27 ⁵ *Id.*

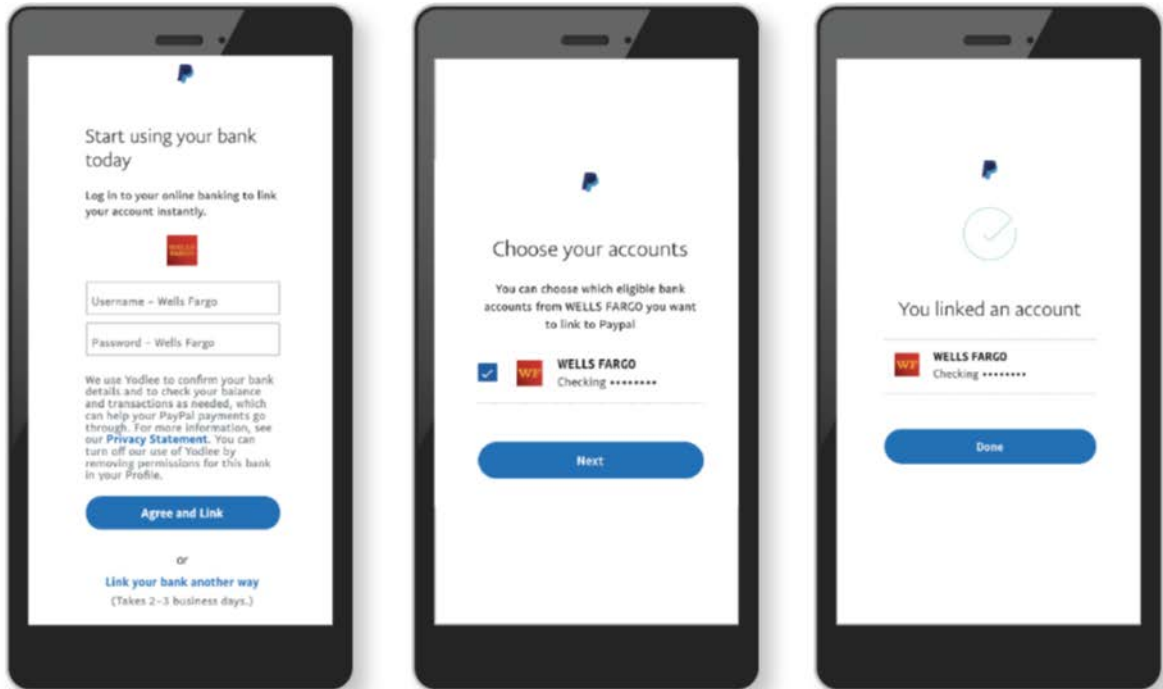
1 adequate security measures to protect Plaintiff’s and Class members’ data, leaving their highly
 2 sensitive personal data vulnerable to hackers, criminals, and other unauthorized third parties.

3 **II. YODLEE COLLECTS AND SELLS INDIVIDUALS’ FINANCIAL DATA WITHOUT**
 4 **THEIR CONSENT**

5 36. While Yodlee claims that it only sells “small . . . sample[s] of data,”⁶ in reality,
 6 Defendants sell millions of users’ sensitive personal data to hundreds of clients. As explained below,
 7 this data is collected without the individual’s consent by leveraging credentials provided to Yodlee
 8 for a different, specific, and limited purpose.

9 37. For example, PayPal uses Yodlee’s account verification API to validate an
 10 individual’s bank account so that the individual can use that account with PayPal’s services. An
 11 individual is prompted by the following screen when attempting to connect her bank account:

12 **FIGURE 1**



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24 38. The first screen displayed in Figure 1 states that “[PayPal] use[s] Yodlee to confirm
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 27 ⁶ *Yodlee Responds and Corrects The Wall Street Journal Article*, YODLEE, archived at:
 28 <https://web.archive.org/web/20150816230052/https://www.yodlee.com/yodlee-responds/> (last visited Aug. 21, 2020).

1 your bank details and to check your balance and transaction as needed, which can help your PayPal
2 payments go through.” This limited interaction is all that the individual consents to. Nowhere does
3 she give either PayPal or Yodlee permission to collect and store data for resale.

4 39. But this is exactly what happens. Yodlee goes beyond facilitating the log in
5 transactions by storing a copy of the individual’s banking data, and retains the username and
6 password that the individual provides on log in screens, like that displayed in Figure 1, to collect
7 and store the individual’s bank account transaction history on an ongoing basis. The individual never
8 consents to this kind of data collection, which solely benefits Yodlee and is unrelated and
9 unnecessary to complete the log in transaction.

10 40. An individual cannot opt out of or turn off Yodlee’s access to her bank account
11 information after providing her credentials. For example, while the first screen in Figure 1 states,
12 “[y]ou can turn off our use of Yodlee by removing permissions for this Bank in your Profile,” this
13 pertains only to PayPal’s access. Yodlee still retains the individual’s credentials and continues to
14 access her bank account to collect and sell highly sensitive financial data without consent even after
15 PayPal’s permissions are removed.

16 41. Yodlee’s recurring collection of and continued access to an individual’s financial
17 data is never disclosed. Yodlee’s privacy policy only applies to its own direct-to-consumer products
18 and does not cover the APIs that power FinTech Apps or facilitate log in transactions like that
19 described in Figure 1.⁷ Instead, Yodlee directs an individual using “Yodlee powered services
20 delivered through a Yodlee client” to refer to Defendants’ “client’s data governance and privacy
21 practices.” Thus, where an individual unknowingly uses Yodlee to connect her bank accounts to a
22 FinTech App, there is nowhere she could have looked in *Yodlee’s* policies to learn the full extent of
23 data Defendants were collecting from her or the fact that Defendants were selling her data.

24 42. Nor does Yodlee require its FinTech App clients to make any such disclosures. For
25 example, while the PayPal Privacy Statement linked to in the first screen of Figure 1 discloses that

26 _____
27 ⁷ *Privacy Notice*, YODLEE (July 31, 2020), <https://www.yodlee.com/europe/legal/privacy-notice#:~:text=The%20Yodlee%20Services%20databases%20are,of%20identification%20including%20biometric%20authentication.>
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1 PayPal does not “sell [individuals’] personal data,” it says nothing about whether third-party service
2 providers, such as Yodlee, collect and sell such sensitive financial data. Likewise, while the PayPal
3 Privacy Statement provides that “you *may* be able to manage how your personal data is collected,
4 used, and shared by [third-parties],” it does not provide individuals with a way to manage what data
5 Defendants collect about them through PayPal or how Defendants use and share that data with
6 others. Such controls would have to come directly from Yodlee, which does not allow individuals
7 to manage their personal data, because doing so would undermine Defendants’ highly profitable
8 data aggregation business.

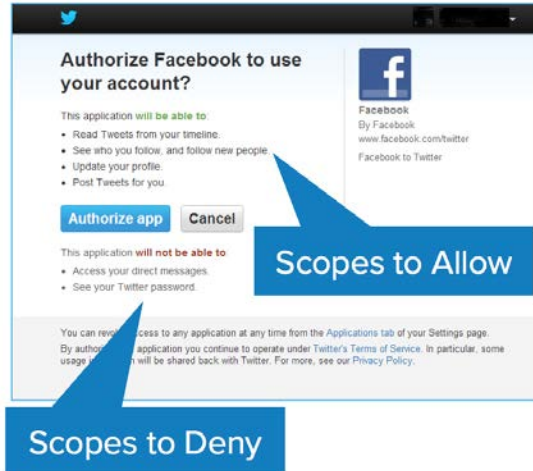
9 43. Not only do Defendants collect more data than is necessary from individuals that
10 interact with their FinTech Apps—Defendants’ service is not necessary at all.

11 44. Historically, in order to allow a third party access to a bank account, a user had to
12 submit her bank routing and account numbers; transfer a small trial deposit (usually a few cents);
13 and then return to the bank to verify the amount transferred. This process usually took several days,
14 a delay that could—in the fast-moving Internet age—cause potential users of FinTech Apps to give
15 up on using the app at all.

16 45. One alternative to this process is “OAuth.” Users are likely familiar with this
17 procedure because it has become the industry-standard protocol for users who wish to grant a
18 website or an app permission to access certain information from another website or app. Crucially,
19 OAuth “enables apps to obtain limited access (scopes) to a user’s data without giving away a user’s
20 password.”⁸ For instance, consider an example in which a user wishes to grant Facebook permission
21 to access her Twitter account so that it can integrate its social media accounts together. Before it can
22 do so, the user will be redirected from Facebook to Twitter, where it must login to ensure it is
23 authorized to grant those permissions.⁹ Then, a dialogue box pops up, asking which permissions the
24 user is granting and which it is denying. The dialogue box might look something like this:

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26 ⁸ See Matt Raible, *What the Heck is OAuth?* OKTA (June 21, 2017),
27 <https://developer.okta.com/blog/2017/06/21/what-the-heck-is-oauth>.

28 ⁹ Redirection from the app the user is currently using to the app where it retains the data to which
it is granting permission is a hallmark of OAuth.

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46. In this example, note that the user grants Facebook permission to update its Twitter profile and even post to the user’s Twitter account (“This application will be able to . . . Update your profile; Post Tweets for you”), but *denies* Facebook permission to see the user’s Twitter password (“This application will not be able to . . . See your Twitter password”). Instead, the user provides her Twitter username and password only to Twitter. Twitter then sends a “token” to Facebook, essentially confirming to Facebook that the user’s login to Twitter was legitimate. Scopes are one of the “central components” and perhaps even “the first key aspect” of OAuth.

47. But as with the old-fashioned way of authorizing a bank account by providing account and routing numbers and waiting for a small deposit, OAuth requires a user to leave the app and be redirected to another site or interface to log in. This supposedly undermines an app’s ability to sign up new users by driving away individuals who decide it is not worth the trouble of dealing with the OAuth process.

48. Yodlee’s API purports to solve this problem, but the distinctions between Yodlee’s API and true OAuth underscore the grave risk that Yodlee poses to individuals. *First*, Yodlee does not provide a clear dialogue box outlining the scopes of the permissions that the user is granting to Yodlee or the permissions the user is denying to Yodlee. Indeed, the user has no option to deny Yodlee any permissions at all.

¹⁰ Raible, *supra* n. 8.

1 49. *Second*, the core principle of OAuth—and what has made it the industry-standard
2 authorization protocol—is that it provides for access to an individual’s data *without disclosing the*
3 *individual’s password* to the service requesting authorization. This places the individual in control,
4 because she can cut off the service’s access to her data by revoking the service’s OAuth access.
5 Yodlee specifically designed its API to circumvent this protection, deceiving users into providing
6 Defendants with their bank usernames and passwords so that Defendants can use those credentials
7 to collect sensitive financial information on an ongoing basis without giving the individual a way to
8 revoke access to that data. As explained above, Defendants accomplish this by deceiving users into
9 thinking that they are logging into their financial institutions’ app or website, when in fact they are
10 entering their credentials directly into Defendants’ portal.

11 50. Yodlee is capable of integrating OAuth into its API. It has done so in Europe in order
12 to comply with the European Union’s Second Payment Services Directive. Yet in the United States,
13 Defendants continue to deploy credential-based authentication because, though it falls short of the
14 industry standard, it is a source of immense profit.

15 51. By failing to provide disclosures or obtain users’ consent to collect and sell their
16 sensitive personal data, Defendants violated Plaintiff’s and Class members’ privacy rights and state
17 and federal law.

18 **III. YODLEE’S FAILURE TO DISCLOSE VIOLATES SEVERAL PRIVACY LAWS**

19 52. As discussed above, Yodlee’s privacy policy only applies to its “direct-to-consumer
20 services and websites.” For consumers who access Yodlee’s services through one of Yodlee’s
21 clients, such as Paypal, Yodlee pushes off the burden of providing adequate disclosures to
22 consumers onto the client. This is an abdication of Defendants’ duties under the law.

23 53. In California, several statutes require Defendants to provide clear disclosures to
24 consumers about their conduct, including that they collect and sell consumers’ sensitive personal
25 data.

26 54. For example, the California Consumer Privacy Act (“CCPA”) protects consumers’
27 personal information from collection and use by businesses without providing proper notice and
28 obtaining consent.

1 55. The CCPA applies to Defendants Envestnet and Yodlee because they individually
2 earn more than \$25 million in annual gross revenue. Additionally, the CCPA applies to Defendants
3 because they buy, sell, receive, or share, for commercial purposes, the personal information of more
4 than 50,000 consumers, households, or devices.

5 56. The CCPA requires a business that collects consumers' personal information, such
6 as Defendants' business, to disclose either "at or before the point of collection . . . the categories of
7 personal information to be collected and the purposes for which the categories of personal
8 information shall be used." Cal. Civ Code § 1798.100(b).

9 57. Furthermore, "[a] business shall not collect additional categories of personal
10 information or use personal information collected for additional purposes without providing the
11 consumer with notice consistent with this section." *Id.*

12 58. Other state statutes that govern Defendants' disclosures include California's
13 Financial Information Privacy Act ("CalFIPA"), Cal. Fin. Code §4053(d)(1), the California Online
14 Privacy Protection Act ("CalOPPA"), Cal. Bus. & Prof. Code § 22575. CalFIPA requires that the
15 language in privacy policies be "designed to call attention to the nature and significance of the
16 information" therein, use "short explanatory sentences," and "avoid[] explanations that are
17 imprecise or readily subject to different interpretations." Cal. Fin. Code §4053(d)(1). The text must
18 be no smaller than 10-point type and "use[] boldface or italics for key words." *Id.* In passing
19 CalFIPA, the California legislature explicitly provided that its intent was "to afford persons greater
20 privacy protections than those provided in . . . the federal Gramm-Leach-Bliley Act, and that this
21 division be interpreted to be consistent with that purpose." Cal. Fin. Code § 4051. *See infra.*

22 59. CalOPPA requires that an operator of any online service, as defined therein,
23 "conspicuously post" its privacy policy. Cal. Bus. & Prof. Code §22575. Under the statute, to
24 "conspicuously post" a privacy policy via a text hyperlink, the hyperlink must include the word
25 "privacy," be "written in capital letters equal to or greater in size than the surrounding text," or be
26 "written in larger type than the surrounding text, or in contrasting type, font, or color to the
27 surrounding text of the same size, or set off from the surrounding text of the same size by symbols
28 or other marks that call attention to the language." Cal. Bus. Prof. Code § 22577(b).

1 60. The Graham Leach Bliley Act (the “GLBA”) and the regulations promulgated
2 thereunder impose strict requirements on financial institutions regarding their treatment of
3 consumers’ private financial data and the disclosure of their policies regarding the same. Defendants
4 are financial institutions subject to those regulations, which include the Privacy of Consumer
5 Financial Information regulations (the “Privacy Rule”), 16 C.F.R. Part 313, re-codified at 12 C.F.R.
6 Part 1016 (“Reg. P”), and issued pursuant to the GLBA, 15 U.S.C. §§ 6801-6803, and the GLBA’s
7 “Safeguards Rule” (16 C.F.R. Part 314).

8 61. This regulatory scheme has clear requirements for applicable privacy policies. Under
9 those rules, a financial institution “must provide a clear and conspicuous notice that accurately
10 reflects [its] privacy policies and practices.” 16 C.F.R. § 313.4. Privacy notices must be provided
11 “so that each consumer can reasonably be expected to receive actual notice.” 16 C.F.R. § 313.9; 12
12 C.F.R. § 1016.9. “Clear and conspicuous means that a notice is reasonably understandable and
13 designed to call attention to the nature and significance of the information in the notice.” 16 C.F.R.
14 § 313.3(b)(1); 12 C.F.R. § 1016.3(b)(1). Ways a company can call attention to its privacy policy
15 include “[using] a plain-language heading” (16 C.F.R. §313.3(b)(2)(ii)(A)); “[using] a typeface and
16 type size that are easy to read” (16 C.F.R. § 313.3(b)(2)(ii)(B)); (c) “[using] boldface or italics for
17 key words” (16 C.F.R. § 313.3(b)(2)(ii)(D)); or (d) “[using] distinctive type size, style, and graphic
18 devices, such as shading or sidebars,” when combining its notice with other information (16 C.F.R.
19 § 313.3(b)(2)(ii)(E)). A company must ensure that “other elements on the web site (such as text,
20 graphics, hyperlinks, or sound) do not distract attention from the notice.” 16 CFR §313(b)(2)(iii).
21 The notice should appear in a place that users “frequently access.” 16 CFR §313.3(b)(2)(iii)(A), (B).
22 Privacy notices must “accurately reflect[]” the financial institution’s privacy policies and practices.
23 16 C.F.R. §§ 313.4 and 313.5; 12 C.F.R. §§ 1016.4 and 1016.5. The notices must include the
24 categories of nonpublic personal information the financial institution collects and discloses, the
25 categories of third parties to whom the financial institution discloses the information, and the
26 financial institution’s security and confidentiality policies. 16 C.F.R. § 313.6; 12 C.F.R. § 1016.6.

27 62. Both GLBA and CalFIPA require that privacy policies provide consumers with an
28 opportunity to opt out of the sharing of their personal data. 16 C.F.R. § 313.10; Cal. Fin. Code.

1 §4053(d)(2).

2 63. Defendants violated these statutory and regulatory requirements because they do not
3 disclose through the Yodlee privacy policy that they collect consumers' personal information, let
4 alone the categories of personal information they collect, nor the purposes for which this information
5 is collected.

6 64. Yodlee's privacy policy is not "clear and conspicuous." Indeed, Yodlee has designed
7 its privacy policy to be wholly inapplicable to consumers like Plaintiff and Class members, who
8 access Yodlee's services through a third party.

9 65. Nor does Yodlee make these necessary disclosures at the "point of collection." For
10 example, as discussed above, when consumers connect their bank account to PayPal through
11 Yodlee, nowhere is it disclosed that Yodlee collects and sells consumers' sensitive personal data.
12 All that is disclosed is that "[PayPal] use[s] Yodlee to confirm your bank details and to check your
13 balance and transaction as needed, which can help your PayPal payments go through." This is
14 materially false and misleading in that it does not disclose: (1) that Yodlee collects and sells users'
15 sensitive personal data; (2) the categories of data that Yodlee collects and sells; or (3) the true
16 purpose for Yodlee's conduct, i.e., to earn monetary compensation by selling Plaintiff's and Class
17 members' data to other entities. (Other apps that incorporate the Yodlee API, such as Personal
18 Capital, do not disclose their use of Yodlee whatsoever.)

19 66. Further, Yodlee's privacy policy provides an insufficient opportunity to opt out,
20 including because it fails to use the heading "Restrict Information Sharing With Other Companies
21 We Do Business With To Provide Financial Products And Services." Cal. Fin. Code 4053 (d)(1)(A).

22 67. In addition to being financial institutions themselves, governed by the GLBA and
23 CalFIPA, Defendants also received data from other financial institutions. As such, they violated the
24 following CalFIPA provision as well:

25 *An entity that receives nonpublic personal information pursuant to any exception*
26 *set forth in Section 4056 shall not use or disclose the information except in the*
27 *ordinary course of business to carry out the activity covered by the exception under*
which the information was received.

28 Cal. Fin. Code § 4053.5 (emphasis added).

1 68. One of the exceptions noted in Section 4056 allows sharing of nonpublic personal
2 information “with the consent or at the direction of the consumer.” Cal. Fin. Code. § 4056. Plaintiff
3 and Class members did not consent to or direct the release of their sensitive nonpublic personal
4 information for the reasons described herein. But even if they did, Section 4053.5 still provides that
5 an entity like Yodlee can *only* use such information to carry out the activity *for which the user*
6 *provided consent*. Defendants’ use of the data for any reason other than connecting users’ bank
7 accounts violates this statutory protection.

8 **IV. GOVERNMENT AND INDUSTRY LEADERS AGREE THAT DEFENDANTS’**
9 **CONDUCT IS WRONG, RISKY, DANGEROUS AND BAD FOR CONSUMERS**

10 69. Government and industry leaders agree that Defendants’ conduct runs afoul of basic
11 standards of decency and proper treatment of consumer data.

12 70. The Consumer Financial Protection Bureau’s 2017 Consumer Protection Principles
13 for data aggregators like Yodlee provide that such services should not “require consumers to share
14 their account credentials with third parties”—i.e., anyone other than the user or the bank.¹¹ Of
15 course, Defendants do exactly that.

16 71. Likewise, the Consumer Protection Principles provide that the data practices of a
17 company like Yodlee must be “fully and effectively disclosed to the consumer, understood by the
18 consumer, not overly broad, and consistent with the consumer’s reasonable expectations in light of
19 the product(s) or service(s) selected by the consumer.” Defendants’ disclosures were not full and
20 effective, as described above. Defendants’ data practices were likely to and did deceive Plaintiff and
21 Class members, are overly broad, and are not consistent with consumers’ reasonable expectations,
22 because they are out of proportion to what is necessary to link financial accounts to FinTech apps.

23 72. The Consumer Protection Principles also provide that data access terms must address
24 “access frequency, data scope, and retention period.” Nowhere do Defendants disclose how they
25 access consumers’ data, how much data they gather and how long they keep it—perhaps because

26 ¹¹ *Consumer Protection Principles: Consumer-Authorized Financial Data Sharing and*
27 *Aggregation*, Consumer Financial Protection Bureau (Oct. 18, 2017),
28 [https://files.consumerfinance.gov/f/documents/cfpb_consumer-protection-principles_data-](https://files.consumerfinance.gov/f/documents/cfpb_consumer-protection-principles_data-aggregation.pdf)
[aggregation.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-protection-principles_data-aggregation.pdf).

1 consumers would be outraged to hear the answers.

2 73. The Consumer Protection Principles also provide that consumers must be informed
3 of any third parties that access or use their information, including the “identity and security of each
4 such party, the data they access, their use of such data, and the frequency at which they access the
5 data.” Defendants do not disclose this information.

6 74. Major financial institutions and their trade associations have also voiced concerns.
7 In April 2016, JPMorgan CEO Jamie Dimon said the bank is “extremely concerned” about “outside
8 parties,” including “aggregators” (like Yodlee), for three reasons: first, “[f]ar more information is
9 taken than the third party needs in order to do its job”; second, “[m]any third parties sell or trade
10 information in a way [users] may not understand, and the third parties, quite often, are doing it for
11 their own economic benefit – not for the customer’s benefit”; and third, “[o]ften this is being done
12 on a daily basis for years after the customer signed up for the services, which they may no longer
13 be using.”¹² Dimon recommended that users not share their login credentials with third parties like
14 Yodlee, in part to avoid loss of important indemnification rights: “When [users] give out their bank
15 passcode, they may not realize that if a rogue employee at an aggregator uses this passcode to steal
16 money from the customer’s account, the customer, not the bank, is responsible for any loss. . . . This
17 lack of clarity and transparency isn’t fair or right.” JPMorgan hit the nail on the head in identifying
18 the egregious invasions of privacy that are not simply incidental to Defendants’ business, but lie at
19 the heart of it.

20 75. In 2017, the American Bankers Association (“ABA”) wrote to the CFPB to express
21 similar concerns.¹³ The ABA stated that “few consumers appreciate the risks presented when they
22 provide access to financial account data to non-bank fintech companies,” including the risk of
23 removing such data from the secure bank environment; that “consumers are not given adequate
24

25 ¹² See Jamie Dimon, Chairman and CEO of JPMorgan Chase & Co., Letter to Shareholders, (Apr.
26 6, 2016), <https://www.jpmorganchase.com/corporate/annual-report/2015/>.

27 ¹³ Rob Morgan, Vice President, Emerging Technologies of American Bankers Association, Letter
28 Response to Request for Information Regarding Consumer Access to Financial Records Docket
No.: CFPB-2016-0048 (Feb. 21, 2017), [https://www.aba.com/-/media/documents/comment-
letter/aba-comment-cfpb-data-aggregators.pdf?rev=a5603ffb382c49059ebab1dfda631abf](https://www.aba.com/-/media/documents/comment-letter/aba-comment-cfpb-data-aggregators.pdf?rev=a5603ffb382c49059ebab1dfda631abf).

1 information or control over what information is being taken, how long it is accessible, and how it
2 will be used in the future”; that aggregators like Yodlee make “little effort to inform consumers
3 about the information being taken, how it is being used or shared, how often it is being accessed,
4 and how long the aggregator will continue to access it”; and that “[c]onsumers assume that data
5 aggregators take only the data needed to provide the service requested,” but in reality, “too often it
6 is not the case.”

7 **INJURY AND DAMAGES TO THE CLASS**

8 76. Plaintiff and Class members have suffered actual harm, injury, damage and loss as a
9 result of Defendants’ illegal conduct, including but not limited to economic damages and harm to
10 their dignitary rights. Had Plaintiff and Class members known the true nature, significance and
11 extent of Defendants’ data practices, they would not have used Yodlee.

12 **I. PLAINTIFF AND CLASS MEMBERS HAVE SUFFERED ECONOMIC DAMAGES**

13 77. Defendants’ illegal conduct caused Plaintiff and Class members to suffer economic
14 damages and loss, including but not limited to: (a) the loss of valuable indemnification rights; (b)
15 the loss of other rights and protections to which they were entitled as long as their sensitive personal
16 data remained in a secure banking environment; (c) the loss of control over valuable property; and
17 (d) the heightened risk of identity theft and fraud.

18 78. Defendants caused all of these damages when, without actual or constructive notice
19 to Plaintiff and Class members and without their knowledge or consent, Defendants (1) removed
20 their sensitive personal data from the secure banking environment and (2) sold it to third parties,
21 without exercising any oversight or control over what those entities did with the data.

22 79. Under federal regulations, a consumer is not liable for unauthorized electronic fund
23 transfers from her financial accounts, subject to certain limits and conditions. *See, e.g.*, 12 C.F.R.
24 § 1005.2(m). But Defendants’ conduct eliminates consumers’ rights to indemnification under these
25 regulations. If Defendants induced Plaintiff and Class members to provide their bank credentials to
26 Defendants, and a malicious user subsequently uses those credentials to access and improperly
27 transfer funds from Plaintiff and Class members’ accounts, banks consider that transfer to have been
28 authorized because of the initial provision of the credentials to Defendants. As noted above,

1 JPMorgan has expressed concern that consumers do not generally understand that they will be
2 responsible for any such loss. For instance, a theft of \$10,000 from a consumer's account would
3 ordinarily leave a consumer liable for only \$50; but if Defendants' conduct in any way contributes
4 to that unlawful access, the consumer may now be liable for the full \$10,000, a loss in value of
5 \$9,950. By removing Plaintiff's and Class members' data from the secure bank environment and
6 storing it in their own computer systems, networks or servers, Defendants have destroyed the rights
7 and protections to which Plaintiff and Class members are otherwise entitled. That amounts to an
8 economic loss to Plaintiff and Class members.

9 **II. LOSS OF CONTROL OVER VALUABLE PROPERTY**

10 80. The data that Defendants collect, retain and sell has enormous value both to
11 Defendants and to the Plaintiff and Class members from whom Defendants illicitly obtain it. First,
12 the data at issue is valuable to Defendants. In 2015, Envestnet announced an acquisition of Yodlee
13 for \$590 million, based in no small part on the universe of consumer data that Yodlee had
14 accumulated. Defendants package and sell the data it collects to third party customers, thus
15 demonstrating that there is an active market for Plaintiff's and Class members' data. The sheer size
16 of this mountain of data, as well as Defendants' ability to continue accessing Plaintiff's and Class
17 members' transaction histories on an ongoing basis, creates a competitive advantage that Defendants
18 may exercise over their competitors. All of these facts indicate that the data Defendants gather is
19 valuable. Once Defendants acquire the data, however, Plaintiff and Class members have no control
20 over what Defendants do with it, including how they package it and to whom they sell it. Further,
21 even Defendants exercise no oversight or control over this data after they sell it. Thus, Plaintiff and
22 Class members suffered economic loss from the loss of control over their valuable property.

23 **A. INCREASED RISK OF IDENTITY THEFT AND FRAUD**

24 81. Defendants' conduct not only destroyed Plaintiff's and Class members' rights to
25 indemnification in the event their accounts are compromised, but has also increased the risk of just
26 such an incident occurring. As the ABA has recognized, the "sheer volume and value of the
27 aggregated data" warehoused at entities like Defendants makes them "a priority target for criminals,
28 including identity thieves." Databases like Defendants' create a one-stop shop for such malicious

1 actors to gain access to all of a consumer’s accounts, creating a “rich reward for a single hack.”
2 Defendants’ consolidation of risk to consumers at a single point of entry creates tangible, economic
3 injury to Plaintiff and Class members, who must spend time and money closely monitoring their
4 credit reports and other financial records for any evidence that their accounts have been
5 compromised. Defendants’ conduct has permanently impaired the integrity of Plaintiff’s and Class
6 members’ bank accounts and the banking information and data therein. Plaintiff and Class members
7 face an expanded and imminent risk of economic harm from unauthorized transfers, identity theft,
8 and fraud.

9 **B. PLAINTIFF AND CLASS MEMBERS HAVE A REASONABLE**
10 **EXPECTATION OF PRIVACY**

11 82. Plaintiff’s and Class members’ expectation of privacy in their highly sensitive
12 personal data, which Defendants collected, sold, or otherwise misused, is enshrined in California’s
13 Constitution. Article I, section 1 of the California Constitution provides: “All people are by nature
14 free and independent and have inalienable rights. Among these are enjoying and defending life and
15 liberty, acquiring, possessing, and protecting property, and pursuing and obtaining safety,
16 happiness, *and privacy*.” Art. I., Sec. 1, Cal. Const. (emphasis added).

17 83. The phrase “*and privacy*” was added in 1972 after a proposed legislative
18 constitutional amendment designated as Proposition 11. Significantly, the argument in favor of
19 Proposition 11 reveals that the legislative intent was to curb businesses’ control over the
20 unauthorized collection and use of consumers’ personal information, stating in relevant part:

21 *The right of privacy is the right to be left alone. It is a fundamental and compelling*
22 *interest. It protects our homes, our families, our thoughts, our emotions, our*
23 *expressions, our personalities, our freedom of communion, and our freedom to*
24 *associate with the people we choose. It prevents government and business interests*
25 *from collecting and stockpiling unnecessary information about us and from*
26 *misusing information gathered for one purpose in order to serve other purposes or*
27 *to embarrass us.*

28 *Fundamental to our privacy is the ability to control circulation of personal*
information. This is essential to social relationships and personal freedom. The
proliferation of government and business records over which we have no control
limits our ability to control our personal lives. Often we do not know that these

1 *records even exist and we are certainly unable to determine who has access to*
2 *them.*¹⁴

3 84. Consistent with the language of Proposition 11, numerous studies examining the
4 collection of consumers' personal data confirm that the surreptitious taking of personal, confidential,
5 and private information from millions of individuals, as Yodlee has done here, violates expectations
6 of privacy that have been established as general social norms.

7 85. Privacy polls and studies uniformly show that the overwhelming majority of
8 Americans consider one of the most important privacy rights to be the need for an individual's
9 affirmative consent before a company collects and shares its users' personal data.

10 86. For example, a recent study by *Consumer Reports* shows that 92% of Americans
11 believe that internet companies and websites should be required to obtain consent before selling or
12 sharing their data, and the same percentage believe internet companies and websites should be
13 required to provide consumers with a complete list of the data that has been collected about them.
14 Moreover, according to a study by *Pew Research*, a majority of Americans, approximately 79%, are
15 concerned about how data is collected about them by companies.

16 87. Defendants failed to disclose that they collected, sold, and otherwise misused
17 consumers' sensitive personal data, and failed to obtain consent to do so. This constitutes a violation
18 of Plaintiff's and Class members' privacy interests, including those enshrined in the California
19 Constitution.

20 **III. YODLEE DOES NOT HAVE ADEQUATE SAFEGUARDS TO PROTECT**
21 **CONSUMERS' DATA**

22 88. Yodlee claims that "[p]rotecting the personal information of those who use our
23 services is [their] top priority" and that it employs "leading industry standards of de-identification
24 processing," and "technical, administrative, and contractual measures to protect consumers'
25 identities, such as prohibiting analytics and insights users from attempting to re-identify any

26 ¹⁴ Ballot Pamp., Proposed Amends. to Cal. Const. with arguments to voters, Gen. Elec.
27 (Nov. 7, 1972) at 27 (emphasis added).

1 consumers from the data.”¹⁵ These statements are false.

2 89. According to leaked documents obtained by *Vice* news, Yodlee’s data anonymization
3 process involves “removing names, email addresses, and other personally identifiable information
4 (PII) from the transaction data.”¹⁶ This includes “masking patterns of numbers such as account
5 numbers, phone numbers, and SSNs and replacing them with "XXX" symbols” and “mask[ing] the
6 financial institution’s name in the transaction description.”¹⁷

7 90. However, Yodlee’s customers (and potential identify thieves) still receive a wealth
8 of information that can be used to re-identify an individual. For example, even Yodlee’s “masked”
9 information still provides a unique identifier for who made the purchase, the amount of the
10 transaction, date of sale, the city, state and zip code of the business where the purchase was made,
11 and other metadata, including primary and secondary merchant fields, that can be combined to
12 identify the specific individual involved in each transaction.

13 91. Moreover, because Yodlee keeps a unique identifier for each individual consumer in
14 its data set, and these identifiers are preserved across all transactions, marketers (and cybercriminals)
15 can de-anonymize the data by linking multiple transactions by the same user and combining that
16 information with other publicly available data.

17 92. As Yves-Alexandre de Montjoye, an assistant professor at Imperial College London
18 explained, this data is mere “pseudonymized” than anonymized, meaning that while “it doesn’t
19 contain information that’d directly identify a person such as names or email addresses . . . someone
20 with access to the dataset and some information about you . . . might be able to identify you.”

21 93. Vivek Singh, an assistant professor at Rutgers University raised the same concern,
22 because the data “does not remove spatio-temporal traces of people that can be used to connect back
23 the data to them.” Spatio-temporal traces are metadata associated with the transaction, including the
24

25 ¹⁵ See *VICE*, *supra* n. 4.

26 ¹⁶ *Id.*

27 ¹⁷ *Id.*

28

1 data, merchant, and physical location.

2 94. Singh and de Montjoye authored a 2015 study published in Science in which they
3 successfully identified individuals using a dataset of similar “de-identified” data using three months
4 of transactions covering 1.1 million people.¹⁸ Singh explained with just “three to four” transactions,
5 an attacker “can unmask the person with a very high probability.” The study concluded that it was
6 possible to determine the identity of an individual from so-called “anonymized” credit card data
7 90% of the time through simple extrapolation.¹⁹

8 95. Significantly, last year, scientists from the Imperial College London and Université
9 Catholique de Louvain reported that they have developed a model that can re-identify 99.98% of
10 Americans from datasets using as few as fifteen demographic attributes. Notably, these researchers
11 have made their software code available for anyone on the internet.

12 96. Consumers whose information is collected and sold by Yodlee are especially
13 vulnerable because a user’s credit and debit card transactions can reveal a wealth of other personal
14 and demographic information, such as health, sexuality, religion, and political views that can be
15 used to re-identify individuals like Plaintiff and Class members.

16 97. These studies confirm that Yodlee’s purported “deanonymization” provides little to
17 no protection for Plaintiff and Class members, given the immense amount of data that Yodlee has
18 been able to collect through its network of over 17,000 connections to financial institutions, billers,
19 reward networks, and other endpoints. As Yodlee’s former chief product officer Peter Hazlehurst
20 explained, Yodlee’s datasets are incredible in size and “can tell you down to the day how much the
21 water bill was across 25,000 citizens of San Francisco or the daily spending at McDonald’s
22 throughout the country.”²⁰

24 ¹⁸ Y. de Montjoye, V. Singh et al., *Unique in the Shopping Mall: On the Reidentifiability of Credit*
25 *Card Metadata*, 357 SCIENCE 6221, 536-539 (Jan. 30, 2015),
https://science.sciencemag.org/content/347/6221/536?mod=article_inline.

26 ¹⁹ *Id.*

27 ²⁰ Hope, *supra* n.1.

1 98. Furthermore, despite Yodlee’s claim that it employs “technical, administrative, and
2 contractual measures to protect consumers’ identities, such as prohibiting analytics and insights
3 users from attempting to re-identify any consumers from the data,”²¹ Yodlee does not have
4 reasonable safeguards in place to protect consumers’ sensitive personal data.

5 99. Yodlee admitted in a 2015 filing with the SEC that it “does not audit its customers
6 to ensure that they have acted, and continue to act, consistently with such assurances.”²² After selling
7 consumer data, Yodlee takes no steps to ensure this information remains private, that its clients are
8 not attempting to re-identify consumers, or use that data for malicious purposes.

9 100. Nor could it. Yodlee’s choice not to employ technical safeguards to protect
10 consumers’ sensitive personal data and instead to sell that data to its clients in large text files
11 removes Yodlee’s ability to exert any control over the information once it has been sold.

12 **IV. CONGRESS HAS REQUESTED AN FTC INVESTIGATION INTO ENVESTNET**
13 **& YODLEE PRACTICES**

14 101. Earlier this year, three members of Congress wrote a letter urging the Federal Trade
15 Commission (“FTC”) to investigate Defendants for selling Americans’ highly sensitive data without
16 their knowledge or consent.²³

17 102. In the letter, Senator Ron Wyden, Senator Sherrod Brown, and Representative Anna
18 Eshoo wrote that “Envestnet [] sells access to consumer data . . . The consumer data that Envestnet
19 collects and sells is highly sensitive. Consumers’ credit and debit card transactions can reveal
20 information about their health, sexuality, religion, political views, and many other personal
21 details . . . And the more often that consumers’ personal information is bought and sold, the greater
22 the risk that it could be the subject of a data breach.”

23 103. The three members of Capitol Hill were deeply worried that “Envestnet and the
24

25 ²¹ See Vice, *supra* n. 4.

26 ²² *Proxy Statement/Prospectus*, YODLEE, (Oct. 14, 2015),
<https://www.sec.gov/Archives/edgar/data/1337619/000104746915007906/a2226277z424b3.htm>

27 ²³ See Wyden, *supra* n. 2.

1 companies to which it had sold data [did not] have the required technical controls in place to protect
2 Americans' sensitive financial data from re-identification, unauthorized disclosure to hackers or
3 foreign spies, or other abusive data practices.”²⁴

4 104. The letter further warned that:

5 Envestnet does not inform consumers that it is collecting and selling their personal
6 financial data . . . Instead, Envestnet only asks its partners, such as banks, to disclose
7 this information to consumers in their terms and conditions or privacy policy. That
8 is not sufficient protection for users. Envestnet does not appear to take any steps to
9 ensure that its partners actually provide consumers with such notice. And even if
they did, Envestnet should not put the burden on consumers to locate a notice buried
in small print in a bank's or apps' [sic] terms and conditions . . . in order [to] protect
their privacy.

10 The authors argued that FTC policy prohibits “hid[ing] important facts about how consumer data is
11 collected or shared in the small print of a privacy policy” and FTC has stated that, “companies have
12 an obligation to disclose ‘facts [that] would be material to consumers in deciding to install the
13 software.’”

14 105. According to Envestnet's most recent Form 10-K, in February 2020, the FTC issued
15 a civil investigative demand to Envestnet for various documents related to this matter. Envestnet
16 itself recognizes the risk that as a result of the FTC's investigation, proceedings may be initiated
17 and they may be found to have violated applicable laws, which could have a material adverse effect
18 on their operations and financial condition.

19 **TOLLING, CONCEALMENT AND ESTOPPEL**

20 106. The statutes of limitation applicable to Plaintiff's claims are tolled as a result of
21 Defendants' knowing and active concealment of their conduct alleged herein. Among other things,
22 Defendants design their software to deceive users into thinking that they are interacting directly with
23 their banks when providing log in credentials to facilitate a connection between their bank accounts
24 and a third party service. Defendants also fail to disclose to each individual user—either through
25 their own privacy policy, website, or other document—that they store the bank log in information
26 provided in such log in transactions and use those credentials to collect financial data from the

27 _____
28 ²⁴ *Id.*

1 individual's bank accounts on an ongoing basis, even though the individual never consented to such
2 data collection. Nor do Defendants inform each individual user that this data collection will continue
3 even if the individual revokes the permissions granted to the third party service it sought to connect
4 to her bank account. By these actions, Defendants intentionally concealed the nature and extent of
5 their data collection operation to maximize profits resulting from the sale of Plaintiff's and Class
6 members' highly sensitive financial information. To the extent the Defendants' customers or others
7 made statements regarding Defendants' service or its privacy policies, Defendants either approved
8 those inadequate statements or failed to timely correct them in service of their ongoing scheme to
9 conceal the true nature of their conduct.

10 107. Plaintiff and Class members could not, with due diligence, have discovered the full
11 scope of Defendants' conduct, due to Defendants' deliberate efforts to conceal it. All applicable
12 statutes of limitation also have been tolled by operation of the discovery rule. Under the
13 circumstances, Defendants were under a duty to disclose the nature and significance of their data
14 and privacy policies and practices, but did not do so. Defendants therefore are estopped from relying
15 on any statute of limitations.

16 108. Defendants' fraudulent concealment and omissions are common to Plaintiff and all
17 Class members.

18 CLASS ACTION ALLEGATIONS

19 109. Plaintiff brings this action pursuant to Federal Rule of Civil Procedure 23
20 individually and on behalf of the following Classes:

21 **Nationwide Class:** All natural persons in the United States whose accounts at a
22 financial institution were accessed by Yodlee using login credentials obtained
23 through Yodlee's software incorporated in a mobile or web-based fintech app that
enables payments (including ACH payments) or other money transfers from 2014
through the present.

24 **California Class:** All natural persons in California whose accounts at a financial
25 institution were accessed by Yodlee using login credentials obtained through
26 Yodlee's software incorporated in a mobile or web-based fintech app that enables
27 payments (including ACH payments) or other money transfers from 2014 through
28

1 the present.²⁵

2 110. Excluded from each of the Classes are: (1) any Judge or Magistrate presiding over
3 this action and any members of their families; (2) Defendants, Defendants' subsidiaries, parents,
4 successors, predecessors, and any entity in which a Defendant or its parent has a controlling interest
5 and their current or former employees, officers, and directors; and (3) Plaintiff's counsel and
6 Defendants' counsel.

7 111. **Numerosity:** The exact number of members of the Classes is unknown and
8 unavailable to Plaintiff at this time, but individual joinder in this case is impracticable. The Classes
9 likely consist of millions of individuals, and the members can be identified through Defendants'
10 records.

11 112. **Predominant Common Questions:** The Classes' claims present common questions
12 of law and fact, and those questions predominate over any questions that may affect individual Class
13 members. Common questions for the Classes include, but are not limited to, the following:

- 14 a. Whether Defendants violated Plaintiff's and Class members' privacy rights;
- 15 b. Whether Defendants' acts and practices complained of herein amount to egregious
16 breaches of social norms;
- 17 c. Whether Defendants' conduct was negligent;
- 18 d. Whether Defendants' conduct was unlawful;
- 19 e. Whether Defendants' conduct was unfair;
- 20 f. Whether Defendants' conduct was fraudulent;
- 21 g. Whether Plaintiff and the Class members are entitled to equitable relief, including
22 but not limited to, injunctive relief, restitution, and disgorgement;
- 23 h. Whether Plaintiff and the Class members are entitled to actual, statutory, punitive or
24 other forms of damages, and other monetary relief; and
- 25 i. Whether Plaintiff and the Class members are entitled to actual, statutory, punitive or
26

27 ²⁵ Plaintiff has defined the Classes based on currently available information and hereby reserves
28 the right to amend the definition of the Classes, including, without limitation, the Class Period.

1 other forms of damages, and other monetary relief.

2 113. **Typicality:** Plaintiff's claims are typical of the claims of the other members of the
3 Classes. The claims of Plaintiff and the members of the Classes arise from the same conduct by
4 Defendants and are based on the same legal theories.

5 114. **Adequate Representation:** Plaintiff has and will continue to fairly and adequately
6 represent and protect the interests of the Classes. Plaintiff has retained counsel competent and
7 experienced in complex litigation and class actions, including litigations to remedy privacy
8 violations. Plaintiff have no interest that is antagonistic to those of the Classes, and Defendants have
9 no defenses unique to any Plaintiff. Plaintiff and her counsel are committed to vigorously
10 prosecuting this action on behalf of the members of the Classes, and they have the resources to do
11 so. Neither Plaintiff nor her counsel have any interest adverse to those of the other members of the
12 Classes.

13 115. **Substantial Benefits:** This class action is appropriate for certification because class
14 proceedings are superior to other available methods for the fair and efficient adjudication of this
15 controversy and joinder of all members of the Classes is impracticable. This proposed class action
16 presents fewer management difficulties than individual litigation, and provides the benefits of single
17 adjudication, economies of scale, and comprehensive supervision by a single court. Class treatment
18 will create economies of time, effort, and expense and promote uniform decision-making.

19 116. Plaintiff reserves the right to revise the foregoing class allegations and definitions
20 based on facts learned and legal developments following additional investigation, discovery, or
21 otherwise.

22 **CALIFORNIA LAW APPLIES TO THE NATIONWIDE CLASS**

23 117. California's substantive laws apply to every member of the Nationwide Class,
24 regardless of where in the United States the Class member resides. The State of California has
25 sufficient contacts to Defendants' relevant conduct for California law to be uniformly applied to the
26 claims of the Nationwide Class.

27 118. Further, California's substantive laws may be constitutionally applied to the claims
28 of Plaintiff and the Nationwide Class under the Due Process Clause, 14th Amend. § 1, and the Full

1 Faith and Credit Clause, Art. IV § 1 of the U.S. Constitution. California has significant contacts, or
2 significant aggregation of contacts, to the claims asserted by Plaintiff and all Class members, thereby
3 creating state interests that ensure that the choice of California state law is not arbitrary or unfair.

4 119. Yodlee's headquarters and principal place of business is located in California.
5 Defendants also own property and conduct substantial business in California, and therefore
6 California has an interest in regulating Defendants' conduct under its laws. Defendants' conduct
7 originated in, and emanated from, California and impacted a significant percentage of California
8 residents, rendering the application of California law to the claims here constitutionally permissible.

9 120. The application of California laws to the Nationwide Class is also appropriate under
10 California's choice of law rules because California has significant contacts to the claims of Plaintiff
11 and the proposed Nationwide Class, and California has a greater interest in applying its laws here
12 than any other interested state.

13 **CLAIMS FOR RELIEF**

14 **FIRST CLAIM FOR RELIEF**

15 **Common Law Invasion of Privacy – Intrusion Upon Seclusion**
16 **(On Behalf of Plaintiff and the Classes)**

17 121. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
18 the same force and effect as if fully restated herein.

19 122. Defendants intruded upon Plaintiff and Class members' seclusion by (1) collecting,
20 retaining and selling their sensitive personal data in which they had a reasonable expectation of
21 privacy; and (2) in a manner that was highly offensive to Plaintiff and Class members, would be
22 highly offensive to a reasonable person, and was an egregious violation of social norms.

23 123. Defendants' conduct violated Plaintiff's and Class members' interests by collecting,
24 selling, and otherwise misusing their sensitive personal data, including information concerning
25 private financial transactions (i.e., their informational privacy rights), as well as their interests in
26 making intimate personal decisions or conducting personal activities without observation, intrusion,
27 or interference (i.e., their autonomy privacy rights). Defendants' conduct is especially egregious as
28 they fail to have any adequate security measures in place to control what their clients do with

1 Plaintiff's and Class members' information once it is sold, such as re-identifying Plaintiff and Class
2 members or using it for nefarious purposes.

3 124. The surreptitious taking and disclosure of personal, confidential, and private
4 information from millions of individuals was highly offensive because it violated expectations of
5 privacy that have been established by general social norms.

6 125. Polls and studies consistently show that the overwhelming majority of Americans
7 believe one of the most important privacy rights is the need for an individual's affirmative consent
8 before personal data is shared. For example, one study by *Pew Research* found that 93% of
9 Americans believe it is important to be in control of who can get information about them.

10 126. Defendants' conduct would be highly offensive to a reasonable person in that it
11 violated federal and state laws designed to protect individual privacy, in addition to social norms.

12 127. Defendants intentionally engaged in the misconduct alleged herein for their own
13 financial benefit unrelated to any service they provide. Specifically, Defendants collected and sold
14 Plaintiff's and Class members' lucrative (and private) sensitive information for their own financial
15 benefit.

16 128. As a result of Defendants' actions, Plaintiff and Class members have suffered harm
17 and injury, including but not limited to an invasion of their privacy rights.

18 129. Plaintiff and Class members have been damaged as a direct and proximate result of
19 Defendants' invasion of their privacy and are entitled to just compensation.

20 130. Plaintiff and Class members are entitled to appropriate relief, including
21 compensatory damages for the harm to their privacy and dignitary interests, loss of valuable rights
22 and protections, heightened risk of future invasions of privacy, and mental and emotional distress.

23 131. Plaintiff and Class members are entitled to an order requiring Defendants to disgorge
24 profits or other benefits that Defendants acquired as a result of its invasions of privacy.

25 132. Plaintiff and Class members are entitled to punitive damages resulting from the
26 malicious, willful and intentional nature of Defendants' actions, directed at injuring Plaintiff and
27 Class members in conscious disregard of their rights. Such damages are needed to deter Defendants
28 from engaging in such conduct in the future.

1 133. Plaintiff also seeks such other relief as the Court may deem just and proper.

2 **SECOND CLAIM FOR RELIEF**

3 **Stored Communications Act (“SCA”)**
4 **18 U.S.C. § 2701**
5 **(On Behalf of Plaintiff and the Classes)**

6 134. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
7 the same force and effect as if fully restated herein.

8 135. The SCA provides that a person “providing an electronic communication service to
9 the public shall not knowingly divulge to any person or entity the contents of a communication while
10 in electronic storage by that service[.]” 18 U.S.C. § 2702(a)(1).

11 136. “Electronic communication” is broadly defined as “any transfer of signs, signals,
12 writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire,
13 radio, electromagnetic, photoelectronic or photooptical system that affects interstate or foreign
14 commerce[.]” 18 U.S.C. § 2510(12).

15 137. “Electronic storage” is defined as “any temporary, intermediate storage of a wire or
16 electronic communication incidental to the electronic transmission thereof; and any storage of such
17 communication by an electronic communication service for purposes of backup protection of such
18 communication[.]” 18 U.S.C. § 2510(17)(A)-(B).

19 138. “Electronic communication service” is defined as “any service which provides to
20 users thereof the ability to send or receive wire or electronic communications[.]” 18 U.S.C. §
21 2510(15).

22 139. “Person” is defined as “any employee, or agent of the United States or any State or
23 political subdivision thereof, and any individual, partnership, association, joint stock company, trust,
24 or corporation.” 18 U.S.C. § 2510(6).

25 140. Yodlee and Envestnet, as corporations, are persons as defined under 18 U.S.C. §
26 2510(6).

27 141. Defendants provide a service that allows Plaintiff and Class members the ability to
28 send and receive electronic communications from their financial institutions and third-party
applications, such as PayPal. Defendants provide this service “to the public” because Defendants’

1 FinTech and PFM technology is incorporated in hundreds of applications used by millions of
2 individuals, including Plaintiff and Class members.

3 142. Plaintiff and Class members reasonably expected that Defendants' service did not
4 include accessing, collecting, selling, and otherwise disclosing their "electronic communications,"
5 i.e., their data (as broadly defined), based, in part, on Defendants' failure to provide *any* disclosures
6 or obtain consent for permission to do so.

7 143. Defendants store Plaintiff's and Class members' electronic communications and
8 intentionally divulged them by selling this information to third parties for monetary compensation,
9 in reckless disregard for Plaintiff's and Class members' privacy rights for Defendants' own financial
10 benefit.

11 144. Defendants' actions were at all relevant times intentional, willful, and knowing, as
12 evidenced by Defendants accepting monetary compensation in exchange for Plaintiff's and Class
13 members' electronic communications.

14 145. As a result of Defendants' violations of the SCA, Plaintiff and Class members have
15 suffered harm and injury, including but not limited to the invasion of their privacy rights.

16 146. Pursuant to 18 U.S.C. § 2707, Plaintiff and Class members are entitled to: (1)
17 appropriate equitable or declaratory relief; (2) damages, in an amount to be determined at trial,
18 assessed as the sum of the actual damages suffered by Plaintiff and the Class and any profits made
19 by Defendants as a result of the violation, but in no case less than the minimum statutory damages
20 of \$1,000 per person; and (3) reasonable attorneys' fees and other litigation costs reasonably
21 incurred.

22 **THIRD CLAIM FOR RELIEF**

23 **Unjust Enrichment**
24 **(On Behalf of Plaintiff and the Classes)**

25 147. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
26 the same force and effect as if fully restated herein.

27 148. Defendants received benefits from Plaintiff and Class members and unjustly retained
28 those benefits at their expense.

1 149. In particular, Defendants received benefits from Plaintiff and Class members in the
2 form of the sensitive personal data that Defendants collected from Plaintiff and Class members,
3 without authorization and proper compensation. Defendants have collected, sold, and otherwise
4 misused this information, for their own gain, providing Defendants with economic, intangible, and
5 other benefits, including substantial monetary compensation from the entities who purchased
6 Plaintiff's and Class members' sensitive personal data.

7 150. Defendants unjustly retained those benefits at the expense of Plaintiff and Class
8 members because Defendants' conduct damaged Plaintiff and Class members, all without providing
9 any commensurate compensation to Plaintiff and Class members.

10 151. The benefits that Defendants derived from Plaintiff and Class members rightly
11 belong to Plaintiff and Class members. It would be inequitable under unjust enrichment principles
12 in California and every other state for Defendants to be permitted to retain any of the profit or other
13 benefits it derived from the unfair and unconscionable methods, acts, and trade practices alleged in
14 this Complaint.

15 152. Defendants should be compelled to disgorge in a common fund for the benefit of
16 Plaintiff and Class members all unlawful or inequitable proceeds it received, and such other relief
17 as the Court may deem just and proper.

18 **FOURTH CLAIM FOR RELIEF**

19 **Violation of Cal. Civ. Code § 1709**
20 **(On Behalf of Plaintiff and the Classes)**

21 153. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
22 the same force and effect as if fully restated herein.

23 154. California Civil Code § 1709 provides that “[o]ne who willfully deceives another
24 with intent to induce him to alter his position to his injury or risk, is liable for any damage which he
25 thereby suffers.” A defendant violates §1709 if (i) it had a duty to disclose a material fact to the
26 plaintiff; (ii) it intentionally concealed that fact with intent to defraud; (iii) plaintiff was unaware of
27 that fact (and would have acted differently if he were aware), and (iv) plaintiff sustained some
28 damage as a result.

1 155. California Civil Code § 1710 defines “deceit” as “1. [t]he suggestion, as a fact, of
2 that which is not true, by one who does not believe it to be true; 2. [t]he assertion, as a fact, of that
3 which is not true, by one who has no reasonable ground for believing it to be true; 3. [t]he
4 suppression of a fact, by one who is bound to disclose it, or who gives information of other facts
5 which are likely to mislead for want of communication of that fact; or, 4. [a] promise, made without
6 any intention of performing it.”

7 156. Defendants engaged in various acts of deceit. Defendants either suggested that
8 certain facts are true which they knew were not true or which they had no reasonable grounds to
9 believe were true. For example, when Plaintiff and Class members link their bank account to Paypal
10 through Yodlee, the only disclosure provided is that Yodlee is used “to confirm your bank details
11 and to check your balance and transaction *as needed*, which can help your PayPal payments go
12 through.” This statement is objectively false. Yodlee accesses users’ bank accounts beyond the
13 purposes that it claims. Yodlee actually accesses users’ bank accounts to collect their sensitive
14 personal data and sell it to their customers, well beyond what is necessary to connect users’ bank
15 accounts to PayPal.

16 157. Furthermore, Yodlee suppresses facts and provides other facts that are likely to
17 mislead. For example, Yodlee does not inform consumers that it collects and sells their sensitive
18 personal data. Yodlee improperly relies on its clients to provide necessary disclosures of Yodlee’s
19 own practices and takes no steps to ensure that its clients do so. By failing to disclose these material
20 facts, Plaintiff and Class members were deceived.

21 158. Defendants willfully engaged in these acts of deceit with intent to induce Plaintiff
22 and Class members to alter their position to their injury or risk, namely by turning over their sensitive
23 personal data to Defendants under false pretenses.

24 159. Defendants had a duty to disclose these facts to Plaintiff and Class members; they
25 intentionally concealed those facts with intent to defraud; Plaintiff and Class members were unaware
26 of these facts, and would have acted differently if they were aware; and Plaintiff and Class members
27 sustained damage as a result.

28 160. Defendants willfully also engaged in these acts of deceit so that they could access,

1 collect, and sell Plaintiff's and Class members' sensitive personal data for their own personal
2 benefit, including monetary compensation.

3 161. Plaintiff and Class members seek recovery of their resulting damages, including
4 economic damages, restitution, and disgorgement, as well as punitive damages and such other relief
5 as the Court may deem just and proper.

6 **FIFTH CLAIM FOR RELIEF**

7 **Violation of California Unfair Competition Law ("UCL")**
8 **Cal. Bus. & Prof. Code § 17200**
9 **(On Behalf of Plaintiff and the Classes)**

10 162. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
11 the same force and effect as if fully restated herein.

12 163. Defendants' conduct as alleged herein constitutes unlawful, unfair, and/or fraudulent
13 business acts or practices as prohibited by the UCL.

14 164. Defendants' business acts and practices are "unlawful" under the UCL, because, as
15 alleged above, Defendant violated the California common law, California Constitution, California
16 Civil Code § 1709, the California Consumer Privacy Act, and the Stored Communications Act.

17 165. Defendants' business acts and practices are "unfair" under the UCL. California has
18 a strong public policy of protecting consumers' privacy interests, including protecting consumers'
19 banking data. Defendants violated this public policy by, among other things, surreptitiously
20 collecting, selling, and otherwise misusing Plaintiff's and Class members' sensitive personal data
21 without Plaintiff's and Class members' consent. Defendants' conduct violates the policies of the
22 statutes referenced above.

23 166. Defendants' business acts and practices are also "unfair" in that they are immoral,
24 unethical, oppressive, unscrupulous and/or substantially injurious to consumers. The gravity of the
25 harm of Defendants' secretly collecting, selling, and otherwise misusing Plaintiff's and Class
26 members' sensitive personal data is significant, and there is no corresponding benefit resulting from
27 such conduct. Finally, because Plaintiff and Class Members were completely unaware of
28 Defendants' conduct, they could not have possibly avoided the harm.

167. Defendants' business acts and practices are also "fraudulent" within the meaning of

1 the UCL. Defendants have amassed a large collection of sensitive personal data without complete
2 disclosure and therefore without consumers' knowledge or consent. Defendants' business acts and
3 practices were likely to, and did, deceive members of the public including Plaintiff and Class
4 members into believing this data was private and only used as necessary, such as to connect users'
5 bank accounts to third party applications. In fact, such information was not private, as Defendants
6 secretly collected, sold, and otherwise misused it for their own purposes.

7 168. Had Plaintiff and Class members known that their information would be collected,
8 sold, and otherwise misused for Defendants' benefit, they would not have used Defendants'
9 services.

10 169. Plaintiff and Class members have a property interest in their sensitive personal data.
11 By surreptitiously collecting, selling, and otherwise misusing Plaintiff's and Class members'
12 information, Defendants have taken property from Plaintiff and Class members without providing
13 just or any compensation.

14 170. Plaintiff and Class members have lost money and property as a result of Defendants'
15 conduct in violation of the UCL and seek restitution on behalf of themselves and Class members.
16 Additionally, Plaintiff and Class members are entitled to an order enjoining Defendants from
17 engaging in the unlawful conduct alleged in this claim and requiring Defendants to delete Plaintiff's
18 and Class members sensitive personal data, to cease further collection of Plaintiff's and Class
19 members sensitive personal data, and other appropriate equitable relief, including but not limited to
20 improving its privacy disclosures and obtaining adequately informed consent.

21 **SIXTH CLAIM FOR RELIEF**

22 **Request for Relief Under the Declaratory Judgment Act**
23 **28 U.S.C. § 2201, *et seq.***
(On Behalf of Plaintiff and the Classes)

24 171. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
25 the same force and effect as if fully restated herein.

26 172. Under the Declaratory Judgment Act, 28 U.S.C. §§ 2201, *et seq.*, this Court is
27 authorized to enter a judgment declaring the rights and legal relations of the parties and grant further
28 necessary relief. Furthermore, the Court has broad authority to restrain acts, such as here, that are

1 tortious and that violate the terms of the federal and state statutes described in this complaint.

2 173. An actual controversy has arisen in the wake of Defendants' collection, offer for sale,
3 and other misuse of Plaintiff's and Class members' sensitive personal data without their consent as
4 alleged herein in violation of Defendants' common law and statutory duties.

5 174. Plaintiff and Class members continue to suffer injury and damages as described
6 herein as Defendants continue to collect, sell, and misuse Plaintiff's and Class members' sensitive
7 personal data.

8 175. Pursuant to its authority under the Declaratory Judgment Act, this Court should enter
9 a judgment declaring, among other things, the following:

- 10 a. Defendants continue to owe a legal duty to not collect, sell, and misuse
11 Plaintiff's and Class members' sensitive personal information under, *inter*
12 *alia*, the common law, California Constitution, California Civil Code § 1709,
13 and the California Consumer Privacy Act.
- 14 b. Defendants continue to breach their legal duties by continuing to monitor,
15 collect, and misuse Plaintiff's and Class members' sensitive personal data;
16 and
- 17 c. Defendants' ongoing breaches of their legal duty continue to cause Plaintiff
18 and Class members harm.

19 176. The Court should also issue corresponding injunctive relief, including but not limited
20 to enjoining Defendants from engaging in the unlawful conduct alleged in this complaint and
21 requiring Defendants to delete Plaintiff's and Class members' sensitive personal data, cease further
22 collection of Plaintiff's and Class members sensitive data, stop selling Plaintiff's and Class
23 members' sensitive data, and other appropriate equitable relief, including but not limited to
24 providing privacy disclosures and obtaining adequately informed consent.

25 177. If an injunction is not issued, Plaintiff and Class members will suffer irreparable
26 injury and lack an adequate legal remedy in the event of Defendants' ongoing conduct.

27 178. Federal and state laws prohibit, among other things, the unlawful collection, offering
28 for sale, and other misuse of sensitive personal data without consent. California specifically

1 recognizes privacy as a fundamental right. The risk of continued violations of federal and California
2 law is real, immediate, and substantial. Plaintiff and Class members do not have an adequate remedy
3 at law because many of the resulting injuries are reoccurring, and Plaintiff and Class members will
4 be forced to bring multiple lawsuits to rectify the same conduct.

5 179. The hardships to Plaintiff and Class members if an injunction is not issued exceed
6 the hardships to Defendants if an injunction is issued. On the other hand, the cost to Defendants of
7 complying with an injunction by complying with federal and California law and by ceasing to
8 engage in the misconduct alleged herein is relatively minimal, and Defendants have a pre-existing
9 legal obligation to avoid invading the privacy rights of consumers.

10 180. Issuance of the requested injunction will serve the public interest by preventing
11 ongoing monitoring, collection, and misuse of sensitive personal data without consent, thus
12 eliminating the injuries that would result to Plaintiff and the Class.

13 **SEVENTH CAUSE OF ACTION**

14 **Violation of California’s Comprehensive Data Access and Fraud Act (“CDAFA”),**
15 **Cal. Pen. Code § 502**
16 **(On Behalf of Plaintiff and the Classes)**

17 181. Plaintiff re-alleges and incorporates the preceding allegations of this Complaint with
18 the same force and effect as if fully restated herein.

19 182. Plaintiff brings this claim on behalf of herself and the Nationwide Class or, in the
20 alternative, the California Class, under California law.

21 183. A person violates the CDAFA if it commits one of 14 acts.

22 184. A person violates Cal. Penal Code § 502(c)(1) if it “[k]nowingly accesses and without
23 permission alters, damages, destroys, or otherwise uses . . . any data, computer, computer system,
24 or computer network in order to either (A) devise or execute any scheme or artifice to defraud,
25 deceive or extort, or (B) wrongfully control or obtain money, property or data.” (Emphasis added.)
26 Defendants violated § 502(c)(1) when it accessed Plaintiff’s and Class members’ sensitive personal
27 information and damaged and used Plaintiff’s and Class members’ sensitive personal information.
28 Defendants acted without permission for the reasons described herein. Plaintiff and Class members
had no notice, whether actual or constructive, that Defendants were a separate entity from the

1 FinTech Apps, and thus no notice that Defendants were operating; had no way to remove
2 Defendants' software; and do not have an opportunity to consent to Defendants' access to their
3 sensitive personal data each time that Defendants access it. Defendants accessed and used this data
4 in order to execute their scheme to defraud and deceive, because Defendants employed fraud and
5 deceit to induce Plaintiff and Class members to turn over their financial institution login credentials
6 to Defendants. Additionally, Defendants accessed and used this data to wrongfully obtain money,
7 property or data, both because it obtained the data under false pretenses and because it used the data
8 to develop analytics products that it then sold.

9 185. A person violates Cal. Penal Code § 502(c)(2) if it “[k]nowingly accesses and without
10 permission takes, copies, or makes use of any data from a computer, computer system, or computer
11 network.” (Emphasis added.) Defendants violated § 502(c)(2) when they accessed Plaintiff’s and
12 Class members’ sensitive personal information without permission as described herein, and made
13 use of Plaintiff’s and Class members’ sensitive personal information without permission as
14 described herein.

15 186. A person violates Cal. Penal Code § 502(c)(3) if it “[k]nowingly and without
16 permission uses or causes to be used computer services.” (Emphasis added.) Defendants violated
17 § 502(c)(3) when they knowingly and without permission used or caused to be used the computer
18 services of Plaintiff’s and Class members’ financial institutions, as described herein.

19 187. A person violates Cal. Penal Code § 502(c)(4) if it “[k]nowingly accesses and
20 without permission adds, alters, damages, deletes, or destroys any data, computer software, or
21 computer programs which reside or exist internal or external to a computer, computer system, or
22 computer network.” (Emphasis added.) Defendants violated § 502(c)(4) when they knowingly
23 damaged Plaintiff’s and Class members’ sensitive personal data, and damaged Plaintiff’s and Class
24 members’ financial institutions’ computers, computers systems and computer networks, as
25 described herein. Defendants acted without permission for the reasons described herein.

26 188. A person violates Cal. Penal Code § 502(c)(6) if it “[k]nowingly and without
27 permission provides or assists in providing a means of accessing a computer, computer system, or
28 computer network in violation of this section.” (Emphasis added.) Defendants violated § 502(c)(6)

1 when they knowingly used Plaintiff’s and Class members’ login credentials, which they obtained
2 under false pretenses, and provided them to Plaintiff’s and Class members’ financial institutions, as
3 described herein. Defendants acted without permission for the reasons described herein.

4 189. A person violates Cal. Penal Code § 502(c)(7) if it “[k]nowingly and without
5 permission accesses or causes to be accessed any computer, computer system, or computer
6 network.” (Emphasis added.) Defendants violated § 502(c)(7) when they knowingly used Plaintiff’s
7 and Class members’ login credentials, which they obtained under false pretenses, to access the
8 computers, computer systems and computer networks of Plaintiff and Class members’ financial
9 institutions, as described herein. Defendants acted without permission for the reasons described
10 herein.

11 190. Defendants accessed the data, computers, computer systems and computer networks
12 above in ways that circumvented technical or code-based barriers.

13 191. Plaintiff and Class members are owners of the sensitive personal data that Defendants
14 collected, retained and sold, and suffered actual harm, injury, damage and loss as a result of
15 Defendants’ conduct, as described herein. Thus, Plaintiff and Class members may bring a civil
16 action for compensatory damages, including “expenditure[s] reasonably and necessarily
17 incurred . . . to verify that . . . data was or was not altered, damaged or deleted by access.” Cal. Pen.
18 Code § 502(e)(1). Further, Defendants shall pay punitive and/or exemplary damages because their
19 violations were willful. *Id.* § 502(e)(4). Plaintiff shall be entitled to reasonable attorney’s fees. *Id.*
20 § 502(e)(2). Plaintiff also seeks such other relief as the Court may deem just and proper.

21 **EIGHTH CAUSE OF ACTION**

22 **Violation of California’s Anti-Phishing Act of 2005**
23 **Cal. Bus. & Prof. Code § 22948.2**
(On Behalf of Plaintiff and the Classes)

24 192. Plaintiff incorporates the substantive allegations contained in all prior and
25 succeeding paragraphs as if fully set forth herein.

26 193. Plaintiff brings this claim on behalf of herself and the Nationwide Class or, in the
27 alternative, the California Class.

28 194. The California Anti-Phishing Act of 2005 (the “Anti-Phishing Act”) makes it

1 unlawful to use the Internet “to solicit, request, or take any action to induce another person to provide
2 identifying information by representing itself to be a business without the authority or approval of
3 the business.” Cal. Bus. & Prof. Code § 22948.2. “Identifying information” includes bank account
4 numbers, account passwords, and “[a]ny other piece of information that can be used to access an
5 individual’s financial accounts.” Cal. Bus. & Prof. Code § 22948.1(b). An individual who is
6 adversely affected by a violation of Section 22948.2 may bring an action. Cal. Bus. & Prof. Code
7 § 22948.3(a)(2).

8 195. As described herein, Defendants violated the Anti-Phishing Act by representing
9 themselves to be Plaintiff’s and Class members’ financial institutions. Defendants fraudulently and
10 deceitfully impersonated those institutions in order to induce Plaintiff and Class members to provide
11 their login credentials to Defendants, as described herein. Defendants did so without obtaining the
12 authority or approval of each financial institution.

13 196. Plaintiff and Class members have been adversely affected by Defendants’ violations
14 of the Anti-Phishing Act because Defendants engaged in this deceitful conduct in order to extract
15 from Plaintiff and Class members their login credentials and all of the transaction history and other
16 data accessible with those credentials, as detailed above. Defendants caused actual injury, harm,
17 damage and loss to Plaintiff and Class members for the reasons described herein.

18 197. Plaintiff and Class members are entitled to relief under Cal. Bus. & Prof. Code
19 § 22948.3(a)(2), including \$5,000 per violation, which damages should be trebled because
20 Defendants engaged in a pattern and practice of violating § 22948.2 (indeed, it is the essence of
21 Defendants’ business model); an injunction against further violations; costs of suit and reasonable
22 attorney’s fees; and such other relief as the Court may deem just and proper.

23 **NINTH CAUSE OF ACTION**

24 **Violation of the Computer Fraud and Abuse Act**
25 **18 U.S.C. § 1030**
(On Behalf of Plaintiff and the Classes)

26 198. Plaintiff incorporates the substantive allegations contained in all prior and
27 succeeding paragraphs as if fully restated herein.

28

1 **A. VIOLATIONS OF 18 U.S.C. § 1030(A)(2)**

2 199. A person violates 18 U.S.C. § 1030(a)(2) if it “intentionally accesses a computer
3 without authorization or exceeds authorized access, and thereby obtains—(A) information contained
4 in a financial record of a financial institution . . . [or] (C) information from any protected computer.”
5 Protected computers include computers “exclusively for the use of a financial institution . . . or . . .
6 used by . . . a financial institution . . . and the conduct constituting the offense affects that use by or
7 for the financial institution,” 18 U.S.C. § 1030(e)(2)(A), or computers “used in or affecting interstate
8 or foreign commerce,” 18 U.S.C. § 1030(e)(2)(B).

9 200. The computer systems, data storage facilities, or communications facilities that
10 Plaintiff and Class members’ financial institutions use to store Plaintiff and Class members’ data
11 are “protected computers” under the statute because they are exclusively for the use of financial
12 institutions or, in the alternative, were affected by Defendants’ conduct, or were used in or affected
13 interstate commerce. Defendants intentionally accessed these protected computers and thereby
14 obtained information contained in the financial institutions’ financial records. Defendants did so
15 without authorization. To the extent that Defendants received any valid authorization, their conduct
16 exceeded that authorization for the reasons described above. *See* 18 U.S.C. 1030(e)(6) (defining the
17 term “exceeds authorized access” to mean “to access a computer with authorization and to use such
18 access to obtain or alter information in the computer that the accessor is not entitled so to obtain or
19 alter”).

20 **B. VIOLATIONS OF 18 U.S.C. § 1030(A)(4)**

21 201. A person violates 18 U.S.C. § 1030(a)(4) if it “knowingly and with intent to defraud,
22 accesses a protected computer without authorization, or exceeds authorized access, and by means
23 of such conduct furthers the intended fraud and obtains anything of value, unless the object of the
24 fraud and the thing obtained consists only of the use of the computer and the value of such use is
25 not more than \$5,000 in any 1-year period.”

26 202. Defendants knowingly accessed protected computers, and did so without
27 authorization or in excess of authorization, for the reasons described herein.

28 203. Defendants acted with intent to defraud because they devised a scheme to deceive

1 Plaintiff and Class members into thinking that they were providing their banking credentials directly
2 to their bank, when in fact they were providing those credentials to Defendants. Through that
3 conduct, Defendants furthered their fraud and obtained things of value, namely, Plaintiff and Class
4 members' sensitive personal data.

5 **C. VIOLATIONS OF 18 U.S.C. § 1030(A)(5)(A)**

6 204. A person violates 18 U.S.C. § 1030(a)(5)(A) if it “knowingly causes the transmission
7 of a program, information, code, or command, and as a result of such conduct, intentionally causes
8 damage without authorization, to a protected computer.”

9 205. Defendants knowingly caused the transmission of a program, information, code or
10 command every time it sent Plaintiff's and Class members' credentials to their financial institutions.
11 Defendants did so without authorization for the reasons described herein. Defendants caused
12 damage for the reasons described herein.

13 **D. VIOLATIONS OF 18 U.S.C. § 1030(A)(5)(B), (C)**

14 206. A person violates 18 U.S.C. § 1030(a)(5)(B) if it “intentionally accesses a protected
15 computer without authorization, and as a result of such conduct, recklessly causes damage.” A
16 person violates 18 U.S.C. § 1030(a)(5)(C) if it “intentionally accesses a protected computer without
17 authorization, and as a result of such conduct, causes damage and loss.”

18 207. Plaintiff's and Class members' financial institutions' computer systems, data storage
19 facilities, or communications facilities are protected computers under the statute for the reasons
20 described herein. Defendants acted without authorization for all of the reasons described herein.
21 Defendants acted not only recklessly but intentionally for all of the reasons herein. Defendants
22 caused damage or loss for the reasons described herein.

23 **E. VIOLATIONS OF 18 U.S.C. § 1030(A)(6)**

24 208. A person violates 18 U.S.C. § 1030(a)(6) if it “knowingly and with intent to defraud
25 traffics . . . in any password or similar information through which a computer may be accessed
26 without authorization, if—(A) such trafficking affects interstate or foreign commerce.” The term
27 “traffic” means “transfer, or otherwise dispose of, to another, or obtain control of with intent to
28 transfer or dispose of.” 18 U.S.C. § 1029(e)(5).

1 209. Defendants acted knowingly and with intent to defraud for the reasons described
2 herein. Defendants acted without authorization for the reasons described herein. Defendants
3 trafficked in passwords and similar information when they obtained control of banking credentials
4 from millions of distinct financial accounts with the intent of transferring them to their own massive
5 database of user information, thus allowing Defendants access to Plaintiff's and Class members'
6 financial institutions' computers. In the alternative, Defendants trafficked in passwords and similar
7 information when, after acquiring Plaintiff's and Class members' login credentials under false
8 pretenses and using them to login to those individuals' financial institutions, those institutions sent
9 access tokens to Defendants, which access tokens Defendants then transferred to their app clients or
10 partners.

11 210. On information and belief, because of the locations of Defendants, their servers, and
12 the millions of accounts for which Defendants acquired credentials and data, Defendants' trafficking
13 activities affected interstate or foreign commerce.

14 **II. DEFENDANTS CAUSED ECONOMIC LOSS IN EXCESS OF \$5,000, AS WELL AS**
15 **OTHER DAMAGE**

16 211. Plaintiff may bring a private right of action for economic damages resulting from
17 Defendants' violation of the CFAA, provided that Defendants caused "loss to 1 or more persons
18 during any 1-year period . . . aggregating at least \$5,000 in value." 18 U.S.C. 1030 (c)(4)(A)(i)(I).
19 The CFAA defines the term "damage" to include "any impairment to the integrity or availability of
20 data, a program, a system, or information." 18 U.S.C. § 1030(e)(8). The CFAA defines the term
21 "loss" to include "any reasonable cost to any victim, including the cost of responding to an offense,
22 conducting a damage assessment, and restoring the data, program, system, or information to its
23 condition prior to the offense, and any revenue lost, cost incurred, or other consequential damages
24 incurred because of interruption of service." 18 U.S.C. § 1030(e)(11).

25 212. Each of the violations detailed above caused economic loss to Plaintiff and Class
26 members that exceeds \$5,000 per year individually or in the aggregate. In particular, Defendants
27 caused losses to Plaintiff and Class members by imposing unreasonable costs on them, including
28 the cost of conducting damage assessments, restoring the data to its condition prior to the offense,

1 and consequential damages they incurred by, inter alia, spending time conducting research to ensure
2 that their identity had not been compromised and accounts reflect the proper balances.

3 213. Defendants' violations damaged Plaintiff and Class members in other ways as
4 described herein. Plaintiff seeks such other relief as the Court may deem just and proper.

5 214. Plaintiff brings this cause of action within two years of the date of the discovery of
6 her damages. Thus, this action is timely under 18 U.S.C. § 1030(g).

7 **PRAYER FOR RELIEF**

8 WHEREFORE, Plaintiff on behalf of herself and the proposed Class respectfully requests
9 that the Court enter an order:

- 10 A. Certifying the Classes and appointing Plaintiff as Class Representative;
11 B. Finding that Defendants' conduct was unlawful as alleged herein;
12 C. Awarding declaratory relief against Defendants;
13 D. Awarding such injunctive and other equitable relief as the Court deems just and proper;
14 E. Awarding Plaintiff and the Class members statutory, actual, compensatory, consequential,
15 punitive, and nominal damages, as well as restitution and/or disgorgement of profits
16 unlawfully obtained;
17 F. Awarding Plaintiff and the Class members pre-judgment and post-judgment interest;
18 G. Awarding Plaintiff and the Class members reasonable attorneys' fees, costs, and expenses,
19 including expert costs; and
20 H. Granting such other relief as the Court deems just and proper.

21 **DEMAND FOR JURY TRIAL**

22 Plaintiff demands a trial by jury for all issues so triable.

23 Dated: August 25, 2020

24 /s/ Aaron M. Sheanin
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