

1 Daniel Alberstone (SBN 105275)  
dalberstone@baronbudd.com  
2 Roland Tellis (SBN 186269)  
rtellis@baronbudd.com  
3 Mark Pifko (SBN 228412)  
mpifko@baronbudd.com  
4 Jonas P. Mann (SBN 263314)  
BARON & BUDD, P.C.  
5 15910 Ventura Boulevard, Suite 1600  
Encino, California 91436  
6 Telephone: (818) 839-2333  
7 Facsimile: (818) 986-9698

8 Attorneys for Plaintiff Paul Hancock,  
individually, and on behalf of other members  
9 of the public similarly situated

10 UNITED STATES DISTRICT COURT

11 NORTHERN DISTRICT OF CALIFORNIA

12 PAUL HANCOCK, individually, and on  
13 behalf of other members of the general  
14 public similarly situated,

15 Plaintiff,

16 vs.

17 WELLS FARGO & COMPANY, a  
18 Delaware corporation, and WELLS  
FARGO BANK, N.A., a national  
association,

19 Defendants.  
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Case Number:

**CLASS ACTION COMPLAINT FOR:**

- (1) Violations of the Racketeer Influenced and Corrupt Organizations Act (18 U.S.C. § 1962(c));
- (2) Violations of the Racketeer Influenced and Corrupt Organizations Act (18 U.S.C. § 1962(d));
- (3) Violations of California’s Unfair Competition Law (Cal. Bus. & Prof. Code §§ 17200 *et seq.*);
- (4) Violations of Indiana's Deceptive Consumer Sales Act (Ind. Code §§ 24-5-0.5, *et seq.*);
- (5) Unjust Enrichment; and
- (6) Fraud

**Jury Trial Demanded**

1 For his Complaint against Defendants Wells Fargo & Company and Wells Fargo  
2 Bank, N.A. (collectively “Defendants” or “Wells Fargo”), Plaintiff Paul Hancock  
3 (“Plaintiff”), individually, and on behalf of all other members of the public similarly  
4 situated, based on information and belief, alleges as follows:

5 **NATURE OF THE ACTION**

6 1. For more than a decade, Defendants, together with auto insurance giant  
7 National General Insurance Company (“National General”), engaged in a scheme to bilk  
8 millions of dollars from unsuspecting customers who were forced to pay for auto  
9 insurance they did not need or want. Following the shocking revelation that more than  
10 800,000 auto loan customers paid for unnecessary auto insurance policies, pushing nearly  
11 250,000 of them into delinquency and resulting in nearly 25,000 unlawful vehicle  
12 repossessions, Wells Fargo’s spokesperson Jennifer A. Temple publicly stated, “We take  
13 full responsibility for these errors and are deeply sorry for any harm we caused  
14 customers.” This lawsuit tests the truth of that statement and the depth of Wells Fargo’s  
15 commitment to its customers.

16 2. The fallout from Defendants’ unlawful conduct is being felt nationwide by a  
17 customer base still reeling from an earlier scandal. Just last year, Defendants reached a  
18 \$185 million settlement with regulators over complaints that the Defendants’ retail  
19 banking division secretly opened millions of credit card and bank accounts that customers  
20 had never requested.

21 3. The auto loan customers impacted by Defendants’ latest-revealed scheme  
22 sustained financial damages beyond the costs of the unlawful auto insurance. The  
23 financial harm included inflated premiums, delinquency charges, late fees, repossession  
24 costs, increased interest rates, and damage to customers’ credit reports.

25 4. When confronted by the *New York Times*, Defendants scrambled to issue an  
26 eleventh-hour press release despite being aware of the scandal for at least a year. The  
27 character of Defendants’ senior management was once again tested, and once again it  
28 failed, choosing concealment over transparency. Only after Defendants were forced to

1 comment before the *New York Times* story hit the newsstands, Franklin R. Codel, the head  
2 of consumer lending at Wells Fargo, essentially admitted that the reign of rampant  
3 misconduct at the bank's senior levels had not ended, stating, "We have a huge  
4 responsibility and fell short of our ideals for managing and providing oversight of the  
5 third-party vendor and our own operations."

6 5. The auto insurance policies at issue in this case are commonly referred to as  
7 Collateral Protection Insurance ("CPI") which are similar to auto insurance policies  
8 commonly taken out by vehicle owners to cover the cost of damage to the vehicle.  
9 Ordinarily, if proof of auto insurance was not received by Defendants' CPI provider, in  
10 this case National General, notices were required to be sent to borrowers in order to  
11 prompt them to obtain the required coverage. However, neither Defendants nor National  
12 General, which underwrote the CPI policies, checked their internal database to see if their  
13 customers had insurance coverage or, if they did, they simply ignored what they learned.  
14 Instead, Defendants imposed on customers redundant auto insurance coverage and then  
15 frequently without any notice, automatically deducted the cost of the CPI insurance from  
16 the customers' bank account along with the regularly scheduled principal and interest  
17 payment for the auto loan.

18 6. Not only were the CPI policies unnecessary, they were more expensive than  
19 the coverage borrowers obtained on their own. Additionally, Defendants received a  
20 kickback from National General in the form of shared commissions on each CPI policy,  
21 which provided the financial incentive to both Defendants and National General to  
22 unlawfully churn these unneeded and unwanted policies.

23 7. Compounding the shocking nature of the misconduct, Defendants' failure to  
24 properly disclose to their customers the unlawful CPI policies and/or the resulting  
25 automatic deductions from customers' bank accounts often put them in a financial  
26 tailspin.

27 8. These unlawful deductions resulted in account delinquencies, overdrawn  
28 payment accounts, increased interest rates, repossessed vehicles, and damage to

1 borrowers' credit.

2 9. When borrowers, including Plaintiff, protested and informed Defendants that  
3 they did, in fact, maintain the required insurance and that the CPI was unnecessary,  
4 Defendants refused to remove the unlawful charges. Borrowers were forced to pay the  
5 charges in order to maintain their accounts in good standing, avoid further late fees and  
6 interest charges, and avoid repossession of their vehicles.

7 10. This is a proposed class action brought by Plaintiff on behalf of all persons  
8 who obtained an auto loan from Defendants and who were required to pay for a CPI  
9 policy. Plaintiff challenges, as further described herein, Defendants' practice of secretly  
10 imposing such CPI on their customers and automatically deducting the cost of the such  
11 insurance from their bank accounts.

12 11. Defendants formed an unlawful enterprise with National General. When  
13 customers financed cars with Wells Fargo, the buyers' information was automatically sent  
14 by Wells Fargo to National General, which was supposed to check a database shared  
15 between Wells Fargo and National General, to see if the borrower had insurance coverage.  
16 If not, the insurer was required to send out notice to the borrower in order to prompt them  
17 to obtain the required coverage. Despite these procedures, Defendants developed a  
18 uniform practice of automatically obtaining unnecessary and unlawful CPI policies and  
19 deducted the cost of the CPI policies (policy premiums and interest) automatically from  
20 their borrower' bank account.

21 12. Defendants failed to properly disclose or provide any notice of the  
22 deductions for the CPI insurance policies resulting in borrowers' missed payments, late  
23 fees, account overdraft fees, higher interest rates, and even repossessed vehicles and  
24 damaged credit.

**JURISDICTION AND VENUE**

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2 13. Jurisdiction is proper in this Court under 28 U.S.C. § 1332(d)(2). The matter  
3 in controversy, exclusive of interest and costs, exceeds the sum or value of \$5,000,000  
4 and is a class action in which members of the class of plaintiff are citizens of states  
5 different from Defendants. Further, greater than two-thirds of the members of the Class  
6 reside in states other than the states in which Defendants are a citizens.

7 14. This Court also has jurisdiction over this matter under 28 U.S.C. §§ 1331,  
8 1961, 1962 and 1964. This Court has personal jurisdiction over Defendants under 18  
9 U.S.C. §1965. In addition, under 28 U.S.C. § 1367, this Court may exercise supplemental  
10 jurisdiction over the state law claims because all of the claims are derived from a common  
11 nucleus of operative facts and are such that Plaintiff ordinarily would expect to try them in  
12 one judicial proceeding.

13 15. Venue lies within this judicial district under 28 U.S.C. § 1391(b)(1) because  
14 defendants Wells Fargo & Company and Wells Fargo Bank, N.A.’s principal place of  
15 business is in this District, and Defendants’ contacts are sufficient to subject them to  
16 personal jurisdiction in this District, and therefore, Defendants reside in this District for  
17 purposes of venue, or under 28 U.S.C. § 1391(b)(2) because the acts giving rise to the  
18 claims at issue in this lawsuit occurred, among other places, in this District.

**Intradistrict Assignment**

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20 16. Consistent with Northern District of California Civil Local Rule 3-5(b),  
21 assignment to the San Francisco or Oakland Division is appropriate under Civil Local  
22 Rules 3-2(c) and 3-2(d), because acts giving rise to the claims at issue in this lawsuit  
23 occurred, among other places, in this District, in the City of San Francisco.

**PARTIES**

24  
25 17. Plaintiff Paul Hancock is an individual and a citizen of Indianapolis, Indiana.

26 18. Defendant Wells Fargo & Company is a corporation organized under the  
27 laws of Delaware and headquartered in San Francisco, California.

28 19. Defendant Wells Fargo Bank, N.A., is a subsidiary of Wells Fargo &

1 Company, and is a national bank organized and existing as a national association under  
2 the National Bank Act, 12 U.S.C. §§ 21 *et seq.*, with its principal place of business in San  
3 Francisco, California.<sup>1</sup>

4 20. Whenever, in this Complaint, reference is made to any act, deed, or conduct  
5 of Defendants committed in connection with the enterprise, the allegation means that  
6 Defendants engaged in the act, deed, or conduct by or through one or more of their  
7 officers, directors, agents, employees or representatives, each of whom was actively  
8 engaged in the management, direction, control or transaction of the ordinary business and  
9 affairs of Defendants and the enterprise.

10 21. Plaintiff is informed and believes, and based thereon, alleges that, at all  
11 material times herein, each Wells Fargo defendant, Wells Fargo & Company and Wells  
12 Fargo Bank, N.A. (collectively “Wells Fargo”), was the agent, servant, or employee of,  
13 and acted within the purpose, scope, and course of said agency, service, or employment,  
14 and with the express or implied knowledge, permission, and consent of the other Wells  
15 Fargo defendant, and ratified and approved the acts of the other Wells Fargo defendant.

16 22. Wells Fargo & Company exercises specific and financial control over the  
17 operations of Wells Fargo Bank, N.A., and it dictates the policies and practices of Wells  
18 Fargo Bank, N.A. Wells Fargo & Company also exercises power and control over the  
19 specific activities at issue in this lawsuit, and it is the ultimate recipient of the ill-gotten  
20 gains described herein.

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26 <sup>1</sup> “Wells Fargo Bank, N.A. . . . has regularly described its principal place of business as San Francisco,  
27 California.” *Mount v. Wells Fargo Bank, N.A.*, No. CV 08-6298GAF(MANX), 2008 WL 5046286, at \*1  
28 (C.D. Cal. Nov. 24, 2008) (citing *Wells Fargo Bank, N.A. v. Siegel*, 2007 WL 1686980 (N.D. Cal. June 8,  
2007); *Jojola v. Wells Fargo Bank, N.A.*, 1973 WL 158166 (N.D. Cal. May 2, 1973)).

**FACTUAL BACKGROUND**

23. Defendants charged more than 800,000 of their borrowers for CPI auto insurance that they did not need or want, which Defendants failed to properly disclose. As a result, borrowers were unlawfully charged inflated CPI policy premiums and interest, late fees, and, in some cases, had their vehicles repossessed. Because of Defendants’ unlawful acts, borrowers saw their bank accounts overdrawn, with unlawful fees assessed, and their credit scores damaged.

24. Borrowers financed their vehicles through Defendants. Defendants provided the borrower’s information to National General who was to then verify if the borrower had insurance coverage on the vehicle.

25. If the borrower failed to provide proof of insurance, Defendants were required to send the borrower a request that he or she provide proof of insurance. However, Defendants and National General engaged in a practice of secretly and automatically imposing these CPI policies on borrowers who, in many instances, already had auto insurance. Thus, borrowers were paying premiums and interest on redundant CPI policies they did not need or request.

26. Defendants failed to properly disclose both the CPI policies and their resulting charges to borrowers.

27. Because the CPI insurance charges were not properly disclosed and unknown to borrowers, they often resulted in delinquencies in those cases where the borrower had insufficient funds to cover the cost of the CPI policy. In turn, Defendants assessed late fees to borrowers’ bank accounts and charges for insufficient funds. These actions by Defendants not surprisingly resulted in damage to borrowers’ credit reports as Defendants reported these delinquencies to credit reporting agencies.

1 28. The CPI insurance policies coupled with Defendants’ internal rules about the  
2 order in which payments are applied to a customer’s account further exacerbated the  
3 problem. When Defendants receive a payment on an auto loan account, they applied it in  
4 the following order: interest on the auto loan, interest on the CPI insurance, principal on  
5 the auto loan, and then premium on the CPI policy.

6 29. This order of payments resulted in both an increased amount of overall  
7 interest paid by borrowers and frequently overdrawn bank accounts and auto loan  
8 delinquencies.

9 30. The extra, unexpected, and undisclosed additional expense pushed  
10 approximately 274,000 of Defendants’ auto loan customers into delinquency resulting in  
11 almost 25,000 wrongly repossessed vehicles.

12 31. Not only were the CPI insurance policies unnecessary, they were more  
13 expensive than the auto insurance policies customers had already obtained on their own.

14 32. Unbeknownst to borrowers, Defendants obtained the policies through  
15 National General, who received a commission on the policies “sold” to borrowers, and  
16 Defendants even shared in the commissions with National General, further boosting their  
17 profits.

18 **PLAINTIFF’S ALLEGATIONS**

19 33. Plaintiff Paul Hancock purchased a vehicle from Hubler Ford in Shelbyville,  
20 Indiana in February 2016.

21 34. Plaintiff financed the purchase of his vehicle with a loan from Wells Fargo.

22 35. In May 2016, Wells Fargo placed a CPI policy on Plaintiff’s auto loan  
23 account and charged him \$598.00.

24 36. Plaintiff repeatedly contacted Wells Fargo to inform them that he had the  
25 required insurance through an auto insurance policy from Allstate.  
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1 37. Despite receiving this information, Wells Fargo did not credit Plaintiff's  
2 account for the unlawful charge or otherwise refund the amount charged that they had  
3 collected. Indeed, Defendants continued to charge Plaintiff for the CPI policy.

4 38. As a result of the increased CPI charges on his auto loan account, Plaintiff  
5 was charged a late fee immediately after the CPI policy was in place.

6 **STATUTE OF LIMITATIONS**

7 39. Any applicable statutes of limitations have been tolled by Defendants'  
8 knowing and active concealment, denial, and misleading actions, as alleged herein.  
9 Plaintiff and members of the Class, as defined below, were kept ignorant of critical  
10 information required for the prosecution of their claims, without any fault or lack of  
11 diligence on their part. Plaintiff and members of the Class could not reasonably have  
12 discovered the true nature of the Defendants' force-placed insurance scheme.

13 40. Defendants are under a continuous duty to disclose to Plaintiff and members  
14 of the classes the true character, quality, and nature of the charges they assess on  
15 borrowers' accounts. Defendants knowingly, affirmatively, and actively concealed the  
16 true character, quality, and nature of their assessment of the CPI auto insurance premiums  
17 against borrowers' accounts. Plaintiff and members of the Class reasonably relied upon  
18 Defendants' knowing, affirmative, and active concealment. Based on the foregoing,  
19 Defendants are estopped from relying on any statutes of limitation as a defense in this  
20 action.

21 41. The causes of action alleged herein did or will only accrue upon discovery of  
22 the true nature of the charges assessed against borrowers' accounts, as a result of  
23 Defendants' fraudulent concealment of material facts. Plaintiff and members of the Class  
24 did not discover, and could not have discovered, through the exercise of reasonable  
25 diligence, the true nature of the unlawful fees assessed against their accounts.

**CLASS ACTION ALLEGATIONS**

42. Plaintiff bring this action, on behalf of themselves and all others similarly situated, as a class action under Rule 23 of the Federal Rules of Civil Procedure.

43. The classes Plaintiff seek to represent are defined as follows:

**Nationwide Class**

All residents of the United States of America who obtained an auto loan through Wells Fargo Bank, N.A. or its subsidiaries or divisions, and who were assessed charges for CPI auto insurance.

**California State Class**

All residents of the State of California who obtained an auto loan through Wells Fargo Bank, N.A. or its subsidiaries or divisions, and who were assessed charges for CPI auto insurance.

**Indiana State Class**

All residents of the State of Indiana who obtained an auto loan through Wells Fargo Bank, N.A. or its subsidiaries or divisions, and who were assessed charges for CPI auto insurance.

44. Plaintiff reserves the right to amend the Class definitions if discovery and further investigation reveals that the Class should be expanded or otherwise modified.

45. Plaintiff reserves the right to establish sub-classes as appropriate.

46. This action is brought and properly may be maintained as a class action under the provisions of Federal Rules of Civil Procedure 23(a)(1)-(4) and 23(b)(1), (b)(2) or (b)(3), and satisfies the requirements thereof. As used herein, the term “Class Members” shall mean and refer to the members of the Class.

47. Community of Interest: There is a well-defined community of interest among members of the Class, and the disposition of the claims of these members of the Class in a single action will provide substantial benefits to all parties and to the Court.

48. Numerosity: While the exact number of members of the Class is unknown to Plaintiff at this time and can only be determined by appropriate discovery, membership in the Class is ascertainable based upon the records maintained by Defendants. At this time,

1 Plaintiff is informed and believes that the Class includes approximately 800,000 members.  
2 Therefore, the Class is sufficiently numerous that joinder of all members of the Class in a  
3 single action is impracticable under Federal Rule of Civil Procedure Rule 23(a)(1), and  
4 the resolution of their claims through the procedure of a class action will be of benefit to  
5 the parties and the Court.

6 49. Ascertainability: Names and addresses of members of the Class are available  
7 from Defendants' records. Notice can be provided to the members of the Class through  
8 direct mailing, publication, or otherwise using techniques and a form of notice similar to  
9 those customarily used in consumer class actions arising under California state law and  
10 federal law.

11 50. Typicality: Plaintiff's claims are typical of the claims of the other members  
12 of the Class which he seeks to represent under Federal Rule of Civil Procedure 23(a)(3)  
13 because Plaintiff and each member of the Class has been subjected to the same unlawful,  
14 deceptive, and improper practices and has been damaged in the same manner thereby.

15 51. Adequacy: Plaintiff will fairly and adequately represent and protect the  
16 interests of the Class as required by Federal Rule of Civil Procedure Rule 23(a)(4).  
17 Plaintiff is an adequate representative of the Class, because they have no interests which  
18 are adverse to the interests of the members of the Class. Plaintiff is committed to the  
19 vigorous prosecution of this action and, to that end, Plaintiff has retained counsel who are  
20 competent and experienced in handling class action litigation on behalf of consumers.

21 52. Superiority: A class action is superior to all other available methods of the  
22 fair and efficient adjudication of the claims asserted in this action under Federal Rule of  
23 Civil Procedure 23(b)(3) because:

24 (a) The expense and burden of individual litigation make it economically  
25 unfeasible for members of the Class to seek to redress their claims  
26 other than through the procedure of a class action.

27 (b) If separate actions were brought by individual members of the Class,  
28 the resulting duplicity of lawsuits would cause members to seek to

1 redress their claims other than through the procedure of a class action;  
2 and

3 (c) Absent a class action, Defendants likely would retain the benefits of  
4 their wrongdoing, and there would be a failure of justice.

5 53. Common questions of law and fact exist as to the members of the Class, as  
6 required by Federal Rule of Civil Procedure 23(a)(2), and predominate over any questions  
7 which affect individual members of the Class within the meaning of Federal Rule of Civil  
8 Procedure 23(b)(3).

9 54. The common questions of fact include, but are not limited to, the following:

- 10 (a) Whether Defendants engaged in a pattern or practice of racketeering,  
11 as alleged herein;
- 12 (b) Whether Defendants engaged in unlawful, unfair, misleading, or  
13 deceptive business acts or practices in violation of California Business  
14 & Professions Code sections 17200 *et seq.*;
- 15 (c) Whether Defendants engaged in unfair, abuse, or deceptive acts,  
16 omissions, or practices in connection with a consumer transaction in  
17 violation of Indiana Code section 24-5-0.5, *et seq.*;
- 18 (d) Whether Defendants failed to properly disclose the CPI auto insurance;
- 19 (e) Whether Defendants' practice of charging CPI auto insurance  
20 premiums to borrowers, as alleged herein, is illegal;
- 21 (f) Whether Defendants were members of, or participants in the  
22 conspiracy alleged herein;
- 23 (g) Whether documents and statements provided to Plaintiff and members  
24 of the Class omitted material facts;
- 25 (h) Whether Plaintiff and members of the class sustained damages, and if  
26 so, the appropriate measure of damages; and
- 27 (i) Whether Plaintiff and members of the Class are entitled to an award of  
28 reasonable attorneys' fees, pre-judgment interest, and costs of this suit.



**THE WELLS FARGO CPI ENTERPRISE**

59. Defendants Wells Fargo & Company and Wells Fargo Bank, N.A. and National General Insurance Company are all persons within the meaning of Title 18 United States Code section 1961(3).

60. At all relevant times, in violation of Title 18 United States Code section 1962(c), Wells Fargo & Company, Wells Fargo Bank, N.A., and National General Insurance Company, including their directors, employees, and agents, conducted the affairs of an association-in-fact enterprise, as that term is defined in Title 18 United States Code section 1961(4) (the “Wells Fargo CPI Enterprise”). The affairs of the Wells Fargo CPI Enterprise affected interstate commerce through a pattern of racketeering activity.

61. The Wells Fargo CPI Enterprise is an ongoing, continuing group or unit of persons and entities associated together for the common purpose of maximizing profits by unlawfully charging Wells Fargo’s auto borrowers for unlawful, unnecessary, overpriced, and undisclosed collateral protection insurance policies.

62. While the members of the Wells Fargo CPI Enterprise participate in and are part of the enterprise, they also have an existence separate and distinct from the enterprise. The Wells Fargo CPI Enterprise has a systematic linkage because there are contractual relationships, agreements, financial ties, and coordination of activities between Defendants and National General Insurance.

63. As discussed above, operating the Wells Fargo CPI Enterprise according to Wells Fargo’s policies and procedures, Defendants control and direct the affairs of the Wells Fargo CPI Enterprise and use the other members of the Wells Fargo CPI as instrumentalities to carry out Wells Fargo’s fraudulent scheme.

64. These policies and procedures established by Wells Fargo include having National General verify whether a borrower maintains the required insurance and underwriting a policy on behalf of the borrower, providing lending documents that fail to properly disclose the CPI insurance, providing statements that fail to properly disclose the CPI auto insurance premiums, and arranging the order of charges to borrower’s accounts

1 to cause borrowers to become delinquent.

2 **THE PREDICATE ACTS**

3 65. Defendants' systematic schemes to unlawfully charge premiums, interest,  
4 and other charges for unnecessary CPI policies on the accounts of borrowers who have  
5 auto loans from Defendants, as described above, was facilitated by the use of the United  
6 States Mail and wire. Defendants' schemes constitute "racketeering activity" within the  
7 meaning of Title 18 United States Code section 1961(1), as acts of mail and wire fraud,  
8 under Title 18 United States Code sections 1341 and 1343.

9 66. In violation of Title 18 United States Code sections 1341 and 1343,  
10 Defendants utilized the mail and wire in furtherance of their scheme to defraud its auto  
11 loan customers by obtaining money from borrowers using false or fraudulent pretenses.

12 67. Through the mail and wire, the Wells Fargo CPI Enterprise provided  
13 insurance policies, lending documents, auto loan statements, payoff demands, or proofs of  
14 claims to borrowers, demanding that borrowers pay CPI Auto insurance premiums and  
15 related charges. Defendants also accepted payments and engaged in other correspondence  
16 in furtherance of their scheme through the mail and wire.

17 68. The CPI auto insurance policies were unlawful and thus Defendants'  
18 representations that the premiums and related charged were owed were fraudulent and in  
19 communications to borrowers, Defendants made false statements using the Internet,  
20 telephone, facsimile, United States mail, and other interstate commercial carriers.

21 69. Defendants' fraudulent statements were material to Plaintiff and the members  
22 of the Class. Defendants represented that the CPI auto insurance charges were lawful and  
23 necessary and required for Plaintiff and members of the class to maintain their loan  
24 accounts in good standing and avoid further late fees and repossession of their vehicles.

25 70. Each of these acts constituted an act of mail fraud for purposes of Title 18  
26 United States Code section 1341.

27 71. Additionally, using the Internet, telephone, and facsimile transmissions to  
28 fraudulently communicate false information about the premiums and fees to borrowers, to

1 pursue and achieve their fraudulent scheme, Defendants engaged in repeated acts of wire  
2 fraud in violation of Title 18 United States Code section 1343.

3 72. In an effort to pursue their fraudulent scheme, Defendants knowingly  
4 fraudulently represented that the premiums and charges were owed.

5 73. The predicate acts specified above constitute a “pattern of racketeering  
6 activity” within the meaning of Title 18 United States Code section 1961(5) in which  
7 Defendants have engaged under Title 18 United States Code section 1962(c).

8 74. All of the predicate acts of racketeering activity described herein are part of  
9 the nexus of the affairs and functions of the Wells Fargo CPI Enterprise racketeering  
10 enterprise. The racketeering acts committed by the Wells Fargo CPI Enterprise employed  
11 a similar method, were related, with a similar purpose, and they involved similar  
12 participants, with a similar impact on the members of the Class. Because this case is  
13 brought on behalf of a class of similarly situated borrowers and there are numerous acts of  
14 mail and wire fraud that were used to carry out the scheme, it would be impracticable for  
15 Plaintiff to plead all of the details of the scheme with particularity. Plaintiff cannot plead  
16 the precise dates of all of Defendants’ uses of the mail and wire because this information  
17 cannot be alleged without access to Defendants’ records.

18 75. The pattern of racketeering activity is currently ongoing and open-ended, and  
19 threatens to continue indefinitely unless this Court enjoins the racketeering activity.

20 76. Numerous schemes have been completed involving repeated unlawful  
21 conduct that by its nature, projects into the future with a threat of repetition.

22 77. As a direct and proximate result of these violations of Title 18 United States  
23 Code sections 1962(c) and (d), Plaintiff and members of the class have suffered  
24 substantial damages. Defendants are liable to Plaintiff and members of the Class for  
25 treble damages, together with all costs of this action, plus reasonable attorney’s fees, as  
26 provided under Title 18 United States Code section 1964(c).  
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**SECOND CAUSE OF ACTION**

**Violation of the Racketeer Influenced and Corrupt Organizations Act,  
Conspiracy to Violate Title 18 United States Code section 1962(c)  
18 U.S.C. § 1962(d)  
(On Behalf of the Nationwide Class)**

78. Plaintiff incorporates by reference in this cause of action each and every allegation of the preceding paragraphs, with the same force and effect as though fully set forth herein.

79. Plaintiff brings this cause of action on behalf of himself and the members of the Nationwide Class.

80. As set forth above, in violation of Title 18 United States Code section 1962(d), Wells Fargo & Company and Wells Fargo Bank, N.A. conspired to violate the provisions of Title 18 United States Code section 1962(c).

81. As set forth above, Defendants, having directed and controlled the affairs of the Wells Fargo CPI Enterprise, were aware of the nature and scope of the enterprise’s unlawful scheme, and they agreed to participate in it.

82. As a direct and proximate result, Plaintiff and the members of the Class have been injured in their business or property by the predicate acts which make up Defendants’ patterns of racketeering activity in that unlawful force-placed insurance premiums were assessed on their auto loan accounts.

**THIRD CAUSE OF ACTION**

**Violation of Unfair Business Practices Act  
California Business & Professions Code §§ 17200 et seq.  
(On Behalf of the California State Class)**

83. Plaintiff incorporates by reference in this cause of action each and every allegation of the preceding paragraphs, with the same force and effect as though fully set forth herein.

84. Plaintiff brings this cause of action on behalf of himself and the members of the California State Class.

1           85. California Business and Professions Code section 17200 prohibits “any  
2 unlawful, unfair or fraudulent business act or practice.” For the reasons described above,  
3 Defendants have engaged in unfair, or fraudulent business acts or practices in violation of  
4 California Business and Professions Code sections 17200 *et seq.*

5           86. Defendants’ charging Plaintiff and class members for unnecessary and  
6 unrequested CPI auto insurance policies, fraudulent statements regarding the charges, and  
7 omissions of material facts, as set forth herein, all constitute unlawful practices because  
8 they violate, *inter alia*, Title 18 United States Code sections 1341, 1343, and 1962;  
9 California Civil Code sections 1572, 1573, 1709, 1710, and 1711; and the common law.

10           87. Defendants’ charging Plaintiff and class members for unnecessary and  
11 unrequested force-placed insurance policies, fraudulent statements regarding the charges,  
12 and omissions of material facts, as set forth herein, also constitute “unfair” business acts  
13 and practices within the meaning of California Business and Professions Code sections  
14 17200 *et seq.*, in that Defendants’ conduct was injurious to consumers, offended public  
15 policy, and was unethical and unscrupulous. Defendants’ violation of California’s  
16 consumer protection and unfair competition laws in California resulted in harm to  
17 consumers.

18           88. There were reasonable alternatives available to Defendants to further  
19 Defendants’ legitimate business interests, other than the conduct described herein.

20           89. California Business and Professions Code section 17200 also prohibits any  
21 “fraudulent business act or practice.” Defendants’ charging Plaintiff and  
22 class members for unnecessary and unrequested CPI auto insurance policies, fraudulent  
23 statements regarding the charges, and omissions of material facts, as set forth above, was  
24 false, misleading, or likely to deceive the public within the meaning of California  
25 Business and Professions Code section 17200. Defendants’ conduct and statements were  
26 made with knowledge of their effect, and was done to induce Plaintiff and members of the  
27 Class to pay the CPI auto insurance premiums.

28           90. Plaintiff relied on the reasonable expectation that Defendants comply with

1 the law. Plaintiff and members of the class relied on Defendants' representations that the  
2 charges were lawful and necessary and required to maintain their loans in good standing  
3 and avoid repossession of their vehicles.

4 91. Plaintiff and members of the Class have been injured in fact and suffered a  
5 loss of money or property as a result of Defendants' fraudulent, unlawful, and unfair  
6 business practices.

7 92. Defendants have thus engaged in unlawful, unfair, and fraudulent business  
8 acts entitling Plaintiff and members of the Class to judgment and equitable relief against  
9 Defendants, as set forth in the Prayer for Relief.

10 93. Additionally, under Business and Professions Code section 17203, Plaintiff  
11 and members of the Class seek an order requiring Defendants to immediately cease such  
12 acts of unlawful, unfair, and fraudulent business practices, and requiring Defendants to  
13 correct their actions.

14 **FOURTH CAUSE OF ACTION**

15 **Violations of the Indiana Deceptive Consumer Sales Act**

16 **Ind. Code 24-5-05, et seq.**

17 **(On Behalf of the Indiana State Class)**

18 94. Plaintiff incorporates by reference in this cause of action each and every  
19 allegation of the preceding paragraphs, with the same force and effect as though fully set  
20 forth herein.

21 95. Plaintiff brings this cause of action on behalf of himself and the Indiana State  
22 Class against Defendants.

23 96. Plaintiff is a person, Defendants are suppliers, and Plaintiff's auto loan is a  
24 consumer transaction within the meaning of Ind. Code 24-5-0.5-3.

25 97. The Indiana Deceptive Consumer Sales Act prohibits unfair, abusive, or  
26 deceptive acts, omissions, and practices in connection with a consumer transaction.  
27  
28

1 98. Defendants' conduct in charging Indiana State Class Members for the  
2 unnecessary, overpriced CPI auto insurance policies constitutes an unfair, abusive, and  
3 deceptive act and practice.

4 99. In the course of their business, Defendants concealed and suppressed  
5 material facts concerning the CPI auto insurance. Defendants failed to properly disclose  
6 the policies and failed to disclose the policies were unnecessary and unlawful.

7 100. Plaintiff and class members relied on Defendants' fraudulent representations  
8 that the CPI auto insurance charges were lawful and necessary and required to maintain  
9 their accounts in good standing and avoid repossession of their vehicles.

10 101. Plaintiff and class members were damaged by paying for unlawful premiums  
11 and other charges related to the CPI auto insurance policies.

12 102. Defendants' conduct is an incurable deceptive act because it was done as part  
13 of a scheme with intent to defraud and mislead.

14 **FIFTH CAUSE OF ACTION**

15 **Unjust Enrichment**

16 103. Plaintiff incorporates by reference in this cause of action each and every  
17 allegation of the preceding paragraphs, with the same force and effect as though fully set  
18 forth herein.

19 104. Plaintiff brings this cause of action on behalf of himself and the members of  
20 each of the Classes.

21 105. By their wrongful acts and omissions of material facts, Defendants were  
22 unjustly enriched at the expense of Plaintiff and members of the Class.

23 106. Thus, Plaintiff and members of the Class were unjustly deprived.

24 107. It would be inequitable and unconscionable for Defendants to retain the  
25 profit, benefit and other compensation they obtained from their fraudulent, deceptive, and  
26 misleading conduct alleged herein.

27 108. Plaintiff and members of the Class seek restitution from Defendants, and  
28 seek an order of this Court disgorging all profits, benefits, and other compensation

1 obtained by Defendants from their wrongful conduct.

2 **SIXTH CAUSE OF ACTION**

3 **Fraud**

4 109. Plaintiff incorporates by reference in this cause of action each and every  
5 allegation of the preceding paragraphs, with the same force and effect as though fully set  
6 forth herein.

7 110. Plaintiff brings this cause of action on behalf of himself and the members of  
8 each of the Classes.

9 111. Defendants concealed and suppressed material facts, namely, that the CPI  
10 auto insurance policies were unlawful and unnecessary. In truth and in fact, borrowers  
11 were not obligated to pay for the CPI auto insurance policies or the inflated premiums,  
12 late fees and other expenses that resulted. Contrary to Defendants' communications,  
13 Defendants were not legally authorized to assess and collect these charges and fees.

14 112. Plaintiff and class members relied on Defendants' representations that the  
15 CPI auto insurance charges were lawful and necessary and required to maintain their  
16 accounts in good standing and avoid repossession of their vehicles.

17 113. Defendants knew their unnecessary CPI auto insurance policies were  
18 unlawful and their concealment and suppression of materials facts relating to those polices  
19 was false, misleading, and unlawful.

20 114. As a result of Defendants' fraudulent conduct, Plaintiff and members of the  
21 Class have been injured in fact and suffered a loss of money or property. Plaintiff and  
22 members of the Class paid for the CPI auto insurance policies and other fees as a result of  
23 Defendants' conduct.

24 115. Defendants omitted and concealed material facts, as discussed above, with  
25 knowledge of the effect of concealing of these material facts. Defendants knew that by  
26 misleading consumers, they would generate higher profits.

27 116. Plaintiff and members of the Class justifiably relied upon Defendants'  
28 knowing, affirmative, and active concealment. By concealing material information about

1 their scheme to assess undisclosed insurance premium fees on borrowers' accounts,  
2 Defendants intended to induce Plaintiff and members of the Class into believing that they  
3 owed Defendants money that Defendants were not actually entitled. Moreover, in many  
4 instances, the amount necessary to cover the premium and interest for the policy was  
5 automatically deducted from the borrowers' bank account without the borrowers'  
6 knowledge.

7 117. Defendants acted with malice, oppression, or fraud.

8 118. As a direct and proximate result of Defendants' conduct and omissions and  
9 active concealment of material facts, Plaintiff and each member of the Class has been  
10 damaged in an amount according to proof at trial.

11 **PRAYER FOR RELIEF**

12 Plaintiff, and on behalf of himself and all others similarly situated, request the  
13 Court to enter judgment against Defendants, as follows:

14 119. Certifying the Classes, as requested herein, certifying Plaintiff as the  
15 representatives of the Classes, and appointing Plaintiff's counsel as counsel for the  
16 Classes;

17 120. Ordering that Defendants are financially responsible for notifying all  
18 members of the Classes of the alleged omissions discussed herein;

19 121. Awarding Plaintiff and the members of the Classes compensatory damages in  
20 an amount according to proof at trial;

21 122. Awarding restitution and disgorgement of Defendants' revenues and/or  
22 profits to Plaintiff and members of the Classes;

23 123. Awarding Plaintiff and the members of the Classes treble damages in an  
24 amount according to proof at trial;

25 124. Awarding declaratory and injunctive relief as permitted by law or equity,  
26 including: enjoining Defendants from continuing the unlawful practices as set forth  
27 herein, and directing Defendants to identify, with Court supervision, victims of its conduct  
28 and pay them restitution and disgorgement of all monies acquired by Defendants by

1 means of any act or practice declared by this Court to be wrongful;

2 125. Ordering Defendants to engage in corrective advertising;

3 126. Awarding interest on the monies wrongfully obtained from the date of  
4 collection through the date of entry of judgment in this action;

5 127. Awarding attorneys' fees, expenses, and recoverable costs reasonably  
6 incurred in connection with the commencement and prosecution of this action; and

7 128. For such other and further relief as the Court deems just and proper.

8  
9 Dated: July 30, 2017

BARON & BUDD, P.C.

10  
11 By:           /s/ Roland Tellis            
Roland Tellis

12 Daniel Alberstone (SBN 105275)  
13 Roland Tellis (SBN 186269)  
14 Mark Pifko (SBN 228412)  
15 Jonas P. Mann (SBN 263314)  
16 BARON & BUDD, P.C.  
17 15910 Ventura Boulevard, Suite 1600  
18 Encino, California 91436  
19 Telephone: (818) 839-2333  
20 Facsimile: (818) 986-9698

21  
22 Attorneys for Plaintiff Paul Hancock,  
23 individually, and on behalf of other  
24 members of the public similarly situated  
25  
26  
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**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial of their claims by jury to the extent authorized by law.

Dated: July 30, 2017

BARON & BUDD, P.C.

By: /s/ Roland Tellis  
Roland Tellis

Daniel Alberstone (SBN 105275)  
Roland Tellis (SBN 186269)  
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Attorneys for Plaintiff Paul Hancock,  
individually, and on behalf of other  
members of the public similarly situated

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CIVIL COVER SHEET

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

I. (a) PLAINTIFFS

Paul Hancock

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

(c) Attorneys (Firm Name, Address, and Telephone Number) Roland Tellis, Dan Alberstone, Mark Pitko, Jonas P. Mann; Baron & Budd, P.C.; 15190 Ventura Blvd., Ste. 1600, Encino, CA 91436

DEFENDANTS

Wells Fargo & Company; Wells Fargo Bank, N.A.

County of Residence of First Listed Defendant San Francisco County, California (IN U.S. PLAINTIFF CASES ONLY)

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

Attorneys (If Known)

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

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

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

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

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

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

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

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

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. 1332(d)

Brief description of cause: RICO, UCL, Unjust Enrichment, Fraud

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 07/30/2017

SIGNATURE OF ATTORNEY OF RECORD

/s/ Roland Tellis

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

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

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