# Exhibit A

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|--------|---|--|--|--|--|--|
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| 6<br>7 | Attorneys for Plaintiff Robert Grogan and the Proposed Class                                      |  |  |  |  |  |
| 8      | UNITED STATES D   |  |  |  |  |  |
| 9      | NORTHERN DISTRIC  | T OF CALIFORNIA                                    |  |  |  |  |
| 10     | ROBERT GROGAN, individually and on behalf of all others similarly situated,                       | Case No. 4:22-cv-00490                             |  |  |  |  |
| 11     | ochan of an others similarly situated,  |  |  |  |  |  |
| 12     | Plaintiff,<br>v.  | CLASS ACTION COMPLAINT FOR INJUNCTION AND DAMAGES  |  |  |  |  |
| 13     | <b>v.</b>   | Class Action                                       |  |  |  |  |
| 14     | MCGRATH RENTCORP  | JURY TRIAL DEMAND                                  |  |  |  |  |
| 15     |   |  |  |  |  |  |
| 16     | Defendant.  |  |  |  |  |  |
| 17     | Plaintiff, Robert Grogan ("Mr. Grogan" o  | r "Plaintiff"), through his attorneys, brings this |  |  |  |  |
| 18     | Class Action Complaint against the Defendant, N   | McGrath RentCorp ("MGRC" or "Defendant"),          |  |  |  |  |
| 19     | alleging as follows:  |  |  |  |  |  |
| 20     | I. INTROI   | DUCTION  |  |  |  |  |
| 21     | <ol> <li>MGRC, a publicly traded company</li> </ol>   | with over 1,000 employees, lost control over       |  |  |  |  |
| 22     | its employees' highly sensitive personally identify   | ving information ("PII") to hackers in a           |  |  |  |  |
| 23     | cybersecurity breach ("Data Breach"). Despite recognizing the risk that security breaches pose to |  |  |  |  |  |
| 24     | MGRC's employees and its responsibility to quickly warn them about data breaches, MGRC            |  |  |  |  |  |
| 25     | failed to implement reasonable security measures to safeguard employee PII, and then waited       |  |  |  |  |  |
| 26     | five months to disclose that it lost their PII in the Data Breach. In that time, MGRC employees   |  |  |  |  |  |
| 27     |   |  |  |  |  |  |
| 28     | - 1 - CLASS ACTION COMPLAINT Ground v. McGrath Pantcorn   |  |  |  |  |  |

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- were unable to protect their identities and proactively mitigate the Data Breach's impact on them. Mr. Grogan is a former MGRC employee and Data Breach victim. In the five months that MGRC waited to disclose the Data Breach, cybercriminals stole Mr. Grogan's PII, posted it on the dark web, and made charges on his financial accounts. Mr. Grogan brings this Class Action on behalf of himself and all individuals harmed by MGRC's conduct.
- 2. MGRC is well-aware it is responsible for safeguarding its employees' highly sensitive PII. Indeed, MGRC tells its employees, investors, and the public that MGRC secures its company data using internal policies, monthly employee training, and "multi-layer cyber protections, including engaging a third-party independent cybersecurity company, who does security testing and monitoring for [the] Company, which includes penetration testing, auditing, and security assessment." On information and belief, MGRC failed to comply with these internal policies and reasonably protect employee data, leaving employees' PII an unguarded target for theft and misuse.
- 3. On July 17, 2021, MGRC discovered that hackers had breached its systems and accessed employee PII. Although MGRC says that the Data Breach caused only "minimal disruption to [its] customer operations," in reality it lost control over employee PII to cybercriminals, allowing criminals access to employee "names, addresses, dates of birth, Social Security or individual tax identification numbers, driver's license or other government issued identification card numbers, health-related information, health insurance policy or member numbers, financial account information, and fingerprints."
- 4. Despite discovering the Data Breach and quickly restoring its "customer operations," MGRC did not immediately inform its employees that their PII was compromised in a security breach. Instead, MGRC "investigated" the breach for *five months* and kept its employees in the dark about its loss of control over their PII.
  - 5. Because MGRC did not timely disclose the Data Breach to Mr. Grogan, Mr.

<sup>&</sup>lt;sup>1</sup> See MGRC's Privacy Policy, <a href="https://www.mgrc.com/eu-general-data-protection-privacy-policy">https://www.mgrc.com/eu-general-data-protection-privacy-policy</a> (last visited Jan. 24, 2022).

1 Livermore, California 94551. 2 14. MGRC does business in California, including in this District. 3 III. JURISDICTION AND VENUE 4 15. This Court has jurisdiction over Mr. Grogan's claims under 28 U.S.C. § 5 1332(d)(2) because there are over 1,000 class members, Mr. Grogan is a citizen of a different 6 state than MGRC, and the aggregate amount in controversy for the class exceeds \$5 million, 7 exclusive of interest and costs. 8 16. The Court has personal jurisdiction over MGRC because MGRC has its principal 9 place of business in this District. 10 Venue is proper in this District under 28 U.S.C. §§ 1391 because a substantial 17. 11 part of the events or omissions giving rise to the claims emanated from activities within this 12 District and Defendant is headquartered in this District. 13 IV. FACTUAL BACKGROUND 14 A. MGRC 15 18. MGRC is a California-based rental company that rents relocatable modular 16 buildings, portable storage containers, electronic test equipment, and liquid and solid containment tanks and boxes" to other businesses. MGRC splits its operations into four 17 divisions: "Mobile Modular," "RTS-RenTelco," "Adler Tanks," and "Enviroplex." 18 19 19. MGRC trades on the NASDAQ exchange and, on information and belief, has a 20 \$1.8 billion market cap. 21 20. On information and belief, MGRC employs over 1,000 individuals, with current 22 and former employees living across the United States. 23 21. MGRC's internal policies recognize MGRC's responsibility for maintaining and 24 securing sensitive data, including employee PII. 25 22. MGRC's disclosures to its investors recognizes that its failure to maintain 26 <sup>2</sup> See MGRC's 10k report to investors, <a href="https://investors.mgrc.com/static-files/b37ae553-0a93-4477-abb3-">https://investors.mgrc.com/static-files/b37ae553-0a93-4477-abb3-</a> 066a6915db0e (last visited Jan. 17, 2020). 27

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1 adequate cybersecurity protocols could harm MGRC, its investors, and its employees, and "even violate privacy laws:"3 2 3 Disruptions in our information technology systems or failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail, become unavailable for any period of time or are not upgraded, this could limit our ability to effectively monitor and control our operations and adversely affect our operations. 4 Our information technology systems facilitate our ability to transact business, monitor and control our operations and adjust to changing market conditions. Any disruption in our information technology systems or the failure of these systems to operate as expected could, depending on the magnitude 5 of the problem, adversely affect our operating results by limiting our capacity to effectively transact business, monitor and control our operations and adjust to changing market conditions in a timely manner. 6 In addition, because of recent advances in technology and well-known efforts on the part of computer hackers and cyber terrorists to breach data security of companies, we face risks associated with potential failure to adequately protect critical corporate, client and employee data, which, if released, 7 could adversely impact our client relationships, our reputation, and even violate privacy laws. As part of our business, we develop, receive and retain confidential data about our company and our customers. 8 Further, the delay or failure to implement information system upgrades and new systems effectively could disrupt our business, distract management's focus and attention from our business operations and growth initiatives, and increase our implementation and operating costs, any of which could negatively impact our operations and operating results. 9 10 23. MGRC's online privacy policy ("Privacy Policy") claims that MGRC employs 11 comprehensive data security protocols to safeguard sensitive data:<sup>4</sup> 12 To ensure that our employees comply with our privacy policies, we have developed a training program that provides our employees with the tools and knowledge to protect member privacy in all aspects of their work. 13 Any employee who violates our privacy policies is subject to disciplinary action, including possible termination 14 and civil and/or criminal prosecution. 15 We also take additional cybersecurity measures that include but are not limited to, for example: 16 · We have a cybersecurity training and testing program that applies to our geographic locationsemployees that use technology are required to complete these trainings and testing, which occurs on a 17 regular monthly basis. 18 · We brief our Board of Directors on cybersecurity on a regular basis (this occurs minimally on an annual basis, with additional discussion as needed). 19 We have purchased cybersecurity insurance. 20 · We comply with PCI-DSS. We have also implemented multi-layer cyber protections, including engaging a third-party independent cybersecurity company, who does security testing and monitoring for our 21 Company, which includes penetration testing, auditing, and security assessment. 22 23 24. But, on information and belief, MGRC fails to strictly adhere to these policies, 24 leaving vulnerabilities in its systems for cybercriminals to exploit. 25 <sup>3</sup> *Id*. 26 <sup>4</sup> See MGRC's Privacy Policy: <a href="https://www.mgrc.com/eu-general-data-protection-privacy-policy">https://www.mgrc.com/eu-general-data-protection-privacy-policy</a> (last visited Jan. 19, 2022). 27

#### B. MGRC Fails to Safeguard Employee PII

financial account information, and fingerprints.

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25. Mr. Grogan and the proposed Class are current and former MGRC employees.

As a condition of employment with MGRC, MGRC requires its employees to

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disclose their PII, including their names, addresses, dates of birth, Social Security or individual tax identification numbers, driver's license or other government issued identification card

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27. MGRC collects and maintains employee PII in its computer systems.

numbers, as well as health-related information, health insurance policy or member numbers,

- 28. In collecting and maintaining the PII, MGRC agreed it would safeguard the data according to its internal policies and state and federal law.
- 29. Despite those commitments, on July 17, 2021, cybercriminals hacked MGRC's computer systems and accessed employee PII.
- 30. MGRC then supposedly took measures to stop the Data Breach, quickly restoring its "customer operations" to resume business activity. But MGRC took no steps to immediately inform its current and former employees about the Data Breach, choosing instead to "investigate" the breach for five months.
- 31. Four months into MGRC's investigation, on November 15, 2021, MGRC could only identify that employees' PII "may" have been accessed by unauthorized users.
- 32. MGRC then waited another month to issue the Breach Notice, on December 15, 2021, finally disclosing the Data Breach to its current and former employees and state regulators. A true and correct copy of the Breach Notice is attached as **Exhibit A** to this Complaint.
- 33. Until that time, Mr. Grogan and the proposed Class had no idea their PII had been compromised in a data breach and thus could not proactively mitigate the Data Breach's impact on them.
- 34. The Breach Notice disclaimed any knowledge that employee data was "misused," minimizing the threat that the Data Breach poses to plaintiff and the proposed Class.

- 44. In November 2021, Mr. Grogan suffered identity theft. Mr. Grogan learned that his debit accounts had unauthorized charges at several European locations that he had not visited, and he received notice that his PII had been posted on the dark web.
- 45. If MGRC had notified Mr. Grogan about the Data Breach earlier, he would have taken precautionary measures sooner and been able to mitigate the effects of the Data Breach on him.
- 46. Mr. Grogan has spent and will continue to spend considerable time and effort monitoring his accounts to protect himself from additional identity theft. Mr. Grogan fears for his personal financial security and uncertainty over what PII was exposed in the Data Breach. He has and is experiencing feelings of anxiety, sleep disruption, stress, fear, and frustration because of the Data Breach. This goes far beyond allegations of mere worry or inconvenience; it is exactly the sort of injury and harm to a Data Breach victim that the law contemplates and addresses.
- 47. Further, Mr. Grogan is unsure what has happened to his PII because MGRC has not disclosed the true nature of the Data Breach or what measures it is taking to safeguard his PII in the future.

#### D. Plaintiff and the Proposed Class Face Significant Risk of Continued Identity Theft

- 48. Plaintiff and members of the proposed Class have suffered injury from the misuse of their PII that can be directly traced to Defendant.
- 49. As a result of MGRC's failure to prevent the Data Breach, Plaintiff and the proposed Class have suffered and will continue to suffer damages, including monetary losses, lost time, anxiety, and emotional distress. They have suffered or are at an increased risk of suffering:
  - a. The loss of the opportunity to control how their PII is used;
  - b. The diminution in value of their PII;
  - c. The compromise and continuing publication of their PII;
  - d. Out-of-pocket costs associated with the prevention, detection, recovery, and

- 55. The development of "Fullz" packages means that stolen PII from the Data Breach can easily be used to link and identify it to Plaintiff and the proposed Class's phone numbers, email addresses, and other unregulated sources and identifiers. In other words, even if certain information such as emails, phone numbers, or credit card numbers may not be included in the PII stolen by the cyber-criminals in the Data Breach, criminals can easily create a Fullz package and sell it at a higher price to unscrupulous operators and criminals (such as illegal and scam telemarketers) over and over. That is exactly what is happening to Plaintiff and members of the proposed Class, and it is reasonable for any trier of fact, including this Court or a jury, to find that Plaintiff and other members of the proposed Class's stolen PII is being misused, and that such misuse is fairly traceable to the Data Breach.
- 56. MGRC disclosed the PII of Plaintiff and members of the proposed Class and criminals are using it in the conduct of criminal activity. Specifically, MGRC disclosed and exposed the PII of Plaintiff and members of the proposed Class to people engaged in disruptive and unlawful business practices and tactics, including online account hacking, unauthorized use of financial accounts, and fraudulent attempts to open unauthorized financial accounts (i.e., identity fraud), all using the stolen PII.
- 57. MGRC's failure to properly notify Plaintiff and members of the proposed Class of the Data Breach exacerbated Plaintiff's and members of the proposed Class's injury by depriving them of the earliest ability to take appropriate measures to protect their PII and take other necessary steps to mitigate the harm caused by the Data Breach.

#### V. CLASS ACTION ALLEGATIONS

58. Mr. Grogan sues on behalf of himself and the proposed Class ("Class"), defined as follows:

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All individuals residing in the United States whose PII was compromised in the Data Breach disclosed by MGRC on December 15, 2021.

Excluded from the Class are MGRC, its agents, affiliates, parents, subsidiaries, any entity in which MGRC has a controlling interest, any MGRC officer or director, any successor or assign, and any Judge who adjudicates this case, including their staff and immediate family.

- 59. Mr. Grogan reserves the right to amend the class definition as discovery progresses.
- 60. This action satisfies the numerosity, commonality, typicality, and adequacy requirements under Fed. R. Civ. P. 23.
  - a. <u>Numerosity</u>. Mr. Grogan is a representative of the proposed Class, consisting of over 1,000 members—far too many to join in a single action;
  - b. <u>Ascertainability</u>. Class members are readily identifiable from information in MGRC's possession, custody, and control;
  - c. <u>Typicality</u>. Mr. Grogan's claims are typical of Class member's claims as each arises from the same Data Breach, the same alleged negligence and statutory violations by MGRC, and the same unreasonable manner of notifying individuals about the Data Breach.
  - d. <u>Adequacy</u>. Mr. Grogan will fairly and adequately protect the proposed Class's interests. His interests do not conflict with Class members' interests and he has retained counsel experienced in complex class action litigation and data privacy to prosecute this action on the Class's behalf, including as lead counsel.
  - e. <u>Commonality</u>. Mr. Grogan and the Class's claims raise predominantly common fact and legal questions that a class wide proceeding can answer for all Class members. Indeed, it will be necessary to answer the following questions:
    - i. Whether MGRC had a duty to use reasonable care in safeguarding Mr.
       Grogan and the Class's PII;

| 1  | ii. Whether MGRC failed to implement and maintain reasonable security                               |
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| 2  | procedures and practices appropriate to the nature and scope of the                                 |
| 3  | information compromised in the Data Breach;   |
| 4  | iii. Whether MGRC was negligent in maintaining, protecting, and securing                            |
| 5  | PII;  |
| 6  | iv. Whether MGRC breached contract promises to safeguard Mr. Grogan                                 |
| 7  | and the Class's PII;  |
| 8  | v. Whether MGRC took reasonable measures to determine the extent of the                             |
| 9  | Data Breach after discovering it;   |
| 10 | vi. Whether MGRC's Breach Notice was reasonable;  |
| 11 | vii. Whether the Data Breach caused Mr. Grogan and the Class injuries;                              |
| 12 | viii. What the proper damages measure is;   |
| 13 | ix. Whether MGRC violated the statutes alleged in this complaint; and                               |
| 14 | x. Whether Mr. Grogan and the Class are entitled to damages, treble                                 |
| 15 | damages, or injunctive relief.  |
| 16 | 61. Further, common questions of law and fact predominate over any individualized                   |
| 17 | questions, and a class action is superior to individual litigation or any other available method to |
| 18 | fairly and efficiently adjudicate the controversy. The damages available to individual plaintiffs   |
| 19 | are insufficient to make individual lawsuits economically feasible.                                 |
| 20 | VI. CAUSES OF ACTION  COUNT I   |
| 21 | NEGLIGENCE<br>(On Behalf of Plaintiff and the Class)  |
| 22 | 62. Plaintiff and members of the Class incorporate the above allegations as if fully set            |
| 23 | forth herein.   |
| 24 | 63. Plaintiff and members of the Class entrusted their PII to Defendant. Defendant                  |
| 25 | owed to Plaintiff and other members of the Class a duty to exercise reasonable care in handling     |
| 26 | and using the PII in its care and custody, including implementing industry-standard security        |
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procedures sufficient to reasonably protect the information from the Data Breach, theft, and unauthorized use that came to pass, and to promptly detect attempts at unauthorized access.

- 64. Defendant owed a duty of care to Plaintiff and members of the Class because it was foreseeable that Defendant's failure to adequately safeguard their PII in accordance with state-of-the-art industry standards concerning data security would result in the compromise of that PII—just like the Data Breach that ultimately came to pass. Defendant acted with disregard for the security and confidentiality of Plaintiff's and members of the Class's PII by disclosing and providing access to this information to third parties and by failing to properly supervise both the way the PII was stored, used, and exchanged, and those in its employee who were responsible for making that happen.
- 65. Defendant owed to Plaintiff and members of the Class a duty to notify them within a reasonable time frame of any breach to the security of their PII. Defendant also owed a duty to timely and accurately disclose to Plaintiff and members of the Class the scope, nature, and occurrence of the Data Breach. This duty is required and necessary for Plaintiff and members of the Class to take appropriate measures to protect their PII, to be vigilant in the face of an increased risk of harm, and to take other necessary steps to mitigate the harm caused by the Data Breach.
- 66. Defendant owed these duties to Plaintiff and members of the Class because they are members of a well-defined, foreseeable, and probable class of individuals whom Defendant knew or should have known would suffer injury-in-fact from Defendant's inadequate security protocols. Defendant actively sought and obtained Plaintiff's and members of the Class's personal information and PII for addiction-related treatment services. Plaintiff and members of the Class were required to provide their personal information and PII to Defendant to receive those addiction-related treatment services from Defendant, and Defendant retained that information.
- 67. The risk that unauthorized persons would attempt to gain access to the PII and misuse it was foreseeable. Given that Defendant holds vast amounts of PII, it was inevitable that

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forth herein.

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PII is highly valuable, and Defendant knew, or should have known, the risk in 68. obtaining, using, handling, emailing, and storing the PII of Plaintiff's and members of the Class's

and the importance of exercising reasonable care in handling it.

- 69. Defendant breached its duties by failing to exercise reasonable care in supervising its agents, contractors, vendors, and suppliers, and in handling and securing the personal information and PII of Plaintiff and members of the Class which actually and proximately caused the Data Breach and Plaintiff's and members of the Class's injury. Defendant further breached its duties by failing to provide reasonably timely notice of the Data Breach to Plaintiff and members of the Class, which actually and proximately caused and exacerbated the harm from the Data Breach and Plaintiff's and members of the Class's injuries-in-fact. As a direct and traceable result of Defendant's negligence and/or negligent supervision, Plaintiff and members of the Class have suffered or will suffer damages, including monetary damages, increased risk of future harm, embarrassment, humiliation, frustration, and emotional distress.
  - 70. Indeed, Plaintiff has suffered identity theft, incurring losses as a result.
- 71. Defendant's breach of its common-law duties to exercise reasonable care and its failures and negligence actually and proximately caused Plaintiff's and members of the Class actual, tangible, injury-in-fact and damages, including, without limitation, the theft of their PII by criminals, improper disclosure of their PII, lost benefit of their bargain, lost value of their PII, loss of privacy, and lost time and money incurred to mitigate and remediate the effects of the Data Breach that resulted from and were caused by Defendant's negligence, which injury-in-fact and damages are ongoing, imminent, immediate, and which they continue to face.

Negligence Per Se (On Behalf of Plaintiff and the Class)

Plaintiff and members of the Class incorporate the above allegations as if fully set

- 73. Pursuant to the FTC Act, 15 U.S.C. § 45, Defendant had a duty to provide fair and adequate computer systems and data security practices to safeguard Plaintiff's and members of the Class's PII.
- 74. Section 5 of the FTC Act prohibits "unfair . . . practices in or affecting commerce," including, as interpreted and enforced by the FTC, the unfair act or practice by businesses, such as Defendant, of failing to use reasonable measures to protect customers or, in this case, patients' PII. The FTC publications and orders promulgated pursuant to the FTC Act also form part of the basis of Defendant's duty to protect Plaintiff and the members of the Class's sensitive PII.
- 75. Defendant violated its duty under Section 5 of the FTC Act by failing to use reasonable measures to protect its patients' PII and not complying with applicable industry standards as described in detail herein. Defendant's conduct was particularly unreasonable given the nature and amount of PII Defendant had collected and stored and the foreseeable consequences of a data breach, including, specifically, the immense damages that would result to its employees and former employees in the event of a breach, which ultimately came to pass.
- 76. The harm that has occurred is the type of harm the FTC Act is intended to guard against. Indeed, the FTC has pursued numerous enforcement actions against businesses that, because of their failure to employ reasonable data security measures and avoid unfair and deceptive practices, caused the same harm as that suffered by Plaintiff and members of the Class.
- 77. Defendant had a duty to Plaintiff and the members of the Class to implement and maintain reasonable security procedures and practices to safeguard Plaintiff's and the Class's PII.
- 78. Defendant breached its respective duties to Plaintiff and members of the Class under the FTC Act by failing to provide fair, reasonable, or adequate computer systems and data security practices to safeguard Plaintiff's and members of the Class's PII.
- 79. Defendant's violation of Section 5 of the FTC Act and its failure to comply with applicable laws and regulations constitutes negligence per se.

- 80. But for Defendant's wrongful and negligent breach of its duties owed to Plaintiff and members of the Class, Plaintiff and members of the Class would not have been injured.
- 81. The injury and harm suffered by Plaintiff and members of the Class were the reasonably foreseeable result of Defendant's breach of their duties. Defendant knew or should have known that Defendant was failing to meet its duties and that its breach would cause Plaintiff and members of the Class to suffer the foreseeable harms associated with the exposure of their PII.
- 82. Had Plaintiff and members of the Class known that Defendant did not adequately protect patients' PII, Plaintiff and members of the Class would not have entrusted Defendant with their PII.
- As a direct and proximate result of Defendant's negligence per se, Plaintiff members of the Class have suffered harm, including loss of time and money resolving fraudulent charges; loss of time and money obtaining protections against future identity theft; financial losses related to the treatment Plaintiff and members of the Class paid for that they would not have received had they known of Defendant's careless approach to cyber security; lost control over the value of PII; unreimbursed losses relating to fraudulent charges; losses relating to exceeding credit and debit card limits and balances; harm resulting from damaged credit scores and information; loss of privacy; and other harm resulting from the unauthorized use or threat of unauthorized use of stolen personal information, entitling them to damages in an amount to be proven at trial.

# COUNT III Breach of an Implied Contract (On Behalf of Plaintiff and the Class)

- 84. Plaintiff and members of the Class incorporate the above allegations as if fully set forth herein.
- 85. Defendant offered employment to Plaintiff and members of the Class in exchange for their PII.

| 1  | 102. Defendant appreciated or had knowledge of the benefits conferred upon itself by              |
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| 2  | Plaintiff and members of the Class. Defendant also benefited from the receipt of Plaintiff's and  |
| 3  | members of the Class's PII, as this was used to facilitate their employment.                      |
| 4  | 103. Under principals of equity and good conscience, Defendant should not be permitted            |
| 5  | to retain the full value of Plaintiff and the proposed Class's services and their PII because     |
| 6  | Defendant failed to adequately protect their PII. Plaintiff and the proposed Class would not have |
| 7  | provided their PII or worked for Defendant at the payrates they did had they known Defendan       |
| 8  | would not adequately protect their PII.   |
| 9  | 104. Defendant should be compelled to disgorge into a common fund for the benefit o               |
| 10 | Plaintiff and members of the Class all unlawful or inequitable proceeds received by it because o  |
| 11 | its misconduct and Data Breach.   |
| 12 | COUNT V Violation of California's Consumer Records Act  |
| 13 | Cal. Bus. Code § 1798.80, <i>et seq.</i> (On behalf of Plaintiff and the Class)                   |
| 14 | 105. Plaintiff incorporates by reference all preceding allegations.                               |
| 15 | 106. Under California law, any "person or business that conducts business in                      |
| 16 | California, and that owns or licenses computerized data that includes personal information" must  |
| 17 | "disclose any breach of the system following discovery or notification of the breach in the       |
| 18 | security of the data to any resident of California whose unencrypted personal information was, or |
| 19 | is reasonably believed to have been, acquired by an unauthorized person." (CAL. CIV. CODE §       |
| 20 | 1798.2.) The disclosure must "be made in the most expedient time possible and without             |
| 21 | unreasonable delay" (Id.), but "immediately following discovery [of the breach], if the personal  |
| 22 | information was, or is reasonably believed to have been, acquired by an unauthorized person."     |
| 23 | (CAL. CIV. CODE § 1798.82, subdiv. b.)  |
| 24 | 107. The data breach constitutes a "breach of the security system" of Defendant.                  |
| 25 | 108. An unauthorized person acquired the personal, unencrypted information of                     |
| 26 | Plaintiff and the Class.  |
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| 1  | 109. Defendant knew that an unauthorized person had acquired the personal,                       |
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| 2  | unencrypted information of Plaintiffs and the Class, but waited five months to notify them. Five |
| 3  | months was an unreasonable delay under the circumstances.  |
| 4  | 110. Defendant's unreasonable delay prevented Plaintiff and the Class from taking                |
| 5  | appropriate measures from protecting themselves against harm.                                    |
| 6  | 111. Because Plaintiff and the Class were unable to protect themselves, they suffered            |
| 7  | incrementally increased damages that they would not have suffered with timelier notice.          |
| 8  | 112. Plaintiff and the Class are entitled to equitable relief and damages in an amount to        |
| 9  | be determined at trial.  |
| 10 | COUNT VI<br>Violation of California's Unfair Competition Law                                     |
| 11 | Cal. Bus. Code § 17200, et seq. (On behalf of Plaintiff and the Class)                           |
| 12 | 113. Plaintiff incorporates all previous paragraphs as if fully set forth below.                 |
| 13 | 114. Defendant engaged in unlawful and unfair business practices in violation of Cal.            |
| 14 | Bus. & Prof. Code § 17200, et seq. which prohibits unlawful, unfair, or fraudulent business acts |
| 15 | or practices ("UCL").  |
| 16 | 115. Defendant's conduct is unlawful because it violates the California Consumer                 |
| 17 | Privacy Act of 2018, Civ. Code § 1798.100, et seq. (the "CCPA"), and other state data security   |
| 18 | laws.  |
| 19 | 116. Defendant stored the PII of Plaintiff and the Class in its computer systems and             |
| 20 | knew or should have known it did not employ reasonable, industry standard, and appropriate       |
| 21 | security measures that complied with applicable regulations and that would have kept Plaintiff   |
| 22 | and the Class's PII secure and prevented the loss or misuse of that PII.                         |
| 23 | 117. Defendant failed to disclose to Plaintiff and the Class that their PII was not              |
| 24 | secure. However, Plaintiff and the Class were entitled to assume, and did assume, that Defendan  |
| 25 | had secured their PII. At no time were Plaintiff and the Class on notice that their PII was not  |
| 26 | secure, which Defendant had a duty to disclose.  |
| 27 |  |
| 28 | - 20 -   |

- 118. Defendant also violated California Civil Code § 1798.150 by failing to employ reasonable security measures, resulting in an unauthorized access and exfiltration, theft, or disclosure of Plaintiff's and the Class's PII.
- Had Defendant complied with these requirements, Plaintiff and the Class would 119. not have suffered the damages related to the data breach.
  - 120. Defendant's conduct was unlawful, in that it violated the Consumer Records Act.
- 121. Defendant's conduct was also unfair, in that it violated a clear legislative policy in favor of protecting consumers from data breaches.
- 122. Defendant's conduct is an unfair business practice under the UCL because it was immoral, unethical, oppressive, and unscrupulous and caused substantial harm. This conduct includes employing unreasonable and inadequate data security despite its business model of actively collecting PII.
- 123. Defendant also engaged in unfair business practices under the "tethering test." Its actions and omissions, as described above, violated fundamental public policies expressed by the California Legislature. See, e.g., Cal. Civ. Code § 1798.1 ("The Legislature declares that . . . all individuals have a right of privacy in information pertaining to them . . . The increasing use of computers . . . has greatly magnified the potential risk to individual privacy that can occur from the maintenance of personal information."); Cal. Civ. Code § 1798.81.5(a) ("It is the intent of the Legislature to ensure that personal information about California residents is protected."); Cal. Bus. & Prof. Code § 22578 ("It is the intent of the Legislature that this chapter [including the Online Privacy Protection Act] is a matter of statewide concern."). Defendant's acts and omissions thus amount to a violation of the law.
- Instead, Defendant made the PII of Plaintiff and the Class accessible to scammers, identity thieves, and other malicious actors, subjecting Plaintiff and the Class to an impending risk of identity theft. Additionally, Defendant's conduct was unfair under the UCL because it violated the policies underlying the laws set out in the prior paragraph.

| 1  | 125. As a result of those unlawful and unfair business practices, Plaintiff and the Class            |
|----|--|
| 2  | suffered an injury-in-fact and have lost money or property.  |
| 3  | 126. The injuries to Plaintiff and the Class greatly outweigh any alleged countervailing             |
| 4  | benefit to consumers or competition under all of the circumstances.                                  |
| 5  | 127. There were reasonably available alternatives to further Defendant's legitimate                  |
| 6  | business interests, other than the misconduct alleged in this complaint.                             |
| 7  | 128. Therefore, Plaintiff and the Class are entitled to equitable relief, including                  |
| 8  | restitution of all monies paid to or received by Defendant; disgorgement of all profits accruing to  |
| 9  | Defendant because of its unfair and improper business practices; a permanent injunction              |
| 10 | enjoining Defendant's unlawful and unfair business activities; and any other equitable relief the    |
| 11 | Court deems proper.  |
| 12 | COUNT VII<br>Declaratory Judgment and Injunctive Relief<br>(On behalf of Plaintiff and the Class)    |
| 13 | (On behalf of Plaintiff and the Class)   |
| 14 | 129. Plaintiff incorporates all previous paragraphs as if fully set forth below.                     |
| 15 | 130. Under the Declaratory Judgment Act, 28 U.S.C. §§ 2201, et seq., this Court is                   |
| 16 | authorized to enter a judgment declaring the rights and legal relations of the parties and to grant  |
| 17 | further necessary relief. Furthermore, the Court has broad authority to restrain acts, such as those |
| 18 | alleged herein, which are tortious and which violate the terms of the federal and state statutes     |
| 19 | described above.   |
| 20 | 131. An actual controversy has arisen in the wake of the Data Breach at issue regarding              |
| 21 | Defendant's common law and other duties to act reasonably with respect to employing                  |
| 22 | reasonable data security. Plaintiff alleges Defendant's actions in this respect were inadequate and  |
| 23 | unreasonable and, upon information and belief, remain inadequate and unreasonable.                   |
| 24 | Additionally, Plaintiff and the Class continue to suffer injury due to the continued and ongoing     |
| 25 | threat of new or additional fraud against them or on their accounts using the stolen data.           |
| 26 |  |
| 27 |  |
| 28 | - 22 -   |

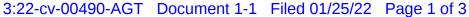
- 132. Pursuant to its authority under the Declaratory Judgment Act, this Court should enter a judgment declaring, among other things, the following:
- a. Defendant owed, and continues to owe, a legal duty to employ reasonable data security to secure the PII with which it is entrusted, specifically including information pertaining to healthcare and financial records it obtains from its clients, and to notify impacted individuals of the Data Breach under the common law and Section 5 of the FTC Act;
- b. Defendant breached, and continues to breach, its duty by failing to employ reasonable measures to secure its customers' personal and financial information; and
- c. Defendant's breach of its legal duty continues to cause harm to Plaintiff and the Class.
- 133. The Court should also issue corresponding injunctive relief requiring Defendant to employ adequate security protocols consistent with industry standards to protect its clients' (i.e. Plaintiff's and the Class's) data.
- 134. If an injunction is not issued, Plaintiff and the Class will suffer irreparable injury and lack an adequate legal remedy in the event of another breach of Defendant's data systems. If another breach of Defendant's data systems occurs, Plaintiff and the Class will not have an adequate remedy at law because many of the resulting injuries are not readily quantified in full and they will be forced to bring multiple lawsuits to rectify the same conduct. Simply put, monetary damages, while warranted to compensate Plaintiff and the Class for their out-of-pocket and other damages that are legally quantifiable and provable, do not cover the full extent of injuries suffered by Plaintiff and the Class, which include monetary damages that are not legally quantifiable or provable.
- 135. The hardship to Plaintiff and the Class if an injunction does not issue exceeds the hardship to Defendant if an injunction is issued.

1 136. Issuance of the requested injunction will not disserve the public interest. To the 2 contrary, such an injunction would benefit the public by preventing another data breach, thus 3 eliminating the injuries that would result to Plaintiff, the Class, and the public at large. 4 VII. PRAYER FOR RELIEF 5 6 Plaintiff and members of the Class demand a jury trial on all claims so triable and request 7 that the Court enter an order: 8 A. Certifying this case as a class action on behalf of Mr. Grogan and the proposed 9 Class, appointing Mr. Grogan as class representative, and appointing him counsel 10 to represent the Class; 11 В. Awarding declaratory and other equitable relief as is necessary to protect the 12 interests of Mr. Grogan and the Class; 13 C. Awarding injunctive relief as is necessary to protect the interests of Mr. Grogan 14 and the Class; 15 D. Enjoining Defendant from further deceptive and unfair practices about the Data 16 Breach and the stolen PII; 17 E. Awarding Mr. Grogan and the Class damages that include compensatory, 18 exemplary, punitive damages, and statutory damages, including pre- and post-19 judgment interest, in an amount to be proven at trial; 20 F. Awarding restitution and damages to Plaintiff and the Class in an amount to be 21 determined at trial; 22 G. Awarding attorneys' fees and costs, as allowed by law; 23 H. Awarding prejudgment and post-judgment interest, as provided by law; 24 I. Granting Plaintiff and the Class leave to amend this complaint to conform to the 25 evidence produced at trial; and 26 27 - 24 -28

| 1   | J. Granting such other or further relief as may be appropriate under the |
|-----|--|
| 2   | circumstances.   |
| 3   | VIII.JURY DEMAND   |
| 4   | Plaintiff demands a trial by jury on all issues so triable.              |
| 5   |  |
| 6   | DECDECTELLL V CLIDMITTED AND DATED on January 25, 2022                   |
| 7   | RESPECTFULLY SUBMITTED AND DATED on January 25, 2022.                    |
|     | By: /s/ Motthey, B. Wilson (Bor No. 200472)                              |
| 8   | Matthew R. Wilson (Bar No. 290473) Email: mwilson@meyerwilson.com        |
| 9   | Michael J. Boyle, Jr. (Bar No. 258560)                                   |
| 10  | Email: mboyle@meyerwilson.com<br>MEYER WILSON CO., LPA                   |
| 11  | 305 W. Nationwide Blvd.  |
|     | Columbus, OH 43215   |
| 12  | Telephone: (614) 224-6000<br>Facsimile: (614) 224-6066                   |
| 13  | Facsinine: (614) 224-6006  |
| 14  | Anthony I. Paronich, Subject to Admission Pro                            |
| 1.5 | Hac Vice anthony@bparonichlaw.com  |
| 15  | PARONICH LAW, P.C.   |
| 16  | 350 Lincoln Street, Suite 2400   |
| 17  | Hingham, Massachusetts 02043<br>Telephone: (617) 485-0018                |
| 1.0 | Facsimile: (508) 318-8100  |
| 18  |  |
| 19  | Attorneys for Plaintiff and the Proposed Class                           |
| 20  |  |
| 21  |  |
| 22  |  |
| 23  |  |
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|     |  |
| 27  |  |
| 28  | - 25 -   |

- 25 -CLASS ACTION COMPLAINT Grogan v. McGrath Rentcorp

# EXHIBIT A





P.O. Box 1907 Suwanee, GA 30024 To Enroll, Please Call:
1-833-381-2286
Or Visit:
<a href="https://app.idx.us/account-creation/protect">https://app.idx.us/account-creation/protect</a>
Enrollment Code: [XXXXXXXXX]

| < <first name="">&gt; &lt;<last name="">&gt;</last></first>      |
|--|
| < <address1>&gt; &lt;<address2>&gt;</address2></address1>        |
| < <city>&gt;, &lt;<state>&gt; &lt;<zip>&gt;</zip></state></city> |

December 15, 2021

**Re:** <<Variable Field 1>>

Dear <<First Name>> <<Last Name>>,

We are writing to inform you of an incident that may have involved your personal information. At McGrath RentCorp ("MGRC"), we take the privacy and security of your information very seriously. Therefore, we are writing to inform you of the incident, advising you of certain steps you can take to help protect your personal information, and offering complementary identity monitoring services at no cost to you to further guard your information.

**What Happened?** On July 17, 2021, MGRC discovered unauthorized activity on its systems by an unknown actor. In response, we took the systems offline to stop the unauthorized access and worked with our cybersecurity experts to further examine the incident. All services have since been restored, and the incident caused minimal disruption to our customer operations.

Since then, we have been working diligently to assess what information may have been impacted. On November 15, 2021, MGRC determined that the data involved included information relating to you.

We have no indication that any information has been misused as a result of this incident. Nevertheless, we wanted to inform you of the incident and provide steps you can take to help protect your information.

What Information Was Involved? The files that may have been accessed by the unauthorized individual generally contained the following information: names, addresses, dates of birth, Social Security or individual tax identification numbers, driver's license or other government issued identification card numbers, health-related information, health insurance policy or member numbers, financial account information, and fingerprints. Please note that the information affected varied from person-to-person.

What Are We Doing? As soon as we discovered the incident, we took the steps described above. We also reported the incident to the Federal Bureau of Investigation and will provide whatever cooperation is necessary to help identify and prosecute the perpetrators.

In addition, we have secured the services of IDX to provide identity protection services at no cost to you. IDX is a risk mitigation and response vendor and has extensive experience helping people who have sustained an unintentional exposure of confidential data. The services include credit monitoring, Cyberscan dark web monitoring, \$1 million identity theft reimbursement insurance, and fully managed identity recovery services for <<12 or 24 months>>.

To receive these services, you must be over the age of 18, have established credit in the U.S., have a Social Security number in your name, and have a U.S. residential address associated with your credit file.

McGrath RentCorp 5700 Las Positas Rd, Livermore, CA 94551

#### Case 3:22-cv-00490-AGT Document 1-1 Filed 01/25/22 Page 2 of 3

You can enroll by going to <a href="https://app.idx.us/account-creation/protect">https://app.idx.us/account-creation/protect</a> or calling IDX at 1-833-381-2286 and using the Enrollment Code provided at the top of this letter. Please note that the deadline to enroll is March 15, 2022.

What You Can Do: Please review the "Steps You Can Take to Further Protect Your Information" sheet included with this letter. It describes additional ways you can help safeguard your information. We also encourage you to enroll in the complimentary identity monitoring services we are offering through IDX.

**For More Information:** If you have questions or need assistance, please call 1-833-381-2286, Monday through Friday from 6 a.m. to 6 p.m. Pacific.

Protecting your information is important to us. Please know that we take this incident very seriously and deeply regret any worry or inconvenience that this may cause you.

Sincerely,

Joseph F. Hanna

CEO

#### Steps You Can Take to Further Protect Your Information

Review Your Account Statements and Notify Law Enforcement of Suspicious Activity: As a precautionary measure, we recommend that you remain vigilant by reviewing your account statements and credit reports closely. If you detect any suspicious activity on an account, you should promptly notify the financial institution or company with which the account is maintained. You also should promptly report any fraudulent activity or any suspected incidence of identity theft to proper law enforcement authorities, your state attorney general, and/or the Federal Trade Commission (FTC).

**Copy of Credit Report:** You may obtain a free copy of your credit report from each of the three major credit reporting agencies once every 12 months by visiting <a href="http://www.annualcreditreport.com/">http://www.annualcreditreport.com/</a>, calling toll-free 877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348. You can print this form at <a href="https://www.annualcreditreport.com/cra/requestformfinal.pdf">https://www.annualcreditreport.com/cra/requestformfinal.pdf</a>. You also can contact one of the following three national credit reporting agencies:

| TransUnion         | Experian         | Equifax           | Free Annual Report         |
|--------------------|------------------|-------------------|----------------------------|
| P.O. Box 1000      | P.O. Box 9532    | P.O. Box 105851   | P.O. Box 105281            |
| Chester, PA19016   | Allen, TX 75013  | Atlanta, GA 30348 | Atlanta, GA 30348          |
| 1-800-909-8872     | 1-888-397-3742   | 1-800-685-1111    | 1-877-322-8228             |
| www.transunion.com | www.experian.com | www.equifax.com   | www.annualcreditreport.com |

**Fraud Alert:** You may want to consider placing a fraud alert on your credit report. An initial fraud alert is free and will stay on your credit file for at least 90 days. The alert informs creditors of possible fraudulent activity within your report and requests that the creditor contact you prior to establishing any accounts in your name. To place a fraud alert on your credit report, contact any of the three credit reporting agencies identified above. Additional information is available at http://www.annualcreditreport.com.

**Security Freeze:** Under U.S. law, you have the right to put a security freeze on your credit file for up to one year at no cost. This will prevent new credit from being opened in your name without the use of a PIN number that is issued to you when you initiate the freeze. A security freeze is designed to prevent potential creditors from accessing your credit report without your consent. As a result, using a security freeze may interfere with or delay your ability to obtain credit. You must separately place a security freeze on your credit file with each credit reporting agency. In order to place a security freeze, you may be required to provide the consumer reporting agency with information that identifies you including your full name, Social Security number, date of birth, current and previous addresses, a copy of your state-issued identification card, and a recent utility bill, bank statement or insurance statement.

**Additional Free Resources:** You can obtain information from the consumer reporting agencies, the FTC or from your respective state Attorney General about fraud alerts, security freezes, and steps you can take toward preventing identity theft. You may report suspected identity theft to local law enforcement, including to the FTC or to the Attorney General in your state. Contact information for the FTC is: **Federal Trade Commission**, 600 Pennsylvania Ave, NW, Washington, DC 20580, <a href="https://www.consumer.ftc.gov">www.consumer.ftc.gov</a> and <a href="https://www.ftc.gov/idtheft">www.ftc.gov/idtheft</a>, 1-877-438-4338. Residents of New York, Maryland, North Carolina, and Rhode Island can obtain more information from their Attorneys General using the contact information below.

| New York Attorney General     | Maryland Attorney   | North Carolina Attorney  | Rhode Island            |
|-------------------------------|---------------------|--------------------------|-------------------------|
| <b>Bureau of Internet and</b> | General             | General                  | <b>Attorney General</b> |
| Technology Resources          | 200 St. Paul Place  | 9001 Mail Service Center | 150 South Main Street   |
| 28 Liberty Street             | Baltimore, MD 21202 | Raleigh, NC 27699        | Providence, RI 02903    |
| New York, NY 10005            | www.oag.state.md.us | www.ncdoj.gov            | www.riag.ri.gov         |
| <u>ifraud@ag.ny.gov</u>       | 1-888-743-0023      | 1-877-566-7226           | 401-274-4400            |
| 1 010 416 0422                |                     |                          |                         |

You also have certain rights under the Fair Credit Reporting Act (FCRA): These rights include to know what is in your file; to dispute incomplete or inaccurate information; to have consumer reporting agencies correct or delete inaccurate, incomplete, or unverifiable information, as well as others. For more information about the FCRA, and your rights pursuant to the FCRA, please visit <a href="http://files.consumerfinance.gov/f/201504\_cfpb\_summary\_your-rights-under-fcra.pdf">http://files.consumerfinance.gov/f/201504\_cfpb\_summary\_your-rights-under-fcra.pdf</a>.

### Case 3:22-cv-00490-AGT Document 1-2 Filed 01/25/22 Page 1 of 2

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

ROBERT GROGAN, individually and on behalf of a class

- (b) County of Residence of First Listed Plaintiff Fulton (GA) (EXCEPT IN U.S. PLAINTIFF CASES)
- (c) Attorneys (Firm Name, Address, and Telephone Number)

Michael Boyle, Meyer Wilson Co., LPA, 305 W. Nationwide Blvd., Columbus, OH 43215, 614-224-6000

Diversity

#### **DEFENDANTS**

#### McGrath RentCorp.

County of Residence of First Listed Defendant (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)                         | III. CITIZENSHIP OF P<br>(For Diversity Cases Only) | RINCII | PAL P. | ARTIES (Place an "X" in One E<br>and One Box for Defen |     | 'aintiff   |
|-----|--|---|--------|--------|--|-----|------------|
|     |  |   | PTF    | DEF    |  | PTF | DEI        |
| 1   | U.S. Government Plaintiff  3 Federal Question  (U.S. Government Not a Party) | Citizen of This State                               | 1      | 1      | Incorporated or Principal Place                        | 4   | $\times$ 4 |

(Indicate Citizenship of Parties in Item III)

| and one Box for Edendary         |     |            |  |  |  |  |
|----------------------------------|-----|------------|--|--|--|--|
|                                  | PTF | DEF        |  |  |  |  |
| Incorporated or Principal Place  | 4   | $\times$ 4 |  |  |  |  |
| of Business In This State        |     |            |  |  |  |  |
| Incorporated and Principal Place | 5   | 5          |  |  |  |  |
| of Business In Another State     |     |            |  |  |  |  |
| Foreign Nation                   | 6   | 6          |  |  |  |  |

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

U.S. Government Defendant X 4

| CONTRACT   | TOF  | RTS   | FORFEITURE/PENALTY   | BANKRUPTCY  | OTHER STATUTES   |
|--|--|---|--|---|--|
| 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment Of Veteran's Benefits 151 Medicare Act 152 Recovery of Defaulted Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise | PERSONAL INJURY  310 Airplane  315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability  340 Marine  345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability  360 Other Personal Injury 362 Personal Injury -Medical Malpractice  CIVIL RIGHTS  440 Other Civil Rights 441 Voting | PERSONAL INJURY  365 Personal Injury — Product Liability  367 Health Care/ Pharmaceutical Personal Injury Product Liability  368 Asbestos Personal Injury Product Liability  PERSONAL PROPERTY  370 Other Fraud  371 Truth in Lending  380 Other Personal Property Damage  385 Property Damage Product Liability  PRISONER PETITIONS  HABEAS CORPUS  463 Alien Detainee | 625 Drug Related Seizure of Property 21 USC § 881 690 Other  LABOR  710 Fair Labor Standards Act 720 Labor/Management Relations 740 Railway Labor Act 751 Family and Medical Leave Act 790 Other Labor Litigation 791 Employee Retirement Income Security Act  IMMIGRATION  462 Naturalization Application 465 Other Immigration Actions | 422 Appeal 28 USC § 158 423 Withdrawal 28 USC § 157  PROPERTY RIGHTS  820 Copyrights 830 Patent 835 Patent—Abbreviated New Drug Application 840 Trademark 880 Defend Trade Secrets Act of 2016  SOCIAL SECURITY  861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) | 375 False Claims Act 376 Qui Tam (31 USC § 3729(a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced & Corrupt Organizations 480 Consumer Credit 485 Telephone Consumer Protection Act 490 Cable/Sat TV 850 Securities/Commoditie Exchange 890 Other Statutory Action 891 Agricultural Acts |
| REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability 290 All Other Real Property  | 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities— Employment 446 Amer. w/Disabilities—Other 448 Education  | 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty OTHER 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee— Conditions of Confinement  | Actions  | FEDERAL TAX SUITS  870 Taxes (U.S. Plaintiff or Defendant)  871 IRS—Third Party 26 USC .  § 7609  | 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes  |

Foreign Country

| V. | ORIGIN   | (Dlagg an | "V" ::: | One Por  | Only   |
|----|----------|-----------|---------|----------|--------|
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X 1 Original 2 Removed from 3 Remanded from 4 Reinstated or 5 Transferred from 6 Multidistrict 8 Multidistrict Proceeding State Court Appellate Court Reopened Another District (specify) Litigation—Transfer 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. s 1332(d)(2)

Brief description of cause:

Claims arising from a negligent data breach of employee Personal Identifying Information

VII. REQUESTED IN CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P.

DEMAND \$ 5,000,000.00

CHECK YES only if demanded in complaint:

JURY DEMAND: × Yes

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

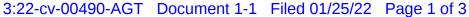
**EUREKA-MCKINLEYVILLE** 

#### 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) <u>United States defendant</u>. When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
  - (3) <u>Federal question</u>. 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) <u>Diversity of citizenship</u>. 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) <u>Transferred from Another District</u>. 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) <u>Multidistrict Litigation Direct File</u>. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket.
  - <u>Please note that there is no Origin Code 7</u>. 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. <u>Brief Description</u>: 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.
  - <u>Demand</u>. 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.





P.O. Box 1907 Suwanee, GA 30024 To Enroll, Please Call:
1-833-381-2286
Or Visit:
<a href="https://app.idx.us/account-creation/protect">https://app.idx.us/account-creation/protect</a>
Enrollment Code: [XXXXXXXXX]

| < <first name="">&gt; &lt;<last name="">&gt;</last></first>      |
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| < <address1>&gt; &lt;<address2>&gt;</address2></address1>        |
| < <city>&gt;, &lt;<state>&gt; &lt;<zip>&gt;</zip></state></city> |

December 15, 2021

**Re:** <<Variable Field 1>>

Dear <<First Name>> <<Last Name>>,

We are writing to inform you of an incident that may have involved your personal information. At McGrath RentCorp ("MGRC"), we take the privacy and security of your information very seriously. Therefore, we are writing to inform you of the incident, advising you of certain steps you can take to help protect your personal information, and offering complementary identity monitoring services at no cost to you to further guard your information.

**What Happened?** On July 17, 2021, MGRC discovered unauthorized activity on its systems by an unknown actor. In response, we took the systems offline to stop the unauthorized access and worked with our cybersecurity experts to further examine the incident. All services have since been restored, and the incident caused minimal disruption to our customer operations.

Since then, we have been working diligently to assess what information may have been impacted. On November 15, 2021, MGRC determined that the data involved included information relating to you.

We have no indication that any information has been misused as a result of this incident. Nevertheless, we wanted to inform you of the incident and provide steps you can take to help protect your information.

What Information Was Involved? The files that may have been accessed by the unauthorized individual generally contained the following information: names, addresses, dates of birth, Social Security or individual tax identification numbers, driver's license or other government issued identification card numbers, health-related information, health insurance policy or member numbers, financial account information, and fingerprints. Please note that the information affected varied from person-to-person.

What Are We Doing? As soon as we discovered the incident, we took the steps described above. We also reported the incident to the Federal Bureau of Investigation and will provide whatever cooperation is necessary to help identify and prosecute the perpetrators.

In addition, we have secured the services of IDX to provide identity protection services at no cost to you. IDX is a risk mitigation and response vendor and has extensive experience helping people who have sustained an unintentional exposure of confidential data. The services include credit monitoring, Cyberscan dark web monitoring, \$1 million identity theft reimbursement insurance, and fully managed identity recovery services for <<12 or 24 months>>.

To receive these services, you must be over the age of 18, have established credit in the U.S., have a Social Security number in your name, and have a U.S. residential address associated with your credit file.

McGrath RentCorp 5700 Las Positas Rd, Livermore, CA 94551

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You can enroll by going to <a href="https://app.idx.us/account-creation/protect">https://app.idx.us/account-creation/protect</a> or calling IDX at 1-833-381-2286 and using the Enrollment Code provided at the top of this letter. Please note that the deadline to enroll is March 15, 2022.

What You Can Do: Please review the "Steps You Can Take to Further Protect Your Information" sheet included with this letter. It describes additional ways you can help safeguard your information. We also encourage you to enroll in the complimentary identity monitoring services we are offering through IDX.

**For More Information:** If you have questions or need assistance, please call 1-833-381-2286, Monday through Friday from 6 a.m. to 6 p.m. Pacific.

Protecting your information is important to us. Please know that we take this incident very seriously and deeply regret any worry or inconvenience that this may cause you.

Sincerely,

Joseph F. Hanna

CEO

#### Steps You Can Take to Further Protect Your Information

Review Your Account Statements and Notify Law Enforcement of Suspicious Activity: As a precautionary measure, we recommend that you remain vigilant by reviewing your account statements and credit reports closely. If you detect any suspicious activity on an account, you should promptly notify the financial institution or company with which the account is maintained. You also should promptly report any fraudulent activity or any suspected incidence of identity theft to proper law enforcement authorities, your state attorney general, and/or the Federal Trade Commission (FTC).

**Copy of Credit Report:** You may obtain a free copy of your credit report from each of the three major credit reporting agencies once every 12 months by visiting <a href="http://www.annualcreditreport.com/">http://www.annualcreditreport.com/</a>, calling toll-free 877-322-8228, or by completing an Annual Credit Report Request Form and mailing it to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348. You can print this form at <a href="https://www.annualcreditreport.com/cra/requestformfinal.pdf">https://www.annualcreditreport.com/cra/requestformfinal.pdf</a>. You also can contact one of the following three national credit reporting agencies:

| TransUnion         | Experian         | Equifax           | Free Annual Report         |
|--------------------|------------------|-------------------|----------------------------|
| P.O. Box 1000      | P.O. Box 9532    | P.O. Box 105851   | P.O. Box 105281            |
| Chester, PA19016   | Allen, TX 75013  | Atlanta, GA 30348 | Atlanta, GA 30348          |
| 1-800-909-8872     | 1-888-397-3742   | 1-800-685-1111    | 1-877-322-8228             |
| www.transunion.com | www.experian.com | www.equifax.com   | www.annualcreditreport.com |

**Fraud Alert:** You may want to consider placing a fraud alert on your credit report. An initial fraud alert is free and will stay on your credit file for at least 90 days. The alert informs creditors of possible fraudulent activity within your report and requests that the creditor contact you prior to establishing any accounts in your name. To place a fraud alert on your credit report, contact any of the three credit reporting agencies identified above. Additional information is available at http://www.annualcreditreport.com.

**Security Freeze:** Under U.S. law, you have the right to put a security freeze on your credit file for up to one year at no cost. This will prevent new credit from being opened in your name without the use of a PIN number that is issued to you when you initiate the freeze. A security freeze is designed to prevent potential creditors from accessing your credit report without your consent. As a result, using a security freeze may interfere with or delay your ability to obtain credit. You must separately place a security freeze on your credit file with each credit reporting agency. In order to place a security freeze, you may be required to provide the consumer reporting agency with information that identifies you including your full name, Social Security number, date of birth, current and previous addresses, a copy of your state-issued identification card, and a recent utility bill, bank statement or insurance statement.

**Additional Free Resources:** You can obtain information from the consumer reporting agencies, the FTC or from your respective state Attorney General about fraud alerts, security freezes, and steps you can take toward preventing identity theft. You may report suspected identity theft to local law enforcement, including to the FTC or to the Attorney General in your state. Contact information for the FTC is: **Federal Trade Commission**, 600 Pennsylvania Ave, NW, Washington, DC 20580, <a href="https://www.consumer.ftc.gov">www.consumer.ftc.gov</a> and <a href="https://www.ftc.gov/idtheft">www.ftc.gov/idtheft</a>, 1-877-438-4338. Residents of New York, Maryland, North Carolina, and Rhode Island can obtain more information from their Attorneys General using the contact information below.

| New York Attorney General     | Maryland Attorney   | North Carolina Attorney  | Rhode Island            |
|-------------------------------|---------------------|--------------------------|-------------------------|
| <b>Bureau of Internet and</b> | General             | General                  | <b>Attorney General</b> |
| Technology Resources          | 200 St. Paul Place  | 9001 Mail Service Center | 150 South Main Street   |
| 28 Liberty Street             | Baltimore, MD 21202 | Raleigh, NC 27699        | Providence, RI 02903    |
| New York, NY 10005            | www.oag.state.md.us | www.ncdoj.gov            | www.riag.ri.gov         |
| <u>ifraud@ag.ny.gov</u>       | 1-888-743-0023      | 1-877-566-7226           | 401-274-4400            |
| 1 010 416 0422                |                     |                          |                         |

You also have certain rights under the Fair Credit Reporting Act (FCRA): These rights include to know what is in your file; to dispute incomplete or inaccurate information; to have consumer reporting agencies correct or delete inaccurate, incomplete, or unverifiable information, as well as others. For more information about the FCRA, and your rights pursuant to the FCRA, please visit <a href="http://files.consumerfinance.gov/f/201504\_cfpb\_summary\_your-rights-under-fcra.pdf">http://files.consumerfinance.gov/f/201504\_cfpb\_summary\_your-rights-under-fcra.pdf</a>.