

1 DENNIS J. HERRERA, State Bar #139669  
City Attorney  
2 RONALD P. FLYNN, State Bar #184186  
Chief Deputy City Attorney  
3 YVONNE R. MERÉ, State Bar #173594  
Chief of Complex and Affirmative Litigation  
4 MATTHEW D. GOLDBERG, State Bar #240776  
KEVIN YEH, State Bar #314079  
5 MOLLY J. ALARCON, State Bar #315244  
Deputy City Attorneys  
6 Fox Plaza  
1390 Market Street, 7th Floor  
7 San Francisco, California 94102-5408  
Telephone: (415) 554-4285  
8 Facsimile: (415) 437-4644  
E-Mail: matthew.goldberg@sfcityatty.org  
9

10 Attorneys for Plaintiff  
PEOPLE OF THE STATE OF CALIFORNIA  
11

[EXEMPT FROM FILING FEES  
PURSUANT TO GOVERNMENT  
CODE SECTION 6103]

12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF SAN FRANCISCO

14 UNLIMITED JURISDICTION

15 PEOPLE OF THE STATE OF CALIFORNIA,  
acting by and through San Francisco City  
16 Attorney DENNIS J. HERRERA,

17 *Plaintiff,*

18 vs.

19 JUSTFLY CORP., a Canadian Corporation;  
JUSTFLY INC., a Delaware Corporation;  
20 7513283 CANADA INC., a Canadian  
Corporation, dba Momentum Ventures; and  
21 DOES 1-20, inclusive,

22 *Defendants.*  
23  
24  
25  
26  
27  
28

Case No.

**CGC-19-579328**

**COMPLAINT FOR INJUNCTIVE RELIEF  
AND CIVIL PENALTIES FOR VIOLATIONS  
OF BUSINESS AND PROFESSIONS CODE  
SECTIONS 17200 AND 17500**

[VERIFIED ANSWER REQUIRED PURSUANT  
TO CODE OF CIVIL PROCEDURE SECTION  
446]

ENDORSED  
FILED  
San Francisco County Superior Court

SEP 19 2019

CLERK OF THE COURT  
BY: KALENE APOLONIO  
Deputy Clerk

 **COPY**

## TABLE OF CONTENTS

|   |    |
|---|----|
| INTRODUCTION .....  | 3  |
| PARTIES .....   | 5  |
| COMMON ENTERPRISE .....   | 7  |
| JURISDICTION AND VENUE .....  | 8  |
| BACKGROUND FACTUAL ALLEGATIONS .....  | 8  |
| BOOKING A TICKET WITH JUSTFLY .....   | 10 |
| I.    Full Website Customers.....   | 10 |
| II.   Mobile Customers.....   | 12 |
| DEFENDANTS’ UNLAWFUL, UNFAIR, AND/OR FRAUDULENT BUSINESS PRACTICES.....             | 12 |
| I.    Seating Assignment Fees and Disclosures.....                                  | 12 |
| II.   Cancellation Fees and Disclosures.....  | 20 |
| A.    JustFly Makes Misleading Cancellation Disclosures. ....                       | 21 |
| B.    JustFly Fails to Make Required Cancellation Disclosures. ....                 | 24 |
| III.  Baggage Fee Disclosures.....  | 26 |
| IV.  Travel Insurance.....  | 28 |
| A.    JustFly Fails to Make Required Travel Insurance Disclosures.....              | 29 |
| B.    JustFly Impermissibly Encourages Consumers to Purchase Travel Insurance. .... | 31 |
| C.    JustFly Engages in Bait-and-Switch Advertising. ....                          | 32 |
| V.    Future Travel Credits. ....   | 33 |
| VI.   Refunds. ....   | 34 |
| VII.  Other Unlawful Practices.....   | 35 |
| COMPLAINTS ABOUT JUSTFLY’S BUSINESS PRACTICES .....                                 | 36 |
| FIRST CAUSE OF ACTION .....   | 39 |
| I.    UCL “Unlawful” Prong. ....  | 40 |
| II.   UCL “Fraudulent” Prong. ....  | 46 |
| III.  UCL “Unfair” Prong.....   | 46 |
| SECOND CAUSE OF ACTION .....  | 47 |
| PRAYER FOR RELIEF .....   | 47 |
| LIST OF EXHIBITS.....   | 49 |

1 Plaintiff, the People of the State of California (the “People”), acting by and through San  
2 Francisco City Attorney Dennis J. Herrera, brings this action against Defendants Justfly Corp., Justfly  
3 Inc., and 7513283 Canada Inc. (collectively, “Defendants”), and alleges as follows:

#### 4 INTRODUCTION

5 1. Defendants own and operate JustFly and FlightHub, two brands that together comprise  
6 the fourth largest online travel agency (OTA) in the U.S. market.<sup>1</sup> Every year, millions of customers  
7 purchase flights and other travel packages via the Justfly and FlightHub websites and their respective  
8 mobile applications (“apps”) (collectively, “JustFly”).

9 2. JustFly has been swindling its customers for years. Notwithstanding its fiduciary duties  
10 as a licensed travel agent, JustFly’s business model centers on charging deceptive, false, and hidden  
11 fees. For example, JustFly imposes, and keeps for itself, a “Seating Assignment Fee” of \$11.95 to  
12 \$16.95 per flight. This fee is independent of any seat fee imposed by the airline, is concealed from  
13 customers, and—adding insult to injury—often does not provide *an assigned seat*. JustFly also  
14 deceives its customers into believing that JustFly follows industry practice by permitting free  
15 cancellations within 24 hours of booking. It does not. Instead, JustFly imposes undisclosed and  
16 unconscionable cancellation fees of \$75 to \$200 per flight, even when customers seek to cancel or  
17 modify a reservation mere minutes after making it.

18 3. Making matters worse, by charging any fees at all, JustFly is an industry outlier. Other  
19 major OTAs do not impose fees of any kind; they limit their revenue to commissions paid by airlines  
20 and other travel providers.

21 4. Beyond these illegitimate fees, JustFly encourages its customers to purchase travel  
22 insurance policies while failing to disclose the strict limits of those policies and JustFly’s own  
23 financial stake in their sale. Then, when plans go awry and the travel insurance proves useless, JustFly  
24 encourages its customers to pay its exorbitant cancellation fees in exchange for “Future Travel  
25 Credits.” But those credits, like the travel insurance policies, are generally worthless. They come

---

26 <sup>1</sup> The three largest OTAs in the U.S. market are the Expedia Group (which includes the  
27 Expedia, Travelocity, Orbitz, Hotwire, and CheapTickets brands), Booking Holdings (which includes  
28 the Booking and Priceline brands), and Fareportal (which includes the CheapOair and OneTravel  
brands).

1 with onerous, undisclosed limitations, and are only usable for a subset of the most expensive flights.  
2 And in the rare instances when JustFly agrees to provide a refund, customers are often left waiting  
3 months for their money in contravention of laws requiring prompt payment of refunds.

4 5. JustFly employs a final trick to help perpetrate these and other discrete frauds: it fails to  
5 make a wide range of disclosures required by California and federal law—including disclosures  
6 regarding refund obligations, cancellation conditions, total prices, baggage fees, and travel  
7 insurance—all designed to inform and protect consumers.

8 6. These (and other) deceitful and exploitative practices have not gone unnoticed. In fact,  
9 the number of consumer complaints about JustFly’s business practices is astonishing. In just the past  
10 two calendar years, the Better Business Bureau (BBB), Federal Trade Commission (FTC), and U.S.  
11 Department of Transportation have received *over two thousand* complaints about JustFly. And to each  
12 of these entities, consumers submitted more air travel complaints about JustFly than any other online  
13 travel agency, including agencies that do substantially more business than JustFly such as Expedia and  
14 Priceline. Indeed, the BBB has been “warning people to stay away from JustFly” since 2015. Since  
15 then, it has issued several subsequent “alerts” about JustFly and FlightHub emphasizing widespread  
16 concerns about their fees, customer service, refunds, and cancellations.

17 7. JustFly’s shameless practices have been widely documented in the media. JustFly and  
18 its defrauded consumers have been featured in newspapers, including the New York Times and the  
19 San Jose Mercury News, and television news stations throughout the country, including ABC Tampa  
20 Bay, ABC Little Rock, NBC Chicago, NBC San Francisco Bay Area (twice), NBC Connecticut, ABC  
21 Cleveland, and CBS Chicago.

22 JustFly’s unscrupulous business practices, designed to fleece the average consumer, make then an  
23 outlier in the OTA industry. But, more broadly, they are part of a larger and growing problem in the  
24 U.S. economy. According to a recent Consumer Reports survey of 2,000 U.S. adults, “At least 85  
25 percent of Americans have encountered an unexpected or hidden fee over the past two

26 ///

27 ///

28 ///

1 years for a service they had used. . . .”<sup>2</sup> And the ripple effect of hidden fees—and related fraudulent  
2 practices—extends beyond those who are directly ripped off. President Barack Obama’s National  
3 Economic Council issued a report entitled, “The Competitive Initiative and Hidden Fees.” The report  
4 highlights that hidden fees “dull the competitive process,” and emphasizes the need to combat them in  
5 order to “promote productive competition.”<sup>3</sup>

6 8. JustFly’s business practices are not just unscrupulous and unethical: they are unlawful.  
7 JustFly violates both of California’s core consumer protection statutes—the Unfair Competition Law  
8 (UCL) and the California Legal Remedies Act. JustFly also violates various laws and regulations  
9 specifically intended to protect *travel* consumers and *online* consumers. Among these are U.S.  
10 Department of Transportation regulations and California laws governing online sales (“Internet Sales  
11 Law”), the sale of travel insurance (“Travel Insurance Law”), and the sale of travel (“Seller of Travel  
12 Law”). The Seller of Travel Law, in particular, is often described as the strictest law of its kind in the  
13 country. It was enacted, in part, because “[t]he public welfare requires regulation of sellers of travel in  
14 order to eliminate unfair advertising, sales, and business practices”—practices in which JustFly  
15 routinely engages. (Bus. & Prof. Code, § 17550(a)(4).)

16 9. As described in more detail below, this action seeks to put a stop to JustFly’s illegal  
17 enterprise, and to force Defendants to pay back their thousands of victims.

## 18 **PARTIES**

19 10. Plaintiff, the People of the State of California, by and through San Francisco City  
20 Attorney Dennis J. Herrera, prosecutes this action pursuant to California Business and Professions  
21 Code section 17200 *et seq.*

22 11. Defendant Justfly Corp. is a privately held Delaware corporation (file number 5658591)  
23 with its principal office at 400 108th Avenue NE, Suite 209, Bellevue, WA 98004. At all relevant  
24 times, Justfly Corp. does business as JustFly and FlightHub. It is not registered to do business in

---

25 <sup>2</sup> *Protect Yourself from Hidden Fees*, Penelope Wang (May 29, 2019),  
26 <<https://www.consumerreports.org/fees-billing/protect-yourself-from-hidden-fees/>>  
[as of September 9, 2019].

27 <sup>3</sup> *The Competitive Initiative and Hidden Fees*, National Economic Council (December 2016),  
28 <[https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/hiddenfeesreport\\_12282016.pdf](https://obamawhitehouse.archives.gov/sites/whitehouse.gov/files/documents/hiddenfeesreport_12282016.pdf)> [as of September 9, 2019].

1 California, but is registered to do business in several other states, including Connecticut (1212036),  
2 Massachusetts (001210536), Montana (F078485), New York (4927015), North Dakota (154109),  
3 Virginia (F2037788), and Washington (604 140 854). Nick Hart is the only director of Defendant  
4 Justfly Corp., and has represented himself as its President, Chief Financial Officer, Vice-President,  
5 Treasurer, and Director. At all relevant times, Defendant Justfly Corp. has transacted and continues to  
6 transact business throughout California, including within the City and County of San Francisco.

7 12. Defendant Justfly Inc. is a privately-held, Canadian corporation (corporation number  
8 1092602-7; business number 842754194RC0002) with a registered address at 250 Water Street, Suite  
9 205B, Summerside PE C1N 1B6, Canada. At all relevant times, Justfly Inc. does business as JustFly  
10 and FlightHub. It is registered to do business in California (C4108210). Its California agent for  
11 service of process is Business Filings Incorporated, located at 818 West Seventh Street, Suite 930, Los  
12 Angeles, CA 90017. Justfly Inc. is a registered seller of travel in California (2128012), Florida  
13 (ST40746), Iowa (1372), and Washington (604-073-871). Nick Hart is the only director of Defendant  
14 Justfly Inc., and represents himself as its Chief Executive Officer, Secretary, Chief Financial Officer,  
15 and Director. At all relevant times, Defendant Justfly Inc. has transacted and continues to transact  
16 business throughout California, including within the City and County of San Francisco.

17 13. Defendant 7513283 Canada Inc. is a privately-held, Canadian corporation (corporation  
18 Number 751328-3; business number 818329062RC0001) with a registered address at 3333 Côte-Vertu  
19 Boulevard, Suite 600, Saint-Laurent QC H4R 2N1, Canada. At all relevant times, 7513283 Canada  
20 Inc. does business as Momentum Ventures, Momentum Travel Group, and Momentum (jointly,  
21 “Momentum”). Momentum purports to “operate” JustFly and FlightHub. Momentum alternatively  
22 describes JustFly and FlightHub as two of its “brands.” Matthew Keezer, Éric Parent, and Nick Hart  
23 are the three directors of Defendant 7513283 Canada Inc., and serve as the Chief Executive Officer,  
24 Chief Technology Officer, and Chief Financial Officer, respectively. At all relevant times, Defendant  
25 7513283 Canada Inc. has transacted and continues to transact business throughout California,  
26 including within the City and County of San Francisco.

27 14. The true names and capacities—whether individual, corporate, associate, or  
28 otherwise—of Defendants sued herein under the fictitious names Does 1 through 20, inclusive, are

1 currently unknown to the People. The People will seek leave of the Court to amend this Complaint to  
2 allege such names and capacities as soon as they are ascertained.

### 3 **COMMON ENTERPRISE**

4 15. Whenever reference is made in this Complaint to any act or omission of any Defendant  
5 or Defendants, such allegation shall mean that each Defendant acted individually and jointly with  
6 respect to that act or omission.

7 16. Whenever reference is made in this Complaint to any act or omission of any Defendant  
8 or Defendants, such allegation shall mean that each Defendant did the acts alleged in this Complaint  
9 either personally or through the Defendant's or Defendants' officers, directors, employees, agents,  
10 and/or representatives acting within the actual or ostensible scope of their authority.

11 17. The People are informed and believe that, at all relevant times, each Defendant knew  
12 that the other Defendants were engaging in or planned to engage in the violations of law alleged in this  
13 Complaint. Knowing that other Defendants were engaging in such unlawful conduct, each Defendant  
14 nevertheless committed the acts or omissions, caused or directed others to commit the acts or  
15 omissions, facilitated the acts or omissions, or permitted others to commit the acts or omissions  
16 alleged in this Complaint.

17 18. The People are informed and believe that, at all relevant times, all Defendants have  
18 worked together, in cooperation or in concert, to carry out a common enterprise or common scheme  
19 for profit while engaging in the deceptive acts and practices and other violations of law alleged herein.  
20 Because these Defendants have operated as a common enterprise or common scheme, each of them is  
21 jointly and severally liable for the acts and practices alleged herein.

22 19. The People are informed and believe that, at all relevant times, all the acts and  
23 omissions described in this Complaint by any Defendant were aided and abetted by all other  
24 Defendants.

25 20. The People are informed and believe that, at all relevant times, each of the Defendants  
26 acted as the principal, agent, or representative of each of the other Defendants, and in doing the acts or  
27 omissions described in this Complaint, each Defendant was acting within the course and scope of the

28 ///

1 agency relationship with each of the other Defendants, and with the permission and ratification of each  
2 of the other Defendants.

3 21. The People are informed and believe that, at all relevant times, each Defendant has  
4 conspired with all other Defendants in committing the acts and omissions described in this Complaint.

### 5 **JURISDICTION AND VENUE**

6 22. This Court has subject matter jurisdiction over this action pursuant to Article VI,  
7 section 10 of the California Constitution.

8 23. The City Attorney has the right and authority to prosecute this case on behalf of the  
9 People pursuant to Business and Professions Code section 17204.

10 24. This Court has personal jurisdiction over Defendants because Defendants have  
11 intentionally targeted and availed themselves of the California market so as to render the exercise of  
12 jurisdiction over Defendants by the California courts consistent with traditional notions of fair play  
13 and substantial justice.

14 25. Defendants are conducting unlawful, deceptive, and unfair business practices in  
15 California, and knowingly and intentionally causing injuries to people in California.

16 26. Venue is proper in this Court pursuant to Code of Civil Procedure section 393 because  
17 Defendants transact business in San Francisco, engage in substantial transactions in San Francisco, and  
18 some of the acts complained of occurred in San Francisco.

### 19 **BACKGROUND FACTUAL ALLEGATIONS**

20 27. Consumers spend over \$800 billion on airline tickets every year. And in today's  
21 internet-based marketplace, over 80% of customers buy these tickets online. These online purchases  
22 are split nearly evenly between direct purchases from airline websites (*e.g.*, delta.com, united.com,  
23 etc.) and from OTAs. OTAs offer travel planning services and ticket booking capabilities via websites  
24 or mobile apps (and frequently both).

25 28. JustFly has over a thousand people working for it in five global offices, partners with  
26 more than 400 airlines, and has over \$2.5 billion in annual sales.

27 ///

28 ///



1           29.     At all times relevant to this litigation, Defendants have maintained and operated the  
2 following tools and technologies for consumers to search for and book flights, hotels, cars, and  
3 cruises:

4                   a.       *Full* versions of two websites, JustFly.com and FlightHub.com (“full  
5 websites”).

6                   b.       *Mobile* versions of two websites, m.JustFly.com and m.FlightHub.com (“mobile  
7 websites”).

8                   c.       Two mobile apps—a JustFly app and a FlightHub app—both made available to  
9 mobile consumers via the App Store (for mobile devices on Apple’s iOS platform) and Google Play  
10 (for mobile devices on the Android platform) (“mobile apps”).

11           30.     According to Similarweb, an internet analytics company, the JustFly and FlightHub  
12 websites have jointly received over 66 million visits in the first half of 2019.

13           31.     At all times relevant to this litigation, Defendants have maintained and operated various  
14 social media accounts (including accounts on Facebook, Instagram, and Twitter), in part, to advertise  
15 and drive demand for JustFly’s travel services. They have also paid to place ads for those services on  
16 the internet and on social media.

17           32.     Through these full websites, mobile websites, mobile apps, social media accounts, and  
18 paid ads, Defendants have advertised, marketed, and sold travel arrangements to consumers  
19 throughout the world, including consumers in California and San Francisco. Defendants primarily sell  
20 airline tickets, but also sell hotel, car, and cruise reservations.

21           33.     Fare aggregators—also called metasearch sites or metasearch engines—offer a related  
22 service to OTAs. Fare aggregators do not book air travel *directly*. Rather, they perform search, filter,  
23 and compare functions, and then direct consumers to airline websites or OTAs to purchase tickets.  
24 The JustFly website is a major destination for consumers who search for flights via fare aggregators.  
25 For example, Kayak.com is among the largest fare aggregators in the world and JustFly.com is the 2nd  
26 most popular destination website from searches on Kayak.com. Similarly, JustFly is among the most  
27 popular destination websites from other large fare aggregators, like Cheapflights.com and  
28 Momondo.com.

## BOOKING A TICKET WITH JUSTFLY

34. There are two related, but distinct JustFly customer experiences. Each is discussed separately below: (1) customers who use the full websites (“full website customers”), typically via a desktop or laptop computer; and (2) customers who use the mobile websites *or* the mobile apps (“mobile customers”), typically via a mobile phone or tablet.

### **I. Full Website Customers.**

35. On information and belief, full website customers have materially the same user experience when booking a flight on JustFly.com or FlightHub.com.

36. Homepage. Many consumers initiate flight searches from the JustFly homepage (www.JustFly.com). (A copy of this homepage is attached here as Exhibit A and incorporated herein by this reference.) From the JustFly homepage, customers can search for flights, hotels, cars, or cruises.

37. Search Results Page. After initiating a search for flights, customers are taken to a list of itineraries (“Search Results page”). (A representative sample of this webpage is attached here as Exhibit B and incorporated herein by this reference.)

38. By default, even though “flexible” is a different sorting function, the search results include itineraries with *alternate* departure and arrival dates and *alternate* airports. Customers have the option to unselect specific filter boxes on the left column of the webpage in order to limit the results to the dates and airports originally selected, but JustFly does not proactively disclose this option to customers or that their search results include flights for dates and airports they did not choose.

39. Confirm and Book Page. Upon selecting a flight itinerary, customers are taken to a webpage where consumers enter their personal and payment information, make other purchase decisions, and ultimately book a flight (“Confirm and Book page”). (Representative samples of this webpage, blank and filled, are attached here as Exhibits C and D, and incorporated herein by this reference.) Alternatively, some customers reach this page *directly* (*i.e.*, they bypass the JustFly homepage and the JustFly Search Results page) after initiating their flight searches at third-party fare aggregator sites (*e.g.*, Kayak.com, Cheapflights.com, Momondo.com, etc.).

1           40.     Despite the suggestion of brevity—“only a couple more minutes and you’re done!”—  
2 the Confirm and Book page is long, complicated, and confusing. It has over 900 words, dozens of  
3 links, and nine discrete sections. Two of these sections are devoted to imposing hidden Seating  
4 Assignment Fees and selling travel insurance, both of which are discussed in more detail below.

5           41.     Charges. Upon the customer’s clicking “Confirm & Book,” JustFly communicates the  
6 request to the airline. Typically, upon reserving the flight, the airline charges the customer’s credit or  
7 debit card, and the airline is identified as the charging party on the customer’s credit or debit card  
8 statement. However, in some instances, JustFly charges the credit or debit card for the entire cost of  
9 the flight, and is identified as the charging party.

10          42.     Emails. When the customer clicks “Confirm & Book,” JustFly sends customers two  
11 successive emails. The first email has the subject line “Thanks for booking with JustFly. What  
12 happens next?” (A representative sample of this email is attached here as Exhibit E and incorporated  
13 herein by this reference.) The second email has the subject line, “Your trip confirmation and receipt.”  
14 (A representative sample of this email is attached here as Exhibit F and incorporated herein by this  
15 reference.) Both emails include links to the “My Bookings” section of the JustFly website, where—  
16 after entering the last name and booking number—customers can “manage” their bookings online.

17          43.     Itinerary Page. Among the webpages available from “My Bookings” is an itinerary  
18 page, which provides details about the just-booked flight (“Itinerary page”). (A representative sample  
19 of this webpage is attached here as Exhibit G and incorporated herein by this reference.) Customers  
20 can alternatively reach this Itinerary via the “My Bookings” link on various pages of the JustFly  
21 website.

22          44.     Online Receipt Page. Also available from “My Bookings” is a receipt page, which  
23 provides details about the service(s) purchased (“Online Receipt page”). (A representative sample of  
24 this webpage is attached here as Exhibit H and incorporated herein by this reference.) Customers can  
25 alternatively reach this Online Receipt page via the “My Bookings” link on various pages of the  
26 JustFly website.

27 ///

28 ///

1 **II. Mobile Customers.**

2 45. On information and belief, mobile customers have materially the same user experience  
3 when booking a flight on the mobile website m.JustFly.com or m.FlightHub.com, or via the JustFly or  
4 FlightHub mobile app.

5 46. When purchasing a ticket via a mobile phone or a tablet, mobile customers proceed  
6 through the following pages: the Mobile Homepage, Mobile Search Results page, Mobile Flight  
7 Details page, Mobile Trip Details page, and Mobile Review and Book page. (Representative samples  
8 of these mobile webpages, including blank and filled versions of the Mobile Trip Details page, are  
9 attached here as Exhibits I, J, K, L, M, and N, and incorporated herein by this reference.)

10 47. Upon clicking “Confirm & Book,” JustFly sends mobile customers the same two emails  
11 sent to full website customers. (See Exhibits E and F).

12 48. Like full website customers, mobile customers can link to a “My Bookings” section of  
13 the mobile website, which includes a Mobile Itinerary page and Mobile Online Receipt page.  
14 (Representative samples of these mobile webpages are attached here as Exhibits O and P, and  
15 incorporated herein by this reference.)

16 **DEFENDANTS’ UNLAWFUL, UNFAIR, AND/OR FRAUDULENT BUSINESS PRACTICES**

17 49. The following paragraphs set forth the kinds of unlawful, unfair, and/or fraudulent  
18 business practices encountered by many of the customers who buy airline tickets via JustFly. These  
19 practices have affected both full website customers and mobile customers unless otherwise specified.

20 **I. Seating Assignment Fees and Disclosures.**

21 50. In the past, customers have typically been able to select a seat assignment when  
22 purchasing flights. In recent years, however, some airlines have begun charging consumers to reserve  
23 specific upgraded seats, or even to reserve any specific seat at all. Still other airlines have begun  
24 selling different classes of tickets—*e.g.*, “basic economy” versus “economy”—that have varying rights  
25 to an assigned, reserved seat.

26 51. JustFly has exploited this new and confusing terrain regarding seating assignments.  
27 Unbeknownst to customers, JustFly—unlike every other major OTA—imposes a *hidden* Seating  
28 Assignment Fee of between \$11.95 and \$16.95 per flight anytime a JustFly customer selects a seat

(from a seat map presented by JustFly) or lodges any response whatsoever to a seating preference question (posed by JustFly). This fee is independent of (*i.e.*, in addition to) any airline seat fee; JustFly keeps the entire amount. Notwithstanding this charge, customers are often not assigned their selected seats. In fact, customers may not receive a seat assignment until they check-in for their flight because their seat assignment is often dictated and restricted by the class of fare purchased.

52. JustFly deceives its customers about these fees throughout the booking process and in the associated emails and receipts, as follows.

Confirm and Book: Choose Your Seats for This Trip Section.

53. Among the nine sections on the Confirm and Book page, there is a section entitled, “Choose Your Seats for This Trip.”

(Figure I.)

1           54.     There are three subparts within the “Choose Your Seats for This Trip” section.

2           a.     At the top of the section, customers are instructed, “You can either select a  
3 general preference with regard to window or aisle seating, or choose a specific seat.” This instruction  
4 is followed by three bullet points of text: “Don’t get separated from your friends and family,” “Relax  
5 knowing you have your seat preference right away,” and “Choose among a selection of mainly  
6 window and aisle seats.” There is no mention of fees.

7           b.     In the middle of the section, there is either a Seat Map or a question about  
8 seating preference, both discussed below.

9           c.     At the bottom of the section, there is a “Confirm selections” button and a lone  
10 reference to a “Seating Assignment Fee.”

11           Seat Map.

12          55.     In most cases—including the example above (see Figure I)—below the instructions,  
13 customers are presented with a seat map for the first flight segment. One-way reservations may only  
14 have the one segment; round-trip and multi-city reservations will always have multiple segments.

15          56.     Individual seats are color-coded, green for “available” and grey for “unavailable.”

16          57.     Upon clicking an available (green) seat for the flight segment, the customer is  
17 immediately presented with the map for the next flight segment, if applicable.

18          58.     Upon clicking an available seat for the final segment, the entire “Choose Your Seats  
19 For This Trip” section *immediately* collapses. In other words, the seat map itself and all the text above  
20 it and below it—including the “Confirm selections” button and the lone reference to a “Seating  
21 Assignment Fee,” which is initially displayed as “\$0.00”—disappear. They are replaced with a single  
22 line of text that provides, “Thank you. Your seats have been selected.”

23       ///

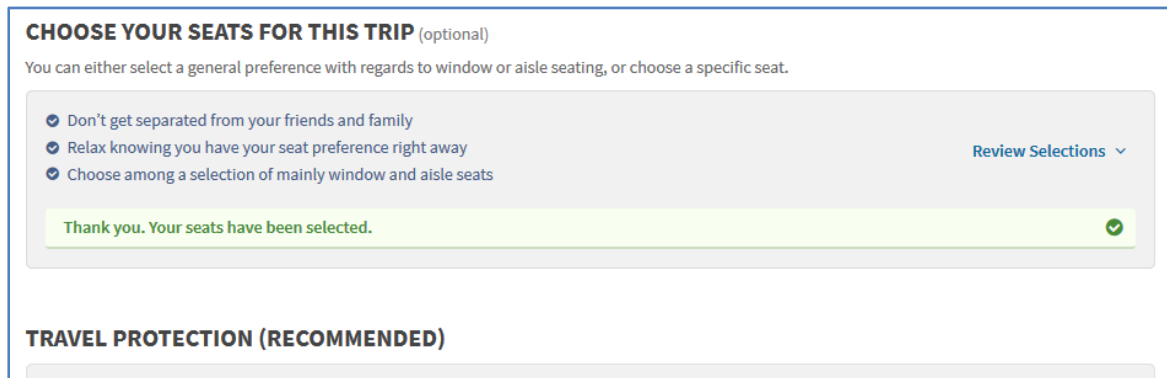
24       ///

25       ///

26       ///

27       ///

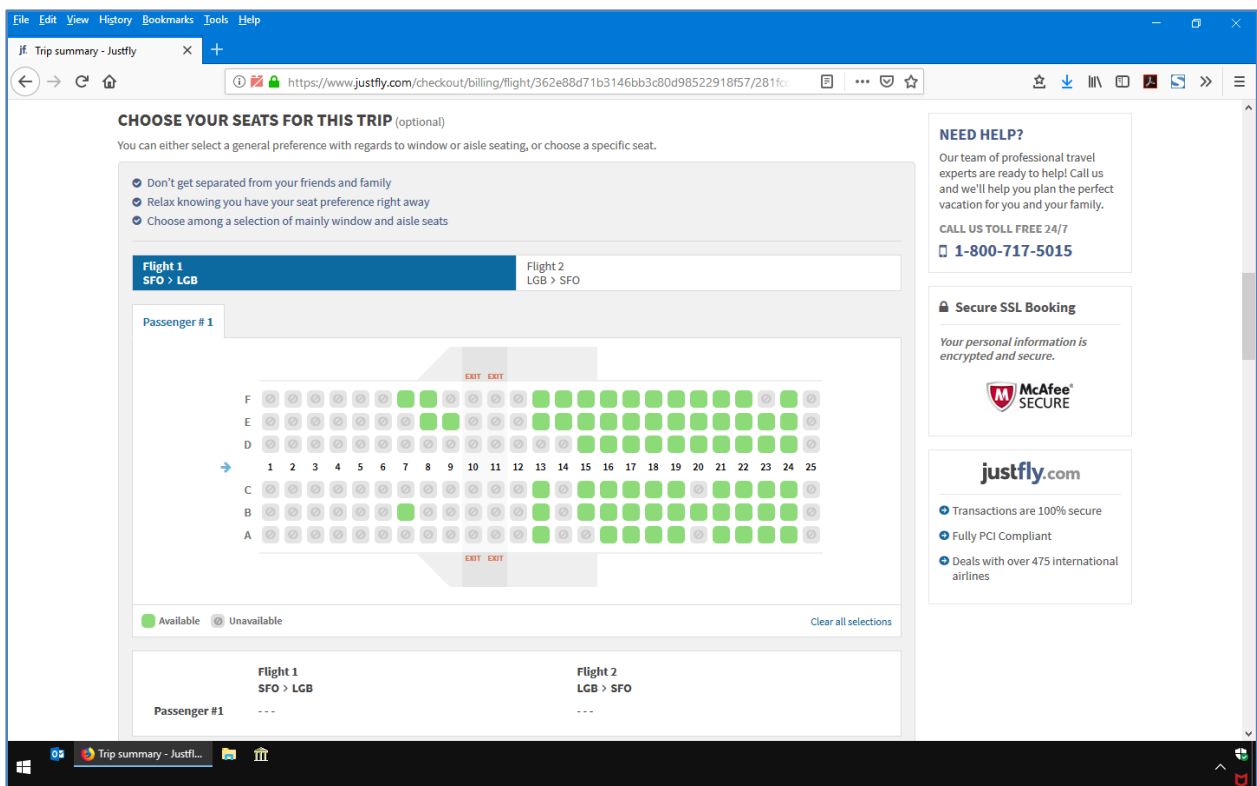
28       ///



(Figure II.)

59. This is particularly significant because the lone reference to a “Seating Assignment Fee” disappears *automatically* and *before* a consumer would have seen it (by scrolling further down the page *past* the seat map).

60. In fact, for most customers selecting a seat via the seat map, the lone (and fleeting) reference to the “Seating Assignment Fee” would not have even appeared on a typical desktop computer monitor or laptop screen. For example, here is what the webpage looks like on a monitor with a screen resolution of 1440 x 900.



(Figure III.)

61. The reference to the Seating Assignment Fee is not visible. The customer would have to scroll further down to see it, but it disappears before the customer has a chance to do so.

62. During the relevant period, the vast majority of desktop computer monitors and laptop screens have used a *lower* screen resolution than 1440 x 900—meaning they would display even *less* text on-screen, thus further ensuring that the lone reference to the Seating Assignment Fee would never be visible to customers.

Seating Selection Preference.

63. In some cases, customers are *not* presented with a seat map. Instead, they are presented with the following text and question: “Seat Selection not available. Would you like to select your seating preference?” This question is followed by three options: “Request whatever seat is available,” “Request aisle seat,” and “Request window seat.” In tiny font, beneath the three options is text that provides: “Disclaimer: We do not guarantee that your requested seat will be confirmed. The confirmation of the seat you’ve requested is contingent upon the airline’s guidelines for the chosen fare type.”

64. Like the seat map, this question and three options are presented for each flight segment. Also like the seat map, when the customer makes a selection for the *final* flight segment, the entire section immediately collapses (*i.e.*, disappears) and is replaced with text that provides, “Thank You. Your seats have been selected.”

65. Shamelessly, JustFly charges these customers its standard Seating Assignment Fee of \$11.95 to \$16.95 per flight—not because these customers will be assigned a seat (they will not be), but because they responded to a question by indicating a seating preference (aisle or window) or no preference at all (“whatever seat is available”). Many customers get *no* value whatsoever from this unscrupulous charge.

Confirm and Book: Price Summary Section.

66. Further down the Confirm and Book page, the “Price Summary” section compounds the deceptive nature of the Seating Assignment Fee.

///

///



| PRICE SUMMARY  |          |
|--|----------|
| Confirm the price details of your round trip itinerary for all passengers. |          |
| San Francisco to Long Beach Wed, Aug 14, 2019 - Wed, Aug 21, 2019          |          |
| 1 Ticket: Round Trip - Economy   |          |
| ▼ Passenger 1 : Adult  | \$143.55 |
| Air Transportation Charges   | \$95.81  |
| Taxes, Fees & Charges  | \$47.74  |
| (incl. Seating Assignment Fee)   |          |
| Airline Optional Services - Seats (Remove All Selected Seats)              | \$0.00   |
| Total: <b>\$143.55</b>   |          |
| incl. taxes and fees   |          |
| Prices quoted in USD   |          |
| d079209411   |          |

(Figure IV.)

67. This section is misleading in several respects. Upon first glance, there is no indication that JustFly is charging the customer its own Seating Assignment Fee of \$11.95 to \$16.95. The total price is listed, in prominent colors, twice. And three other line-items (or sub-totals) are sandwiched between the total price listings.

68. These line-items are labeled “Air Transportation Charges,” “Taxes, Fees, and Charges,” and “Airline Optional Services – Seats,” respectively.

69. Confusingly, the “Airline Optional Services – Seats” line-item is listed as “\$0.00,” which apparently means the *airline* has not charged the consumer any seat-related fees (as distinct from JustFly, the agency).

70. Below the “Taxes Fees & Charges” line-item, in tiny font, is a confusing parenthetical: “(incl. Seating Assignment Fee).”

71. There is no indication of this feature, but if the customer happens to move his or her cursor to hover over “Taxes Fees & Charges,” a small box of text appears. This temporary, pop-up text box includes a breakdown of the “Airfare Taxes” and provides the first and only notice of the \$11.95 “Agency Fee,” listed as “Seatmap Assignment Fee.”

#### Itinerary and Receipts.

72. The deception continues. The customer’s Itinerary page includes all the relevant flight and purchase information. (See Exhibit G.) A section of this Itinerary is entitled “Selected Seats,” which discloses the specific seats (*e.g.*, 20E, 8A, etc.) selected by the customer. This further

1 suggests—misleadingly—that these specific seats have *actually* been reserved and assigned to the  
2 customer by the airline.

3 73. Further below is a section of the Itinerary entitled, “Receipts,” which lists a single, total  
4 charge. Unbeknownst to the customer, this total charge includes the \$11.95 Seating Assignment Fee.

5 74. If a customer clicks on the “View” button in the “Receipts” section of the Itinerary—or  
6 the “View Receipts” link in the left column of the page—the customer is taken to the Online Receipt  
7 page. (See Exhibit H.) There, the airline ticket is again listed as a single charge—this time comprised  
8 of “Air Transportation Charges” and “Taxes and Fees.” Unbeknownst to the customer, and with no  
9 way to see a further breakdown, the “Taxes and Fees” line-item includes the \$11.95 Seating  
10 Assignment Fee.

11 75. Notwithstanding the single charge listed in the Online Itinerary and the Online Receipt  
12 page, the customer’s credit card is *not* charged just a single time. Rather, the customer is typically  
13 charged once (or more) by the airline(s) for the airline charge(s) and separately charged by JustFly for  
14 the Seating Assignment Fee. But the standalone Seating Assignment Fee is usually charged *one or*  
15 *two days after the flight is booked*—that is, when a customer is no longer expecting any charges  
16 related to his or her flight reservation.

17 The Seating Assignment Fee Is Worthless.

18 76. The customer’s act of selecting a specific seat on a seat map is often a chimera.  
19 Notwithstanding the name of the fee, JustFly routinely charges the “Seating Assignment Fee” without  
20 actually providing *an assigned seat*.

21 77. In fact, in some instances, the customer “selects” a seat through JustFly and is charged  
22 the Seating Assignment Fee while purchasing a discounted class of fare (*e.g.*, Basic Economy) for  
23 which the airline *expressly does not permit* the customer to reserve a specific seat.

24 78. In other instances, even when the fare class does not *exclude* seat reservations, many  
25 customers report that the seat JustFly allowed them to “select” was never actually reserved.

26 79. In the end, when customers select a seat through JustFly—or express a seating  
27 preference or no preference at all—JustFly secretly charges them a Seating Assignment Fee of

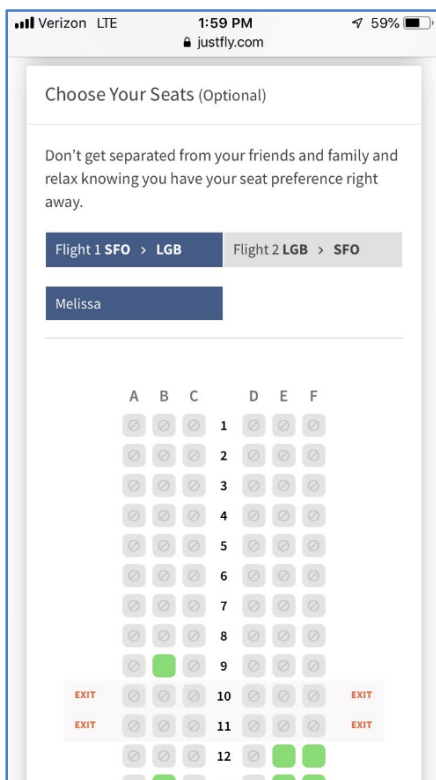
28 ///

1 between \$11.95 and \$16.95 per flight. Adding insult to injury, the fee is often for naught, *i.e.*,  
2 customers are not assigned the selected or preferred seat.

3 Mobile Customers.

4 80. Although some mobile disclosures are slightly different from those viewed by full  
5 website customers (compare Exhibits L and C), mobile customers are defrauded out of Seating  
6 Assignment Fees in much the same way as full website customers.

7 81. Just as it is for customers booking a flight on the full website from a desktop or laptop  
8 computer, the Seating Assignment Fee is hidden from mobile customers booking a reservation on a  
9 mobile phone or tablet. In fact, the smaller size of mobile screens and the orientation of the mobile  
10 seat map (vertical rather than horizontal) make the Seating Assignment Fees even *more* deceptive for  
11 mobile customers.

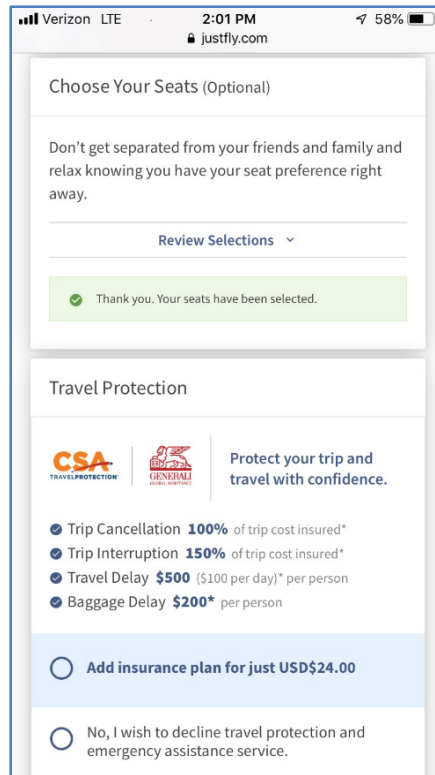


12 (Figure V.)

13 82. Just as with full website customers, when a mobile customer clicks an available seat for  
14 the final flight segment, the “Choose Your Seats For This Trip” section *immediately* collapses, thus  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

///

ensuring that the lone reference to a “Seating Assignment Fee” disappears *automatically* and *before* a mobile consumer would have reached—and seen—it.



(Figure VI.)

83. The price and charge information displayed on the Mobile Trip Details page, the Mobile Online Itinerary, and the Mobile Online Receipt (see Exhibit M, O, and P) also generally mirror the deceptive ways that price and charge information is displayed on the counterpart full website pages (see Exhibits D, G, and H).

84. JustFly knows that a reasonable customer will be misled by its “Seat Assignment Fee” scheme and intends for that to happen.

## II. Cancellation Fees and Disclosures.

85. Since 2012, for all reservations (including nonrefundable reservations) made a week or more prior to a flight’s scheduled departure, federal law has required *airlines* to provide *free* cancellation within 24 hours of booking. (14 C.F.R. 259.5(b)(4).) Moreover, airlines must include an easily accessible disclosure regarding this rule on their websites. For example, United Airlines

///

provides, “Book without worry. Cancel for free within 24 hours of booking.” Other airlines say something similar.

86. Nearly all major OTAs voluntarily adhere to this federal requirement placed upon airlines—*i.e.*, OTAs do not impose any OTA fees on consumers who cancel a flight within 24 hours of booking. For example, Expedia, Priceline, Travelocity, and Orbitz all disclose either “Free Cancellation within 24 hours of booking!” or “Free Cancellation within 24 hours!” As a result, whether booking flights on an airline website or via an OTA, consumers reasonably assume that they will receive “free 24-hour cancellation.”

87. JustFly, however, does not adhere to this widespread practice even though, on information and belief, JustFly knows that consumers widely and reasonably believe that they can cancel their flights for free within 24 hours. In fact, JustFly charges the following per-passenger fees to cancel flights *within* 24 hours of booking: \$75 to cancel a domestic flight, \$125 to cancel a flight between Canada and the United States, and \$200 to cancel any other international flight.

88. More generally, JustFly also charges these same cancellation fees when customers seek to cancel after the 24-hour window. This makes JustFly an outlier. Other major OTAs do not charge fees of any kind (cancellation or otherwise, within or beyond 24 hours), meaning their customers are solely subject to any airline-imposed fees.

**A. JustFly Makes Misleading Cancellation Disclosures.**

89. JustFly takes advantage of industry practices and the associated consumer expectations. It posts incomplete disclosures that lead its full website consumers to reasonably believe that JustFly permits free cancellation. It does not. The only cancellation disclosures that a JustFly full website customer is likely to see—*i.e.*, those disclosures made prominently during the booking process—are misleading or erroneous regarding JustFly’s cancellation fees.

90. *First*, before searching for a flight, a customer may notice that the JustFly homepage provides, “Extended Cancellation Policy. Book with confidence.”

91. There is a small “i” in a circle next to this notice. If a customer happens to move his or her cursor to hover over this “i,” a small box of text appears. It provides, in relevant part, “**Extended Cancellation Policy – Book with confidence.** You always have the option to cancel within 24 hours

1 of purchase without JustFly’s standard cancellation fees! Simply opt in to the Extended Cancellation  
2 Policy during checkout, for \$19.99 per passenger.”

3 92. Customers are not directed to hover their cursor over the “i,” and there is no express  
4 indication that doing so provides additional information. A reasonable customer would not know to  
5 do this, but even if the notice is read, the notice is still insufficient to correct the misleading nature of  
6 JustFly’s other, more prominent, representations.

7 93. *Second*, the Search Results page makes just one, similar reference to cancellation. On  
8 the right side of the page, in a box entitled, “Why book with us?,” one of the answers provides, “We  
9 Offer an Extended Cancellation Policy.” The box does not explain what the “Extended Cancellation  
10 Policy” is, including the fact that there is a charge for that policy, nor does it disclose that JustFly  
11 charges cancellation fees even within 24 hours of booking.

12 94. *Third*, for some customers, the Book and Confirm page includes a short, but prominent  
13 notice in the top, right corner of the page: that says only, “24 Hour Cancellation.” There is a small “i”  
14 in a circle next to this notice. If a customer happens to move his or her cursor to hover over this “i,” a  
15 small box of text appears. It provides, “If you ever need to make changes to your travel plans, we’ve  
16 got you covered! Our Customer Care specialists are available 24/7, so you can reach them at any time  
17 for assistance. JustFly’s standard cancellation fees apply. If you’d like extra time to change your  
18 mind, opt-in to our Extended Cancellation Policy, for \$19.99 per passenger, this allows you the option  
19 to cancel your reservation for a full 24-hour period without having to pay JustFly’s standard  
20 cancellation fees. For more information, see our terms and conditions.”

21 95. Customers are not directed to hover their cursor over the “i,” and there is no express  
22 indication that doing so provides additional information. A reasonable customer would not know to  
23 do this, but even if the notice is read, the notice is still insufficient to correct the misleading nature of  
24 JustFly’s other, more prominent, representations.

25 96. Farther below, in the middle of the Book and Confirm page, customers are presented  
26 with the option to select the Extended Cancellation Policy:

27 ///

28 ///

☒ **EXTENDED CANCELLATION POLICY**

Think you might change your mind for this flight? For a minimal fee, protect yourself with our Extended Cancellation Policy. Allow yourself to cancel your flight within 24 hours for any reason!

☐ Yes, I'd like to take advantage of the Extended Cancellation Policy benefits!

☐ No thanks, I decline the Extended Cancellation Policy plan.

(Figure VII.)

97. There is a small “i” in a circle next to the “Extended Cancellation Policy” text. If a customer happens to move his or her cursor to hover over this “i,” a small box of text appears. It provides, “If you ever need to make changes to your travel plans, we’ve got you covered! Our Customer Care specialists are available 24/7, so you can reach them at any time for assistance. JustFly’s standard cancellation fees apply. If you’d like extra time to change your mind, opt-in to our Extended Cancellation Policy, for \$19.99 per passenger, this allows you the option to cancel your reservation for a full 24-hour period without having to pay JustFly’s standard cancellation fees. For more information, see our terms and conditions.”

98. Customers are not directed to hover their cursor over the “i,” and there is no express indication that doing so provides additional information. A reasonable customer would not know to do this, but even if the notice is read, the notice is still insufficient to correct the misleading nature of JustFly’s other, more prominent, representations.

99. Alone or in conjunction, these three disclosures—“Extended Cancellation Policy. Book with confidence,” “We Offer an Extended Cancellation Policy” and “24 Hour Cancellation”—are incomplete and misleading.

100. By way of example, one California resident submitted a complaint to the BBB regarding this practice. The complaint provided, in part:

Just fly has charged me 525\$ as cancellation charges . . . It advertises on its website that the tickets purchased have ‘24 hour cancellation’ but actually there is fine print to it that it has to be purchased for \$19.99 . . . I contacted justfly within 2 hours of purchasing the ticket but they were charging \$75 for cancellation price for each ticket.

///

///

1           101. When contrasted with JustFly’s actual policy of charging cancellation fees of \$75 to  
2 \$200—for *any* cancellation, regardless of timing and even within 24 hours—these disclosures are  
3 likely to mislead reasonable consumers.

4           “Free 24 Hour Cancellation.”

5           102. For some customers—including the large volume of customers who arrive at JustFly’s  
6 Confirm and Book page directly via Kayak.com—the prominent notice in the top right corner of the  
7 page provides, “Free 24 Hour Cancellation,” rather than just “24 Hour Cancellation.”

8           103. There is a small “i” in a circle next to the “Free 24 Hour Cancellation” text. If a  
9 customer happens to move his or her cursor to hover over this “i,” a small box of text appears. It  
10 provides, “If you ever need to make changes to your travel plans, we’ve got you covered! Our  
11 Customer Care specialists are available 24/7, so you can reach them at any time for assistance. Within  
12 24 hours of purchase, you can choose to cancel your booking for free no questions asked! For more  
13 information, see our terms and conditions.”

14           104. At times, despite expressly representing that the cancellation is “free,” JustFly  
15 nonetheless imposes its standard cancellation fees on customers who cancel within 24 hours of  
16 booking. This is false advertising and is likely to deceive, and has deceived, consumers.

17           105. By way of example, one California resident submitted a complaint to the BBB  
18 regarding this practice. The complaint provided, in part:

19                   When I booked a flight through JustFly.com, they clearly advertised ‘free 24 hour  
20 cancellation of flight.’ I took a screenshot of the guarantee to make sure. When I  
21 needed to cancel 19 hours later and called, they denied this policy even though I  
22 sent them the screenshot. They originally wanted to charge me \$75 dollars to  
cancel, and after insisting about their guarantee and screenshot, they dropped it  
down to \$25. . .

23           106. This disclosure is likely to mislead, and has misled, reasonable consumers.

24           **B. JustFly Fails to Make Required Cancellation Disclosures.**

25           107. JustFly compounds its partial, misleading cancellation disclosures, discussed above, by  
26 hiding its actual cancellation practices and fees.

27           108. JustFly does not disclose its \$75 to \$200 cancellation fees on any of its webpages that a  
28 customer visits to book a flight.



1           109. Moreover, JustFly does not disclose these \$75 to \$200 cancellation fees in the  
2 Customer Support section of its website, which includes a series of Frequently Asked Questions  
3 (“FAQ”). In fact, the answer provided to an FAQ entitled “What is JustFly’s Cancellation Policy?” is  
4 confusing and makes no mention of agency cancellation fees.

5                   Most discounted airline tickets are non-refundable. Although non-refundable  
6 tickets are the most economical, they are also the most restrictive and do not allow  
7 refunds. These restrictions make it possible for JustFly to continue to offer better  
8 fare prices in addition to our existing deeply discounted airfares.

9                   If your booking is eligible for a cancellation, it may be subject to an airline  
10 cancellation fee of up to \$250 per passenger, as well as any fees or differences in  
11 price charged by suppliers. For more information about how to cancel your  
12 booking, please refer to the article Can I cancel my booking?

13                  Please note that refund restrictions are documented on our website. Before  
14 completing the checkout process by clicking “Confirm&Book” you agree to our  
15 Terms of Use and Privacy Policy. Once you decide to cancel a reservation, you  
16 are subject to the terms of the cancellation, as stated in our “Terms and  
17 Conditions.”

18           110. JustFly only discloses its \$75 to \$200 cancellation fees in a single place—in its Terms  
19 and Conditions. (A copy of the Terms and Conditions are attached here as Exhibit Q and incorporated  
20 herein by this reference.) This single disclosure is inconspicuous for at least three reasons.

21           111. *First*, a reasonable consumer would not see or become aware of these Terms and  
22 Conditions. The Confirm and Book page has over 900 words, and includes just a single,  
23 inconspicuous sentence, “By completing this booking I agree that I have read and agree to the  
24 JustFly.com Terms of Use and the Privacy Policy.” (See Exhibit C.) The sentence is separated, and  
25 thus obscured and hidden, from the large, prominent “Confirm & Book” button by an advertisement  
26 for hotel deals. Further augmenting the lack of an effective or meaningful disclosure, the sentence  
27 lacks any noticeable features (*e.g.*, larger, bold font) and the hyperlink to JustFly’s Terms and  
28 Conditions lacks the conspicuous underlining typical of hyperlinks.

          112. For mobile customers, the Mobile Trip Review and Book page (see Exhibit N) includes  
the same sentence and link, but the sentence and link are not separated from the “Confirm & Book”  
button by a hotel advertisement.

          113. Beyond this inconspicuous sentence and hyperlink on the Confirm and Book page and  
the Mobile Trip Review and book page, the Terms and Conditions are otherwise provided only as a

1 hyperlink—in tiny font, adjacent to several other hyperlinks—at the very bottom of each JustFly  
2 webpage.

3 114. *Second*, even if a reasonable consumer was aware of the Terms and Conditions, he or  
4 she would have no reason to suspect that the Terms and Conditions set forth exorbitant cancellation  
5 fees that were not otherwise disclosed to consumers in the process of booking a reservation and are  
6 entirely uncommon in the travel booking industry.

7 115. *Third*, even if a consumer sought to review the Terms and Conditions, it is unlikely that  
8 he or she would learn of the exorbitant cancellation fees. JustFly’s Terms and Conditions are a 19-  
9 page, single-spaced PDF document with 35 sections and over 8,000 words. The document does not  
10 include an Index, Table of Contents, or any other shortcuts or hyperlinks to specific sections or  
11 provisions. The \$75 to \$200 cancellation fees are disclosed about halfway through the entire  
12 document, on pages eight and nine, in the thirteenth section, entitled “Cancellations and Refunds.”

### 13 **III. Baggage Fee Disclosures.**

14 116. In recent years, more and more airlines have begun imposing larger and larger fees for  
15 checked bags (and even carry-on bags). In 2018, U.S. airlines collected over \$4.8 billion in baggage  
16 fees.

17 117. As baggage fees have increased, full and accurate fee disclosures have become even  
18 more important to customers, particularly as consumers attempt to make accurate price comparisons  
19 between different airfare classes with varying baggage allowances.

20 118. Since 2012, the federal Department of Transportation has required OTAs to make  
21 specific baggage fee disclosures in three places: 1) the webpage(s) where flights are booked, 2) the  
22 summary webpage following an online purchase, and 3) the post-purchase email confirmation.

#### 23 Search Results Page.

24 119. JustFly’s Search Results page has just one reference to bags or baggage. (See Exhibit  
25 B.)

26 120. The text “Additional baggage fees may apply” is displayed in tiny font, in the middle of  
27 the page, below a grid of airline prices and above the list of flight itineraries.

28 121. This disclosure is neither prominent nor in close proximity to the fare quotation.

122. The underlined term, “baggage fees,” hyperlinks to a JustFly pop-up window, which displays hyperlinks to the “Baggage Policy” of approximately 90 airline websites.

123. JustFly advertises that it partners with over 400 airlines, so JustFly’s baggage fee pop-up window does not provide hyperlinks to many of its airline partners, including, *inter alia*, China Eastern Airlines, China Southern Airlines, Egyptair, Norwegian Air, Philippine Airlines, and Singapore Airlines.

Confirm and Book Page.

124. The Confirm and Book page also has just one reference to bags or baggage. (See Exhibit C.)

125. The text “Baggage Fees” is displayed in tiny font, below the flight itinerary, and toward the top of this long page.

126. Lacking the underlining and blue font that typically signify a hyperlink, “Baggage Fees” is nonetheless a hyperlink to the same limited JustFly pop-up window discussed above. Again, that window does not display the baggage fees associated with the chosen flight, but rather displays hyperlinks to the “Baggage Policy” of approximately 90 airlines, a subset of JustFly’s 400+ airline partners.

127. This disclosure is neither prominent nor in close proximity to the fare quotation.

Online Itinerary.

128. Upon completing an online purchase from JustFly, customers must click through a couple of web pages, none of which mentions or references baggage policies or fees, before arriving at the Itinerary page (Exhibit G).

129. The Itinerary page includes a section header, entitled “BAGGAGE INFORMATION.” The text below the header provides, “Airlines are constantly changing their policies – for the most updated baggage allowances and fees, please visit the airlines website below or contact them directly. Please note that JustFly does not collect any baggage fees and is not responsible for any potential baggage fees you are charged.”

130. The Itinerary page does not display the specific charges for carry-on bags, first checked bags, or second checked bags for the chosen flight, or any flights.

131. Below this text, for each booked airline, there are hyperlinks to a “Contact” page and a “Baggage Policy” page. The latter hyperlink opens a page on the airline’s website, which typically discloses the airlines’ baggage policies and baggage fees.

132. However, in many instances, the customer lacks sufficient information to discern the applicable baggage fees displayed on the airlines’ website. For example, JetBlue charges its customers variable baggage fees depending on the type of ticket purchased (*e.g.*, Blue ticket, Blue Plus ticket, Blue Flex ticket, etc.). But in displaying flight options after customers run a search, JustFly does not disclose to customers the type of ticket they are purchasing. Thus, customers have no way of knowing what baggage fees will be imposed on them.

#### Email Confirmation.

133. Upon completing an online purchase, customers receive several emails from JustFly, including a “Trip Confirmation and Receipt” email. (See Exhibit E.)

134. The “Trip Confirmation and Receipt” email does not display specific charges for carry-on bags, first checked bags, or second checked bags.

135. The email does include a “See Baggage Allowance Details” hyperlink to the Baggage Policy page for each booked airline. This page typically discloses the airlines’ baggage policies and baggage fees. But as noted above, customers often do not have sufficient information to discern the applicable baggage fees displayed on the airlines’ website. Some airlines, like JetBlue, charge variable baggage fees depending on the type of ticket purchased. Because JustFly does not disclose to customers the type of ticket purchased, customers cannot determine how much they will have to pay for their baggage.

#### **IV. Travel Insurance.**

136. Travel insurance is big business. In 2016, consumers spent approximately \$2.8 billion on various types of travel insurance products. Approximately one-quarter of all travel insurance sales are from airlines and OTAs.

137. In August 2018, the Office of United States Senator Edward Markey conducted a comprehensive investigation of the travel insurance policies offered by various airlines and OTAs, and

///

published a report entitled, “Flyer Beware: Is Travel Insurance Worth It?”<sup>4</sup> The conclusions were grim. Airlines and OTAs push customers into policies that are “often riddled with exclusions and limitations that can render them useless. Consumers could be better served by searching non-affiliated, third-party travel insurance comparison websites that sell similarly priced policies with more comprehensive coverage than what is typically offered directly by airlines and OTAs.”

138. On September 7, 2012, California Governor Jerry Brown signed AB 2354, which repealed the existing law regulating travel insurance and replaced it with a new system of regulation consistent with standards adopted by the National Association of Insurance Commissioners (NAIC). (See Cal. Ins. Code, § 1752, *et seq.*) Under the new law, JustFly is permitted to sell travel insurance without obtaining a license, so long as it complies with specific provisions of the Insurance Code.

139. Under the new law, JustFly is a “travel retailer” because it offers, disseminates, and sells travel insurance. JustFly does so on behalf of and under the direction of Customized Services Administrators, Incorporated (“CSA”), doing business as CSA Travel Protection and Insurance Services, a licensee authorized to transact on behalf of Generali Assicurazioni Generali S.P.A. (U.S. Branch).

140. Among other provisions, the law places a wide range of disclosure obligations upon travel retailers like JustFly. The law also places specific restrictions and limitations upon travel retailers who receive compensation for offering and selling travel insurance on behalf of travel insurance agents.

**A. JustFly Fails to Make Required Travel Insurance Disclosures.**

141. In the course of purchasing an airline ticket, JustFly’s full website customers are presented with the opportunity to purchase travel insurance via the Confirm and Book page. (See Exhibit C.)


///


///

///

---

<sup>4</sup> *Flyer Beware: Is Travel Insurance Worth It?* (August 2018), <<https://www.markey.senate.gov/news/press-releases/flyer-beware-is-travel-insurance-worth-it>> [as of September 9, 2019].





## Protect Your Trip. Travel With Confidence.

### PROTECT YOUR TRIP COST

- Includes Trip Cancellation and Trip Interruption Coverages if you need to cancel or interrupt your trip for covered reasons
- Receive 24 Hour Emergency Assistance Services and Concierge Services with your plan purchase

[View description of coverage or policy for terms and conditions.](#)

### COVERAGE INCLUDES:

- Trip Cancellation **100%**  
 of trip cost insured\*
- Trip Interruption **150%**  
 of trip cost insured\*
- Travel Delay **\$500**  
 (\$100 per day)\* per person
- Baggage Delay **\$200\***  
 per person

\*Maximum benefits listed are per person. Plan limits also apply.  
See [additional coverage included!](#)

☒ **Add insurance plan for just \$28.25 per passenger**

☐ No, I wish to decline travel protection and emergency assistance service.

(Figure VIII.)

142. Mobile customers are similarly presented with the opportunity to purchase travel insurance via the Mobile Trip Details page. (See Exhibit L.) The travel insurance is provided and administered by CSA.

143. This offer of travel insurance to full website customers includes two hyperlinks, both of which open the same, new page at the CSATravelProtection.com website. Mobile customers are presented with just one link, which opens the same page at CSATravelProtection.com. From there, a consumer can click another link, labeled “View Document,” which opens a 13-page PDF document, entitled “CSA Travel Protection, Description of Coverage.” (A copy of this PDF document is attached here as Exhibit R and incorporated herein by this reference.)

144. Back on the JustFly webpage where the customer is purchasing an airline ticket, the customer is *required* to make a travel insurance selection, *i.e.*, to purchase travel insurance or affirmatively decline it. There is no way to purchase a ticket from JustFly without making an election regarding travel insurance.

145. If the consumer clicks the button to purchase travel insurance, the cost of the insurance is added as a new line-item in the “Price Summary” section of this same webpage, and the consumer is charged for the insurance (along with the airline ticket and any other optional services) upon clicking the “Confirm & Book” button at the bottom of the page.

///

1           146. No other information about travel insurance is provided to the consumer prior to  
2 purchasing the travel insurance.

3           **B. JustFly Impermissibly Encourages Consumers to Purchase Travel Insurance.**

4           147. JustFly does not merely offer and sell travel insurance, and disseminate related  
5 information. Rather, at various steps along the purchase flow and through other channels, JustFly  
6 repeatedly encourages and cajoles consumers to purchase travel insurance.

7           148. *First*, JustFly tells its full website customers that “travel protection” is “recommended.”  
8 And it nudges and guilts consumers to make the purchase: “Protect Your Trip. Travel With  
9 Confidence.” (See Exhibit C.) JustFly similarly tells its mobile customers, “Protect your trip and  
10 travel with confidence.” (See Exhibit L.)

11           149. *Second*, upon purchasing an airline ticket (by clicking “Confirm & Book”), full website  
12 customers are immediately presented with a *second* opportunity to purchase travel insurance via a new  
13 webpage (“Add Travel Insurance page”), which is devoted exclusively to encouraging customers to  
14 purchase travel insurance. (A copy of the Add Travel Insurance page is attached here as Exhibit S and  
15 incorporated herein by this reference.) It states, in part, “Avoid the high cost of medical bills,  
16 cancellations, lost bags and the unforeseen!” JustFly similarly presents its mobile customers with a  
17 new webpage upon booking (“Mobile Booking Completed page”), which reiterates its travel insurance  
18 offer. (A copy of the Mobile Booking Completed page is attached here as Exhibit T and incorporated  
19 herein by this reference.)

20           150. *Third*, JustFly sends its customers an email devoted solely to pushing its travel  
21 insurance. The subject line is “Traveling without insurance can be risky,” and the body of the email  
22 states, in part, “Traveling can be unpredictable sometimes. Insure yourself against cancelled or  
23 interrupted trips, expensive emergency medical bills, and more. Add Travel Protection to your trip  
24 today. Future you will thank you!” (A copy of this email is attached here as Exhibit U and  
25 incorporated herein by this reference.)

26           151. *Fourth*, the customer’s “online itinerary” in the “My Bookings” section of the JustFly  
27 website provides, in part and in alarming, bold, red font, “**Important – Your trip is not protected!**  
28 We noticed that you haven’t added a Travel Protection Plan. To avoid the high cost of medical bills,

trip cancellation, lost luggage or other unforeseen events, we strongly suggest you cover yourself against the unexpected” (emphasis in original). (See Exhibit G.)

152. *Fifth*, and independent of the steps associated with purchasing an airline ticket, discussed herein, JustFly also encourages its customers to purchase travel insurance via its social media accounts and its website. For example, a July 2, 2019, JustFly blog post is entitled, “Travel Insurance: Do You Really Need It?” The post, maintained at the JustFly.com website, states, in part, “Travel insurance is the least sexy part of traveling. There’s nothing fun or interesting about it. But do you really need it? Short answer: YES (read: Absolutely).” The post includes the following short summary: “unless you own a crystal ball that predicts the future, buy travel insurance. Here’s why.” Finally, the post expressly encourages readers to purchase travel insurance via JustFly: “Which Travel Insurance Is Best[.] Booking with JustFly? Save time and money by booking insurance with us as well. Get top notch coverage with just a few clicks. Otherwise, shop around for the best travel insurance for you.” (A copy of this blog post is attached here as Exhibit V and incorporated herein by this reference.)

153. These marketing efforts—via JustFly’s website, emails, social media accounts, and blog posts—expressly convey JustFly’s viewpoint that purchasing travel insurance is in the customer’s best interest. JustFly, however, does not disclose to consumers that JustFly receives a commission, kickback, or other compensation from CSA for each travel insurance policy sold by JustFly. Absent such a disclosure, JustFly’s recommendations to purchase travel insurance are deceptive.

154. Reasonable consumers are likely to be deceived by these practices—practices that violate JustFly’s fiduciary duty to its customers.

### **C. JustFly Engages in Bait-and-Switch Advertising.**

155. As described above, several of JustFly’s travel insurance advertisements mention “medical bills” and, more specifically, “avoid[ing] the high cost of medical bills.” However, on information and belief, for domestic flights, the CSA travel insurance sold via JustFly does not include any form of medical coverage.

156. As described above, several of JustFly’s travel insurance advertisements indicate that “100% of trip costs” are insured as part of the trip cancellation coverage. However, on information



1 and belief, the CSA travel insurance sold via JustFly does not cover JustFly’s unconscionable  
2 cancellation fees of between \$75 and \$200, per flight.

3 157. Moreover, on information and belief, JustFly and CSA require customers to pay the  
4 applicable cancellation fee prior to submitting an insurance claim.

5 158. If paying cancellation fees is a required cost in order to submit an insurance claim—and  
6 the insurance does not cover that cost—then “100% of trip costs” are not, in fact, covered.

## 7 **V. Future Travel Credits.**

8 159. Like most travel customers, JustFly customers occasionally seek refunds from JustFly.  
9 But instead of honoring these requests, JustFly customer service representatives routinely steer these  
10 customers into accepting nearly worthless and unusable “Future Travel Credits.”

11 160. In order to obtain Future Travel Credits, JustFly forces its customers to first cancel their  
12 flight—and thus pay JustFly’s exorbitant cancellation fees (discussed in Section II, *supra*).

13 161. In many instances, JustFly representatives steer customers to Future Travel Credits by  
14 indicating that refunds are unavailable, *i.e.*, that Future Travel Credits are the customer’s only option  
15 for preserving any value out of a purchased flight that no longer works for the customer or that was  
16 purchased in error.

17 162. In still other instances, JustFly representatives steer customers into Future Travel  
18 Credits by highlighting that the cancellation fees (required for obtaining a Future Travel Credit) are  
19 *lower* than the change fees (required for changing flights).

20 163. In practice, notwithstanding the fact that customers pay fees to obtain them, Future  
21 Travel Credits are nearly worthless. Customers report that they encounter a host of limitations and  
22 exclusions. For example, Future Travel Credits must be used within one year, by the same passenger,  
23 and flying *the exact same routes and airline(s)* (as the cancelled booking). Some customers have even  
24 complained that they were required to have a layover in the same airports as the cancelled booking in  
25 order to apply the Future Travel Credit.

26 164. Even worse, customers report that the flights available to purchase with Future Travel  
27 Credits are a small subset of those flights available to JustFly consumers generally. And, incredibly,  
28 they are sold at a *higher* price than the *same exact* flights sold to customers not using Future Travel

Credits. By way of example, one California resident submitted a complaint to the BBB regarding this practice. The complaint provided, in part:

At this point we have a travel credit of \$1008.80 that we can apply to a new reservation, however this is where I do not agree with their morals. So if an average person goes on to JustFly.com today they can obtain a flight from Sacramento to Honolulu for roughly \$500 per person [], however if I try to use my travel credit the fares double to roughly \$1000 per person []. . . . I feel like we are being taken advantage of!!

165. The net effect of these exclusions and limitations is that customers are routinely unable to use their Future Travel Credits, either because there are no flights that meet the absurd limitations and requirements, or because it would be more expensive to use the Credit (*i.e.*, the price difference between the regular fares and the higher-priced fares available for use with the Credit *exceeds* the value of the Credit). As such, in many instances, the fees paid to obtain these Future Travel Credits are for naught.

166. Importantly, customers frequently report that JustFly representatives fail to disclose all of these limitations and exclusions before customers are pressured to decide about obtaining Future Travel Credits. Customers only learn about the full range of exclusions and limitations *after* they have paid fees to obtain them, and when they seek (often unsuccessfully) to redeem them. By way of example, one San Francisco resident submitted a written complaint, which provided, in part: “Not only did JustFly.com mislead me into believing that the travel credit would be usable, they also charged me a \$75 fee in order to cancel my flight and give me these so called credits.”

## **VI. Refunds.**

167. The Seller of Travel Law and the Internet Sales Law place specific obligations upon JustFly to clearly and conspicuously disclose its refund policy. Both laws—along with U.S. Department of Transportation regulations—also require JustFly to make refunds in a prompt or timely manner. JustFly fails in all respects.

168. *First*, JustFly does not make *any* refund-related disclosures to customers who purchase travel services from JustFly. (See Exhibits A through N.) Instead, JustFly hides its refund policy in its lengthy Terms and Conditions. (See Exhibit Q.)

169. JustFly customers, however, are generally unaware of these Terms and Conditions.

1           170. And *even if* customers were aware of the Terms and Conditions—and the refund-  
2 related disclosures contained therein—the disclosed policy does not comply with the law. The  
3 disclosures provide, in part:

4           Refund requests are subject to the airline rules and regulations of purchased  
5 tickets. If the refund request is approved by the airline, we are unable to provide  
6 a specific timeline for how long it may take for this requested refund to be  
7 processed. . . . Please note that we are dependent on the Travel Service Providers  
8 for receiving the requested refunds. Once the refund has been approved by the  
9 Travel Service Provider it may take additional time for this to appear on your  
10 credit card statement. . . . This entire process may take 60-90 days from receipt  
11 of your request to receiving credit on your statement.

12           171. *Second*, JustFly routinely does not issue refunds in a prompt or timely fashion.  
13 Customers often complain about this. By way of example, one San Francisco resident submitted a  
14 complaint to the BBB regarding this practice. The complaint provided, in part:

15           I booked a flight through justfly in december. The flight was cancelled by the  
16 airline and I was eligible for a refund. It has been 3 months since but justfly has  
17 not refunded me yet. . . . They say that they haven't heard from the airline about  
18 the refund but I called and check directly with airline and the airline says that  
19 justfly should issue me a refund. But they are not issuing me the refund. They're  
20 just saying that they are waiting for the confirmation from the airline since last 3  
21 months. I don't know what to do at this point. I really need my money back. It's  
22 a very big amount for me.

## 23 **VII. Other Unlawful Practices.**

24           172. JustFly does not clearly and conspicuously display its Seller of Travel registration  
25 number on its advertising materials—including, but not limited to, its full and mobile websites, email  
26 solicitations, social media posts, and other online advertisements—as required.

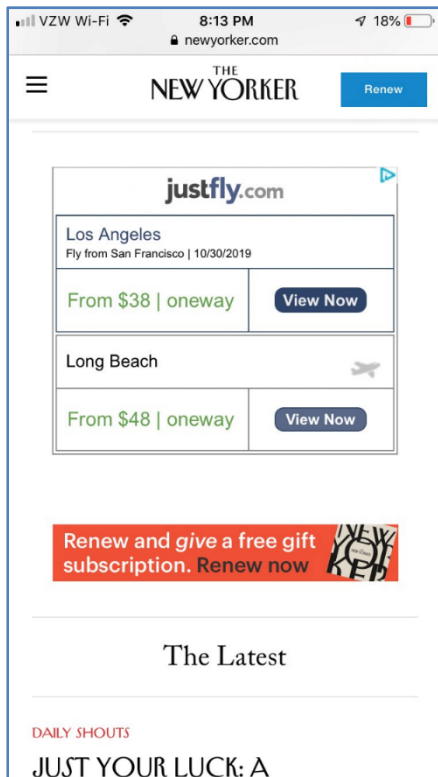
27           173. JustFly receives money from customers in payment for travel services without first  
28 furnishing materials to customers conspicuously setting forth JustFly's business address as required.

          174. JustFly receives money from customers in payment for travel services without first  
furnishing clear and conspicuous disclosures to customers regarding JustFly's obligations to maintain  
a bond and/or trust account, and JustFly's obligations to participate in the Travel Consumer Restitution  
Fund, the Consumer Protection Deposit Plan, and/or the Consumer Protection Escrow Plan, as  
required.

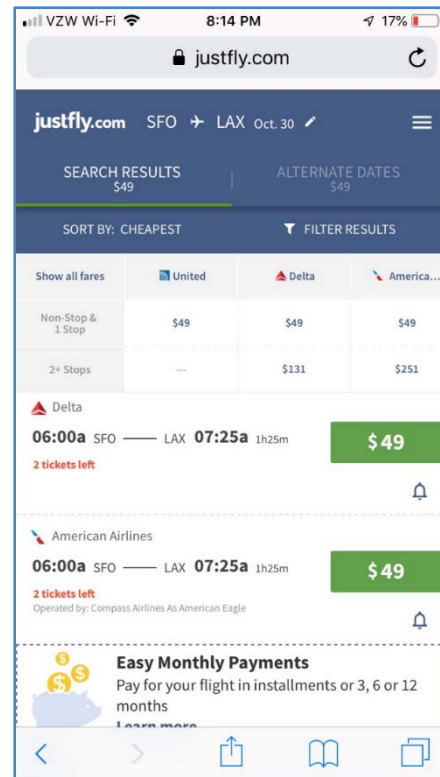
          175. Many JustFly customers have submitted written complaints indicating that their names  
are misspelled on their flight reservations. The customers contend this is due to an error on JustFly's

part. JustFly does not give these customers the option to fix the misspellings. Instead, JustFly charges customers exorbitant fees in order to cancel these reservations and re-book them with the correct name. And this is true even when consumers notice the error within minutes of booking and immediately contact JustFly.

176. JustFly also publishes online advertisements for itineraries and prices that—upon clicking the advertisement—are not available. For example, without any disclaimer or limitation of any kind, JustFly recently advertised a \$38 one-way fare from San Francisco to Los Angeles on October 30, 2019. However, upon clicking the advertisement, JustFly displayed a series of flight options, the least expensive of which was \$49.



(Figure IX.)



(Figure X.)

## COMPLAINTS ABOUT JUSTFLY'S BUSINESS PRACTICES

177. All these practices, combined and in isolation, make for a customer experience that frustrates, surprises, and angers thousands of customers every year. As a result, JustFly's business practices have generated a shocking and disproportionate number of written consumer complaints.

178. The BBB is a private, nonprofit organization that collects and compiles consumer complaints. In 2017 and 2018, the BBB received 806 complaints and 998 complaints, respectively, about JustFly and FlightHub. By way of comparison, in these two years, the BBB received *more* air travel complaints about JustFly *than any other travel agency*,<sup>5</sup> including much larger travel agencies like Expedia and Priceline.

179. Given this high volume of complaints, the BBB has issued several warnings specifically about JustFly. Back in 2015, the BBB was “warning people to stay away from JustFly” because of a wide range of complaints, including misleading cancellation fees.<sup>6</sup> In 2016, the BBB re-issued its warning about JustFly because “[t]he company has continued to garner complaints and unhappy customers.”<sup>7</sup>

180. Similarly, the BBB issued its first warning about FlightHub back on February 10, 2014, when it identified a pattern of complaints from consumers alleging advertising, billing and refund issues, as well as customer service issues.

181. The BBB pages for JustFly and FlightHub have since been combined. Today, the combined BBB webpage still includes an “Alert,” entitled “Pattern of Complaint.” It provides, in part, “A review of this company’s complaints done in May 2019 state [sic] issues with cancellation and refunds (within 24 hours of booking), fees and customer service.”<sup>8</sup>

182. The U.S. Department of Transportation’s Aviation Consumer Protection Division (“Division”) reviews and responds to consumer complaints and promotes consumer rights. In 2017 and 2018, the Division received *more* complaints about JustFly.com *than any other travel agency*, including much larger travel agencies like Expedia and Priceline.

---

<sup>5</sup> For an accurate agency-to-agency comparison, complaints against FlightHub were excluded. In addition, the complaints against JustFly, Expedia, and Priceline were filtered by “flight OR plane OR airline” to exclude hotel and other non-air travel complaints.

<sup>6</sup> *JustFly.com investigated by Better Business Bureau*, CBC News (July 15, 2015), <<https://www.cbc.ca/news/canada/nova-scotia/justfly-com-investigated-by-better-business-bureau-1.3152690>> [as of September 9, 2019].

<sup>7</sup> *BBB Warning: Cheap Travel? Sometimes It Really IS Too Good to Be True*, BBB (May 23, 2016), <<https://www.bbb.org/warning-online-travel/>> [as of September 9, 2019].

<sup>8</sup> *BBB Alert*, <<https://www.bbb.org/us/ca/san-francisco/profile/online-travel-agency/justflycom-1116-874140/details#Pattern-of-Complaint>> [as of September 9, 2019].

183. The FTC is the federal government’s primary consumer protection agency. In 2017 and 2018, the FTC received *more* air travel complaints about JustFly *than any other travel agency*,<sup>9</sup> including much larger travel agencies like Expedia and Priceline.

184. The complaints submitted to the Department of Transportation, FTC, and BBB are just the tip of the iceberg. Consumers have lodged thousands of complaints about JustFly on social media (including Facebook and Twitter) and on various consumer and travel websites, like pissedconsumer.com, tripadvisor.com, and flyertalk.com. For example, on May 26, 2015, a user posted a comment on a tripadvisor.com forum, stating, “JustFly.com[] is just a scam.” To date, the post includes over 1,300 responses, most of which are from fellow disgruntled travelers sharing their horrible experiences purchasing travel from JustFly.<sup>10</sup> There are hundreds of similar posts, some with hundreds of responses.

185. Unsurprisingly, consumer outrage over JustFly’s business practices has generated interest in the media too. In recent years, major newspapers like the New York Times<sup>11</sup> and the San Jose Mercury News<sup>12</sup> have published stories about JustFly’s business practices. And local network news affiliates have aired at least eight stories featuring disgruntled customers ripped-off by JustFly, including ABC Tampa Bay (May 2016),<sup>13</sup> ABC Little Rock (June 2016),<sup>14</sup> NBC Chicago (August

---

<sup>9</sup> For an accurate agency-to-agency comparison, complaints against FlightHub were excluded. In addition, the complaints against JustFly, Expedia, and Priceline were filtered by “flight OR plane OR airline” to exclude hotel and other non-air travel complaints.

<sup>10</sup> *JustFly.com, is just a scam!!*, TripAdvisor User Dawn D H (May 26, 2015), <[https://www.tripadvisor.com/ShowTopic-g1-i10702-k8504032-JustFly\\_com\\_is\\_just\\_a\\_scam-Air\\_Travel.html](https://www.tripadvisor.com/ShowTopic-g1-i10702-k8504032-JustFly_com_is_just_a_scam-Air_Travel.html)> [as of September 9, 2019].

<sup>11</sup> *An Extra Week in Kenya, but Not by Choice*, David Segal, New York Times (May 21, 2016), <<https://www.nytimes.com/2016/05/22/your-money/an-extra-week-in-kenya-but-not-by-choice.html>> [as of September 9, 2019].

<sup>12</sup> *Travel Troubleshooter: Why can’t JustFly.com just fix my ticket to Australia?* (March 17, 2018), Christopher Elliot, San Jose Mercury News <<https://www.mercurynews.com/2018/03/17/travel-troubleshooter-why-cant-justfly-com-just-fix-my-ticket-to-australia>> [as of September 9, 2019].

<sup>13</sup> *BBB: Avoid this 3rd-party travel-agency website*, ABC Tampa Bay (May 24, 2016) <<https://www.abcactionnews.com/news/local-news/bbb-issues-warning-about-a-third-party-travel-agency-website>> [as of September 9, 2019].

<sup>14</sup> *Just say no to justfly.com*, ABC Little Rock (June 1, 2016), <<https://katv.com/community/7-on-your-side/just-say-no-to-justflycom>> [as of September 9, 2019].

1 2016),<sup>15</sup> NBC San Francisco Bay Area (February 2018),<sup>16</sup> NBC Connecticut (March 2018),<sup>17</sup> ABC  
2 Cleveland (March 2018),<sup>18</sup> NBC San Francisco Bay Area (July 2018),<sup>19</sup> and CBS Chicago (April  
3 2019).<sup>20</sup>

4 186. In sum, it is clear that JustFly is engaging in a wide-ranging, multi-front effort to  
5 mislead consumers and to deprive them of the value of their purchases.

6 **FIRST CAUSE OF ACTION**  
7 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**  
8 **AGAINST ALL DEFENDANTS**  
9 **(Unfair Competition)**

10 187. The People incorporate by reference the allegations contained in each paragraph above,  
11 as if those allegations were fully set forth in this cause of action.

12 188. California Business and Professions Code section 17200 prohibits any person from  
13 engaging in “any unlawful, unfair, or fraudulent business act or practice,” or any “unfair, deceptive,  
14 untrue or misleading advertising.”

15 189. Each Defendant is a “person” subject to the UCL, pursuant to Business and Professions  
16 Code section 17201.

17 190. Each Defendant has engaged in and continues to engage in, aided and abetted and  
18 continues to aid and abet, and conspired to and continues to conspire to engage in unlawful, fraudulent

---

19 <sup>15</sup> *How 1 Wrong Word Led to Expensive Mistake That Nearly Destroyed a Family Reunion*,  
20 NBC Chicago (August 30, 2016) <<https://www.nbcchicago.com/news/local/How-1-Wrong-Word-Lead-to-Expensive-Mistake-That-Nearly-Destroyed-Family-Reunion-391803691.html>> [as of  
21 September 9, 2019].

22 <sup>16</sup> NBC Bay Area (February 15, 2018) <[https://archive.org/details/KNTV\\_20180216\\_000000\\_NBC\\_Bay\\_Area\\_News\\_at\\_4](https://archive.org/details/KNTV_20180216_000000_NBC_Bay_Area_News_at_4)> [as of September 9, 2019].

23 <sup>17</sup> *Plainville Family Didn’t Know Trip Was Canceled Until Calling*, NBC Connecticut (March  
24 12, 2018) <<https://www.nbcconnecticut.com/news/local/-Plainville-Family-Didnt-Know-Trip-Was-Canceled-Until-Calling-476599673.html>> [as of September 9, 2019].

25 <sup>18</sup> *Local woman wants to warn others about booking cheap flights on JustFly.com*, ABC  
26 Cleveland (March 15, 2018) <<https://www.news5cleveland.com/news/e-team/local-woman-crying-after-ordeal-with-online-airfare-company-we-found-past-problems-too>> [as of September 9, 2019].

27 <sup>19</sup> NBC Bay Area (July 8, 2018) <[https://archive.org/details/KNTV\\_20180708\\_233000\\_NBC\\_Bay\\_Area\\_News\\_at\\_430](https://archive.org/details/KNTV_20180708_233000_NBC_Bay_Area_News_at_430)> [as of September 9, 2019].

28 <sup>20</sup> *Travel Insurance Provider ‘Just Fly’ Accused Of Charging Passengers To File Claims*, CBS  
Chicago (April 23, 2019) <<https://chicago.cbslocal.com/2019/04/23/plane-ticket-insurance-just-fly/>> [as of September 9, 2019].

1 and/or unfair business acts and practices in violation of Business and Professions Code section 17200  
2 *et seq.*, including, but not limited to, the business acts and practices described herein.

3 **I. UCL “Unlawful” Prong.**

4 California False Advertising Law.

5 191. Defendants have violated, and continue to violate, the False Advertising Law, codified  
6 at Business and Professions Code section 17500 *et seq.*, as alleged in the Second Cause of Action.

7 California Seller of Travel Law.

8 192. Defendants have violated, and continue to violate, California’s Sellers of Travel Law,  
9 codified at Business and Professions Code section 17550, *et seq.*

10 a. In enacting California’s Sellers of Travel Law, the Legislature found and  
11 declared that “[c]ertain advertising, sales, and business practices of sellers of travel have worked  
12 financial hardship upon the people of this state.” (Bus. & Prof. Code, § 17550(a)(1).) And it further  
13 found and declared that “[t]he public welfare require[d] regulation of sellers of travel,” in part, to  
14 eliminate such practices. (Bus. & Prof. Code, § 17550(a)(4).)

15 b. JustFly is a “seller of travel,” as defined by Business and Professions Code  
16 section 17550.1(a), because JustFly sells, provides, furnishes, contracts for, arranges, and/or advertises  
17 air and sea transportation.

18 c. Defendants have violated, and continue to violate, Business and Professions  
19 Code section 17550.13, subd. (a)(1)(A), by receiving money from customers in payment for travel  
20 services without first furnishing materials to customers conspicuously setting forth JustFly’s business  
21 address.

22 d. Defendants have violated, and continue to violate, Business and Professions  
23 Code section 17550.13, subd. (a)(1)(D), by receiving money from customers in payment for travel  
24 services without first furnishing materials to customers conspicuously setting forth JustFly’s  
25 cancellation conditions.

26 e. Defendants have violated, and continue to violate, Business and Professions  
27 Code section 17550.13, subd. (a)(1)(E), by receiving money from customers in payment for travel  
28 services without first furnishing a clear and conspicuous statement to customers that upon cancellation



1 of the travel services, where the passenger is not at fault and has not canceled in violation of any terms  
2 and conditions previously clearly and conspicuously disclosed to and agreed to by the passenger, all  
3 sums paid to the seller of travel for services not provided will be promptly paid to the passenger.

4 f. Defendants have violated, and continue to violate, Business and Professions  
5 Code section 17550.13, subd. (a)(1)(F)-(K), by receiving money from customers in payment for travel  
6 services without first furnishing clear and conspicuous disclosures to customers regarding JustFly's  
7 obligations to maintain a bond and/or trust account, and JustFly's obligations to participate in the  
8 Travel Consumer Restitution Fund, the Consumer Protection Deposit Plan, and/or the Consumer  
9 Protection Escrow Plan.

10 g. Pursuant to Business and Professions Code section 17550.13, subd. (a)(2), it is  
11 neither impossible for Defendants to comply with the foregoing disclosure requirements nor has  
12 JustFly obtained written acknowledgment from passengers that passengers have not received the  
13 disclosures.

14 h. Defendants have violated, and continue to violate, Business and Professions  
15 Code section 17550.24, subd. (f), by failing to clearly and conspicuously display the JustFly Seller of  
16 Travel registration number on JustFly advertising materials—including, but not limited to, JustFly's  
17 full and mobile websites, email solicitations, social media posts, and other online advertisements.

18 i. Upon failing to provide purchased travel services, Defendants have violated,  
19 and continue to violate, Business and Professions Code section 17550.14, subds. (a) and (b), by failing  
20 to provide customers with timely refunds or written statements (accompanied by bank records)  
21 establishing that the funds were disbursed as required.

22 j. Defendants have violated, and continue to violate, Business and Professions  
23 Code section 17550.14, subd. (d), by making material misrepresentations, including, but not limited to,  
24 misrepresentations regarding Seating Assignment Fees, cancellation fees and policies, travel  
25 insurance, Future Travel Credits and specific itinerary prices.

26 California Travel Insurance Law.

27 193. Defendants have violated, and continue to violate, the California law regulating travel  
28 insurance agents and travel insurance retailers and associated California Department of Insurance

1 regulations, codified at Insurance Code section 1752, *et seq.*, and Article 12.5 (“Travel Insurance  
2 Agent Licensing Regulations”) of the California Code of Regulations.

3 a. JustFly is a “travel retailer,” as defined by Insurance Code section 1753(d),  
4 because JustFly makes, arranges, or offers travel services, and offers and disseminates travel insurance  
5 to its customers on behalf of and under the direction of Customized Services Administrators,  
6 Incorporated, a limited lines travel insurance agent.

7 b. Defendants have violated, and continue to violate, Insurance Code section 1754,  
8 subd. (a)(1), by distributing marketing materials to customers that do not include the travel insurance  
9 agent’s email address or license number.

10 c. Defendants have violated, and continue to violate, Insurance Code section 1754,  
11 subd. (a)(1), by distributing marketing materials to customers that do not include the availability of the  
12 California Department of Insurance’s toll-free consumer hotline.

13 d. Defendants have violated, and continue to violate, Insurance Code section 1754,  
14 subd. (a)(7), by distributing marketing materials to customers that do not include a disclosure  
15 substantially similar to the following: “This plan provides insurance coverage that only applies during  
16 the covered trip. You may have coverage from other sources that provides you with similar benefits  
17 but may be subject to different restrictions depending upon your other coverages. You may wish to  
18 compare the terms of this policy with your existing life, health, home, and automobile insurance  
19 policies. If you have any questions about your current coverage, call your insurer or insurance agent  
20 or broker.”

21 e. Defendants have violated, and continue to violate, Insurance Code section 1754,  
22 subd. (a)(8)(A) by failing to make the following disclosures to prospective customers: “purchasing  
23 travel insurance is not required in order to purchase any other product or service offered by JustFly.”

24 f. Defendants have violated, and continue to violate, Insurance Code section 1754,  
25 subd. (a)(8)(B) by failing to make the following disclosures to prospective customers: JustFly’s  
26 employees are not qualified or authorized to “(i) Answer technical questions about the benefits,  
27 exclusions, and conditions of any of the insurance offered by the travel retailer” or “(ii) [e]valuate the  
28 adequacy of the prospective insured’s existing insurance coverage.”

1           g. Defendants have violated, and continue to violate, section 2194.22, subd. (a)(3)  
2 of title 10 of the California Code of Regulations, by failing to make the foregoing disclosures—those  
3 codified at Insurance Code section 1754, subd. (a)—clearly and conspicuously.

4           h. Defendants have violated, and continue to violate, section 2194.22, subd. (b) of  
5 title 10 of the California Code of Regulations, by failing to provide the material terms (or a description  
6 of the material terms) of the travel insurance agreement to customers before they enter into the travel  
7 insurance agreement.

8           i. On information and belief, Defendants have violated, and continue to violate,  
9 Insurance Code section 1754, subd. (b), by receiving compensation while failing to meet the  
10 requirements set forth in Insurance Code section 1754, subd. (a).

11           j. On information and belief, Defendants have violated, and continue to violate,  
12 Insurance Code section 1754, subd. (b), by receiving compensation while, *inter alia*, soliciting,  
13 encouraging, and persuading customers to purchase travel insurance—activities that extend well  
14 beyond just *offering* and *selling* travel insurance.

15           California Internet Sales Law.

16           194. Defendants have violated, and continue to violate, California’s law governing internet  
17 sales, codified at Business and Professions Code section 17538, *et seq.*

18           a. Effective January 1, 1997, California was among the first states to adopt a  
19 statute specifically intended to protect against consumer fraud on the Internet.

20           b. Defendants have violated, and continue to violate, Business and Professions  
21 Code section 17538, subd. (d)(1), by failing to disclose JustFly’s return and refund policy.

22           c. Defendants have violated, and continue to violate, Business and Professions  
23 Code section 17538, subd. (d)(1), by failing to disclose the complete street address from which its  
24 business is actually conducted.

25           d. Defendants have violated, and continue to violate, Business and Professions  
26 Code section 17538, subd. (e), by failing to make prompt refunds or to promptly credit the customer’s  
27 account.

28       ///

1           California Consumers Legal Remedies Act.

2           195. Defendants have violated, and continue to violate, the Consumers Legal Remedies Act,  
3 codified at Civil Code section 1750, *et seq.*

4           a. The Consumer Legal Remedies Act is to be “liberally construed and applied to  
5 promote its underlying purposes, which are to protect consumers against unfair and deceptive business  
6 practices and to provide efficient and economical procedures to secure such protection.” (Civ.  
7 Code, § 1760.)

8           b. Each Defendant is a “person,” as defined by California Civil Code section  
9 1761(c).

10          c. The individuals who search for and purchase travel products from Defendants  
11 are “consumers,” as defined by California Civil Code section 1761(d) because they do so for personal,  
12 family, or household purposes.

13          d. Consumers search for and purchase travel products from Defendants “for other  
14 than a commercial or business use,” as defined by California Civil Code section 1761(b).

15          e. By searching for and purchasing travel products from Defendants, consumers  
16 conduct “transactions,” as defined by California Civil Code section 1761(e).

17          f. Each of the Defendants has violated, and continues to violate, Civil Code  
18 section 1770(a)(5), which prohibits Defendants from representing that its travel services have  
19 characteristics, uses, or benefits that they do not have; Civil Code section 1770(a)(14), which prohibits  
20 Defendants from representing that a transaction confers or involves rights, remedies, or obligations  
21 which it does not have; and Civil Code section 1770(a)(9), which prohibits Defendants from  
22 advertising its travel services with the intent not to sell them as advertised. These provisions extend to  
23 both affirmative representations and advertisements as well as omissions when a defendant has a duty  
24 to disclose. Defendants’ representations, advertisements, and/or omissions with respect to Seating  
25 Assignment Fees, cancellation fees and policies, travel insurance, Future Travel Credits, and specific  
26 itinerary prices violate each of the foregoing provisions.

27          g. Civil Code section 1770(a)(19) prohibits Defendants from inserting an  
28 unconscionable provision in a contract. The unconscionability doctrine ensures that contracts,

1 particularly contracts of adhesion, do not impose terms that have been variously described as overly  
2 harsh, unduly oppressive, so one-sided as to shock the conscience, unfairly one-sided, or unreasonably  
3 favorable to the more powerful party. Each of the Defendants has violated, and continues to violate,  
4 Civil Code section 1770(a)(19) by imposing unconscionable cancellation fees and unconscionable  
5 terms on Future Travel Credits. These fees and terms impair the integrity of the bargaining process or  
6 otherwise contravene the public interest or public policy, attempt to alter (in an impermissible manner)  
7 fundamental duties otherwise imposed by the law, and/or seek to negate the reasonable expectations of  
8 the consumers (the nondrafting party).

9 U.S. Department of Transportation Regulations.

10 196. Defendants have violated, and continue to violate, federal law governing ticket agents  
11 and associated U.S. Department of Transportation regulations, codified at 49 U.S.C. § 41712(a) and  
12 Title 14 (“Aeronautics and Space”) of the Code of Federal Regulations.

13 a. Defendants have violated, and continue to violate, Title 14 of the Code of  
14 Federal Regulations, section 399.80, subd. (f), by making misrepresentations regarding Seating  
15 Assignment Fees and travel insurance charges, which are both charges for services in connection with  
16 air transportation.

17 b. Defendants have violated, and continue to violate, Title 14 of the Code of  
18 Federal Regulations, section 399.80, subd. (l), by failing to make proper refunds promptly when  
19 service cannot be performed as contracted, or representing that such refunds are obtainable only at  
20 some other point.

21 c. Defendants have violated, and continue to violate, Title 14 of the Code of  
22 Federal Regulations, section 399.84, subd. (a), by displaying JustFly’s Seating Assignment Fee within  
23 a sub-total misleadingly labeled, “Taxes Fees & Charges.”

24 d. Defendants have violated, and continue to violate, Title 14 of the Code of  
25 Federal Regulations, section 399.85, subd. (b), by failing to clearly and prominently disclose—on the  
26 first screen in which JustFly offers a fare quotation for a specific itinerary selected by a consumer—  
27 that additional airline fees for baggage may apply and where consumers can see these baggage fees.

28 ///

1 e. Defendants have violated, and continue to violate, Title 14 of the Code of  
2 Federal Regulations, section 399.85, subd. (c), by failing to include—on the summary page following  
3 an online ticket purchase *and* in the post-purchase email confirmation—information regarding the  
4 passenger’s free baggage allowance and/or the applicable fee for a carry-on bag and the first and  
5 second checked bag.

6 f. Defendants have violated, and continue to violate, 49 U.S.C. § 41712 by  
7 engaging in unfair and/or deceptive practices, including, but not limited to: failing to make the  
8 required baggage fee disclosures; failing to make prompt refunds; and making misrepresentations  
9 regarding Seating Assignment Fees, cancellation fees and policies, travel insurance, and Future Travel  
10 Credits.

11 **II. UCL “Fraudulent” Prong.**

12 197. Defendants have violated, and continue to violate, the “fraudulent” prong of the UCL,  
13 by making material misrepresentations, including, but not limited to, misrepresentations regarding  
14 Seating Assignment Fees, cancellation fees and policies, travel insurance, Future Travel Credits and  
15 specific itinerary prices.

16 198. Each of the foregoing business acts and practices, as set forth in the preceding  
17 paragraph and elsewhere in this Complaint, are fraudulent because they are likely to deceive members  
18 of the public.

19 **III. UCL “Unfair” Prong.**

20 199. Defendants have violated, and continue to violate, the “unfair” prong of the UCL,  
21 because Defendants’ business acts and practices, as set forth in this Complaint:

22 a. offend established public policies, which are tethered to statutory and/or  
23 regulatory provisions;

24 b. are (i) immoral, unethical, oppressive, unscrupulous and/or substantially  
25 injurious to consumers and (ii) cause harm to consumers that greatly outweighs any benefits; and/or

26 c. cause substantial and unavoidable consumer injury, which is not outweighed by  
27 countervailing benefits.

28 ///

**SECOND CAUSE OF ACTION  
VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17500  
AGAINST ALL DEFENDANTS  
(Untrue and/or Misleading Representations)**

200. The People incorporate by reference the allegations contained in each paragraph above, as if those allegations were fully set forth in this cause of action.

201. California Business and Professions Code section 17500 *et seq.*, prohibits the dissemination of untrue or misleading statements concerning the performance of services.

202. For at least the past four years, continuing to the present, each Defendant has engaged in and continues to engage in, aided and abetted and continues to aid and abet, and conspired to and continues to conspire to engage in business acts or practices that constitute violations of Business and Professions Code section 17500 *et seq.*, by making or causing to be made untrue or misleading statements with the intent to induce members of the public to purchase Defendants' services, including but not limited to the following:

- a. Defendants' statements regarding Seating Assignment Fees;
- b. Defendants' statements regarding cancellation fees and policies;
- c. Defendants' statements regarding travel insurance;
- d. Defendants' statements regarding Future Travel Credits; and
- e. Defendants' statements regarding specific itinerary prices.

203. At the time all such statements were made, Defendants knew, or by the exercise of reasonable care should have known, that the representations were untrue or misleading. Such statements are likely to deceive members of the public.

**PRAYER FOR RELIEF**

WHEREFORE, the People respectfully request that the Court enter judgment in favor of the People and against Defendants, jointly and severally, and grant the following relief:

1. Enjoin Defendants, their successors, agents, representatives, employees, assigns, and any and all other persons who act in concert or participation with Defendants, by permanently restraining them from performing or proposing to perform or aiding and abetting any unfair competition as defined in Business and Professions Code section 17200 and any false advertising as

1 defined in Business and Professions Code section 17500, including, but not limited to, the acts and  
2 practices alleged in this Complaint;

3 2. Order Defendants to make restitution, with interest, to consumers all money received or  
4 acquired by Defendants by means of any practice that constitutes unfair competition, under the  
5 authority of Business and Professions Code sections 17203 and 17535;

6 3. Assess a civil penalty of \$2,500.00 against each Defendant for each violation of  
7 Business and Professions Code section 17200, under the authority of Business and Professions Code  
8 section 17206;

9 4. Assess an *additional* civil penalty of \$2,500.00 against each Defendant for each  
10 violation of Business and Professions Code section 17200 perpetrated against a senior citizen or  
11 disabled person, under the authority of Business and Professions Code section 17206.1(a);

12 5. Assess a civil penalty of \$2,500.00 against each Defendant for each violation of  
13 Business and Professions Code section 17500, under the authority of Business and Professions Code  
14 section 17536;

15 6. Order Defendants to pay the costs of suit, including costs of investigation; and

16 7. Grant such further and additional relief as the Court deems just, proper and equitable.

17 Dated: September 19, 2019

18 DENNIS J. HERRERA  
19 City Attorney  
20 RONALD P. FLYNN  
21 Chief Deputy City Attorney  
22 YVONNE R. MERÉ  
23 Chief of Complex & Affirmative Litigation  
24 MATTHEW D. GOLDBERG  
25 KEVIN YEH  
26 MOLLY J. ALARCON  
27 Deputy City Attorneys

28 By:   
MATTHEW D. GOLDBERG

Attorneys for Plaintiff  
THE PEOPLE OF THE STATE OF CALIFORNIA,  
acting by and through San Francisco City Attorney  
DENNIS J. HERRERA



## LIST OF EXHIBITS

|   |  |
|---|--|
| A | JustFly.com Homepage   |
| B | JustFly.com Search Results page  |
| C | JustFly.com Confirm and Book page  |
| D | JustFly.com Confirm and Book page (filled)                               |
| E | JustFly email 1: Thanks for booking with JustFly                         |
| F | JustFly email 2: Your trip confirmation and receipt                      |
| G | JustFly.com: Itinerary page  |
| H | JustFly.com: Online Receipt page   |
| I | Mobile Homepage  |
| J | Mobile Search Results page   |
| K | Mobile Flight Details  |
| L | Mobile Trip Details  |
| M | Mobile Trip Details (filled)   |
| N | Mobile Review and Book   |
| O | Mobile Online Itinerary  |
| P | Mobile Online Receipt  |
| Q | JustFly Terms and Conditions   |
| R | CSA Travel Protection, Description of Coverage                           |
| S | JustFly.com Add Travel Insurance page                                    |
| T | Mobile Booking Completed   |
| U | JustFly Travel Insurance Email: Traveling without insurance can be risky |
| V | JustFly Blog Post re: Travel Insurance                                   |