

SEP 26 2016

S= 168873

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA



BETWEEN:



PLAINTIFF

AND:

YAHOO! CANADA CO. and
YAHOO! INC.

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c.50

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

TIME FOR RESPONSE TO CIVIL CLAIM

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- © if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF(S)

Part 1: STATEMENT OF FACTS

A. Introduction

1. This proposed class proceeding involves the failure of the Defendants, YAHOO! CANADA CO. and/or YAHOO! INC. to adequately safeguard, protect, store and/or maintain the personal and/or financial account information of the Plaintiff and class members.
2. On September 22, 2016 the Defendants, YAHOO! CANADA CO. and/or YAHOO! INC., issued a press release in which they announced that a "recent investigation" confirmed that sensitive personal account information associated with at least 500 million user accounts "was stolen from the company's network in late 2014 by what it believes is a state-sponsored actor." The stolen information included users' names, email addresses, telephone numbers, dates of birth, hashed passwords and, in some cases, encrypted or unencrypted security questions and answers. Reports indicate that this data breach was the largest from a single Internet web site in history.
- 3 The Plaintiff and the proposed class members seek judgment requiring the Defendants, YAHOO! CANADA CO. and/or YAHOO! INC., to remedy the harm caused by their misconduct, which includes compensating the Plaintiff and class members for the resulting account fraud and for all reasonably necessary measures the Plaintiff and class members have had to take in order to identify, safeguard and protect the accounts put at risk by the Defendants, YAHOO! CANADA CO. and/or YAHOO! INC., negligent security.

B. The Parties

The Representative Plaintiff

4. [REDACTED]
[REDACTED]
5. The Plaintiff was an account holder of the Defendants, YAHOO! CANADA CO. and/or YAHOO! INC., during the time of the data breach in 2014 and is one of the approximately 500 million Yahoo users whose personal and/or financial information was compromised and/or stolen as a result of the Defendants, YAHOO! CANADA CO. and/or YAHOO! INC., failing to take reasonable steps to secure and protect such personal and/or financial information.

The Defendants

6. The Defendant, YAHOO! CANADA CO., is a company duly incorporated pursuant to the laws of Canada, registered within British Columbia under number A0079111, and has an attorney, Barbara G. Wohl, at PO Box 11140, Suite 2010 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3, Canada.
7. The Defendant, YAHOO! INC., is a company duly incorporated pursuant to the laws of the State of Delaware, one of the United States of America, and has a registered agent, The Corporation Trust Company, at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, United States of America.
8. The Defendant, YAHOO! INC., is a leading Internet company that provides Internet based services to hundreds of millions of users worldwide, including North America, on a regular and consistent basis. As part of its business, the Defendant, YAHOO! INC., collects and stores large volumes of sensitive personal and/or financial information about its users, including, *inter alia*, the users' names, email addresses, telephone numbers, birth dates, passwords, and security questions linked to a users' account. The Defendant, YAHOO! INC., requires all of this information in order to create an account.

9. At all material times to the cause of action herein, the Defendant, YAHOO! CANADA CO., was and is a wholly owned subsidiary of the Defendant, YAHOO! INC.
10. At all material times to the cause of action herein, the Defendants YAHOO! INC. and YAHOO! CANADA CO., shared the common purpose of operating a host of Internet website services, including, *inter alia*, web portal, search engine and e-mail services in Canada, including within the Province of British Columbia. The business and interests of each of the Defendants is interwoven with that of the other and each is an agent of the other.
11. The Defendants, YAHOO! CANADA CO. and YAHOO! INC., are collectively referred to hereinafter as "Yahoo".

C. The Class

12. This action is brought on behalf of members of a class consisting of the Plaintiff and all British Columbia resident persons (the "BC Class Members"), who were or are account holders of the Defendant, Yahoo, and whose personal and/or financial information was accessed, compromised and/or stolen from the Defendant, Yahoo, in 2014 following a data breach, or such other class definition as the Court may ultimately decide on the motion for certification.

D. Factual Allegations

Company Background

13. The Defendant, Yahoo, was founded in 1994 as a directory of web sites, but developed into a source for searches, email shopping and news. Presently, its services attract one billion visitors a month.
14. The Defendant, Yahoo's, security systems have been breached in the past. In July 2012, a group of hackers based in Eastern Europe breached the Defendant, Yahoo's, security measures and extracted email addresses and passwords that were stored unencrypted

within a Defendant, Yahoo, database. The hackers then posted these login credentials online, in an effort to expose the Defendant, Yahoo's, lax security measures.

15. The Defendant, Yahoo, guarantees its users that it will take certain specific steps to protect the personal and private information the Defendant, Yahoo, requires an individual provide the company in order to create an account. Specifically, the Defendant, Yahoo, promises on its website and in its Privacy Policy the following:

- to "take[] your privacy seriously;"
- to "limit access to personal information about you to employees who we believe reasonably need to come into contact with that information to provide products or services to you or in order to do their jobs;" and
- to "have physical, electronic, and procedural safeguards that comply with our legal obligations to protect personal information about you."

The Security Breach

16. According to the Defendant, Yahoo, it first learned of a potentially massive data breach at some point during the summer of 2016, when hackers posted to underground online forums certain data that they claimed was obtained from the Defendant, Yahoo. It was not clear whether the data came from the Defendant, Yahoo, itself (as opposed to a third-party service), and so the Defendant, Yahoo, launched an investigation, but was unable to confirm whether the stolen data had originated from a breach at the Defendant, Yahoo.
17. Although the Defendant, Yahoo, states that it did not find evidence that the stolen data came from its own systems, it did find evidence of a far more serious breach: according to the Defendant, Yahoo, in 2014, a state-sponsored actor stole account information associated with approximately 500 million users of the Defendant, Yahoo.
18. On or about September 22, 2016, the Defendant, Yahoo, issued a press release announcing that its internal investigation had confirmed that account information associated

with at least 500 million user accounts had been stolen. The press release stated, in part, as follows:

A recent investigation by Yahoo! Inc. (NASDAQ:YHOO) has confirmed that a copy of certain user account information was stolen from the company's network in late 2014 by what it believes is a state-sponsored actor. The account information may have included names, email addresses, telephone numbers, dates of birth, hashed passwords (the vast majority with bcrypt) and, in some cases, encrypted or unencrypted security questions and answers. The ongoing investigation suggests that stolen information did not include unprotected passwords, payment card data, or bank account information; payment card data and bank account information are not stored in the system that the investigation has found to be affected. Based on the ongoing investigation, Yahoo believes that information associated with at least 500 million user accounts was stolen and the investigation has found no evidence that the state-sponsored actor is currently in Yahoo's network. Yahoo is working closely with law enforcement on this matter.

Yahoo is notifying potentially affected users and has taken steps to secure their accounts. These steps include invalidating unencrypted security questions and answers so that they cannot be used to access an account and asking potentially affected users to change their passwords. Yahoo is also recommending that users who haven't changed their passwords since 2014 do so.

Yahoo encourages users to review their online accounts for suspicious activity and to change their password and security questions and answers for any other accounts on which they use the same or similar information used for their Yahoo account. The company further recommends that users avoid clicking on links or downloading attachments from suspicious emails and that they be cautious of unsolicited communications that ask for personal information. Additionally, Yahoo asks users to consider using Yahoo Account Key, a simple authentication tool that eliminates the need to

use a password altogether.

Online intrusions and thefts by state-sponsored actors have become increasingly common across the technology industry. Yahoo and other companies have launched programs to detect and notify users when a company strongly suspects that a state-sponsored actor has targeted an account. Since the inception of Yahoo's program in December 2015, independent of the recent investigation, approximately 10,000 users have received such a notice.

19. The Defendant, Yahoo's, data breach could potentially have major consequences. The stolen data is critical because it not only leads to a single system but to users' connections to their banks, social media profiles, other financial services and users' friends and family.
20. The data breach demonstrates that the Defendant, Yahoo, has acted with reckless disregard for the security of its users' personal and/or financial information that it promised to protect and failed to implement reasonable security measures to protect its users' sensitive personal and/or financial information, despite it being the target of data breaches in the past. As a result of Defendant, Yahoo's, reckless conduct and failure to establish and implement basic data security protocols, despite its knowledge and the warnings of prior data breaches, its users' personal and/or financial information is now in the hands of unauthorized third parties, subjecting the Plaintiff and the BC Class Members to the serious risk of identity theft in a wide variety of forms, potentially for the remainder of their lives.
21. The type of information stolen and/or compromised in this data breach is highly valuable to perpetrators of identity theft. Names, email addresses, telephone numbers, dates of birth, passwords and security question answers can all be used to gain access to a variety of existing accounts and web sites.
22. In addition to compromising existing accounts, personal and/or financial information of the Plaintiff and BC Class Members can be used by identity thieves to open new financial accounts, incur charges in the name of class members, take out loans, clone credit and debit cards and other unauthorized activities.

23. Identity thieves can also use the personal and/or financial information of the Plaintiff and BC Class members to harm them through embarrassment, black mail or harassment in person or online. Further, they can use the personal and/or financial information of the Plaintiff and BC Class Members to commit , *inter alia*, other types of fraud including obtaining identity cards or driver's licenses, conducting immigration fraud, fraudulently obtaining tax returns and refunds and obtaining government benefits.
24. Despite the fact that the data breach took place in 2014, the Defendant, Yahoo, was so reckless in securing its users' personal and/or financial information that it says that it did not even discover the hacking incident until the summer of 2016 – nearly two years after the data breach. This is an unusually long time to identify a data breach or hacking incident.

The Defendant, Yahoo's, Recommended Security Steps

25. In its September 22, 2016 press release announcing the attack, the Defendant, Yahoo, provided a link to a Yahoo Account Security Notice.
26. Also available after following the link provided in the press release was a page detailing Account Security Issues Frequently Asked Questions ("FAQs"). The FAQs provided additional background on the data breach and offered suggestions on how Defendant, Yahoo, users could secure their account.
27. One recommendation was that users place a "security freeze" (also known as a "credit freeze") on their credit files. A security freeze is designed to prevent potential creditors from accessing an individual's credit file at the consumer reporting agencies without the individual's consent, and costs roughly between \$5 and \$20 per freeze. The Defendant, Yahoo, provided instructions on how to implement a security freeze and provided additional details on what the security freeze process entails, but offered no financial assistance.
28. BC Class Members who have placed a security freeze on their credit files should be compensated by the Defendant, Yahoo, for such in light of the Defendant, Yahoo's, failure to adequately secure and protect its users' personal and/or financial information.

Part 2: RELIEF SOUGHT

1. The Plaintiff, on his own behalf, and on behalf of the BC Class Members, claims against the Defendants as follows:
 - (a) an order certifying this action as a class proceeding pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c.50 and appointing the Plaintiff as the named representative of the class;
 - (b) a declaration that the Defendants were negligent in failing to adequately safeguard, protect, store and/or maintain the personal account information of its users;
 - (c) a declaration that the Defendants are vicariously liable for the acts and omissions of their officers, directors, agents, employees and representatives;
 - (d) general damages;
 - (e) punitive, aggravated or exemplary damages
 - (f) interim, interlocutory and permanent orders as are necessary to protect the interests of the Plaintiff and BC Class Members as result of the Defendants data breach, including, *inter alia*, that the Defendants provide appropriate credit monitoring services;
 - (g) a declaration that the Defendant, Yahoo's, Terms of Services with respect to its limitation of liability is unenforceable;
 - (h) costs on a solicitor/client basis;
 - (I) pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79; and
 - (j) such further and other relief as to this Honourable Court may seem just.

Part 3: LEGAL BASIS

A. Jurisdiction

1. There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiff and the BC Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act*, R.S.B.C. 2003, c.28 (the “*CJPTA*”) in respect of these Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10(e)(l), (g) and (h) of the *CJPTA* because this proceeding:

(e)(l) concerns contractual obligations, which to a substantial extent, were to be performed in British Columbia;

(g) concerns a tort committed in British Columbia; and

(h) concerns a business carried on in British Columbia.

B. Causes of Action

Negligence

1. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in full.
2. At all material times to the cause of action herein, the Defendant, Yahoo, owed a duty to the Plaintiff and BC Class Members to exercise reasonable care in safeguarding and protecting their personal and/or financial information in its possession from being compromised, lost, stolen, misused, and or/disclosed to unauthorized third parties.
3. The Defendant, Yahoo, breached its duty of care to the Plaintiff and BC Class Members, the particulars, *inter alia*, of which are:

- (a) failing to adopt, implement and maintain adequate security measures to safeguard and protect the Plaintiff and BC Class Members personal and/or financial information;
 - (b) failing to design, maintain and test its security systems to ensure that the personal and/or financial information of the Plaintiff and BC Class Members was adequately secured and protected;
 - (c) failing to implement processes that would detect a breach of their security system in a timely manner;
 - (d) allowing unauthorized access to the Plaintiff's and BC Class Members' personal and/or financial information stored by the Defendant, Yahoo;
 - (e) failing to recognize in a timely manner the data breach;
 - (f) failing to disclose to the Plaintiff and BC Class members in a timely manner that their personal and/or financial information had been or was reasonably believed to have been stolen and/or compromised so that they could take appropriate measures to cancel or change user names, pin numbers and passwords on compromised and/or stolen accounts, to begin monitoring their accounts for unauthorized access, to contact the credit bureaus to request freezes or place alerts and take any and all other appropriate precautions; and
 - (g) failing to comply with industry regulations;
4. But for the Defendant, Yahoo's, wrongful and negligent breach of its duties owed to the Plaintiff and BC Class Members, their personal and/or financial information would not have been compromised, stolen and/or viewed by unauthorized third parties.
5. The injury and harm suffered by the Plaintiff and BC Class Members was the reasonably foreseeable result of the Defendant, Yahoo's, failure to exercise reasonable care in safeguarding and protecting the personal and/or financial information of the Plaintiff and BC

Class Members. The Defendant, Yahoo, knew or ought to have known that its systems and technologies for processing and securing the personal and/or financial information of the Plaintiff and BC Class Members had security vulnerabilities.

6. As a direct and proximate cause of the Defendant, Yahoo's, negligent and/or reckless conduct, the Plaintiff and BC Class Members suffered injury through the public disclosure of their personal and/or financial information, the unauthorized access to Internet accounts containing additional personal and/or financial information and through the heightened risk of unauthorized third parties stealing additional personal and /or financial information. The Plaintiff and BC Class Members have also incurred the cost of taking measures to identify and safeguard accounts put at risk by disclosure of their personal and/or financial information compromised and/or stolen from the Defendant, Yahoo, including, *inter alia*, placing a security freeze on their credit file.

Bailment

7. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in full.
8. The Plaintiff and BC Class Members delivered their personal and/or financial information to the Defendant, Yahoo, for the exclusive purpose of creating a user account with the Defendant, Yahoo.
9. In delivering their personal and/or financial information to the Defendant, Yahoo, the Plaintiff and BC Class Members intended and understood that the Defendant, Yahoo, would adequately safeguard and protect their personal and/or financial information.
10. The Defendant, Yahoo, accepted possession of the Plaintiff's and BC Class Members' personal and/or financial information for the purpose of creating a user account with the Defendant, Yahoo.
11. By accepting possession of the Plaintiff's and BC Class Members' personal and/or financial information, the Defendant, Yahoo, understood that the Plaintiff and BC Class Members

expected the Defendant, Yahoo, to adequately safeguard and protect their personal and/or financial information. As such, a bailment and/or deposit was established for the mutual benefit of the parties.

12. During the bailment and/or deposit, the Defendant, Yahoo, owed a duty to the Plaintiff and BC Class Members to exercise reasonable care, diligence and prudence in safeguarding and protecting their personal and/or financial information.
13. The Defendant, Yahoo, breached its duty of care by failing to take appropriate measures to safeguard and protect the Plaintiff's and BC Class Members' personal and/or financial information, resulting in the unlawful and unauthorized access to and misuse of their personal and/or financial information by third parties.
14. The Defendant, Yahoo, further breached its duty to safeguard and protect the Plaintiff's and BC Class Members' personal and/or financial information by failing to timely and accurately notify them that their information had been compromised and/or stolen as a result of the data breach.
15. As a direct and proximate cause of the Defendant, Yahoo's, breach of its duty, the Plaintiff and BC Class Members suffered consequential damages that were reasonably foreseeable to the Defendant, Yahoo, including, but not limited to, the damages set forth herein.
16. Further, as a direct and proximate cause of the Defendant, Yahoo's, breach of its duty, the personal and/or information of the Plaintiff and BC Class Members entrusted to the Defendant, Yahoo, during the bailment and/or deposit was damaged and its value diminished.

Breach of Privacy

17. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in full.
18. The Plaintiff and BC Class Members plead that the Defendant, Yahoo, is liable for the

damages suffered by them resulting from the disclosure, loss and/or misuse of their personal and/or financial information as a result of the said data breach.

19. The Plaintiff and BC Class Members provided their personal and/or financial information to the Defendant, Yahoo, with a reasonable expectation that their privacy would be protected and maintained.
20. Through the Defendant, Yahoo's, negligence or wrongdoing, as alleged herein, the Plaintiff's and BC Class Members' personal and/or financial information became available and was deliberately and unlawfully accessed by unauthorized third parties, without the Plaintiff's and BC Class Members' knowledge or consent.
21. By permitting unauthorized third parties to access the Plaintiff's and BC Class Members' personal and/or financial information the Defendant, Yahoo, breached the Plaintiff's and BC Class Members' common law and statutory right to privacy, including, but not limited to, the tort of intrusion upon seclusion and the federal *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5 which the Plaintiff and BC Class Members plead and rely upon.
22. The loss of the Plaintiff's and BC Class Members' private information occasioned by the Defendant, Yahoo's, lax security measures was highly offensive to the Plaintiff and BC Class Members, causing them distress, humiliation and/or anguish.

Breach of Fiduciary Duty

23. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in full.
24. The Defendant, Yahoo, was in a fiduciary relationship with the Plaintiff and BC Class Members by reason of their entrustment with personal and/or financial information belonging to the Plaintiff and BC Class Members.
25. By virtue of this fiduciary relationship and the vulnerability of the Plaintiff and BC Class

Members, the Defendant, Yahoo, had a duty of care to use reasonable means to keep the private information of the Plaintiff and BC Class Members strictly confidential and secure. The Defendant, Yahoo, unlawfully breached this duty.

Breach of Contract

26. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in full.
27. When providing personal and/or financial information to the Defendant, Yahoo, in order to use its Internet web site services, the Plaintiff and BC Class Members entered into implied contracts with the Defendant, Yahoo, whereby the Defendant, Yahoo, would safeguard and protect the Plaintiff's and BC Class Members' personal and/or financial information and notify them promptly of any and all compromise and/or theft of such.
28. Without such implied contracts, the Plaintiff and BC Class Members would not have provided their personal and/or financial information to the Defendant, Yahoo, in order to use its Internet web site services.
29. The Plaintiff and BC Class Members plead that they are also third party beneficiaries of contracts entered into between the Defendant, Yahoo, and various third parties. These contracts require that the Defendant, Yahoo, safeguard and protect the personal and/or financial information of the Plaintiff and BC Class Members.
30. The Plaintiff and BC Class Members plead that the Defendant, Yahoo, breached the said contracts by permitting or failing to prevent the compromise and/or theft of the personal and/or financial information of the Plaintiff and BC Class Members as a result of the data breach, all of which has caused the Plaintiff and BC Class Members to suffer loss and damage.

Negligent Misrepresentation

31. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in

full.

32. By virtue of the trust reposed in the Defendant, Yahoo, by the Plaintiff and BC Class Members, there existed a special relationship between the parties giving rise to a duty of care owed by the Defendant, Yahoo, to the Plaintiff and BC Class Members.
33. The Defendant, Yahoo, represented to the Plaintiff and BC Class Members that any personal and/or financial information provided by the Plaintiff and BC Class Members to the Defendant, Yahoo, would be secure and protected from unauthorized access by third parties. The Defendant, Yahoo, ought reasonably to have foreseen that the Plaintiff and BC Class Members would reasonably rely on that representation.
34. The Defendant, Yahoo's, representations that personal and/or financial information received by it from the Plaintiff and BC Class Members would be adequately safeguarded and protected was untrue, inaccurate and/or misleading. The representations were made negligently.
35. The Plaintiff and BC Class Members reasonably relied on these misrepresentations to their detriment.

Violation of the *Business Practices and Consumer Protection Act*, S.B.C. 2004 ("BPCPA")

36. The Plaintiff re-alleges all prior paragraphs of the Notice of Civil Claim as if set out here in full.
37. The BPCPA was enacted to protect consumers against unfair and/or deceptive business practices. It extends to transactions that are intended to result, or which have resulted, in the sale of goods or services to consumers. The Defendant, Yahoo's, acts, omissions, representations and/or practices as described herein fall within the BPCPA.
38. The Plaintiff and BC Class Members are "consumers" within the meaning of the BPCPA.
39. The Defendant, Yahoo's, acts, omissions, misrepresentations and/or practices were and are

likely to deceive consumers. By misrepresenting the safety and security of its electronic, health and customer information databases, the Defendant, Yahoo, violated the BPCPA. The Defendant, Yahoo, had exclusive knowledge of undisclosed material facts, namely, that its consumer databases were defective and/or unsecure, and withheld that knowledge from Plaintiff and BC Class Members.

40. The Defendant, Yahoo's, acts, omissions, misrepresentations and/or practices, as alleged herein, violated the BPCPA, the particulars, *inter alia*, of which are:

(a) representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have;

(b) representing that goods or services are of a particular standard, quality, or grade when they are not; and

(c) representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not.

41. The Defendant, Yahoo, stored the Plaintiffs' and BC Class Members' personal and/or financial information in its electronic and consumer information databases. The Defendant, Yahoo, represented to the Plaintiff and BC Class Members that its databases were secure and that customers' personal and/or financial information would remain private and protected.

42. The Defendant, Yahoo, engaged in deceptive acts and/or business practices by providing in its website that "protecting our systems and our users' information is paramount to ensuring Yahoo users enjoy a secure user experience and maintaining our users' trust."

43. The Defendant, Yahoo, knew or ought to have known that it did not employ reasonable measures to keep the Plaintiff's' and BC Class Members' personal and/or financial information secure and prevented the loss or misuse of that information.

44. The Defendant, Yahoo's, deceptive acts and/or business practices induced the Plaintiff and

BC Class Members to use its online Internet services, and to provide their personal and/or financial information. But for these deceptive acts and/or business practices, the Plaintiff and BC Class Members would not have provided that information to Defendant, Yahoo.

45. The Defendant, Yahoo's, representations that it would secure and protect the Plaintiff's and BC Class Members personal and/or financial information in its possession were facts that reasonable persons could be expected to rely upon when deciding whether to use the Defendant, Yahoo's, online Internet services.
46. The Plaintiff and BC Class Members were harmed as the result of Defendant, Yahoo's violations of the BPCPA, because their personal and/or financial information were compromised and/or stolen, placing them at a greater risk of identity theft and their personal and/or financial information was disclosed to unauthorized third parties without their consent.
47. The Plaintiff and BC Class members have suffered loss or damage as a result of the Defendant, Yahoo's, failure to adequately safeguard, protect, secure and/or maintain the Plaintiff's and BC Class Members personal and/or financial information.

Breach of the *Sale of Goods Act*, R.S.B.C 1996, c.410 & *Competition Act*, R.S.C. 1985, c-34

48. The Plaintiff and BC Class Members plead and rely upon the *Sale of Goods Act* and the federal *Competition Act*.
49. In particular, the Plaintiff and BC Class Members plead, *inter alia*, that:
 - (a) it is an implied condition pursuant to the *Sale of Goods Act* that goods shall be of merchantable quality and shall be reasonably fit for the purpose for which the goods are required; and
 - (b) it is a contravention of the *Competition Act* when a person, for the purpose of promoting, directly or indirectly, the supply or use of a product, knowingly or recklessly makes representations to the public that are false or misleading in

material respects.

50. The Plaintiff and BC Class Members plead that the Defendant, Yahoo, breached the *Sale of Goods Act* and *Competition Act* in that:
- (a) its Internet web site services and/or systems were not of merchantable quality and were not reasonably fit for the purpose for which they are required. Specifically, that its Internet web site services were not secure such that personal and/or financial information provided by the Plaintiff and BC Class Members to the Defendant, Yahoo, was improperly accessed or made available to unauthorized third parties;
 - (b) the Defendant, Yahoo, engaged in unfair practices by falsely, misleadingly and/or deceptively representing that its Internet web site services were secure and that personal and/or financial information provided by the Plaintiff and BC Class Members to the Defendant, Yahoo, would be adequately safeguarded and protected. The representations were made intending that the Plaintiff and BC Class Members would rely upon them in using the Defendant, Yahoo's, Internet web site services. The Plaintiff and BC Class Members did, in fact, rely upon these representations when using the Defendant, Yahoo's, Internet web site services; and
 - (c) the Defendant, Yahoo, for the purpose of promoting, directly or indirectly, the supply or use of its goods and services, knowingly or recklessly made representations to the public that were false or misleading in material respects, in that it did not disclose the adequacy of the security of its Internet web site services. The representations were made for the purpose of inducing the Plaintiff and BC Class Members to use the Defendant, Yahoo's, Internet web site services. The Plaintiff and BC Class Members did, in fact, rely upon these representations when they used the Defendant, Yahoo's, Internet web site services.

Plaintiff's(s') address for service:

Garcha & Company
Barristers & Solicitors
#405 - 4603 Kingsway
Burnaby, BC V5H 4M4

Fax number address for service (if any):

604-435-4944

E-mail address for service (if any):

none

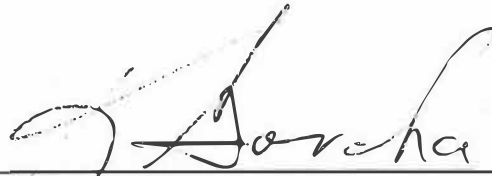
Place of trial:

Vancouver, BC

The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1

Dated: September 26, 2016

A handwritten signature in black ink, appearing to read 'K.S. Garcha', written over a horizontal line.

Signature of K.S. Garcha
lawyer for plaintiff(s)

**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE
BRITISH COLUMBIA**

There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiff and the Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act* R.S.B.C. 2003 c.28 (the "*CJPTA*") in respect of these Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10 (e)(l), (g) and (h) of the *CJPTA* because this proceeding:

- (e)(l) concerns contractual obligations, which to a substantial extent, were to be performed in British Columbia;
- (g) concerns a tort committed in British Columbia; and
- (h) concerns a business carried on in British Columbia.

Rule 7-1(1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

- (a) prepare a list of documents in Form 22 that lists
 - (l) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
- (b) serve the list on all parties of record.

APPENDIX

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is a proposed class proceeding brought on behalf of the Plaintiff and all British Columbia resident persons who were or are account holders of the Defendant, Yahoo, and whose personal and/or financial information was accessed, compromised and/or stolen from the Defendant, Yahoo, following a data breach by unauthorized third parties.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- ☐ motor vehicle accident
- ☐ medical malpractice
- ☐ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☐ the provision of goods or services or other general commercial matters
- ☐ investment losses
- ☐ the lending of money
- ☐ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☒ a matter not listed here

Part 3: THIS CLAIM INVOLVES:

- ☒ a class action
- ☐ maritime law
- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☐ none of the above
- ☐ do not know

Part 4:

1. *Class Proceedings Act*, R.S.B.C. 1996, c.50
 2. *Court Jurisdiction and Proceedings Transfer Act* R.S.B.C. 2003 c.28
 3. *Business Practices and Consumer Protection Act*, S.B.C. 2004 ;
 4. *Sale of Goods Act*, R.S.B.C 1996, c.410
 5. *Negligence Act*, R.S.B.C. 1996, c.333
 6. *Competition Act*, R.S.C. 1985, C-34
 7. *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5
 8. *Court Order Interest Act*, R.S.B.C., c. 79
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