

1 **BURSOR & FISHER, P.A.**
L. Timothy Fisher (State Bar No. 191626)
2 Joel D. Smith (State Bar No. 244902)
3 1990 North California Blvd., Suite 940
Walnut Creek, CA 94596
4 Telephone: (925) 300-4455
Facsimile: (925) 407-2700
5 E-Mail: ltfisher@bursor.com
jsmith@bursor.com
6

7 *Counsel for Plaintiff*

8
9 UNITED STATES DISTRICT COURT
10 EASTERN DISTRICT OF CALIFORNIA

11 JOYCE MERCADAL, individually and on behalf
12 of all others similarly situated,

13 Plaintiff,

14 v.

15 GENERAL ELECTRIC COMPANY and
16 CANON BUSINESS PROCESS SERVICES,
INC.,

17 Defendants.
18
19
20
21
22
23
24
25
26
27
28

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

1 Plaintiff Joyce Mercadal (“Plaintiff” or “Ms. Mercadal”), by and through her attorneys,
2 makes the following allegations against Defendant General Electric Company (“GE”) and Defendant
3 Canon Business Process Services, Inc. (“Canon”) (collectively, “Defendants”) pursuant to the
4 investigations of her counsel and upon information and belief, except as to the allegations
5 specifically pertaining to herself or her counsel, which are based on personal knowledge.

6 INTRODUCTION

7 1. Plaintiff brings this class action against Defendants for their failure to secure and
8 safeguard her personal identifying information (“Personal Information”), and the Personal
9 Information of hundreds of thousands of other current and former GE employees, as well as the GE
10 employees’ beneficiaries.

11 2. General Electric is a global high-tech industrial company primarily engaged in
12 energy, healthcare, and transportation. General Electric utilizes Canon Business Process Services
13 in connection with the administration of employee benefits.

14 3. Unfortunately for current and former GE employees entitled to benefits, between
15 approximately February 3, 2020 and February 14, 2020, Canon experienced a data breach in which
16 hackers accessed the Personal Information of numerous current and former GE employees entitled
17 to benefits, including their beneficiaries (hereinafter, the “Data Breach”).¹

18 4. According to GE, hackers gained access to, at minimum, the below categories of
19 information:²

20
21 direct deposit forms, driver’s licenses, passports, birth certificates,
22 marriage certificates, death certificates, medical child support orders, tax
23 withholding forms, beneficiary designation forms and applications for benefits
24 documents, may have included names, addresses, Social Security numbers,
25 driver’s license numbers, bank account numbers, passport numbers, dates of
26 birth, and other information contained in the relevant forms.

27 ¹ <https://www.documentcloud.org/documents/6817907-GE-Canon-Notice-of-Data-Breach.html>

28 ² <https://www.bleepingcomputer.com/news/security/tech-giant-ge-discloses-data-breach-after-service-provider-hack/>

1 5. As set forth herein, the Data Breach was the inevitable result of Defendants'
2 inadequate approach to data security and their failure to protect Class Members' Personal
3 Information that they collected, maintained, and disseminated during the course of their business.

4 6. Defendants' actions and omissions violate well-established legal and statutory duties
5 they owed to Plaintiff and Class Members.

6 7. Plaintiff brings this action on behalf of herself and all others similarly situated for
7 actual damages, as well as punitive damages and equitable and injunctive relief to fully redress the
8 widespread harm Defendants' wrongful acts and omissions have unleashed.

9 **PARTIES**

10 8. Plaintiff Joyce Mercadal is, and at all times mentioned herein was, a resident of Citrus
11 Heights, California and a citizen of the State of California. Ms. Mercadal was a GE employee for 17
12 years. Accordingly, Ms. Mercadal's Personal Information was stored by GE and Canon, and later
13 stolen and put at risk during the Data Breach. The Data Breach and disclosure of the Personal
14 Information has immediately, directly and substantially increased Ms. Mercadal's risk of identity
15 theft. Indeed, information such as data breach victims' names, birth dates, social security numbers,
16 bank account numbers, passport numbers, tax withholding numbers, and other identifying
17 information creates a material risk of identity theft. As a result of the Data Breach, Ms. Mercadal
18 also has suffered a loss of privacy, nuisance and diminished value of Personal Information, and must
19 now expend additional time and money mitigating the threat of identity theft that would not be
20 necessary but for the Data Breach.

21 9. Defendant General Electric Company is a New York corporation with its principal
22 place of business at 5 Necco Street, Boston, Massachusetts, 02210.

23 10. Defendant Canon Business Process Services, Inc. is a Delaware corporation with its
24 principal place of business at 261 Madison Ave., New York, New York, 10016.

25 **JURISDICTION AND VENUE**

26 11. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§
27 1331 and 1337, as well as jurisdiction over the state law claims pursuant to 28 U.S.C. §§ 1332(d) and
28

1 1367 because this is a class action in which the matter or controversy exceeds the sum of \$5,000,000,
2 exclusive of interest and costs, and in which some members of the proposed Classes are citizens of a
3 state different from the Defendant.

4 12. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 (b), (c), and (d),
5 because a substantial part of the events giving rise to Plaintiff's claims occurred in this District.

6 13. This Court has personal jurisdiction because Defendant does business in this District
7 and a substantial part of the events and injury giving rise to Plaintiff's claims occurred in this
8 District.

9 **FACTS COMMON TO ALL CLAIMS**

10 14. GE is a for-profit Fortune 500 technology giant that conducts business in over 180
11 countries and, according to GE's 2018 annual report, has over 280,000 employees.³ As mentioned
12 above, GE utilizes Canon as a service provider in connection with administering the benefits of
13 current employees, former employees, and the beneficiaries of current and former employees.

14 15. On March 20, 2020, GE filed a Notice of Data Breach with the State of California
15 that stated: "Recently GE was informed that one of our service providers, Canon Business Process
16 Services, Inc. ('Canon'), experienced a data security incident. GE contracts with Canon to process
17 documents of GE employees, former employees, and beneficiaries entitled to benefits."

18 16. The Notice of Data Breach also states that "affected documents" include "personal
19 information[]" which was contained in documents such as direct deposit forms, driver's licenses,
20 passports, birth certificates, marriage certificates, death certificates, medical child support orders,
21 tax withholding forms, beneficiary designation forms and application for benefits such as
22 retirement, severance and death benefits with related forms and documents, may have included
23 names, addresses, Social Security numbers, driver's license numbers, bank account numbers,
24 passport numbers, dates of birth, and other information contained in the relevant forms."

25 17. As discussed above, Defendants acknowledges that they have failed to meet their
26

27 ³ http://www.annualreports.com/HostedData/AnnualReports/PDF/NYSE_GE_2018.pdf
28

1 responsibility to protect the Personal Information of Plaintiff and Class Members. Indeed,
2 recognizing the imminent and direct threat of injury caused by the Data Breach, GE recommended
3 that those affected by the Data Breach “take steps to protect [themselves],” including credit
4 monitoring and identity protection.

5 18. Unfortunately for Plaintiff and Class Members, the ramifications of Defendants’
6 failure to keep Plaintiff’s and Class Members’ data secure are severe. The FTC defines identity
7 theft as “a fraud committed or attempted using the identifying information of another person
8 without authority.” 17 C.F.R § 248.201. The FTC describes “identifying information” as “any
9 name or number that may be used, alone or in conjunction with any other information, to identify a
10 specific person.” Id.

11 19. Personal identifying information is a valuable commodity to identity thieves once
12 the information has been compromised. As the FTC recognizes, once identity thieves have
13 personal information, “they can drain your bank account, run up your credit cards, open new utility
14 accounts, or get medical treatment on your health insurance.”⁴

15 20. Identity thieves can use personal information, such as that of Plaintiff and Class
16 Members, which Defendants failed to keep secure, to perpetrate a variety of crimes that harm
17 victims. For instance, identity thieves may commit various types of government fraud such as:
18 immigration fraud; obtaining a driver’s license or identification card in the victim’s name but with
19 another’s picture; using the victim’s information to obtain government benefits; or filing a
20 fraudulent tax return using the victim’s information to obtain a fraudulent refund.

21 21. Annual monetary losses from identity theft are in the billions of dollars. According
22 to a Presidential Report on identity theft produced in 2007:

23 In addition to the losses that result when identity thieves fraudulently open accounts
24 . . . individual victims often suffer indirect financial costs, including the costs incurred
25 in both civil litigation initiated by creditors and in overcoming the many obstacles
26 they face in obtaining or retaining credit. Victims of non-financial identity theft, for

27 ⁴ Federal Trade Commission, Warning Signs of Identity Theft (May 2015), available at
28 <https://www.consumer.ftc.gov/articles/0271-warning-signs-identity-theft> (last visited June 18,
2019).

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.