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16 *Counsel for Plaintiff and the Proposed Class*

17 UNITED STATES DISTRICT COURT FOR THE
18 NORTHERN DISTRICT OF CALIFORNIA

19 ANTHONY FARMER, on behalf of
20 himself and all others similarly situated,

21 Plaintiff,

22
23 v.

24 AIRBNB, INC.; AIRBNB
25 PAYMENTS, INC.,

26 Defendants.
27
28

Case No. 3:20-cv-7842

CLASS ACTION COMPLAINT
DEMAND FOR JURY TRIAL

INTRODUCTION

1. As the COVID-19 pandemic reached the United States earlier this year, Airbnb announced that it would allow Guests to cancel their reservations for a full refund and no cancellation fees.

2. Airbnb is planning an IPO for later in the year and needed the positive press. But that press came at the expense of Hosts, who had negotiated their own cancellation policies with Guests and were hurt as much as anyone by the pandemic's sudden impact on travel.

3. Airbnb soon apologized to Hosts and announced that it was establishing a \$250 million fund to help pay Hosts for cancelled bookings. It turns out, however, that this was yet another ruse to burnish the company's public image, and that Airbnb was in effect paying Hosts with their own money.

4. Airbnb had not actually issued full refunds to Guests as it said it would. Instead, Airbnb rejected many Guests' refund requests, forced others to accept travel credits that expire next year, and issued only partial refunds to still more Guests.

5. Airbnb then kept the remaining funds for itself—ignoring its fiduciary and contractual obligations to remit any such money to Hosts.

6. Plaintiff is one of the hundreds of thousands of Hosts who have been shortchanged by Airbnb. He brings this proposed class action in an effort to stop Airbnb's unlawful conduct, compel Airbnb to make a full accounting to Hosts, and require Airbnb to compensate Hosts for profiting at their expense.

JURISDICTION

7. The Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(d)(2) because this is a class action in which the amount in controversy exceeds \$5,000,000, exclusive of interest and costs; in the aggregate, there are more than 100 members in the proposed class; and at least one class member is a citizen of a state different from Defendant.

1 15. Airbnb users are required to agree to Payments Terms of Service, which
2 appoint Airbnb Payments as the Hosts' agent for collecting payment from Guests and
3 obligates Airbnb Payments to turn over collected fees to Hosts.

4 16. In a typical transaction, Airbnb Payments will collect payment from the Guest
5 at the time of booking, hold that payment until after the designated check-in time, and then
6 transfer the payment to the Host after deducting taxes and Airbnb's service fee.

7 17. In the event that a Guest cancels a confirmed booking, the Payments Terms
8 require Airbnb Payments to "remit a Payout of any portion of the Total Fees due to [the
9 Host] under the applicable cancellation policy." Payments Terms, ¶ 7.2.4.

10 18. The "applicable cancellation policy" is the cancellation policy displayed on
11 the property listing and agreed to by the Guest at the time of booking. As Airbnb states in
12 its Terms of Service, "Upon receipt of a booking confirmation from Airbnb, a legally
13 binding agreement is formed between you and your Host, subject to any additional terms
14 and conditions of the Host that apply, including in particular the applicable cancellation
15 policy."

16 19. Hosts may choose from among six cancellation policies to include with their
17 listings: "Flexible," "Moderate," "Strict," "Long Term," "Super Strict 30 days," and "Super
18 Strict 60 days." See https://www.airbnb.com/home/cancellation_policies.

19 20. Depending on which of these policies was agreed to by the Host and Guest, a
20 portion of the Guest's payment may be non-refundable upon cancellation. Under the
21 Payments Terms, that non-refundable portion—less taxes and Airbnb's service fee—must
22 be turned over to the Host by Airbnb Payments. Payments Terms, ¶ 7.2.3-7.2.4.

23 **B. Airbnb's Extenuating Circumstances Policy**

24 21. The portion of the Payments Terms concerning "Payouts" does not include
25 any exception for extenuating circumstances, but a section dealing with "Fees improperly
26 paid to you as a Host" provides that if "Airbnb issues a refund to the Guest in accordance
27 with the [Airbnb Terms](#), [Guest Refund Policy](#), [Experiences Guest Refund Policy](#),
28 [Extenuating Circumstances Policy](#), or other applicable cancellation policy, you agree that in

1 the event you have already been paid, Airbnb Payments will be entitled to recover the
2 amount of any such refund from you, including by subtracting such refund amount out
3 from any future Payouts due to you.”

4 22. Airbnb’s Terms of Service also makes reference to the Extenuating
5 Circumstances Policy, stating in relevant part, “Unless [extenuating circumstances](#) exist, any
6 portion of the Total Fees due to the Host under the applicable cancellation policy will be
7 remitted to the Host by Airbnb Payments pursuant to the [Payments Terms](#).” Terms, ¶ 9.2.

8 23. Similarly, in answer to the question, “What happens to my payout if my
9 guest cancels,” Airbnb’s Help Center states, “If a guest cancels (either before or during a
10 trip), they’re automatically refunded according to your cancellation policy, unless the
11 cancellation qualifies for an additional refund under the [Guest Refund Policy](#) or because of
12 a documented [extenuating circumstance](#).”

13 24. The hyperlinks concerning extenuating circumstances in the Payments Terms,
14 Terms of Service, and Help Center all currently direct the user to
15 <https://www.airbnb.com/help/article/1320/extenuating-circumstances-policy>, which
16 describes Airbnb’s current Extenuating Circumstances Policy. That same Extenuating
17 Circumstances Policy is also referenced and hyperlinked three additional times in the
18 Term’s section on Booking Modifications, Cancellations and Refunds.

19 25. Airbnb’s Extenuating Circumstances Policy is reserved for rare and
20 unforeseen events that arise between booking and the scheduled check-in date, and
21 requires supporting documentation or special review before Airbnb will approve refunds.

22 26. The Extenuating Circumstances Policy currently states that Airbnb may be
23 able to offer a full refund in the event of certain unexpected events, including death;
24 serious illness or injury; urgent travel restrictions or severe security advisories; natural
25 disaster; or epidemic disease.

26 27. The Extenuating Circumstances Policy has changed somewhat over time,
27 however, and while the precise dates of all such changes are not clear from publicly
28 available information, Plaintiff alleges upon information and belief that prior to the

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