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11 *Local Solutions, Inc., Comerica Bank, and*
Conduent Business Services, LLC

12 **UNITED STATES DISTRICT COURT**

13 **EASTERN DISTRICT OF CALIFORNIA – SACRAMENTO DIVISION**

14 PAULA SPARKMAN, on behalf of herself
15 and all others similarly situated,

16 Plaintiff,

17 v.

18 COMERICA BANK, a foreign corporation,
19 CONDUENT BUSINESS SERVICES,
20 LLC, a foreign limited liability corporation,
CONDUENT STATE & LOCAL
SOLUTIONS, INC., a foreign corporation,

21 Defendants.

CASE NO. 2:24-CV-01206-DJC-DMC

**DEFENDANTS COMERICA BANK'S
AND CONDUENT STATE & LOCAL
SOLUTIONS, INC.'S ANSWER TO
CLASS ACTION COMPLAINT**

Hon. Daniel J. Calabretta
Courtroom 10, 13th Floor
Robert T. Matsui United States Courthouse
501 I Street
Sacramento, CA 95814

22
23 Defendants Comerica Bank (“Comerica”) and Conduent State & Local Solutions,
24 Inc. (“CSLS” and with Comerica, “Defendants”)¹, by and through their undersigned
25
26
27

28 ¹ The Parties have reached an agreement to dismiss Conduent Business Services, LLC from this lawsuit without prejudice.

counsel, hereby file their Answer and Affirmative Defenses to the Class Action Complaint (the “Complaint”) of Plaintiff Paula Sparkman (“Plaintiff”), and state as follows:

I. NATURE OF ACTION

1. Defendants admit that they issued a Way2Go Card to Plaintiff. Defendants are without sufficient information to form a belief as to the truth or falsity of the remaining allegations in paragraph 1 of the Complaint, and therefore deny same.

2. Defendants admit the allegations contained in paragraph 2 of the Complaint.

3. Defendants deny the allegations contained in paragraph 3 of the Complaint. By way of further response, California permits individuals receiving child support funds in California to receive such funds via direct deposit and by check, in addition to via electronic payment card. *See Payment Options*, California Child Support Services, <https://childsupport.ca.gov/payment-options/> (last accessed on May 10, 2024).

4. Defendants deny the allegations contained in paragraph 4 of the Complaint.

5. Defendants deny the allegations contained in paragraph 5 of the Complaint.

6. Defendants admit that Plaintiff purports to bring a claim on behalf of herself and other Californians. Defendant denies the remaining allegations in paragraph 6 of the Complaint.

II. JURISDICTION AND VENUE

7. Defendants respond that paragraph 7 of the Complaint contains a legal conclusion to which no response is required. To the extent a response is required, Defendants deny the allegations contained in paragraph 7 of the Complaint.

8. Defendants respond that paragraph 8 of the Complaint contains a legal conclusion to which no response is required. To the extent a response is required, Defendants deny the allegations contained in paragraph 8 of the Complaint.

III. PARTIES

9. Defendants are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 9 of the Complaint, and therefore deny same.

10. Defendants admit the allegations contained in paragraph 10 of the Complaint.

1 11. Defendants admit the allegations contained in paragraph 11 of the Complaint.

2 12. The parties have agreed to dismiss Conduent Business Services, LLC from
3 this action and, thus, Defendants do not need to respond to the allegations contained in
4 paragraph 12 of the Complaint. To the extent a response is required, Defendants admit that
5 Conduent Business Services, LLC is a Delaware limited liability *company* with its
6 corporate headquarters in Florham Park, New Jersey. Except as otherwise admitted,
7 Defendants deny the allegations contained in paragraph 12 of the Complaint.

8 **IV. FACTUAL ALLEGATIONS**

9 13. Defendants are without sufficient information to form a belief as to the truth
10 or falsity of the allegations in paragraph 13 of the Complaint, and therefore deny the same.

11 14. Defendants are without sufficient information to form a belief as to the truth
12 or falsity of the allegations set forth in the first sentence of paragraph 14 of the Complaint,
13 and therefore deny the same. Defendants admit that CSLS contracts with California Child
14 Support Services to disburse child support payments to recipients through prepaid debit
15 cards.

16 15. Defendants are without sufficient information to form a belief as to the truth
17 or falsity of the allegations in paragraph 15 of the Complaint, and therefore deny the same.

18 16. Defendants respond that Plaintiff purports to quote from a document and that
19 the document speaks for itself. To the extent a response is required, Defendants admit that
20 the Terms of Use contain the language quoted in paragraph 16 of the Complaint.

21 17. Defendants are without sufficient information to form a belief as to the truth
22 or falsity of the allegations in paragraph 17 of the Complaint, and therefore deny the same.

23 18. Defendants admit that Plaintiff called Defendants at approximately 2:31 p.m.
24 on June 26, 2023. Except as otherwise admitted, Defendants are without sufficient
25 information to form a belief as to the truth or falsity of the allegations in paragraph 18 of
26 the Complaint, and therefore deny the same.

27 19. Defendants admit that Plaintiff called Defendants at approximately 2:34 p.m.
28 on June 26, 2023. Except as otherwise admitted, Defendants are without sufficient

1 information to form a belief as to the truth or falsity of the allegations in paragraph 19 of
2 the Complaint, and therefore deny the same.

3 20. Defendants admit that Plaintiff called Defendants at approximately 2:46 p.m.
4 on June 26, 2023. Except as otherwise admitted, Defendants are without sufficient
5 information to form a belief as to the truth or falsity of the allegations in paragraph 20 of
6 the Complaint, and therefore deny the same.

7 21. Defendants admit that Plaintiff called Defendants at approximately 2:49 p.m.
8 on June 26, 2023. Except as otherwise admitted, Defendants are without sufficient
9 information to form a belief as to the truth or falsity of the allegations in paragraph 21 of
10 the Complaint, and therefore deny the same.

11 22. Defendants deny that Plaintiff made no other calls to Defendants during the
12 month of June 2023. By way of further response, Plaintiff called Defendants' IVR
13 telephone line on June 8, 2023. Except as otherwise admitted, Defendants deny the
14 allegations in paragraph 22 of the Complaint.

15 23. Defendants respond that Plaintiff purports to quote from a document and that
16 the document speaks for itself. To the extent a response is required, Defendants deny
17 Plaintiff's characterization of the Terms of Use alleged in paragraph 23 of the Complaint.

18 24. Defendants deny the allegations contained in paragraph 24 of the Complaint.
19 By way of further response, Defendants' records reflect that Plaintiff made five calls to
20 Defendants in June 2023: one on June 8, 2023 and four on June 26, 2023. Defendants
21 further state that on October 5, 2023—four months before this action was filed—and
22 without admitting any fault whatsoever, Defendants credited Plaintiff's account with the
23 \$1.00 that is the basis for the allegations in this putative class action lawsuit.

24 **V. CLASS ACTION ALLEGATIONS**

25 25. No response is required to the allegations in paragraph 25 of the Complaint
26 to the extent they identify the putative classes Plaintiff seeks to represent or the purpose of
27 the Complaint. To the extent the allegations allege that Plaintiff has adequately identified
28 a class in compliance with Fed. R. Civ. P. 23, the allegations state conclusions of law, not

1 averments of fact. Therefore, no response is required. Defendants deny all remaining
2 allegations contained in paragraph 25 of the Complaint, including that any class can be
3 certified.

4 26. Defendants deny the allegations contained in paragraph 26 of the Complaint.

5 27. Defendants deny the allegations contained in paragraph 27 of the Complaint.

6 28. Defendants deny the allegations contained in paragraph 28 of the Complaint.

7 29. Defendants deny the allegations contained in paragraph 29 of the Complaint.

8 30. Defendants deny the allegations contained in paragraph 30 of the Complaint.

9 31. Defendants deny the allegations contained in paragraph 31 of the Complaint.

10 32. Defendants deny the allegations contained in paragraph 32 of the Complaint.

11 33. Defendants deny the allegations contained in paragraph 33 of the Complaint.

12 **FIRST CAUSE OF ACTION**

13 **(Breach of Contract)**

14 **(On behalf of the IV Surcharge Sub-Class)**

15 34. Defendants repeat and reallege each of the foregoing paragraphs of this
16 Answer as if fully set forth herein.

17 35. Defendants respond that paragraph 35 of the Complaint contains a legal
18 conclusion to which no response is required. To the extent paragraph 35 of the Complaint
19 purports to characterize the Terms of Use, that document speaks for itself. Defendants deny
20 the remaining allegations, if any, in paragraph 35 of the Complaint.

21 36. Defendants deny the allegations contained in paragraph 36 of the Complaint.

22 37. Defendants deny the allegations contained in paragraph 37 of the Complaint.

23 38. Defendants deny the allegations contained in paragraph 38 of the Complaint.

SECOND CAUSE OF ACTION

**(Unfair Business Practices in Violation of California Unfair Competition Law, Cal.
Bus. & Prof. Code § 17200)**

(On behalf of the IVR Surcharge Class and Sub-Class)

39. Defendants repeat and reallege each of the foregoing paragraphs of this Answer as if fully set forth herein.

40. Defendants deny the allegations contained in paragraph 40 of the Complaint.

41. Defendants deny the allegations contained in paragraph 41 of the Complaint.

42. Defendants deny the allegations contained in paragraph 42 of the Complaint.

43. Defendants deny the allegations contained in paragraph 43 of the Complaint.

44. Defendants deny the allegations contained in paragraph 44 of the Complaint.

45. Defendants deny the allegations contained in paragraph 45 of the Complaint.

46. Defendants deny the allegations contained in paragraph 46 of the Complaint.

DEFENDANTS' ANSWER TO PLAINTIFF'S PRAYER FOR RELIEF AND

GENERAL DENIAL

Defendants deny that Plaintiff is entitled to any relief, including that asserted in the "Prayer for Relief" of the Complaint. Further, each and every allegation in Plaintiff's Complaint which is not specifically and unequivocally admitted is denied. Defendants reserve the right to amend and/or supplement their Answer and to raise any additional defenses that Defendants may become aware of through discovery or otherwise.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiff, individually and on behalf of any class, has failed to state any claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

To the extent Plaintiff, individually and on behalf of any class, has suffered any damages as a result of the matters alleged in the Complaint, Plaintiff, individually and on behalf of any class, failed to mitigate her damages, if any.

THIRD AFFIRMATIVE DEFENSE

Plaintiff, individually and on behalf of any class, is barred from relief against Defendants inasmuch as any alleged harm suffered by Plaintiff, individually and on behalf of any class, was not caused in fact or proximately caused by any act or omission of Defendants.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims, whether asserted individually or on behalf of any class, are barred, in whole or in part, by the doctrines of release and/or waiver.

FIFTH AFFIRMATIVE DEFENSE

Any and all damages sustained by Plaintiff, individually and on behalf of any class, are the direct result of her own actions or omissions or the acts or omissions of unrelated third parties over which Defendants have no control, including non-party vendors.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims, whether asserted individual or on behalf of any class, are barred, in whole or in part, by the doctrines of estoppel, laches, acquiescence, and other doctrines of equitable relief.

SEVENTH AFFIRMATIVE DEFENSE

Defendants acted in good faith and not willfully, maliciously, recklessly, wantonly, and/or negligently.

EIGHTH AFFIRMATIVE DEFENSE

Defendants have acted with due care at all times and complied with all applicable laws, regulations and standards and otherwise acted reasonably.

NINTH AFFIRMATIVE DEFENSE

Defendants have not violated any duty or obligation owed to Plaintiff under common law, statute, any applicable contract, or other authority.

1 **TENTH AFFIRMATIVE DEFENSE**

2 Plaintiff's claims, whether asserted individually or on behalf of any class, are barred,
3 in whole or in part, by the applicable statutes of limitations and/or the contractual statute
4 of limitations.

5 **ELEVENTH AFFIRMATIVE DEFENSE**

6 Plaintiff, individually and on behalf of any class, has not sufficiently alleged, and
7 cannot establish, malice, willfulness or negligence on the part of Defendants.

8 **TWELFTH AFFIRMATIVE DEFENSE**

9 Plaintiff's claims, whether asserted individually or on behalf of any class, are barred
10 by the voluntary payment doctrine.

11 **THIRTEENTH AFFIRMATIVE DEFENSE**

12 Plaintiff has no damages given she was fully compensated for her alleged injury
13 prior to filing this lawsuit.

14 **FOURTEENTH AFFIRMATIVE DEFENSE**

15 Plaintiff, individually and on behalf of any class, is not entitled to equitable relief
16 because she has an adequate remedy at law.

17 **FIFTEENTH AFFIRMATIVE DEFENSE**

18 Plaintiff, individually and on behalf of any class, lacks standing to assert her claims
19 under the California Unfair Competition Law.

20 **SIXTEENTH AFFIRMATIVE DEFENSE**

21 Plaintiff's claim under the Unfair Competition Law, whether asserted individually
22 or on behalf of any class, fails because no underlying violation occurred and/or the alleged
23 act or practice did not violate the law. Rather, Defendants have complied with all applicable
24 law.

25 **SEVENTEENTH AFFIRMATIVE DEFENSE**

26 Plaintiff, individually and on behalf of any class, lacks standing to assert her claims
27 under the California Unfair Competition Law.

EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims, whether asserted individually or on behalf of any class, are barred by the Economic Loss Rule.

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiff's claim under the Unfair Competition Law, whether asserted individually or on behalf of any class, fails because no underlying violation occurred and/or the alleged act or practice did not violate the law. Rather, Defendants have complied with all applicable law.

TWENTIETH AFFIRMATIVE DEFENSE

Plaintiff's claims, whether asserted individually or on behalf of any class, are barred or her damages are reduced under the doctrine of comparative negligence.

TWENTY-FIRST AFFIRMATIVE DEFENSE

Defendants substantially complied with their contractual obligations (if any) owed to Plaintiff.

TWENTY-SECOND AFFIRMATIVE DEFENSE

Plaintiff's contract theories, whether asserted individually or on behalf of any class, are barred by the Parol Evidence Rule.

TWENTY-THIRD AFFIRMATIVE DEFENSE

Plaintiff bears the burden of establishing compliance with each requirement of Rule 23. Due to the individualized nature of Plaintiff's claim and allegations, no claim can be maintained on behalf of any class because of Plaintiff's failure to satisfy the requirements of Rule 23.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's contract theories, whether asserted individually or on behalf of any class, are barred by the applicable principles of acceptance and ratification.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

As to each and every claim for relief contained in the Complaint, Plaintiff does not constitute a proper representative of the purported class, is not qualified to protect and

1 represent fairly and adequately the interests of every member of the purported class, and
2 does not have claims typical of other class members. Plaintiff is pursuing multiple lawsuits
3 as a class representative against Defendants.

4 **TWENTY-SIXTH AFFIRMATIVE DEFENSE**

5 The Complaint, and each claim for relief purportedly alleged against Defendants,
6 fails to set forth facts sufficient to constitute a class action, because among other things,
7 members of the class have divergent interests, and questions of law and fact affecting only
8 individual members of the purported class predominate over questions of law or fact
9 common to members of the purported class and a class action is not superior to other
10 available methods for the fair and efficient adjudication of this controversy and counsel for
11 the purported class is not suitable.

12 **TWENTY-SEVENTH AFFIRMATIVE DEFENSE**

13 Plaintiff and the putative classes have not suffered, and will not suffer, any injury
14 to a legally protected or cognizable interest by reason of the conduct of Defendants as
15 alleged in the Complaint.

16 **TWENTY-EIGHTH AFFIRMATIVE DEFENSE**

17 Plaintiff's and the putative classes' claims are barred, in whole or in part, because
18 the Court lacks subject matter jurisdiction over this action.

19 **TWENTY-NINTH AFFIRMATIVE DEFENSE**

20 Plaintiff's and the putative classes' claims are barred, in whole or in part, because
21 the Court lacks subject matter jurisdiction over this action.

22 **THIRTIETH AFFIRMATIVE DEFENSE**

23 Plaintiff's and the putative classes' claims are barred, in whole or in part, because
24 Plaintiff lacks Article III standing.
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1 **THIRTY-FIRST AFFIRMATIVE DEFENSE**

2 Plaintiff's and the putative classes' claims are barred, in whole or in part, based on
3 the contractual limitation of time to sue set forth in the Terms of Use.

4 **THIRTY-SECOND AFFIRMATIVE DEFENSE**

5 Plaintiff's and the putative classes' claims are barred, in whole or in part, based on
6 the governing law set forth in the Terms of Use.

7 **THIRTY-THIRD AFFIRMATIVE DEFENSE**

8 Plaintiff and the putative classes have waived their right to a jury trial.

9 **THIRTY-FOURTH AFFIRMATIVE DEFENSE**

10 Plaintiff and the putative classes have waived their right to bring claims as a class
11 representative or as a class member.

12 **THIRTY-FIFTH AFFIRMATIVE DEFENSE**

13 Defendants reserve the right to assert additional defenses at such time and to such
14 extent as warranted by discovery and the factual developments of this case.

15 **WHEREFORE**, Defendants respectfully request that this Court:

- 16 1. Deny certification of the putative classes;
17 2. Dismiss the Complaint in its entirety;
18 3. Enter judgment in favor of Defendants and against Plaintiff on the
19 Complaint;
20 4. Award Defendants their reasonable attorneys' fees, costs, and expenses; and
21 5. Grant Defendants such further relief as the Court may deem just and proper.
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DATED this 10th day of May, 2024.

By: /s/ Mitchell L. Turbenson
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*Attorneys for Defendants Conduent State &
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Conduent Business Services, LLC*

PROOF OF SERVICE

I certify that a copy of the foregoing document was electronically filed with the Clerk of Court using the CM/ECF system and has transmitted via e-mail a copy to all counsel of record on this 10th day of May 2024 upon the following:

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