

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS**

PATRICIA FLORES
on behalf of herself and all others
similarly situated,

Plaintiffs,

v.

UNITED AIRLINES,

Defendant.

Case No. 18-cv-06571

**FIRST AMENDED CLASS
ACTION COMPLAINT**

JURY TRIAL DEMANDED

Plaintiff Patricia Flores, on behalf of herself and all others similarly situated, sues Defendant United Airlines (“United”) and alleges in this first amended complaint pursuant to Federal Rule of Civil Procedure 15(a)(1)(B) as follows.

INTRODUCTION

1. This is a class action filed to redress injuries that Plaintiff and a class of customers have suffered, and will continue to suffer, as a result of United’s unfair practices relating to its presentation of the charge for trip insurance sold on its website and concealment of the fact that it is receiving an illegal kickback for selling that trip insurance, in violation of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961, *et seq.*, and state law.

2. In violation of Illinois state law, United is paid an illegal commission for each travel insurance policy sold through its website. The existence and amount of this commission is not disclosed to United’s customers during the purchasing process by either United or the travel insurers with which it has engaged in this enterprise.

3. United and the insurers it has worked with throughout the Class Period are aware that United does not meet the prerequisites to receive a commission from the sale of travel

insurance products on its website under Illinois law, and that payment of such a commission to United (and acceptance of such a commission by United) is in violation of Illinois law.

4. In order to obtain these unlawful kickbacks or commissions, United knowingly participates in a racketeering enterprise involving multiple entities throughout the class period, including with AGA Service Company d/b/a Allianz Global Assistance, Jefferson Insurance Company, and BCS Insurance Company (its travel insurance partners prior to October 2017), and Travel Guard Group, Inc. and National Union Fire Insurance Company of Pittsburgh (its insurance partners after October 2017). The illegal conduct of this racketeering enterprise includes wire fraud in violation of 18 U.S.C. § 1343, and money laundering in violation of 18 U.S.C. § 1956.

5. United and the insurers involved in this enterprise have intentionally concealed United's kickbacks from both consumers and state insurance regulators in Illinois.

6. These activities have harmed Plaintiff and the proposed class of consumers, as Plaintiff and each proposed class members have suffered an out-of-pocket loss through the payment of illegal undisclosed kickbacks, including through the purchase of a travel insurance policy whose price is untethered to the actual insurance risk and that is not worth as much as the price paid, insofar as the price paid includes this illegal undisclosed kickback.

PARTIES, JURISDICTION, AND VENUE

7. Plaintiff Patricia Flores is an individual who is a citizen and resident of Texas.

8. United is a Delaware corporation with its principal place of business in Chicago, Illinois.

9. This Court has subject-matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d)(2)(A) because this is a class action for a sum exceeding \$5,000,000.00, exclusive of

interest and costs, and in which at least one class member is a citizen of a state different from United.

10. This Court also has subject-matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because Plaintiff asserts a violation of federal law.

11. United is subject to personal jurisdiction in the State of Illinois because it is a citizen of Illinois, regularly transacts business in both Illinois and this judicial district by, among other things, offering its services and the products of its affiliates in Illinois and this judicial district. In addition, United has committed tortious acts in this judicial district.

12. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(1) because the sole Defendant resides in this district.

13. Venue is also proper pursuant to 28 U.S.C. § 1391(b)(2), as a substantial part of the events and/or omissions giving rise to Plaintiff's claims occurred in this district.

14. Finally, venue is proper under 28 U.S.C. § 1391(b)(3) as United is subject to personal jurisdiction in this district and has committed tortious acts in this judicial district.

FACTUAL ALLEGATIONS COMMON TO ALL COUNTS

15. In addition to operating flights nationwide, United operates hundreds of daily flights to and from four different airports in Illinois. As part of its business, United sells tickets to customers through its website, www.United.com.

16. The United employees responsible for the presentation and operation of the ticketing process on United.com work in Illinois.

17. When a customer visits United's website, the site allows the customer to select his or her preferred destination and travel dates.

18. Upon the customer's selection of his or her specific flights, United's website provides the customer with the price to purchase the selected flights.

19. Before the customer completes his or her purchase, United's website requires the customer to make an election regarding purchasing a trip insurance policy with a third-party insurance provider.

20. The United employees responsible for the implementation and operation of all other insurance aspects of United's business (e.g., corporate insurance) work in Illinois.

21. There is no way to purchase a ticket on United's website without making an election regarding trip insurance.

22. United markets the third-party trip insurance to its customers in a uniform fashion—each customer sees the same marketing language when purchasing a ticket.

23. After the customer selects the desired flight or flights, enters his or her personal information, and selects his or her seat, the customer reaches the "Payment" page.

24. At the top of this page is a heading in bold that states: "**United Travel Options.**"

25. Under this heading, there is a sentence that reads "Cover your trip with Travel Guard® insurance[.]"

26. Below that sentence, the Payment page contains language presenting the Travel Guard insurance.

27. Specifically, the Payment page reads as follows:

Don't miss out! Plan includes:

-- Flight refund if you can't travel for covered illness

-- Coverage for lost baggage including laptops, phones and cameras

28. The Payment page then presents the customer with two “option buttons.”¹
29. The first option states: “Yes, insure my trip for only \$[Price].”
30. The second option states: “No, I will travel without this insurance for my [ticket price] trip.”
31. Below these options is the statement, “Coverage is offered by Travel Guard Group, Inc.”
32. Customers are required to make an insurance election, as they are unable to proceed with purchasing their airline tickets on United’s website until they choose whether to purchase a trip insurance policy. The customer cannot simply ignore the insurance offering and move on to purchasing a ticket.
33. Throughout this process, United associates the purchase of travel insurance with an entity called “Travel Guard Group, Inc.” and not with United.
 - a. At the top of the Payment page, United tells the customer to “Cover your trip with Travel Guard® insurance.”
 - b. United then tells its customers that “[c]overage is offered by Travel Guard Group, Inc.”
 - c. When United sends a receipt, it states that the cost of the trip insurance is remitted to Travel Guard Group, Inc.
34. United does not disclose its financial interest in the sale of travel insurance throughout the transaction.
35. Specifically, if a customer elects to buy travel insurance for a flight, United sends the customer a ticket receipt.

¹ Option buttons, which are sometimes referred to as “radio buttons,” are graphical control elements on a website that require the customer to choose between mutually exclusive options.

36. Within the ticket receipt, United lists the specific amount charged for “Trip insurance” and notes that the charge will be “Billed separately by Travel Guard Group, Inc.”

37. In addition, if a customer elects to buy travel insurance for a flight, the insurer, not United, sends the customer an email containing a copy of the purchased insurance policy. Nowhere in that communication or accompanying insurance policy is there any reference to United receiving any payment in connection with the transaction.

38. At no point does United disclose that it receives a commission or kickback every time a customer elects to purchase the travel insurance product.

39. In Illinois, if an entity does not hold the appropriate license, it cannot sell insurance to a customer or receive commissions on sales.

40. Illinois law thus embodies a public policy against unlicensed entities such as United receiving commissions on the sale of insurance.

41. United has also concealed and/or failed to disclose to state regulators the fact that it receives a commission or kickback every time a customer elects to purchase a travel insurance product through its website.

42. Like Illinois, other states across the country prohibit the unlicensed sale or brokerage of insurance, including the receipt of commissions by people or entities without a license. For example, the New York Attorney General’s Office has issued an official opinion that an insurer may not pay any commission to transportation companies for the sale of travel insurance unless the transportation company is a licensed and appointed insurance agent or broker. *See* Ex. 1, N.Y. General Counsel Opinion No. 4-23-2008 (“May an insurer pay an insurance commission to a cruise line or tour operator that is not a licensed and appointed insurance agent, or a licensed insurance broker? . . . No. An insurer may not pay an insurance

commission to a cruise line or tour operator that is not either a licensed and appointed insurance agent, or a licensed insurance broker.”).

43. The trip insurance product is a hidden profit center for United, as United retains or ultimately receives for itself a portion of the funds for every trip insurance policy its customers purchase on its website.

44. These unlawful kickbacks are laundered to United by way of wire transfers by the insurance entities involved in the RICO enterprise, in violation of 18 U.S.C. §§ 1343 and 1956.

45. The price paid by a United customer on United’s website is based solely on overall ticket price (not cancellation fees, route flown, the dates flown, or the customer’s individual circumstances), and thus the price for travel insurance is therefore substantially more untethered from the customer’s actual insurance underwriting risk than would exist absent any undisclosed kickbacks.

46. Because the price of the travel insurance product on United’s website incorporates an illegal commission paid to United, as opposed solely to underwriting risk and insurer profit, travel insurance policies purchased on United’s website are more expensive than would exist absent the unlawful and undisclosed commission that is eventually paid to United.

47. United provides no services to the customer in connection with the sale of trip insurance on its website.

48. The price of the trip insurance is a price offered and/or set by the insurer, not United.

49. No contractual relationship is formed between the customer and United in connection with a customer’s purchase of trip insurance on United’s website.

50. No bargained-for exchange takes place between the customer and United in connection with a customer's purchase of trip insurance on United's website.

51. On February 23, 2018, Plaintiff purchased a trip insurance policy on United's website. Plaintiff received an email from the insurance provider attaching her policy, which did not reference United.

52. United has never disclosed to Plaintiff, or any of the class members, the true nature of its relationship with Travel Guard Group, Inc., AGA Service Company d/b/a Allianz Global Assistance, Jefferson Insurance Company, BCS Insurance Company, or any other entity that is associated with the trip insurance offered on United's website at any time during the Class Period. Specifically, United has not disclosed the fact that it retains or receives a substantial kickback or commission on the policies made available on its website.

53. United has also failed to disclose its receipt of these unlawful commissions for the sale of travel insurance from Illinois state insurance regulators, by means of omitting this information from its website. The insurers involved in this RICO enterprise have likewise failed to disclose throughout the class period the fact that United is being paid these unlawful commissions for the sale of travel insurance from Illinois state insurance regulators, including by not submitting accurate filed rates and failing to identify entities (such as United) that are transferring insurance risk to the insurance entity while receiving a commission.

54. Upon information and belief, United does not fall within any exceptions to Illinois law that would allow it to receive compensation for the sale of travel insurance, including but not limited to the exceptions identified in 215 ILCS 5/500-108.

CLASS ACTION ALLEGATIONS

55. Plaintiff brings this lawsuit as a class action pursuant to Federal Rule of Civil Procedure 23.

Class Definition

56. Plaintiff seeks to represent the following class:

All persons who purchased a trip insurance policy on United's website within the applicable limitations period (the "Class Period").

Excluded from this class are United, its affiliates, subsidiaries, agents, board members, directors, officers, and employees. Also excluded from the class are the district judge and magistrate judge assigned to this case, their staff, and their immediate family members.

57. This class action is brought pursuant to Rule 23(b)(2) because United has acted or refused to act on grounds generally applicable to all the members of the class, thereby making final injunctive relief or declaratory relief concerning the class appropriate.

58. This class action is also brought pursuant to Rule 23(b)(3) because the questions of law or fact common to Plaintiff's claim and the class members' claims predominate over any question of law or fact affecting only individual class members, and a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.

59. United has subjected Plaintiff and the members of the class to the same unfair, unlawful, and deceptive practices and harmed them in the same manner. The conduct described above is United's standard business practice.

A. Numerosity

60. The individual class members are so numerous that joinder of all members in a single action is impracticable. United operates thousands of flights a day, and, upon information and belief, it has sold thousands of trip insurance policies during the Class Period.

61. While Plaintiff estimates the proposed class numbers are in the thousands, the exact number of class members, as well as the class members' names and addresses, can be identified from United's business records.

B. Commonality/Predominance

62. Common questions of law and fact exist as to Plaintiff's and the class members' claims. These common questions predominate over any questions solely affecting individual class members, including, but not limited to, the following:

a. Whether United engaged in a deceptive and unfair business practice by misleading the class about its financial interest in making available trip insurance policies and its receipt or retention of a kickback via wire transfer;

b. Whether the representations made about insurance premiums collected by United would lead the reasonable customer to believe it was a pass-through charge;

c. Whether United receives undisclosed kickbacks, commissions, or fees from the sale of trip insurance via wire transfer;

d. Whether United manipulated the class through trip insurance products in order to maximize its own profits at the expense of the class;

e. Whether United retains or receives a commission or kickback for the sale of trip insurance policies without a license;

f. Whether United, along with the insurers as part of the enterprise they engaged in, violated 18 U.S.C. § 1341;

g. Whether United, along with the insurers as part of the enterprise they engaged in, violated 18 U.S.C. § 1343;

h. Whether United, along with the insurers as part of the enterprise they engaged in, violated 18 U.S.C. § 1856;

i. Whether United, along with its insurer partners, violated 18 U.S.C. § 1962(c) by participating in the affairs of an enterprise through a pattern of racketeering activity;

j. Whether United, along with its insurer partners, violated 18 U.S.C. § 1962(d) by agreeing and conspiring to engage in an enterprise of racketeering activity;

k. Whether and to what extent United's conduct has caused injury to the Plaintiff and the class members; and

l. Whether United unlawfully enriched itself at the expense of the class.

C. Typicality

63. Plaintiff's claims are typical of the putative class members' claims because of the similarity, uniformity, and common purpose of United's unlawful conduct. Plaintiff, like all class members, was damaged through her payment of money that United deceptively presented as a pass-through charge to the insurance company, when in fact United enriched itself in this process.

64. Each class member has sustained, and will continue to sustain, damages in the same manner as Plaintiff as a result of United's wrongful and deceptive conduct.

D. Adequacy

65. Plaintiff will fairly and adequately protect and represent the interest of each member of the class because she has suffered the same wrongs as the class members.

66. Plaintiff is fully cognizant of her responsibilities as class representative and has retained León Cosgrove, LLP and Korein Tillery LLC to prosecute this case. León Cosgrove and Korein Tillery are experienced in complex class action litigation, including litigation related to

unfair and deceptive trade practices, and have the financial and legal resources to meet the costs of and understand the legal issues associated with this type of litigation.

67. Class action treatment is superior to the alternatives, if any, for the fair and efficient adjudication of the controversy alleged herein because such treatment will permit a large number of similarly-situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of evidence, effort, and expense that numerous individual actions would engender.

E. The Prerequisites of Rule 23(b)(2) Are Satisfied.

68. The prerequisites to maintaining a class action for injunctive and equitable relief pursuant to Federal Rule of Civil Procedure 23(b)(2) exist as United has acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive and equitable relief with respect to the class as a whole.

69. United's actions are generally applicable to the class as a whole, and Plaintiff seeks, among other things, equitable remedies with respect to the class as a whole.

F. The Prerequisites of Rule 23(b)(3) Are Satisfied.

70. The questions of law and fact enumerated above predominate over questions affecting only individual members of the class, and a class action is the superior method for fair and efficient adjudication of the controversy.

71. The likelihood that individual members of the class will prosecute separate actions, and their interest in so doing, is small due to the extensive time and considerable expense necessary to conduct such litigation.

72. This action will be prosecuted in a fashion to ensure the Court's able management of this case as a class action on behalf of the class. Plaintiff knows of no difficulty likely to be

encountered in the management of this action that would preclude its maintenance as a class action.

COUNT I
VIOLATION OF THE ILLINOIS CONSUMER
FRAUD AND DECEPTIVE BUSINESS PRACTICES ACT (“ICFA”)

73. Plaintiff re-alleges paragraphs 1 through 72 as if fully set forth herein and further alleges the following.

74. This count is brought pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act’s (“ICFA”).

75. At all times material hereto, Plaintiff, all class members, and Defendant were either natural persons or their legal representatives, partnerships, corporations, companies, trusts, business entities or associations.

76. Plaintiff and Class Members purchased the insurance at issue herein for their use or that of members of their households.

77. At all times material hereto, United engaged in the advertising, offering for sale, sale or distribution of services.

78. United has engaged in unlawful schemes and courses of conduct through one or more of the unfair acts and practices alleged above.

79. Defendant engaged in such unlawful course of conduct with the intent to induce Plaintiffs and Class Members to purchase travel insurance and pay premiums above what they would otherwise pay or above what the policies are otherwise worth.

80. Defendant's acts or practices were "unfair" as they offend public policy, are immoral, unethical, oppressive, or unscrupulous, and/or cause substantial injury to consumers.

Defendant's act and practices contravene the law and public policy of Illinois against unlicensed entities receiving commissions on the sale of insurance.

81. Defendant's acts or practices are immoral and unethical as they serve only to benefit Defendant to the detriment of the consuming public.

82. Defendant's acts or practices offend the clearly stated public policy prohibiting the receipt of commissions or kickbacks from the sale of insurance by an unlicensed entity as set forth in State law, and United does not otherwise comply with 215 ILCS 5/500-108.

83. The injuries caused by Defendant's acts or practices, namely consumers' monetary losses, are not outweighed by any countervailing benefit to consumers or competition. Defendant's unfair acts served no purpose other than to increase its own profits.

84. These injuries were not reasonably avoidable. Because Defendant was the sole source of material information and did not disclose such information to its customers, consumers could not have had reason to anticipate the impending harm and thus avoided their injuries.

85. The unfair acts and deceptive practices of the Defendant alleged herein occurred in connection with Defendant's conduct of trade and commerce in Illinois. Specifically, the unfair acts and deceptive practices of the Defendant alleged herein were performed and undertaken entirely in Illinois. The United employees responsible for the presentation and operation of the ticketing process on United.com work in Chicago, as do the United employees responsible for other insurance aspects of United's operation.

86. In fact, all of the circumstances that make up the unfair practices occur within Illinois, including United's failure to register as an entity receiving commissions from the sale of insurance with the Illinois Department of Insurance and United's failure to meet any other prerequisites for receiving compensation from the sale of travel insurance under Illinois law.

87. As a direct and proximate result of United's ICFA violations, Plaintiff and the class have been damaged in an amount to be proven at trial.

88. Plaintiff and Class Members would not have purchased the insurance at issue but for United's unfair conduct.

89. Plaintiff and Class Members ended up purchasing travel insurance products that were priced higher than they would have been but for the undisclosed kickbacks, or that were worth less than they otherwise would have been worth if priced based solely on underwriting risk and insurer profit.

90. Plaintiff and the class have a monetary, out-of-pocket loss, as they paid money to United as a result of its unfair conduct.

91. Plaintiff and the class are entitled to actual damages, declaratory and injunctive relief, attorneys' fees and costs, and all other remedies available under ICFA.

COUNT II
VIOLATION OF RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS
ACT ("RICO"), 18 U.S.C. § 1962(C)

92. Plaintiff re-alleges paragraphs 1 through 91 as if fully set forth herein and further alleges the following.

93. This is a count for violations of the Racketeer Influenced and Corrupt Organizations provisions of the Organized Crime Control Act of 1970 (RICO), 18 U.S.C. § 1961 et seq.

94. At all relevant times, United conducted and participated in the affairs of an enterprise through a pattern of racketeering activity consisting of numerous and repeated uses of the interstate mail and wire facilities to execute a scheme to defraud, as well as repeated acts of money laundering, all in violation of RICO, 18 U.S.C. § 1962(c). The predicate acts of

racketeering carried out by the enterprise include the sale of hundreds of thousands of travel insurance policies to the class through fraudulent representations on Defendant's website, hundreds of thousands of invoices sent through the mail and wire facilities, the receipt of illegal kickbacks through use of the mail and wire facilities, the submission of false documentation through the mail and wire facilities, and the illegal laundering of monetary instruments. The scheme to defraud had the express purpose of allowing United to obtain from its customers monies to which it has no legal entitlement, namely portions of customers' insurance premiums, by misleading consumers about Defendant's role in and relationship to the travel insurance products sold on its website and retaining unlawful commissions for the sale of insurance products.

95. The RICO enterprise that United engaged in, and the activities of which affected interstate and foreign commerce, is comprised of Defendant, Allianz Global Assistance ("Allianz"), BCS Insurance Company ("BCS"), Jefferson Insurance Company ("Jefferson"), Travel Guard Group, Inc., National Union Fire Insurance Company of Pittsburgh, and potentially other unnamed co-conspirators. Each member of the enterprise has or had a written agreement with each other member setting forth their role and participation in the enterprise. These contracts form the structure of the enterprise.

96. The enterprise and its activities are ongoing, and its common purpose is to enrich the Defendant at the expense of the class members. The enterprise acted to deceive and hide from the class members the fact that United was receiving an undisclosed and illegal kickback via wire transfer when each class member purchased a travel insurance policy.

97. The enterprise has functioned for over four years as a continuing unit and has maintained an ascertainable structure separate and distinct from the pattern of racketeering activity.

98. United conducted and participated in the affairs of the RICO enterprise through a pattern of racketeering activity that consisted of numerous and repeated violations of federal mail and wire fraud statutes, which prohibit the use of any interstate or foreign mail or wire facility for the purpose of executing a scheme to defraud, in violation of 18 U.S.C. § 1341 and § 1343.

99. Defendant further participated in the enterprise by engaging in the laundering of monetary instruments in violation of 18 U.S.C. § 1956. This conduct and these predicate acts, with the resultant harm to Plaintiff and class members, continues on a daily basis, establishing a long-term threat of racketeering activity and evidencing the continuity of Defendant's open-ended pattern of racketeering activity.

100. The scheme to defraud included deceiving Plaintiff and class members into believing that when they purchased a travel insurance policy on Defendant's website, the price displayed represented the cost of the policy. In reality, the insurance premium price includes a kickback to United beyond what the policy would otherwise cost. Defendant had a duty to correct this mistaken impression but failed to do so in order to increase its profits from the sale of insurance policies to class members. United's omission was material, as it increased the cost of Plaintiff and Class Members' insurance premiums for the amount and type of coverage they purchased. Plaintiff and the class are not paying insurance premiums predicated upon the underwritten risk, but rather are paying higher prices to cover (in part) an illegal kickback paid to United.

101. The scheme to defraud was executed through multiple false statements on United's website, as noted supra, all designed with the express purpose of inducing consumers to purchase travel insurance policies by falsely representing United's role in the sale of policies.

102. In addition to United's use of the wires to deceptively market and sell the travel insurance product, Allianz and the other insurers involved in the enterprise sent class members insurance policies through mail and wire facilities, all of which were in furtherance of the enterprise's scheme, as none of them disclosed the payment of illegal kickbacks.

103. Moreover, the enterprise utilized the federal wire and mail facilities to make payments of illegal kickbacks to United. Therefore, the enterprise has committed tens of thousands of distinct violations of 18 U.S.C. § 1341 and § 1343 during the class period.

104. United and its co-conspirators separately engaged in multiple acts of money laundering in violation of 18 U.S.C. § 1956. The federal anti-money laundering statute prohibits, among other things, an entity from engaging in financial transactions knowing that the proceeds of those transactions derive from illegal activity and with the intent of promoting unlawful activity. That is exactly what United and other members of the enterprise do here. As stated, United lacks a license to conduct the business of insurance, and as such it is prohibited from receiving commissions stemming from sales of travel insurance policies. Defendant knows that it 1) lacks a license; and 2) cannot receive commissions as a result. To enable itself to receive commissions while hiding the true nature of the payments it is receiving, United and its co-conspirators violate 18 U.S.C. § 1956. Specifically, monies are collected from customers on United's website that elect to purchase a travel insurance policy, and then those funds are routed to the licensed insurance producers. These producers, in turn, take the same customers' insurance premium money and, through a financial transaction by way of wire transfers, return a

substantial portion of it to United each month disguised as a “marketing” or “advertising” fee. In reality, the payments are commissions, but the enterprise hides the true nature of the transaction in order to allow United to receive commission payments that it is legally prohibited from receiving.

105. Each of these violations was related because they shared the common purpose of defrauding class members by failing to disclose the payment of illegal kickbacks of class member insurance premiums, and concealing this activity from Illinois insurance regulators. These related criminal acts had the same or similar purpose, results, participants, victims, and methods of commission, and are otherwise related by distinguishing characteristics which are not isolated events.

106. Finally, United’s co-conspirators committed additional acts of mail and wire fraud by submitting fraudulent documents to state regulators, all of which were designed to hide the operation of the RICO enterprise. Specifically, all of these entities submitted regulatory filings that failed to disclose the illegal payment of commissions to United, and that also falsely stated the price that the insurers were charging consumers for a policy.

107. United’s co-conspirators are insurance companies regulated by respective state entities.

108. One aspect of this regulation is that insurers and other related entities are required to provide the states certain information regarding the use of a brokering agent and the payment of commissions.

109. United’s role in the sale of trip insurance policies on its website is materially equivalent to that of an insurance agent or broker.

110. United submits business for trip insurance risks to its enterprise co-conspirators.

111. In exchange, it is paid a commission or kickback for each trip insurance policy sold through its website by way of wire transfers.

112. Under state insurance regulations, United's co-conspirators must report to the state a list of agents who provide them with insurance risks.

113. Instead of abiding by these requirements, United's co-conspirators made material misrepresentations in their reports to and filings with state agencies by failing to disclose the amount of insurance risk they receive from United, who is acting as an insurance agent. They also fail to disclose the kickbacks it pays to this unlicensed agent.

114. United is not a licensed insurance agent in any state.

115. The material omissions of United's co-conspirators allow the kickback scheme described supra to continue to the detriment of Plaintiff and class members.

116. Collectively, these predicate acts demonstrate that United had the specific intent to participate in the overall RICO enterprise, which was evidenced by its scheme to defraud Plaintiff and class members. The scheme was designed to deceive Plaintiff and class members through the implementation and execution of an illegal kickback scheme. Plaintiff and the class members relied on the uniform false statements and omissions from United and the enterprise coconspirators that the full customer premium went to the cost of the travel insurance policy—to their detriment.

117. United used and invested the income it received through its pattern of racketeering activity to operate its business, which caused direct damage to Plaintiff and class members.

118. As a result of United's participation in the racketeering activity set forth herein,

Plaintiff and class members have incurred significant damages. Plaintiff and class members paid prices for travel insurance policies that had no relation to the underwritten risk, but rather were inflated to cover the costs of illegal kickbacks to United. This conduct resulted in the Plaintiff and class members paying prices for insurance policies that were higher than they would have been absent the Defendant's misconduct.

COUNT III
VIOLATION OF RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS
ACT ("RICO"), 18 U.S.C. § 1962(D)

119. Plaintiff re-alleges paragraphs 1 through 118 as if fully set forth herein and further alleges the following.

120. At all relevant times, United was associated with the enterprise and agreed and conspired to violate 18 U.S.C. § 1962(c), that is agreed to conduct and participate, directly and indirectly, in the conduct and affairs of the enterprise through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(d).

121. Defendant engaged in a scheme to defraud Plaintiff and class members by marketing the travel insurance product through false and deceptive statements, while hiding the payment of illegal commission kickbacks, wherein the Defendant received a substantial portion of Plaintiff and class members' insurance premiums, without any legal entitlement.

122. Defendant committed, or caused to be committed, a series of overt acts in furtherance of the conspiracy and to affect the objects thereof, including but not limited to the payment and receipt of illegal kickbacks and the related acts of mail fraud, wire fraud and money laundering set forth above.

123. As a result of Defendant's violations of 18 U.S.C. § 1962(d), Plaintiff and the class members suffered direct damages.

COUNT IV
UNJUST ENRICHMENT

124. Plaintiff re-alleges paragraphs 1 through 123 as if fully set forth herein and further alleges the following.

125. Plaintiff and each member of the class conferred a direct benefit on United through their payment for trip insurance, allowing United to enrich itself to the detriment of the class.

126. United appreciated, accepted, and retained this benefit, as it garnered substantial profits by virtue of its insurance kickback scheme.

127. Under the circumstances, it would be unjust and inequitable to allow United to retain this benefit, as it was obtained through deceptive representations.

128. Independently, it would also be unjust and inequitable to allow United to retain this benefit because United is not legally entitled to receive commissions for sales of trip insurance in the first place, because it does not have a license to broker insurance.

129. Plaintiff and the class suffered damages as a result of United's unjust enrichment.

PRAYER FOR RELIEF

Named Plaintiff and the plaintiff class request the following relief:

- a. Certification of the class;
- b. A jury trial and judgment against United;
- c. An order requiring United to make full disclosure to customers of its receipt or retention of trip insurance premiums sold on its website and the amount of the kickback it retains or receives;
- d. The costs of suit, including reasonable attorneys' fees, in accordance with RICO and ICFA;

- e. Compensatory and treble damages, attorneys' fees, and costs under the federal RICO statute;
- f. General, actual, and compensatory and exemplary damages in an amount to be determined at trial;
- g. Restitution of the amount United was unjustly enriched as a result of the wrongs alleged herein, in an amount to be determined at trial;
- h. Pre-judgment and post-judgment interest at the maximum rate permitted by applicable law; and
- i. Such other relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a jury trial as to all claims so triable.

Dated: January 8, 2019

Respectfully submitted,

/s/ Randall P. Ewing, Jr.

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CERTIFICATE OF SERVICE

I certify that on January 8, 2019, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which in turn will serve a copy to all counsel of record.

/s/ Randall P. Ewing, Jr.
Randall P. Ewing, Jr.