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11 *Attorneys For Plaintiffs*

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 15 **UNITED STATES DISTRICT COURT**  
 16 **CENTRAL DISTRICT OF CALIFORNIA—SOUTHERN DIVISION**

17 HUDSON GILL and CLAIR AWAD,  
 18 individually and on behalf of all other  
 19 persons similarly situated,

20 Plaintiffs,

21 v.

22 CHIPOTLE MEXICAN GRILL, INC.

23 Defendant.  
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Case No. 8:24-cv-1672

**CLASS ACTION COMPLAINT**

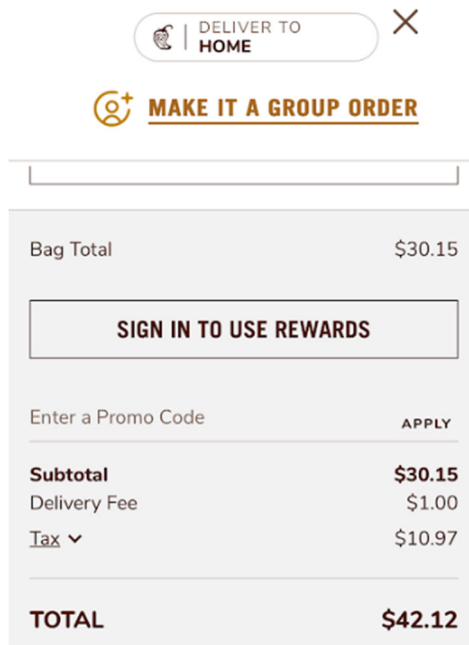
**JURY TRIAL DEMANDED**

1 Plaintiffs Hudson Gill and Clair Awad (“Plaintiffs”) file this class action  
 2 complaint on behalf of themselves and all others similarly situated (the “Class  
 3 Members”) against Defendant, Chipotle Mexican Grill, Inc. (“Defendant” or  
 4 “Chipotle”). Plaintiffs bring this action based upon personal knowledge of the facts  
 5 pertaining to themselves, and on information and belief as to all other matters, by  
 6 and through the investigation of the undersigned counsel.

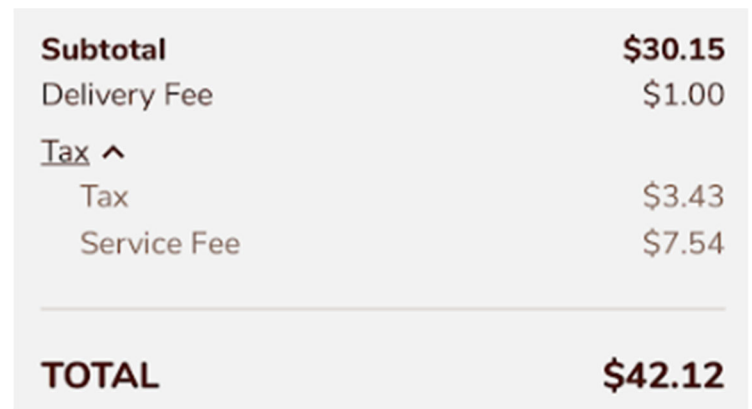
7 **NATURE OF THE ACTION**

8 1. This is a class action suit brought against Chipotle for lying to its online  
 9 customers placing delivery orders that they are paying artificially high taxes, when in  
 10 fact, they are paying Chipotle’s eye-popping service fees.

11 2. Whenever consumers go to Chipotle’s website, chipotle.com, or use the  
 12 Chipotle mobile smartphone application, select delivery, and pick out their food,  
 13 they are taken to Chipotle’s checkout page. On the checkout page, Chipotle discloses  
 14 a subtotal, a \$1.00 delivery fee, a tax, and a total. Next to the “tax” is a “v” drop-  
 15 down symbol. If consumers click on that drop-down symbol, it shows the  
 16 components of the tax. Tax = Tax + Service Fee. That math doesn’t add up.



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28 **Figure 1**



**Figure 2**

1           3.     In other words, Chipotle is hiding its hefty service fees inside of a “Tax”  
2 burrito. This is textbook fraud. On Figure 1, Chipotle lies and says the “Tax” is  
3 “\$10.97.” On Figure 2, Chipotle admits the “Tax” is “\$3.43.” The “Service Fee,” in  
4 contrast, represents a whopping 20% of the subtotal.

5           4.     Law abiding consumers pay taxes because they believe they have to.  
6 There is no point in complaining about taxes. Benjamin Franklin once said “in this  
7 world nothing can be said to be certain, except death and taxes.” As such, many  
8 consumers will simply grumble and pay, without ever even clicking the drop-down  
9 button in Figure 1. By hiding its service fees under the cloak of taxes, Chipotle can  
10 unjustly enrich itself by falsely making people believe they are paying taxes for the  
11 public good. They are not.

12           5.     And consumers have little reason to ever even click the drop-down  
13 button. After all, on that same page Chipotle prominently discloses that it charges a  
14 modest \$1.00 “Delivery Fee” on all delivery orders. This intentionally misleads  
15 consumers into believing that that is the only fee being charged, when, in fact, there  
16 is a “Service Fee” hiding within the “Tax” category. In just the example shown  
17 above, the “Service Fee” is more than seven times larger than the quoted “Delivery  
18 Fee.”

19           6.     And even the \$1.00 “Delivery Fee” is intentionally misleading—  
20 because it does not even represent the true added costs of delivery. *After* a consumer  
21 completes the transaction, Chipotle discloses on customer receipts that the hidden  
22 “Service Fee” it charged went to “power[ing] easy, integrated delivery.” And in fine  
23 print on the order page, Chipotle states that “Menu pricing for delivery is higher.”  
24 About 50% higher. In fact, many of Chipotle’s consumers, who have grown  
25 accustomed to burritos and bowls for around \$10 will be shocked to realize that the  
26 same price of those items when ordered for delivery are closer to \$15.

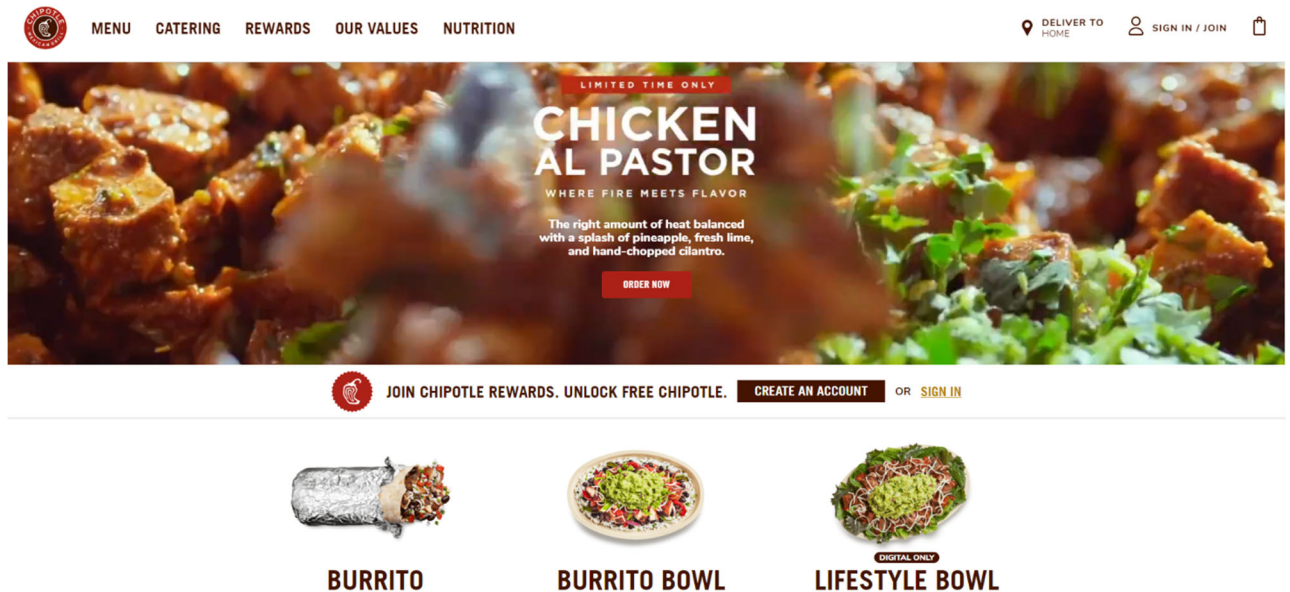


1 14. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because  
2 Defendant resides in this District.

3 **FACTUAL ALLEGATIONS**

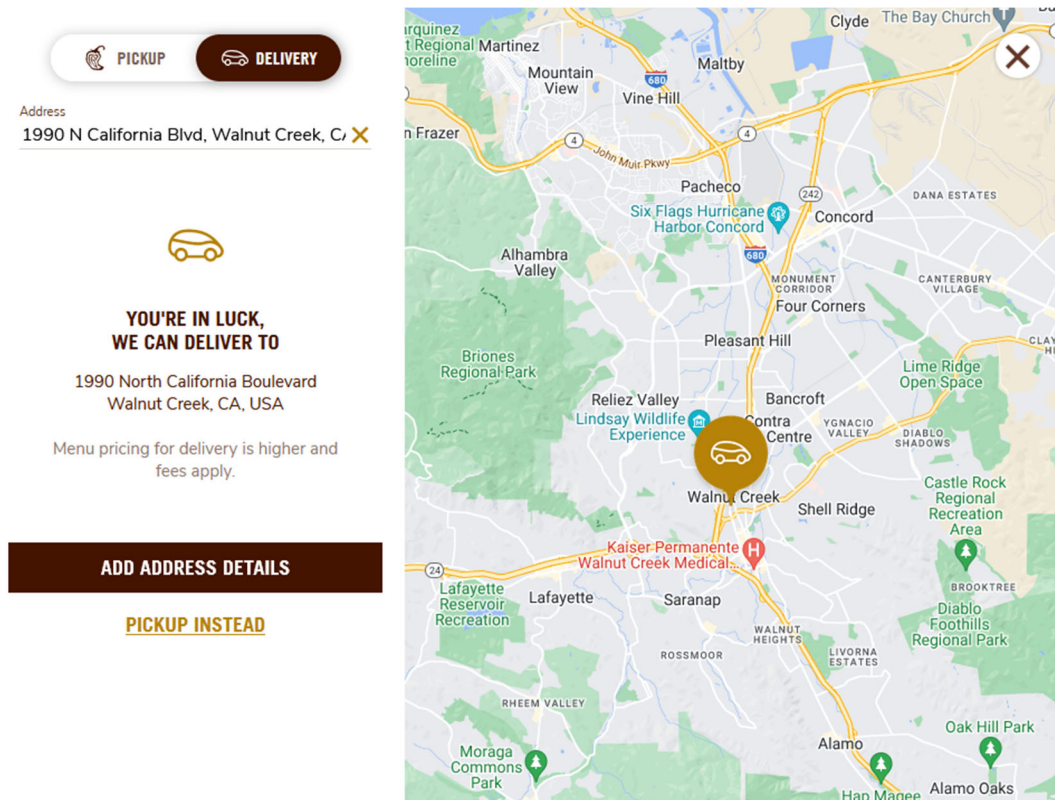
4 15. Chipotle is a Mexican fast-food chain with over 700 locations in  
5 California, New York, and Massachusetts, collectively. It operates a website,  
6 www.chipotle.com, and a smartphone application (available for download from the  
7 Apple app store and the Google Play store) which allow consumers to order food for  
8 delivery from many of these locations.

9 16. When a prospective customer first visits Chipotle’s website, are  
10 prompted to order.



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**Figure 3**

1 17. If such a consumer hits the “ORDER NOW” button on the main page,  
2 they are prompted to select pickup or delivery and input their address.



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**Figure 4**

18 18. After a consumer enters his or her address, he or she can select the food  
19 items to purchase for delivery. After those items are selected, the bag symbol in the  
20 upper right-hand corner of the screen includes a number showing the number of food  
21 times selected.



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**Figure 5**



19. If a consumer clicks on that bag, a scrollable checkout window emerges.

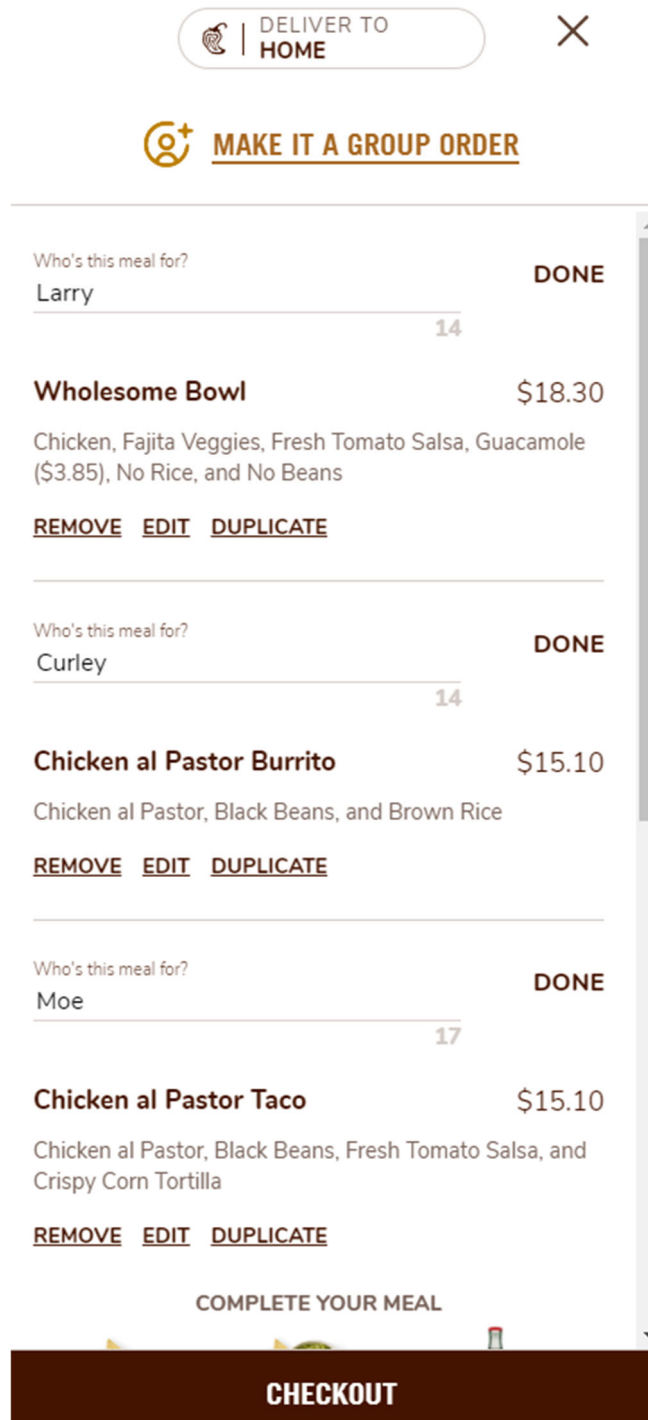


Figure 6





22. If a consumer clicks the “CHECKOUT” button in Figures 6 and 7, they are prompted taken to a final payment screen which again lists a “Tax” with a drop-down “v” symbol.

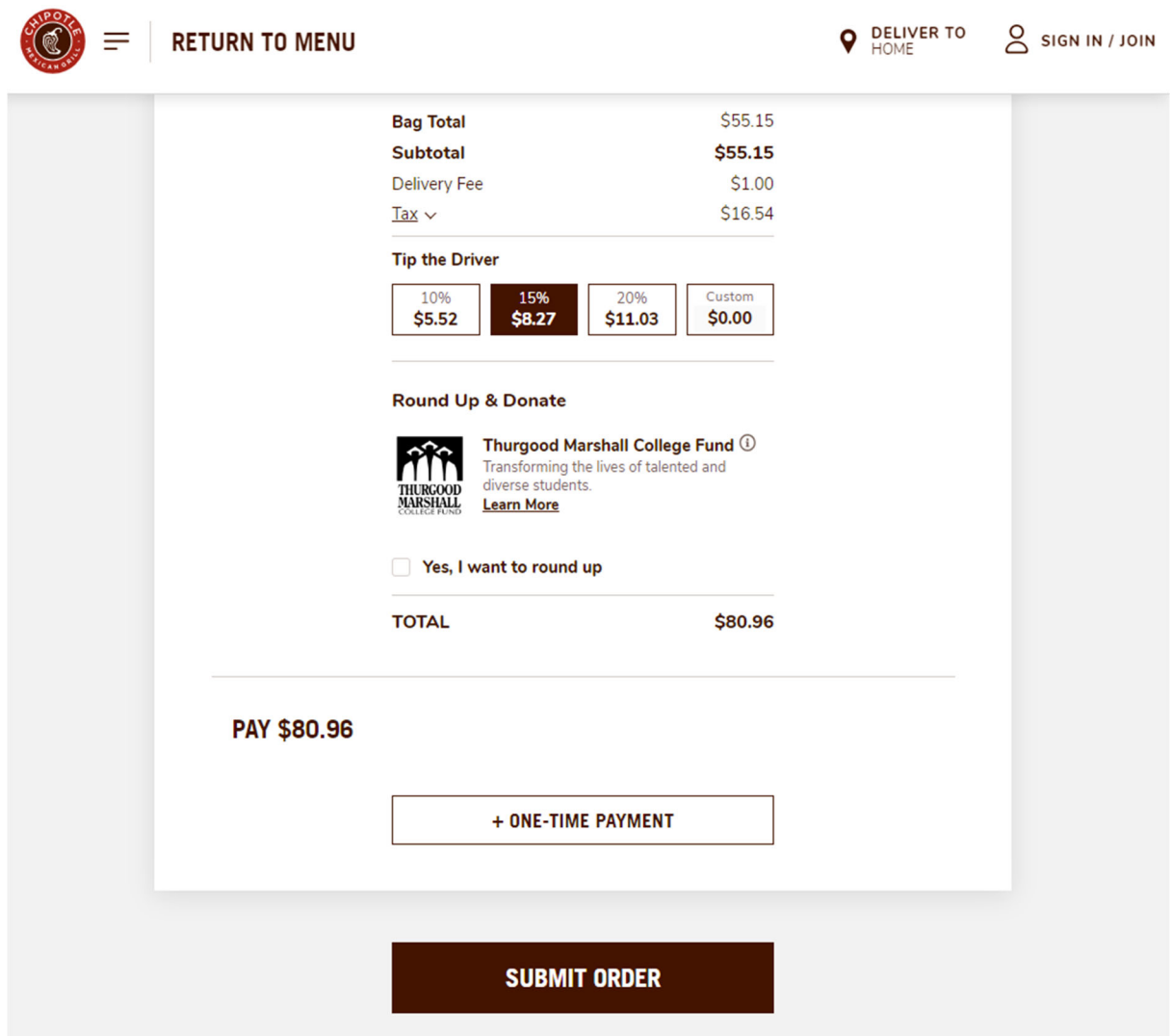


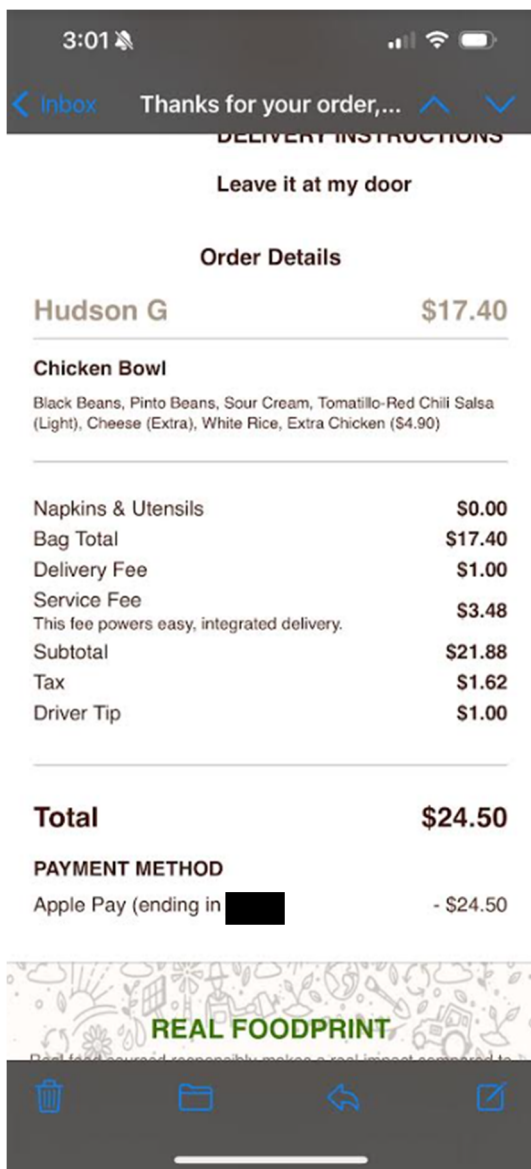
Figure 9

23. A person can click the “SUBMIT ORDER” button on this screen without ever having seen that the amount listed as a “Tax” is not truly a tax, but a bundling of tax and Chipotle’s hidden “Service Fee.”

24. The purchase flow process depicted above remains substantially the same regardless of whether a consumer purchases food for delivery via the Chipotle

1 website or the Chipotle smartphone app, and regardless of whether the consumer  
 2 signs up for Chipotle’s reward’s program and logs in. Chipotle’s website and app  
 3 always shows them a “Tax” figure on the Checkout and Payment screen which hides  
 4 within it a 20% “Service Fee.”

5 25. Worse yet, this “Service Fee” is entirely duplicative of the \$1.00  
 6 “Delivery Fee” Chipotle discloses to consumers prior to purchase. *After* a consumer  
 7 completes the transaction and the money leaves her bank account, on the receipt,  
 8 Chipotle discloses the hidden “Service Fee” “powers easy, integrated delivery.”



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**Figure 10**



1           33.    **Numerosity.** Members of the Classes are so numerous that joinder of  
2 all members would be unfeasible and not practicable. The exact number of Class  
3 Members is unknown to Plaintiffs at this time; however, it is estimated that there are  
4 millions of individuals in the Class. Class Members can be readily identified from  
5 Chipotle’s payment records and rewards program records.

6           34.    **Typicality.** Plaintiffs claims are typical of the claims of the Classes  
7 because Plaintiffs, like all other members, visited Chipotle’s and/or app and paid  
8 these hidden Service Fees.

9           35.    **Adequacy.** Plaintiffs are prepared to take all necessary steps to  
10 represent fairly and adequately the interests of the Classes. Plaintiffs’ interests are  
11 coincident with, and not antagonistic to, those of the members of the Classes.  
12 Plaintiffs are represented by attorneys with experience in the prosecution of class  
13 action litigation generally and junk fee litigation specifically. Plaintiffs’ attorneys  
14 are committed to vigorously prosecuting this action on behalf of the members of the  
15 Classes.

16           36.    **Common Questions of Law and Fact Predominate.** Questions of law  
17 and fact common to the members of the Classes predominate over questions that may  
18 affect only individual members of the Classes because Defendant has acted on  
19 grounds generally applicable to the Classes. Such generally applicable conduct is  
20 inherent in Defendant’s wrongful conduct. Questions of law and fact common to the  
21 Classes include, but are not limited to, the following: whether Defendant’s conduct  
22 was false and intentionally misleading, and whether Plaintiffs and the proposed Class  
23 Members are entitled to damages, reasonable attorneys’ fees, pre-judgment interest  
24 and costs of this suit.

25           37.    **Superiority.** Class action treatment is a superior method for the fair  
26 and efficient adjudication of the controversy. Such treatment will permit a large  
27 number of similarly situated persons to prosecute their common claims in a single  
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1 forum simultaneously, efficiently, and without the unnecessary duplication of  
2 evidence, effort, or expense that numerous individual actions would engender. The  
3 benefits of proceeding through the class mechanism, including providing injured  
4 persons or entities a method for obtaining redress on claims that could not  
5 practicably be pursued individually, substantially outweigh potential difficulties in  
6 the management of this class action. Plaintiff knows of no special difficulty to be  
7 encountered in litigating this action that would preclude its maintenance as a class  
8 action.

## 9 **CLAIMS FOR RELIEF**

### 10 **COUNT I**

#### 11 **Violation Of The California's Unfair Competition Law 12 Cal. Bus. & Prof. Code § 17200, et seq.**

13 38. Plaintiff Gill incorporates by reference the preceding paragraphs as if  
14 fully set forth herein.

15 39. Plaintiff Gill brings this claim individually and on behalf of the  
16 Nationwide Class and California Subclass against Defendant.

17 40. On February 9, 2024, Plaintiff Hudson Gill purchased a single Chicken  
18 Bowl with black and pinto beans, sour cream, light tomatillo-red chili salsa, extra  
19 cheese, white rice and extra chicken for delivery using the Chipotle app. He paid  
20 \$25.50 for this Bowl. On the app, Chipotle represented to him that there was \$5.10  
21 in tax and a \$1.00 delivery fee. *After* Plaintiff Gill made his purchase, he discovered  
22 he only paid \$1.62 in tax, and the remaining \$3.48 went to Chipotle's coffers as a  
23 service fee. Had he known this hidden service fee went to Chipotle, instead of the  
24 government, he would either have not made his purchase, or would have not been  
25 willing to pay as much as he did for his purchase.

26 41. On March 3, 2024, Plaintiff Hudson Gill purchased a single Chicken  
27 Bowl with black and pinto beans, sour cream, light tomatillo-red chili salsa, light  
28 fresh tomato salsa, extra cheese, white rice and extra chicken for delivery using the

1 Chipotle app. He paid \$24.50 for this Bowl. On the app, Chipotle represented to him  
2 that there was \$5.10 in tax and a \$1.00 delivery fee. *After* Plaintiff Gill made his  
3 purchase, he discovered he only paid \$1.62 in tax, and the remaining \$3.48 went to  
4 Chipotle’s coffers as a service fee. Had he known this hidden service fee went to  
5 Chipotle, instead of the government, he would either have not made his purchase, or  
6 would have not been willing to pay as much as he did for his purchase.

7 42. On June 6, 2024, Plaintiff Hudson Gill purchased a single Chicken  
8 Bowl with black and pinto beans, sour cream, light tomatillo-red chili salsa, extra  
9 cheese, white rice and extra chicken for delivery using the Chipotle app. He paid  
10 \$25.73 for this Bowl. On the app, Chipotle represented to him that there was \$5.38  
11 in tax and a \$1.00 delivery fee. *After* Plaintiff Gill made his purchase, he discovered  
12 he in fact, only paid \$1.71 in tax, and the remaining \$3.67 he paid to Chipotle as a  
13 service fee. Had he known this hidden service fee went to Chipotle, instead of the  
14 government, he would either have not made his purchase, or would have not been  
15 willing to pay as much as he did for his purchase.

16 43. California Business and Professions Code § 17200 prohibits “any  
17 unlawful, unfair, or fraudulent business act or practice.” For the reasons discussed  
18 above, Defendant has engaged in unlawful, unfair, and fraudulent business acts or  
19 practices in violation of California Business & Professions Code § 17200.

20 44. By committing the acts and practices alleged herein, Defendant has  
21 violated California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code §§  
22 17200-17210 by engaging in unlawful, fraudulent, and unfair conduct.

23 45. Defendant has violated the UCL’s proscription against engaging in  
24 **Unlawful Business Practices** as a result of its violations of California’s False  
25 Advertising Law; and additional violations of common law.

26 46. As more fully described above, Defendant’s false and misleading  
27 marketing and advertising of its Fees to deceive reasonable consumers. In addition,  
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1 Defendant has committed unlawful business practices by, *inter alia*, making the false  
2 representations and omissions of material facts, as set forth more fully herein, and  
3 violating the common law.

4 47. Plaintiff and members of the Class and Subclass reserve the right to  
5 allege other violations of law which constitute other unlawful business acts or  
6 practices.

7 48. Defendant has also violated the UCL's proscription against engaging in  
8 **Unfair Business Practices**. Defendant's acts, omissions, misrepresentations,  
9 practices, and non-disclosures as alleged herein also constitute "unfair" business acts  
10 and practices within the meaning of Business & Professions Code § 17200 *et seq.* in  
11 that its conduct is substantially injurious to consumers, offends public policy, and is  
12 immoral, unethical, oppressive, and unscrupulous as the gravity of the conduct  
13 outweighs any alleged benefits attributable to such conduct.

14 49. There were reasonably available alternatives to further Defendant's  
15 legitimate business interests, other than the conduct described herein as noted above.

16 50. Defendant has further violated the UCL's proscription against engaging  
17 in **Fraudulent Business Practices**. Defendant's claims, nondisclosures, and  
18 misleading statements with respect to Service Fees, as more fully set forth above,  
19 were false, misleading, and/or likely to deceive the consuming public within the  
20 meaning of Business & Professions Code § 17200.

21 51. Plaintiff and members of the Class and Subclass suffered a substantial  
22 injury by paying those Service Fees. Plaintiffs paid more for their food than they  
23 otherwise would have had they known that such hidden Service Fees were not  
24 lawfully required taxes.

25 52. There is no benefit to consumers or competition from deceptively  
26 marketing, and omitting material facts about, the price of the tickets when the  
27 Estimated Fees Filter is turned on.  
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1           59. By its actions, Defendant disseminated uniform advertising regarding its  
2 food delivery costs across the United States and the State of California. The  
3 advertising was, by its very nature, unfair, deceptive, untrue, and misleading within  
4 the meaning of Cal. Bus. & Prof. Code § 17500, *et seq.* Such advertisements were  
5 intended to and likely did deceive the consuming public for the reasons detailed  
6 herein.

7           60. The above-described false, misleading, and deceptive advertising  
8 Defendant disseminated continues to have a likelihood to deceive.

9           61. Defendant continues to make the same misrepresentations complained  
10 of in this complaint.

11           62. In making and disseminating these statements, Defendant knew, or  
12 should have known, its advertisements were untrue and misleading in violation of  
13 California law. Plaintiff and other members of the Class and Subclass based their  
14 purchasing decisions on Defendant's omitted material facts. The revenue  
15 attributable to the service fees charged in those false and misleading advertisements  
16 likely amounts to tens of millions of dollars. Plaintiff and members of the Class and  
17 Subclass were injured in fact and lost money and property as a result.

18           63. The misrepresentations and non-disclosures by Defendant of the  
19 material facts described and detailed herein constitute false and misleading  
20 advertising and, therefore, constitute a violation of Cal. Bus. & Prof. Code § 17500,  
21 *et seq.*

22           64. As a result of Defendant's wrongful conduct, Plaintiff and members of  
23 the Class and Subclass lost money in an amount to be proven at trial. Plaintiff and  
24 members of the Class and Subclass are therefore entitled to restitution as appropriate  
25 for this cause of action.

26           65. Plaintiff and members of the Nationwide Class and California Subclass  
27 seek all monetary and non-monetary relief allowed by law, including restitution of  
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1 all profits stemming from Defendant’s unfair, unlawful, and fraudulent business  
2 practices; declaratory relief; reasonable attorneys’ fees and costs under California  
3 Code of Civil Procedure § 1021.5; and other appropriate equitable relief.

4 **COUNT III**  
5 **Violation Of The New York General Business Law § 349**

6 66. Plaintiff Awad realleges and reincorporates by reference all paragraphs  
7 alleged above.

8 67. Plaintiff Awad brings this claim individually and on behalf of the New  
9 York Subclass.

10 68. On March 10, 2022, Plaintiff Clair Awad purchased a Sofritas Bowl  
11 with white rice, fresh tomato salsa, extra sour cream, guacamole, extra fajita veggies,  
12 romaine lettuce, roasted chili-corn salsa, and black beans, and a Mexican Coca-Cola  
13 for her herself. For her friends, she also purchased a Chicken Bowl with black beans  
14 guacamole, roasted chili-corn salsa, sour cream, cheese, fajita veggies, romaine  
15 letter, tomatillo-green chili salsa and white rice, a bottled water, a Pollo Asado Taco  
16 with and pinto beans, sour cream, light tomatillo-red chili salsa, extra cheese, white  
17 rice and extra chicken, a Chicken Bowl with brown rice, romaine lettuce, fresh  
18 tomato salsa, cheese, and sour cream, both a large and a small side of chips and  
19 guacamole, a Chicken Bowl with fajita veggies, cheese, sour cream, tomatillo-red  
20 chili salsa, roasted chili-corn salsa, and romaine lettuce, and a Veggie Bowl with  
21 black beans, guacamole, and white rice. She ordered all these food items on the  
22 Chipotle App for delivery to an apartment in Manhattan, New York City, New York.  
23 She paid \$135.45 for this order. On the app, Chipotle represented to her that there  
24 was \$19.79 in tax and a \$1.00 delivery fee. *After* Plaintiff Awad made her purchase,  
25 she discovered she only paid \$9.82 in tax, and the remaining \$9.97 went to  
26 Chipotle’s coffers as a service fee. Had she known this hidden service fee went to  
27 Chipotle, instead of the government, she would either have not made her purchase,  
28 or would have not been willing to pay as much as she did for her purchase.

1           69. New York’s General Business Law § 349 prohibits deceptive acts or  
2 practices in the conduct of any business, trade, or commerce.

3           70. Defendant committed deceptive acts and practices by misleadingly and  
4 deceptively obscuring the itemization of its Service Fee and the added costs of food  
5 deliveries.

6           71. Defendant committed deceptive acts and practices by misleadingly and  
7 deceptively hiding its “Service Fee” under the label “Tax.” Accordingly, Plaintiffs  
8 and members of the Class and Subclass were misled into believing that the extra  
9 charges added to the ticket price were representative of governmentally imposed  
10 taxes and fees, when in actuality, a “Service Fee” was charged.

11           72. Defendant’s deceptive acts and practices were directed at consumers.

12           73. Defendant’s deceptive acts and practices are misleading in a material  
13 way because they deliberately make the itemization of extra charges harder to find,  
14 and fundamentally misrepresent the nature of the additional costs imposed by  
15 Defendant on food delivery purchasers. Consumers are more likely to pay artificially  
16 high taxes if they believe it would go towards public schools, roads, and the like,  
17 instead of Chipotle’s coffers.

18           74. As a direct and proximate result of Defendant’s false, misleading, and  
19 deceptive representations, Plaintiff Awad and members of the New York Subclass  
20 were injured in that they would not have purchased the tickets, or would have paid  
21 substantially less for them, but for Defendant’s obfuscation of the extra charges in an  
22 inconspicuous dropdown menu and its false and misleading representations that the  
23 extra charges included both fees and taxes.

24           75. On behalf of herself and the New York Subclass, Plaintiff Awad seeks  
25 to recover their actual damages or fifty dollars per violation, whichever is greater,  
26 three times actual damages, and reasonable attorneys’ fees.

**COUNT IV**  
**Quasi-Contract**

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2           76. Plaintiffs reallege and reincorporate by reference all paragraphs alleged  
3 above.

4           77. Plaintiffs bring this claim individually and on behalf of the Nationwide  
5 Class and state Subclasses.

6           78. As alleged in detail above, Defendant’s false and misleading advertising  
7 caused Plaintiffs and the Classes to pay Chipotle more than they believed they were  
8 paying them.

9           79. Chipotle accepted and retained this extra money in the form of hidden  
10 “Service Fees”.

11           80. Plaintiffs expected to receive something in return in exchange for this  
12 money that they believed was going to the government, such as better public schools,  
13 better roads, better policing, Medicare, Medicaid, or a stronger military, just to name  
14 a few. This is part of the social contract all citizens enter into with the government.  
15 Plaintiffs never received any of those public services, because this money never went  
16 to the government. Instead, it went to Chipotle, and Chipotle provides no public  
17 services.

18           81. Defendant was unjustly enriched by this conduct

19           82. Plaintiffs bring this claim for restitution in the alternative, in the event  
20 they have no other adequate remedy at law.

**COUNT V**  
**Unjust Enrichment**

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23           83. Plaintiffs reallege and reincorporates by reference all paragraphs alleged  
24 above.

25           84. Plaintiffs bring this claim individually and on behalf of the Nationwide  
26 Class and state Subclasses.







1 (f) For an order awarding Plaintiff and the putative Class  
2 their reasonable attorneys' fees and expenses and costs of  
3 suit.

4 **DEMAND FOR JURY TRIAL**

5 Plaintiffs, on behalf of themselves and the proposed Class, demand a trial by  
6 jury for all of the claims asserted in this Complaint so triable.

7 Dated: July 31, 2024

8 Respectfully submitted,

9 **BURSOR & FISHER, P.A.**

10 By: /s/ L. Timothy Fisher  
11 L. Timothy Fisher

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26 *Attorneys for Plaintiffs*

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [New Chipotle Lawsuit Alleges Restaurant 'Cloaks' Costly Service Fee Within Tax Charged for Online Orders](#)

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