

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

TRAVELERS UNITED, INC.
2833 Alabama Ave SE #30736
Washington, DC 20020,

Plaintiff,

v.

BUDGET RENT A CAR SYSTEM, INC.,
6 Sylvan Way
Parsippany, NJ 07054

SERVE:
BUDGET RENT A CAR SYSTEM,
INC.,
C/O CORPORATION SERVICE
COMPANY
1090 Vermont Ave. NW #430
Washington, DC 20005

and

DOES 1-20,

Defendants.

2024-CAB-005736

Case No:

COMPLAINT

JURY TRIAL DEMANDED

INTRODUCTION

1. Budget Rent a Car System, Inc. (“Budget”) has been systematically cheating Americans out of tens of millions of dollars each year by refusing to rent vehicles for the advertised price.

2. Rather than disclosing the full cost of rental cars upfront, Budget instead advertises one price, but late in the transaction process Budget adds mandatory “service fees” that can increase the cost of the rental by more than 10%.

3. Last minute, mandatory fees like those charged by Budget are called “Junk Fees” by the Federal Trade Commission (“FTC”),¹ and this type of Junk Fee pricing strategy is commonly called “drip pricing” or “bait and switch” advertising.

4. Junk Fees, drip pricing, and bait and switch advertising are all illegal in the District of Columbia.

5. Specifically, the District of Columbia Consumer Protection Procedures Act, D.C. Code §§ 28–3901, *et seq.* (“CPPA”), “establishes an enforceable right to truthful information from merchants about consumer goods and services that are or would be purchased, leased, or received in the District of Columbia,” D.C. Code § 28–3901(c), and makes it unlawful to “advertise or offer goods or services without the intent to sell them or without the intent to sell them as advertised or offered.” D.C. Code §§ 28–3904(h).

6. As President Biden explained in a recent State of the Union address, “junk fees may not matter to the very wealthy, but they matter to most other folks in homes like the one I grew up in, like many of you did. They add up to hundreds of dollars a month. They make it harder for you to pay your bills[.]”²

7. In fact, the White House estimates that Junk Fees cost Americans over \$90 billion each year.³

¹ As defined by the FTC, “Junk Fees” are “unfair or deceptive fees that are charged for goods or services that have little or no added value to the consumer including goods or services that consumers would reasonably assume to be included within the overall advertised price” or fees that are “hidden,” such as those “disclosed only at a later stage in the consumer’s purchasing process or not at all.” *Unfair or Deceptive Fees Trade Regulation Rule Commission Matter No. R207011*, 87 Fed. Reg. 67413 (proposed Nov. 8, 2022) (to be codified at 16 C.F.R. pt. 464), available at <https://www.federalregister.gov/documents/2022/11/08/2022-24326/unfair-or-deceptive-fees-trade-regulation-rule-commission-matter-no-r207011> (cleaned up).

² *President Biden’s State of the Union Address*, White House, <https://www.whitehouse.gov/state-of-the-union-2023/> (last visited Aug. 9, 2023).

³ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/24/readout-of-white-house-state-legislators-convening-on-junk-fees/#:~:text=President%20Biden%20is%20committed%20to,concert%20tickets%20to%20health%20insurance.>

8. Travelers United brings this action under the CPPA to stop Budget from falsely advertising rental car rates for services within the District and to residents of the District.

JURISDICTION AND VENUE

9. This Court has jurisdiction over the subject matter of this case under D.C. Code § 11-921 and D.C. Code § 28-3905(k)(2).

10. This Court has personal jurisdiction over the Defendants under D.C. Code § 13-423(a).

THE PARTIES

A. Plaintiff

11. Plaintiff Travelers United, Inc., is a nonprofit public interest organization. Travelers United is a Delaware exempt corporation which is registered as a foreign corporation in the District of Columbia. Travelers United is based in Washington, D.C., and Virginia.

12. The mission of Travelers United is to improve and enhance travel for consumers. Travelers United has been instrumental in advocating against hidden fees both federally and locally in the District.

13. Travelers United has met with many members of the D.C. Council and their staff regarding junk fees. Nationally, Travelers United has worked and met with members of Congress, the National Association of Attorneys General, other national consumer advocacy groups, and the Federal Trade Commission educating, alerting, and advocating against hidden junk fees.

14. Travelers United has standing to bring its claims under D.C. Code § 28-3905(k)(1)(D)(i) because it qualifies as a public interest organization with a sufficient nexus to the consumer interests at issue in the litigation.

B. Defendants

15. Defendant Budget Rent a Car System, Inc. is a Delaware Corporation with its headquarters in New Jersey. Budget regularly conducts business within District, including by operating multiple rental locations within the District.

16. On information and belief, Does 1-20 are individuals and/or entities who facilitate Budget’s unlawful Junk Fee practices described in this Complaint. The identities of Does 1-20 are not presently known to Plaintiff. The Doe defendants, along with defendant Budget, are collectively referred to in this Complaint as “Defendants.”

17. Travelers United reserves its right to amend this complaint to add the Doe defendants by name once their identities are known.

FACTUAL ALLEGATIONS

A. Companies Use Junk Fees to Trick Customers into Paying More than They Otherwise Would for Goods and Services.

18. Large, sophisticated companies—like Budget—with large, sophisticated marketing departments know that Junk Fees trick consumers into paying more for a good or service.

19. Indeed, the White House estimates that Junk Fees cost consumers over \$90 billion each year in the United States.⁴

20. One of the most common Junk Fee pricing techniques is “drip pricing,” where a company does not disclose the total price of a product or service until late in the purchase process.

21. Consumers who are not provided the complete price until checkout are likely to proceed with their purchase even if continuing to search for a cheaper price would be more “optimal” for them because consumers want to avoid “the cost of the time and cognitive effort involved” in continuing to search for a product or service.⁵

⁴ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/24/readout-of-white-house-state-legislators-convening-on-junk-fees/#:~:text=President%20Biden%20is%20committed%20to,concert%20tickets%20to%20health%20insurance>.

⁵ Mary W. Sullivan, *Economic Issues: Economic Analysis of Hotel Resort Fees*, Bureau of Economics Fed. Trade Comm’n (Jan. 2017), at 16-17, https://www.ftc.gov/system/files/documents/reports/economic-analysis-hotel-resort-fees/p115503_hotel_resort_fees_economic_issues_paper.pdf.

22. Once a consumer decides what to buy, he is unlikely to depart from that decision because of the “additional cognitive effort” involved in resuming his search.⁶

23. In other words, omitting Junk Fees from the advertised cost of a product or service through drip pricing induces consumers to pay a higher total price than they otherwise would have.

24. Indeed, as the companies that engage in Junk Fee practices are well aware, consumers choose a product or service based on the advertised “base price,” and not based on the dripped price, especially when the Junk Fee is not adequately disclosed.⁷

25. Accordingly, “buyers may be hurt” because “[w]hen there is uncertainty over possible drip sizes . . . consumers more frequently fail to identify the cheapest offer.”⁸

26. In fact, studies show that “consumers exposed to drip pricing . . . are significantly more likely to 1) initially select the option with the lower base price, 2) make a financial mistake by ultimately selecting the option that has a higher total price than the alternative option, given the add-ons chosen, and 3) be relatively dissatisfied with their choice.”⁹

27. As the Federal Trade Commission’s Bureau of Economics has explained, the use of Junk Fees and drip pricing adds steps to the process of determining the actual price of a good or service, which forces consumers to pay more than they would if presented with full, complete prices.¹⁰

⁶ *Id.* at 17.

⁷ Alexander Rasch et al. *Drip pricing and its regulation: Experimental evidence*, 176 J. Econ. Behavior & Org. 353 (2020), available at <https://www.sciencedirect.com/science/article/abs/pii/S0167268120301189> (“buyers . . . based their purchase decision exclusively on the base price”).

⁸ Rasch et al. *Drip pricing and its regulation: Experimental evidence, supra*.

⁹ Santana et al., *Consumer Reactions to Drip Pricing, supra* note 4, at 6

¹⁰ Sullivan, *Economic Issues: Economic Analysis of Hotel Resort Fees, supra* note 6, at 2-3.

28. As a result, consumers are forced either to “incur higher total search and cognitive costs or to make an incomplete, less informed decision that may result in a more costly [purchase], or both.”¹¹

29. The FTC has thus characterized Junk Fees as especially egregious when they are hidden (*i.e.*, “disclosed only at a later stage in the consumer’s purchasing process or not at all”), because openly disclosed Junk Fees would enable consumers to determine that the cost of a given product or service is not favorable relative to the cost charged by competitors and choose to do business elsewhere.¹²

30. Given this, it is no surprise companies are motivated to hide Junk Fees through drip pricing for as long as possible in the search and purchase process, as duping consumers into paying Junk Fees brings in substantial revenue.

31. In many instances, companies even compound the benefit they obtain through these practices by increasing Junk Fees at a higher rate than they increase the base price of the underlying product or service itself.¹³ As a result, the product or service appears cheaper to consumers than competitor products or services, even though the total cost of the product or service, inclusive of Junk Fees, is equally if not more expensive than those other companies’ products or services.¹⁴

¹¹ *Id.* at 4; *see also* Friedman, *Regulating Drip Pricing*, *supra* note 8, at 67 (“... sellers provide buyers with the ‘initial value’ in the form of the initially-presented base price. . . . Buyers are influenced by the initial value, so a lower base price would create the impression of a lower overall price.” (citing Gorkan Ahmetoglu et al., *Pricing Practices: A Critical Review of their Effects on Consumer Perceptions and Behaviour*, 21 *J. Retailing & Cons. Services* 696, 697 (2014))).

¹² *See, e.g.*, *Unfair or Deceptive Fees Trade Regulation Rule Commission Matter No. R207011*, *supra* note 2 (“After a market leader took unilateral action to phase out hidden fees, the platform ‘lost significant market share and abandoned the policy after a year because consumers perceived the platform’s advertised prices to be higher than its competitors’ displayed prices.” (citation omitted)).

¹³ *Unfair or Deceptive Fees Trade Regulation Rule Commission Matter No. R207011*.

¹⁴ *See id.*

32. Companies are also able to increase hidden Junk Fees without suffering meaningful market consequences.¹⁵ In particular, companies can charge excessive Junk Fees in part because drip pricing impedes fair, honest, and free market competition as they are not adequately disclosed alongside the base price.¹⁶

33. Hence, through drip pricing, companies can charge excessive Junk Fees while skirting economic consequences, as shrouding the fee avoids deterring consumers from purchasing a given product or service based on a Junk Fee and its effect on the total price.

34. Meanwhile, competitor companies and consumers face the consequences. Companies that engage in drip pricing will lure consumers away from properly behaving competitors that do not engage in such practices (and thus appear to charge higher prices) and will earn more profit than those competitors.¹⁷

35. Junk Fees charged through drip and/or partitioned pricing also generate significant burden for individual consumers,¹⁸ with the White House estimating that Junk Fees cost Americans over \$90 billion each year in the United States.¹⁹

36. Moreover, drip pricing runs afoul of the FTC Act itself. *See* 15 U.S.C. § 45(a)(1) (declaring unlawful “unfair or deceptive acts or practices in or affecting commerce”). And the

¹⁵ Rasch et al. *Drip pricing and its regulation: Experimental evidence*, *supra* note 10.

¹⁶ *Id.* (“firms fiercely compete in base prices but not in drip prices,” so “total price increases when firms use drip pricing”).

¹⁷ *Id.* (“ . . . where there is uncertainty about the drip size, sellers with a high drip-price limit can earn profits above the competitive level.”).

¹⁸ *See Unfair or Deceptive Fees Trade Regulation Rule Commission Matter No. R207011*, *supra* note 2 (explaining that “[c]onsumers faced with such fees pay upward of twenty percent more than when the actual price was disclosed upfront,” and, as a result, such fees “impose substantial economic harms on consumers”).

¹⁹ <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/24/readout-of-white-house-state-legislators-convening-on-junk-fees/#:~:text=President%20Biden%20is%20committed%20to,concert%20tickets%20to%20health%20insurance>.

FTC’s guidance on bait and switch advertising states that “[n]o statement . . . should be used in any advertisement which creates a false impression of the . . . value . . . of the product offered, or which may otherwise misrepresent the product in such a manner that later, on disclosure of the true facts, the purchaser may be switched from the advertised product to another.” 16 C.F.R. § 238.2(a). If the first contact is secured by the deceptive bait advertisement, it is a violation of law even if the true facts are subsequently made known to the buyer. 16 C.F.R. § 238.2(b). Through drip and/or partitioned pricing, companies induce consumers to choose a product or service based on an advertised price (*i.e.*, the “bait”), despite ultimately charging a different and higher price than advertised (the “switch”).

37. Put simply, Junk Fees and drip pricing are bad for consumers, are bad for honest businesses, and are bad for competition.

B. The District’s Consumer Protection Procedures Act

38. The District of Columbia Consumer Protection Procedures Act protects consumers from a wide range of unfair and deceptive business practices. *See* D.C. Code § 28–3904.

39. Consistent with these protections, CPPA Section 28–3901(c) directs courts to construe the CPPA broadly “to promote its purpose,” including ensuring that “a just mechanism exists to remedy all improper trade practices” and promoting “through effective enforcement[] fair business practices throughout the community.” D.C. Code §§ 28–3901(c), (b)(1), (2).

40. Among other things, the CPPA “establishes an enforceable right to truthful information from merchants about consumer goods and services that are or would be purchased, leased, or received in the District of Columbia,” D.C. Code § 28–3901(c), and makes it unlawful to “advertise or offer goods or services without the intent to sell them or without the intent to sell them as advertised or offered.” D.C. Code §§ 28–3904(h).

41. CPPA Section 28–3904 is explicit that a violation occurs regardless of “whether or not any consumer is in fact misled, deceived, or damaged” by the unlawful practice.

42. Further, the CPPA authorizes public interest organizations, such as Travelers United, to sue on behalf of consumers to enjoin the unlawful trade practice. D.C. Code § 28–3905(k)(2)(D).

C. Budget’s Junk Fee Business Model.

43. Budget is one of the largest rental car companies in the world, with about 4,000 locations, including at least six locations within the District.

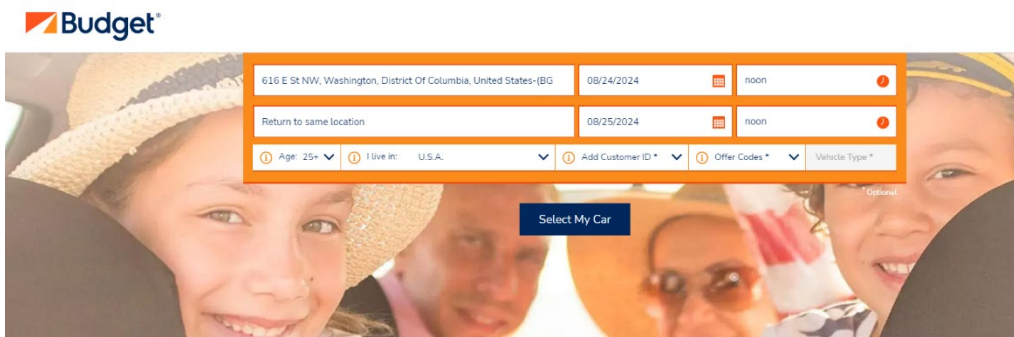
44. Budget has annual revenue of over \$3 billion.

45. Despite its massive size, Budget exploits consumers by charging mandatory fees in addition to the advertised price for rental car bookings.

1. Budget’s Online Booking Interface.

46. Here is an example of how Budget’s online booking interface works from a computer.

47. First, the consumer selects the desired Budget location and reservation date. Here is an August 24 to 25, 2024 reservation at Budget’s 616 E St. NW Washington D.C. location:



/

/

/

48. Second, after pressing “select my car,” the customer is brought to a screen where specific booking options and prices are listed, including the two cheapest options being listed for \$38.03:

The screenshot shows the Budget website interface. At the top, the Budget logo is on the left, and a navigation bar contains a home icon, the text "Sign In to Get Our Best Rates. Terms Apply", and a "2 Select a Car" step indicator. Below the navigation bar, the "Pick-Up" location is "Penn Quarter Garage, BGDC3" on "Sat, Aug 24, 12:00 PM". The "Return" location is "Penn Quarter Garage, BGDC3" on "Sun, Aug 25, 12:00 PM". There are filters for "Showing: All Vehicles", "Sort by: Price (Low to High)", and "Add Offer Code". A blue banner states "Your savings are reflected below." Two car options are listed: "Economy" (Kia Rio or similar) and "Compact" (Kia Soul or similar). Both are priced at "Starting From: \$38.03" and have an orange "Select" button. The Economy car is a white sedan, and the Compact car is a white SUV.

49. Third, upon making a selection, the customer is next asked whether they want to “Pay Later” or “Pay Now,” with the \$38.03 rate still displayed:

The screenshot shows a "Select Your Rate" dialog box with a close button (X) in the top right corner. The dialog is titled "Economy" and lists "Kia Rio or similar" with an image of the car. Below the car image, there are two pricing options: "\$42.26" and "\$38.03". Under the "\$42.26" price is an orange "Pay Later" button, and under the "\$38.03" price is a dark blue "Pay Now" button. On the left side, under "Member Rates", there are four bullet points: "Free to Join", "Best Rate Guaranteed", "Free Upgrade (when available)", and "Bonus Rental Day". A "Terms Apply" link is at the bottom left.

50. Fourth, once a customer selects the “Pay Now” option for \$38.03, she is then taken to several additional pages where Budget attempts to sell additional services, such as “Loss Damage Waiver,” “Supplemental Liability Insurance’ and similar. A new price is also displayed for the car on these screens for the first time, reflecting “\$46.40 TOTAL”:

The screenshot shows the Budget website interface. At the top right, there is a 'Sign in' button, a car icon, and a price tag: '\$46.40 TOTAL' with subtext 'Includes taxes, fees & surcharges' and 'Unlimited free miles'. Below this is a progress bar with four steps, where step 3 'Rental Options' is highlighted. The main section is titled 'Protections & Coverages' with a 'Continue' button. Underneath, there are two tabs: 'Protections & Coverages' (selected) and 'Equipments'. Three coverage options are displayed in cards:

- Loss Damage Waiver (LDW)**: Protects you if car is damaged. Price: \$30.99/Day.
- Supplemental Liability Insurance (SLI)**: Third party injury/property damage coverage. Price: \$18.09/Day.
- Personal Accident and Effects (PAE)**: Additional personal and property insurance. Price: \$9.95/Day.

At the bottom left, a 'Please Note' states: 'All taxes for these rental options are included in the estimated total, unless otherwise specified.' A 'Continue' button is at the bottom right.

51. Fifth, if the consumer attempts to learn more about the price change and selects the drop-down arrow associated with the price, Budget further breaks down the costs. But that breakdown is deceptive, with the “Taxes & Fees” listed together to create the impression that the change in price from \$38.03 to \$46.40 is actually the result of government mandated charges in the amount of \$8.37:

The screenshot shows a price breakdown table. At the top, there is a 'Sign In' button, a car icon, and a price tag: '\$46.40 TOTAL' with subtext 'Includes taxes, fees & surcharges' and 'Unlimited free miles'. Below this is a progress bar with four steps, where step 4 is highlighted. The table shows the following breakdown:

Base Rate	\$50.99	\$38.03
Taxes & Fees		\$8.37
Estimated Total (Prepaid)		\$46.40
Total Savings		\$12.96
See Rate Terms		

At the bottom right, there are three green checkmarks with text: 'Unlimited Mileage', 'Pay Now & Save', and 'Great Deal'. A 'Close X' button is at the bottom right.

52. However, if the consumer clicks “Taxes & Fees,” a further breakdown is provided, which reflects that only \$4.31 of the price change is due to government taxes. The remainder of the charges, including a “Concession Recovery Fee,” “Energy Recovery Fee,” and “Vehicle License Fee” are all additional fees imposed by Budget. Thus, \$4.06 increase is a partitioned portion of the rental price disguised to look like government-imposed fees:

The screenshot shows a car rental summary. At the top, it displays a car icon, a "Sign In" link, and a total price of \$46.40. Below this, a table breaks down the costs:

Item	Original Price	Current Price
Base Rate	\$50.99	\$38.03
Taxes & Fees		\$8.37
Concession Recovery Fee (8%)		3.12
Energy Recovery Fee - 0.60/day		0.60
Vehicle License Fee		0.34
Total Tax		4.31
Estimated Total (Prepaid)		\$46.40
Total Savings		\$12.96

Additional features listed include: Unlimited Mileage, Pay Now & Save, and Great Deal. A "Close" button is visible at the bottom right.

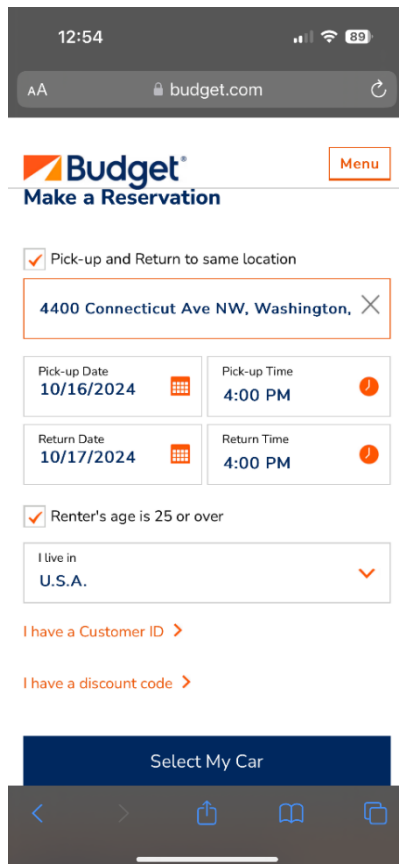
53. There is no way to complete the reservation without paying the additional \$4.06 in Budget-imposed Junk Fees, and no way to complete the reservation for the originally advertised price of \$38.03.

54. The \$4.06 in Junk Fees reflects a price increase of over 10% of the originally displayed price.

2. Budget's Online Booking Interface from a Mobile Phone.

55. Here is an example of how Budget's online booking interface works from a mobile phone.

56. First, the consumer selects the desired Budget location and reservation date. Here is an October 16 to 17, 2024 reservation at Budget's 4400 Connecticut Ave. NW Washington D.C. location:




57. Second, after pressing “select my car,” the customer is brought to a screen where specific booking options and prices are listed, including an option to “Pay Later” for \$46.26.

12:54 📶 📶 🔋 89

budget.com

Budget Menu

You are eligible for Mobile exclusive Rates
Book today using your mobile device and SAVE!



Intermediate
Toyota Corolla or similar ⓘ

5 1 2 ⓘ

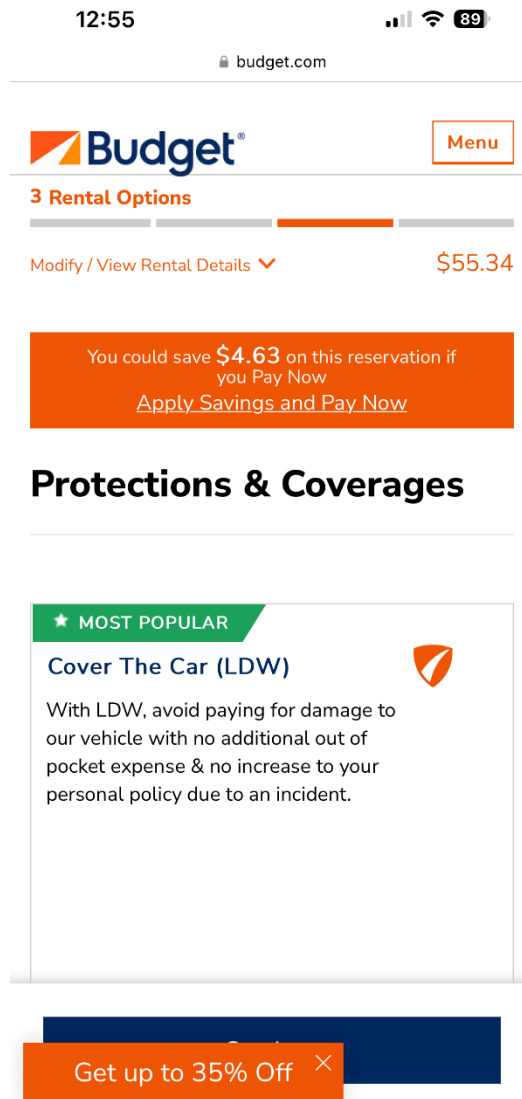
Automatic Transmission

Mobile Exclusive Rate

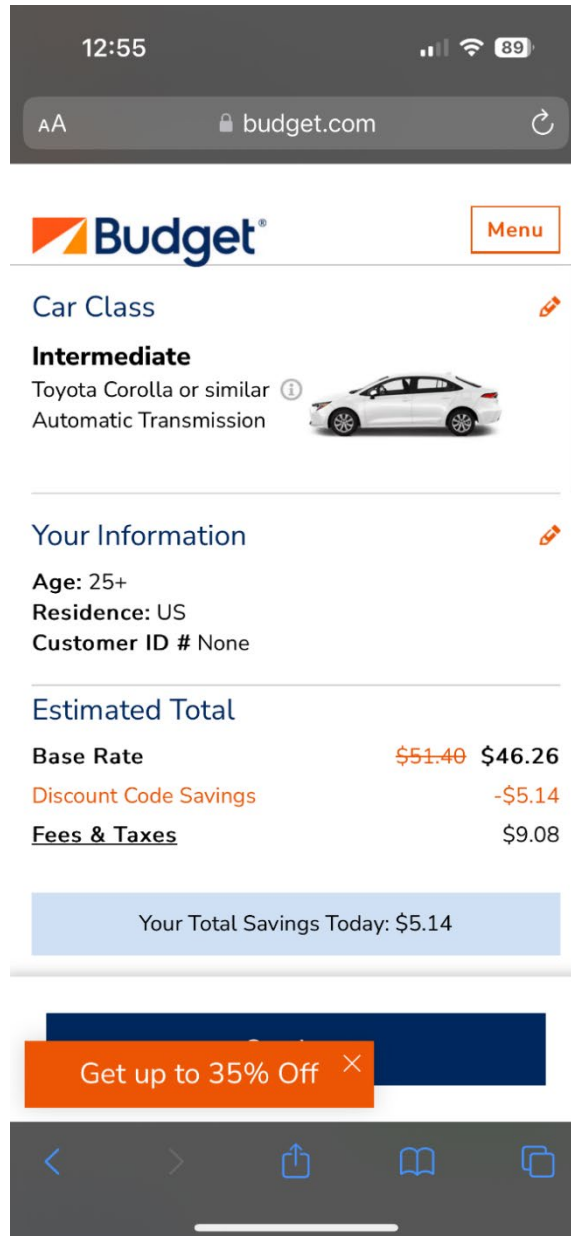
\$51.40	\$46.26
\$46.26	\$41.63

Pay Later Pay Now

59. Third, once a customer selects the “Pay Later” option for \$46.26, she is then taken to an additional page where Budget attempts to sell additional “Protections & Coverages.” On this screen, a new price is also displayed, reflecting \$55.34:



60. Fourth, on the next screen, Budget provides a summary of the booking, once again reverting to the \$46.26 rate. Budget also lists “Fees & Taxes” for \$9.08, but nothing on the screen indicates that the \$9.08 in “Fees & Taxes” is in addition to the \$46.26 price:



61. “Fees & Taxes” being listed together to create the impression that the change in price results from government mandated charges in the amount totaling \$9.08.

62. Fifth, if the consumer clicks “Fees & Taxes,” only then is an itemized breakdown provided which reflects only \$4.84 is mandated government charges. The rest of the \$4.24 is deceptively named Junk Fees added on by Budget.

The screenshot shows the Budget.com mobile app interface. At the top, the time is 12:56, and the battery level is 89%. The URL budget.com is visible. The Budget logo is on the left, and a Menu button is on the right. The main content is divided into sections: Car Class, Your Information, and Estimated Total. The Car Class section shows an Intermediate Toyota Corolla or similar with Automatic Transmission. The Your Information section shows Age: 25+, Residence: US, and Customer ID # None. The Estimated Total section shows a Base Rate of \$51.40 (crossed out) and \$46.26. A Discount Code Savings of -\$5.14 is also shown. The Fees & Taxes section lists: Concession Recovery Fee (7%) at 3.30, Energy Recovery Fee - 0.60/day at 0.60, Vehicle License Fee at 0.34, and Total Tax at 4.84. A blue box below the total shows 'Your Total Savings Today: \$5.14'. At the bottom, there is a dark blue banner with an orange button that says 'Get up to 35% Off' with a close icon.

12:56 89%

budget.com

Budget Menu

Car Class

Intermediate
Toyota Corolla or similar ⓘ
Automatic Transmission

Your Information

Age: 25+
Residence: US
Customer ID # None

Estimated Total

Base Rate	\$51.40	\$46.26
Discount Code Savings		-\$5.14
Fees & Taxes		\$9.08
Concession Recovery Fee (7%)		3.30
Energy Recovery Fee - 0.60/day		0.60
Vehicle License Fee		0.34
Total Tax		4.84

Your Total Savings Today: \$5.14

Get up to 35% Off

63. There is no way to complete the reservation without paying the additional \$4.24 in Budget-imposed Junk Fees, and no way to complete the reservation for the originally advertised price of \$46.26.

64. The \$4.24 in Junk Fees reflects a price increase of over 9% of the originally displayed price.

CAUSES OF ACTION

A. Violation of the Consumer Protection Procedures Act, D.C. Code §§ 28-3901 *et seq.*

65. The allegations of Paragraphs 1 through 63 are re-alleged as if set forth below.

66. The D.C. Consumer Protection Procedures Act is a remedial statute that is to be broadly construed. It establishes “an enforceable right to truthful information from merchants about consumer goods and services that are or would be purchased, leased, or received in the District of Columbia.” D.C. Code § 28–3901(c). CPPA Section 28–3904 is explicit that a violation occurs regardless of “whether or not any consumer is in fact misled, deceived, or damaged” by the unlawful practice.

67. Travelers United has standing to bring this Count under D.C. Code § 28–3905(k)(l)(D)(i), which provides in relevant part that “a public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District if the consumer or class could bring an action under subparagraph (A) of this paragraph for relief from such use by such person of such trade practice.”

68. Travelers United is a public interest organization that has done significant advocacy work against Junk Fees across the travel industry, both locally in the District and at the federal level.

69. Travelers United brings this suit on behalf of all District of Columbia consumers who have rented a car with Budget through its online booking interface. The names of such consumers are possession of Budget, and Travelers United will obtain them in discovery.

70. The CPPA prohibits unlawful trade practices in connection with the offer, sale, advertisement, and supply of consumer goods and services. D.C. Code § 28–3904.

71. The rental cars that Budget offers to consumers are leased or sold for personal, household, or family purposes and therefore are consumer goods or services.

72. Budget, in the ordinary course of business, offers to lease, sell, or supply consumer goods and services and therefore is a merchant. D.C. Code § 28–3901(a)(3).

73. Budget’s advertising of prices for rental cars that do not include daily mandatory Junk Fees that were then charged constitutes an advertisement or offer without the intent to complete the sale as advertised, which is an unlawful trade practice that violates the CPPA, D.C. Code § 28–3904(h).

74. Because cost is a material fact to consumers deciding whether to book a rental car, Budget engages in unfair and/or deceptive trade practices by “misrepresent[ing] . . . a material fact which has a tendency to mislead,” D.C. Code § 28–3904(e), “fail[ing] to state a material fact” and “such failure tends to mislead,” D.C. Code § 28–3904(f), “us[ing] innuendo or ambiguity as to a material fact, which has a tendency to mislead,” D.C. Code § 28–3904(f-1), and/or “mak[ing] false or misleading representations of fact concerning . . . the price in comparison to price of competitors or one’s own price at a past or future time,” D.C. Code § 28–3904(j) when it misrepresents the price of the rental and total cost to the consumer through drip and/or partitioned pricing and misleads consumers by representing the Junk Fees as a mandatory government charge.

75. Budget’s deceptive Junk Fee practices willfully disregard and violate consumers’ statutory rights to truthful information from Budget about the actual rate for car rentals in the District of Columbia.

76. Consumers suffered actual injuries as a result of Budget’s unfair and deceptive practices in the amount of the mandatory Junk Fees which were not included in the advertised price but were paid.

77. Each time that Budget charges Junk Fees constitutes a violation of the CPPA.

78. Given these practices, Travelers is entitled to declaratory and injunctive relief. D.C. Code § 28–3905(k)(2)(D).

PRAYER FOR RELIEF

79. WHEREFORE, Travelers United respectfully requests this Court enter judgment in its favor and against Defendants, as follows:

a. Permanently enjoin and restrain Defendants, pursuant to D.C. Code § 28-3905(k)(2)(D), from engaging in conduct determined to be in violation of the CPPA;

- b. Permanently enjoin Defendants from advertising, displaying, and/or otherwise presenting prices that do not include all charges;
- c. Order the Defendants to pay statutory damages to Travelers United pursuant to D.C. Code § 28-3905(k)(2)(A), for each and every violation of the CPPA proven at trial;
- d. Order the Defendants to pay punitive damages in an amount to be determined at trial, pursuant to D.C. Code § 28-3905(k)(2)(C);
- e. Award Travelers United the costs and reasonable attorney's fees for its investigation and this action, pursuant to D.C. Code § 28-3905(k)(2)(B); and
- f. Grant such further relief as the Court deems just and proper.

DEMAND FOR TRIAL BY JURY

80. Travelers United hereby respectfully demands a trial by jury on all claims for which a jury trial is available.

Date: September 9, 2024

/s/ Shana Khader

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