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N.J. CLASS ACTION LAWSUIT FILED AGAINST LIFELOCK ALLEGING DECEPTIVE MARKETING REGARDING LIMITED LEVEL OF PROTECTION AGAINST IDENTITY THEFT

NEW BRUNSWICK, N.J. (3/31/08)—A class action lawsuit was filed on Friday, March 28 against LifeLock, Inc. and its CEO Richard “Todd” Davis by Dr. Warren Pasternack and his wife, Susan Pasternack, on behalf of themselves as well as all other New Jersey LifeLock subscribers. The Pasternacks allege that LifeLock misled them about the limited level of identity protection the company provides, and failed to warn them about the potential adverse impact those services could have on their credit profiles.

The plaintiffs, who reside in Middlesex County, filed suit in the New Jersey Superior Court in New Brunswick, claiming that they were the victims of Consumer Fraud by virtue of LifeLock’s deceptive advertisements. The suit seeks to recover the money subscribers have paid to LifeLock and prohibit the company from continuing to promote its services through its marketing campaign.

LifeLock, which is headquartered in Tempe, Ariz., charges subscribers \$10 per month for the services it provides as “the industry leader in the rapidly growing field of Identity Theft Protection.” In fact, in its ubiquitous marketing campaign, Davis broadcasts his own social security number on television and radio stations across the country as testimony to his confidence in the services LifeLock claims to provide.

According to the Complaint, however, LifeLock’s popular advertisements lull its subscribers into a false sense of security by misrepresenting the level the protection its services provide. To illustrate this point, the Complaint states that as a result of LifeLock’s popular advertisements, CEO Davis’s identity “was stolen while he was a customer and is, upon information and belief, presently being misappropriated by at least twenty identity thieves.”

David Paris of Marks & Klein, LLP, Red Bank, N.J., the attorney for the Pasternacks and the proposed class, maintains that LifeLock dramatically overstates the level of protection provided by its primary service – the placement and constant renewal of fraud alerts on its subscribers’ credit profiles.

“While fraud alerts may be effective in limited instances, they certainly cannot provide the comprehensive identity protection that LifeLock deceptively advertises,” said Paris. “For instance, fraud alerts cannot stop the use of existing account numbers, and contrary to LifeLock’s advertisements, lenders are certainly not required to contact the subscriber before extending credit to a potential identity thief.”

According to the Complaint, LifeLock also misleads subscribers by advertising its \$1 million service guarantee. “Potential LifeLock subscribers are enticed by the ‘safety net’ of what appears to be a one-million dollar insurance policy against any losses sustained as a result of identity theft,” said Paris. “In actuality, once you get beyond the limitations and disclaimers, you find that the guarantee is limited to fixing failures in LifeLock’s services and paying third-parties to attempt to restore subscriber losses.”

Paris added that Marks & Klein plans to file similar actions in New York, Florida, and California for violations of those states’ Consumer Protection Laws. LifeLock, which was founded in 2005, presently has approximately 900,000 subscribers across the United States.