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Public Storage Class Kicks Off \$100M Trial Over Insurance

By **Lauren Berg**

Law360, Los Angeles (January 28, 2019, 10:56 PM EST) -- Public Storage bamboozled storage space renters into believing they were required to buy company provided insurance in order to rent units, customers testified Monday at the start of a class action bench trial in California seeking \$100 million in restitution from the national storage giant.

Richard Mojica — one of four named plaintiffs in the class action — had just finished college in the Bay Area when he learned that his grandmother was gravely ill in San Diego. Deciding to temporarily put all of his belongings in storage so that he could spend time with his family, Mojica testified that he signed a lease with Public Storage in January 2016, but that he didn't read the contract closely.

Instead, he said, he relied on the employee helping him to summarize it and point out where he needed to initial. It was at this point, he said, that he was misled into believing he was required to purchase the storage company's in-house insurance program in order to rent the unit.

"My eyes were naturally following where her finger went," Mojica said. "I trusted her. I felt hoodwinked."

The class argues that it was misled into buying insurance, from which Public Storage receives a profit, and was told it was required in order to rent storage space from the company.

But Public Storage maintains that, while it does require customers to have insurance on their belongings, it does not require them to buy the company's in-house coverage. The company also argues that its employees do not give insurance advice and are given a script to follow when explaining the insurance requirements and options.

The company argues that the lease contains an insurance addendum that tells customers the in-house insurance is just an option and that they can seek insurance from elsewhere, and that employees give the customers a brochure explaining that the in-house insurance is just one option.

Simona A. Agnolucci of Keeker Van Nest & Peters LLP, an attorney for Public Storage, said in her opening arguments that the plaintiffs knew about the insurance and did not read their contracts.

"It's obvious there is no deception here," said Agnolucci.

Paulina Cardona testified Monday that when she rented a unit from Public Storage in October 2013, she was also told by one of the employees that the in-house insurance was required. She also said she did not carefully read the contract or insurance addendum and signed after hearing a summarization from the employee.

The class is defined as all people who rented storage units from Public Storage in California and who purchased in-house self-storage insurance policies on the same date between Feb. 3, 2012, and Feb. 8, 2016.

In July, the class certification was clarified to only apply to the claim that Public Storage has a uniform practice of leading tenants to falsely believe that they had to buy insurance offered by the

storage company, violating California's unfair competition law.

According to Public Storage's trial brief that cites the class certification order, the plaintiffs must prove their claim based on the company's training materials and "uniform sales representation," and cannot rely on individual class members' assertions that employees deviated from the scripted information about insurance, otherwise "common issues will not predominate and the case will not be able to proceed as a class action."

The trial is expected to continue Tuesday.

Counsel for Public Storage declined to comment Monday. Counsel for the class did not immediately respond to a request for comment.

The plaintiffs are represented by Steven R. Weinmann, William M. Audet and Ling Y. Kuang of Audet & Partners LLP; Brad N. Baker and Albro L. Lundy III of Baker Burton & Lundy PC; Dale E. Washington of the Law Office of Dale E. Washington; Raymond V. Zakari of Zakari Law APC; and Gillian L. Wade, Sara D. Avila and Marc A. Castaneda of Milstein Jackson Fairchild & Wade LLP.

Public Storage is represented by John W. Kecker, Simona A. Agnolucci, Erin E. Meyer and Christopher S. Sun of Kecker Van Nest & Peters LLP.

The case is *Perez et al. v. Public Storage*, case number BC611584, in the in the Superior Court of the State of California, County of Los Angeles.

--Editing by Jay Jackson Jr.

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