IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

DISTRICT OF COLUMBIA a municipal corporation 400 6th Street, NW, 9th Floor Washington, DC 20001 **PLAINTIFF**, v. **ACTIVEHOURS INC. d/b/a EARNIN** 200 Portage Ave. Palo Alto, CA 94306 **DEFENDANT**.	Case No.: 2024-CAB-007303 Judge: Darlene M. Soltys **JURY TRIAL DEMANDED**

FIRST AMENDED COMPLAINT FOR VIOLATIONS OF THE CONSUMER PROTECTION PROCEDURES ACT

Plaintiff District of Columbia (the "District"), through the Office of the Attorney General, brings this consumer protection action against ActiveHours Inc., d/b/a EarnIn ("EarnIn") under the District of Columbia Consumer Protection Procedures Act ("CPPA"), D.C. Code § 28-3901, *et seq*. In support of its claims, the District states as follows:

1. EarnIn operates a website and mobile phone application through which consumers ("Borrowers") can request an advance of what EarnIn markets as the pay that its customers have already earned but have not yet received from their employers—what the company calls an "Earned Wage Advance" or "EWA." EarnIn then withdraws the amount of the loan, plus any tips or fees, from its Borrowers' bank accounts or debit cards on their next payday. Throughout this process, EarnIn deceives District Borrowers about the true nature of its product and takes unfair advantage of District Borrowers.

2. EarnIn lures Borrowers to its product through deceptive advertising. First, EarnIn promotes that Borrowers can "access their pay" "within minutes" of earning it with "no mandatory fees." But to receive the promised access to funds "within minutes," there ***are*** mandatory fees. These are called "Lightning Speed" fees, and they quickly add up based on the limits EarnIn places on the amount users can borrow per day. Second, EarnIn advertised that Borrowers could obtain up to $100 or $150/day, but it made that a mathematical impossibility by setting a 14-day "pay period max" of $1,000. And, most District Borrowers have been unable to obtain the $100/day (and $1,000 per pay period) that EarnIn previously advertised as the available amount, as the average amount that District Borrowers have actually been able to obtain each day is $84. Third, within its mobile application ("app"), EarnIn [redacted]

3. EarnIn also charges usurious interest on the money it furnishes to Borrowers. EarnIn touts that, by using its product, Borrowers can get money with "no loans, no borrowing money, no interest," and that the funds are the Borrowers' own money. But these transactions ***are*** loans. EarnIn acts as a classic lender, advancing its money directly to Borrowers, underwriting the debt and charging interest for the loan in the form of fees. EarnIn does not have access to Borrowers' actual wages and instead advances third-party funds. As a result of the Lightning Speed fees alone, the average interest rate on loans EarnIn provides within minutes is over 300%.

4. EarnIn also deploys an unfair business model and a manipulative user interface to unlawfully maximize its profits at the expense of its customers. While EarnIn advertises that Borrowers can receive up to $1,000 per pay period, it maintains an artificially low daily loan limit. This forces Borrowers to take out multiple loans and therefore pay multiple Lightning Speed fees to EarnIn to get the amounts they need per pay period in the time that they need it (within minutes, not days). Additionally, in the most recent lending model that EarnIn has adopted in the District, it unfairly reduces Borrowers' federal public benefits through its imposition of mandatory fees.

5. In these ways, EarnIn harms a population that already faces extreme financial challenges—those who are in such tight financial straits that they cannot even live "paycheck-to-paycheck," needing funds in between pay periods to meet their daily living expenses. In 2007, the District made payday loans subject to the District's 24% usury cap. Although EarnIn promotes itself as an alternative to payday lending, it employs the same model, providing short-term loans at high interest rates and requiring repayment on the Borrower's next payday. EarnIn simply uses its access to a Borrower's bank account instead of a post-dated check to obtain repayment of its loans. And just like a payday lender, EarnIn provides Borrowers funds before their payday, but at a steep cost that can lead to a cycle of debt with more and more fees—all the while selling themselves to Borrowers as a way to avoid that very trap. Borrowers are left to face their next payday with a paycheck amount even lower than the amount that they had found to be insufficient before. Indeed, EarnIn's latest iteration of its Cash Out product, which it calls Cash Out Link, charges mandatory fees for all transactions, and even reduces public benefits that have specific protections under federal law to prevent most creditors from accessing those funds.

6. Through this conduct, EarnIn has violated the CPPA's prohibitions on deceptive and unfair trade practices. The District therefore brings this case to permanently enjoin EarnIn from engaging in its unlawful activities, to obtain restitution for District Borrowers and civil penalties, and to recover the District's fees and costs.

PARTIES

7. Plaintiff District of Columbia, a municipal corporation empowered to sue and be sued, is the local government for the territory constituting the permanent seat of the government of the United States. The District is represented by and through its chief legal officer, the Attorney General. The Attorney General has general charge and conduct of all legal business of the District and all suits initiated by and against the District and is responsible for upholding the public interest. D.C. Code § 1-301.81(a)(1). The Attorney General is specifically authorized to enforce the District's consumer protection laws, including the CPPA, pursuant to D.C. Code § 28-3909.

8. Defendant ActiveHours Inc. d/b/a EarnIn is a Delaware corporation, based in Palo Alto, California, that offers loans based upon pay that its customers have already earned but not yet received from their employers and an evaluation of the customers' debt and spending habits, as well as other related services.

JURISDICTION

9. This Court has jurisdiction over the subject matter of this case pursuant to D.C. Code §§ 11-921 and 28-3909.

10. This Court has personal jurisdiction over EarnIn pursuant to D.C. Code § 13-423(a). EarnIn has offered, advertised, and provided loans to District residents since at least 2016.

FACTUAL ALLEGATIONS

11. Since at least 2016, EarnIn has used an app available for download on Borrowers' phones, as well as a website earnin.com, to market and provide EWA loans. EarnIn markets these loans through a variety of media, including YouTube, Snapchat, radio, mailings, television, Facebook/Instagram, and TikTok.

12. Borrowers located in the District started obtaining loans from EarnIn around 2016. Between October 2019 and January 2024, over 20,000 District Borrowers engaged in more than a million transactions with EarnIn. District Borrowers have continued to seek and obtain loans from the company through the present.

13. According to EarnIn, its customers in the District "overwhelmingly live East of the River in Wards 7 & 8." These Wards have a population that is 88-90% Black and Ward 8 has the lowest median household income in the District.

14. EarnIn attracts Borrowers by misrepresenting fundamental aspects of its products. EarnIn:

- Advertises that Borrowers can obtain access to funds within minutes for no fees, but Borrowers must pay Lightning Speed fees for the fast access that EarnIn promises;
- Advertises that Borrowers can obtain "up to $150/day," but District Borrowers have been limited to "up to $100/day";
- Has advertised that Borrowers can obtain "up to $100/day" every day, but that amount is restricted by pay period maximums that make obtaining $100/day *every day* a mathematical impossibility;
- Advertises that its product is "not a loan" and that Borrowers are obtaining their own pay early, but EarnIn is lending Borrowers money that Borrowers agree to repay; and

- Advertises that its Cash Out products (loans) are available within minutes for no interest, when the average APR on Borrowers' loans is well above the District's usury cap.

I. EarnIn's Advertising Emphasizes Free, Fast, and Easy Access to Borrowers' Own Money.

15. For most Borrowers considering using EWA products, the offer of fast access to earned wages is what draws them to the product. As the Consumer Financial Protection Bureau noted in 2024, "Speed of access to funds is an integral and defining aspect of earned wage products. They are designed to address—and marketed as addressing—the liquidity problem that arises between the accrual of wages and their actual payment. That problem necessarily occurs in a very short period, so the value of this type of credit to the consumer includes the rapid availability of funds."[1]

16. EarnIn is aware of the needs of their users for fast cash, internally noting: [redacted]

17. EarnIn is also aware that its users value the idea that they are not obtaining a loan or seeking credit. It has publicly stated, "[o]ur customers tell us they like using us because we are not a loan."

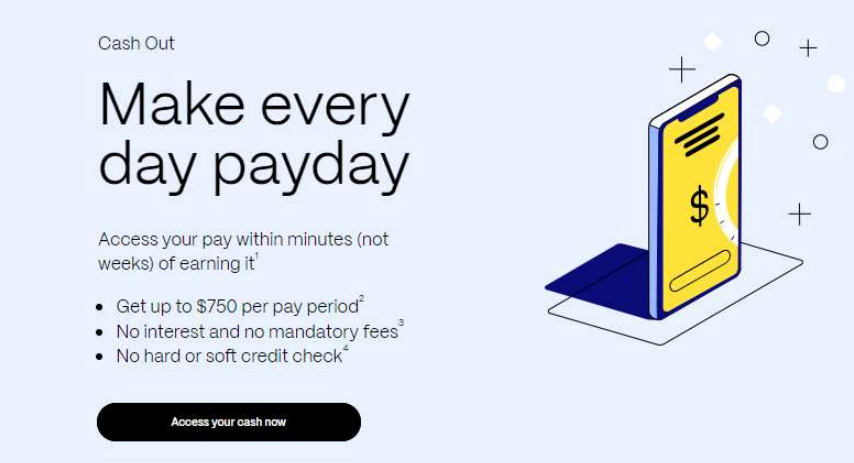
18. EarnIn uses this knowledge to tailor its advertising to the issues that Borrowers are considering when deciding whether to use an Earned Wage Access product.

19. Typical EarnIn advertisements include statements like:

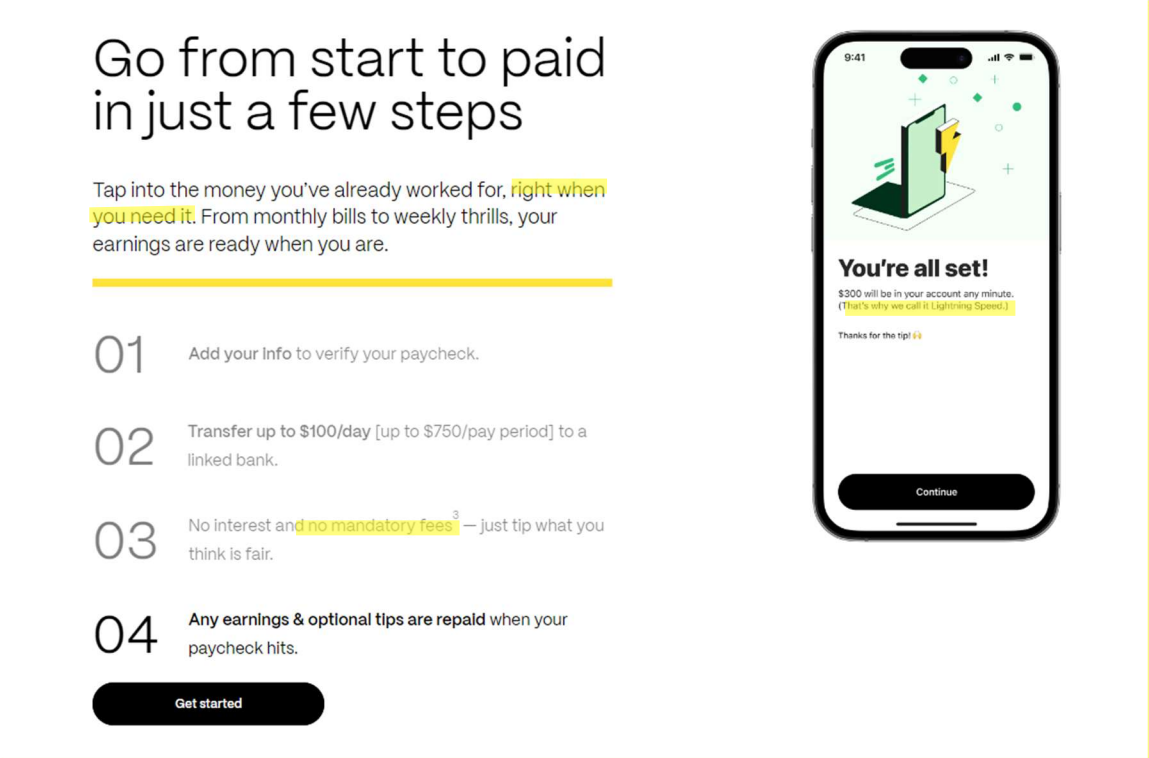
[1] Notice of proposed interpretive rule (Docket No. CFPB-2024-0032) ("Proposed Rule").

- "[C]ontrol and access to your pay as soon as you've worked with no fees, interest or hidden costs,"
- "[N]o loan, no interest, $0 mandatory fees,"
- "[T]he no interest way to up to $100 every day," and
- "Get paid the minute you leave work with no loans, interest or fees."

20. In September 2024, for example, EarnIn's website claimed that customers could access their pay "within minutes" for "no interest and no mandatory fees."



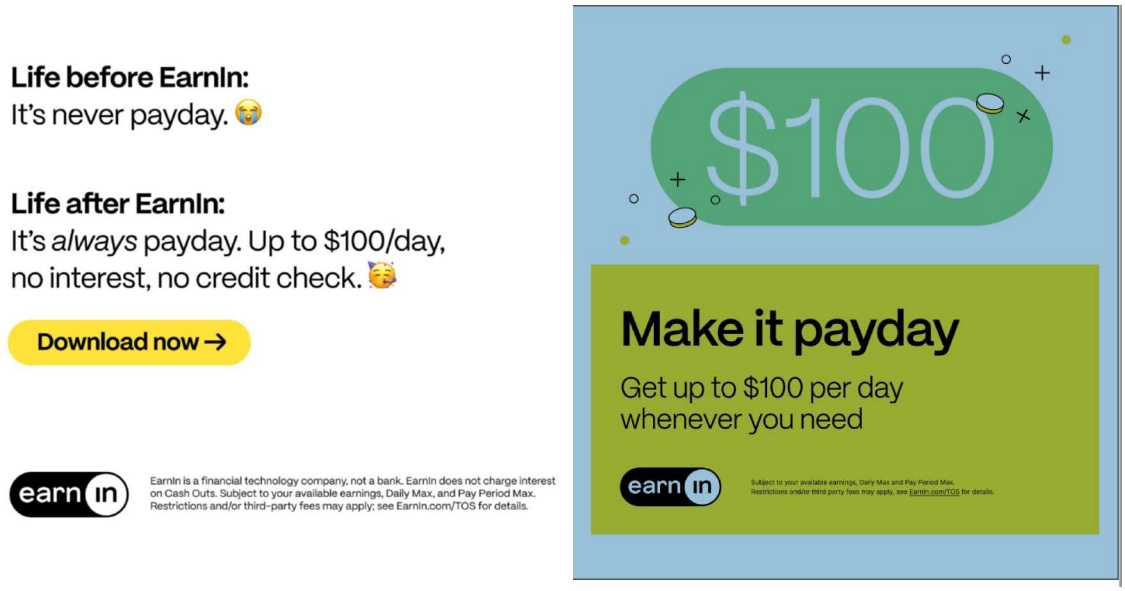
21. Elsewhere on its website, EarnIn has likewise prominently asserted that earnings can be accessed instantly—"right when you need it"—without "mandatory fees." As shown in the graphic below, these statements appear next to scrolling images of a phone showing a Lightning Speed transfer without any mention of a fee.



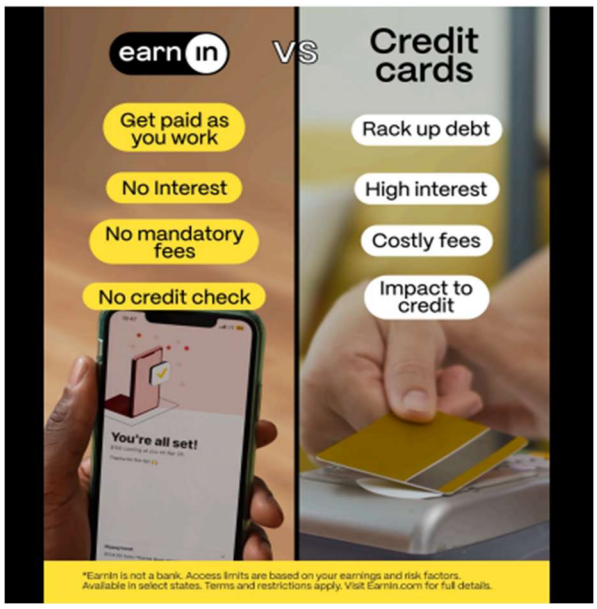
Downloaded from https://www.earnin.com/products/cashout, on September 13, 2024. (highlighting added.)

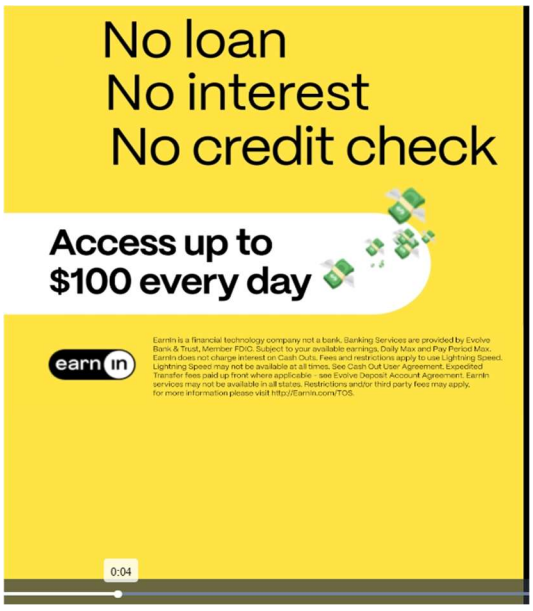
22. EarnIn similarly has promised "instant[] access" with "no loans, no borrowing money, no interest, [and] no mandatory fees" in the descriptions of its app on app stores—like the Apple App Store and Google Play Store—from which Borrowers can download the platform, and on social media.

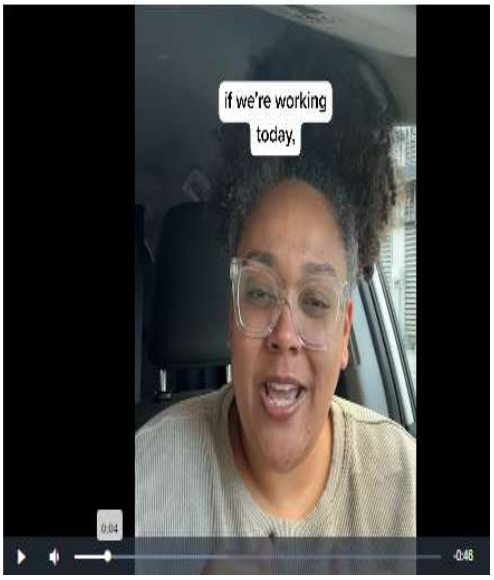
23. EarnIn has also promised that Borrowers can immediately obtain up to $100 every day without mandatory fees or interest ("it's *always* payday—up to $100/day, no interest, no credit check"; "Get up to $100 per day whenever you need"), as reflected in the advertisement below.

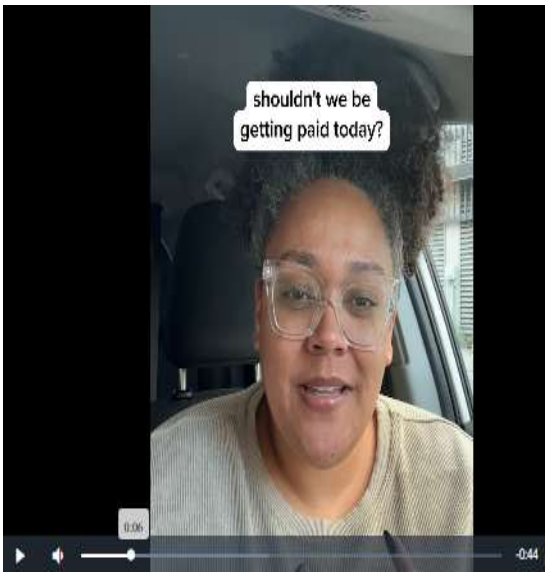


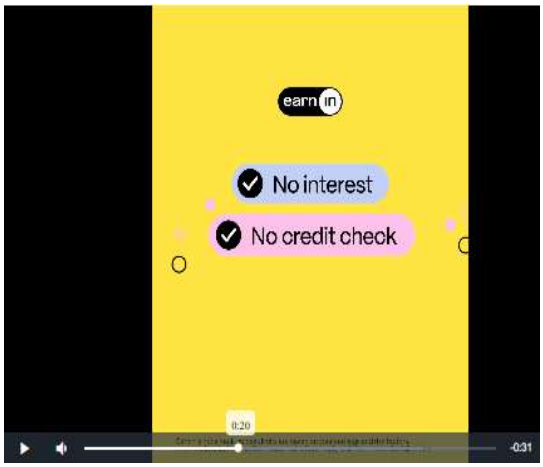
24. EarnIn has made similar representations in its video advertisements.

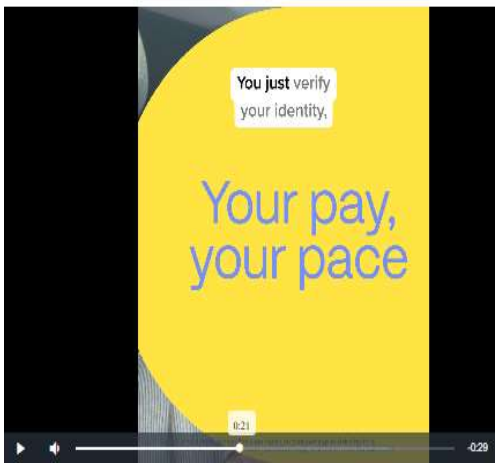


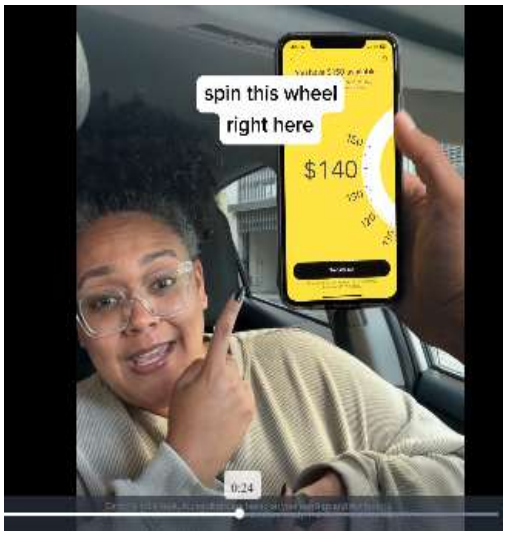


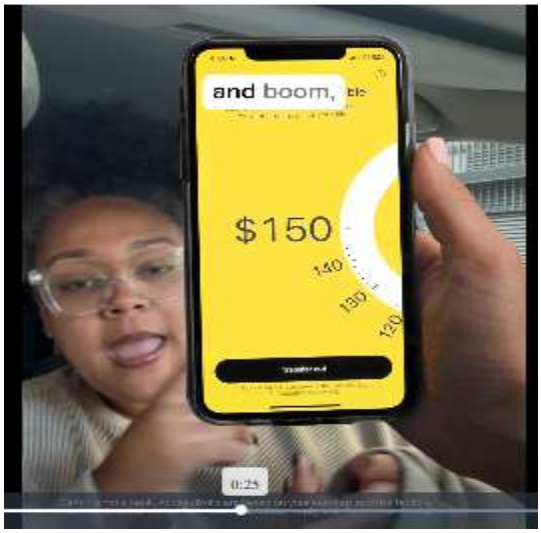

if we're working
today,
0:04
-0:48

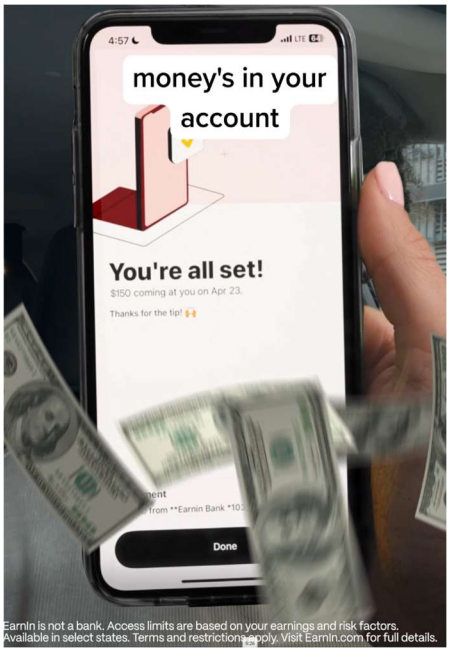

shouldn't we be
getting paid today?
0:06
-0:44


earnin
No interest
No credit check
0:20
-0:31

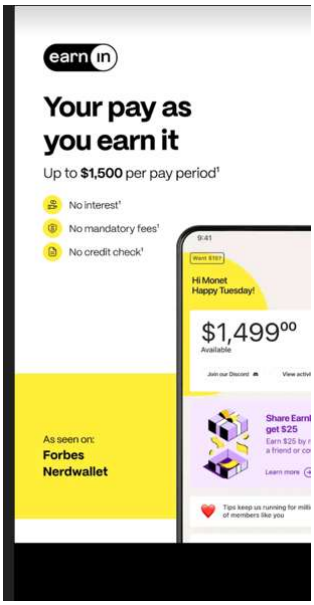

You just verify
your identity,
Your pay,
your pace
0:21
-0:29


spin this wheel
right here
$140
0:24

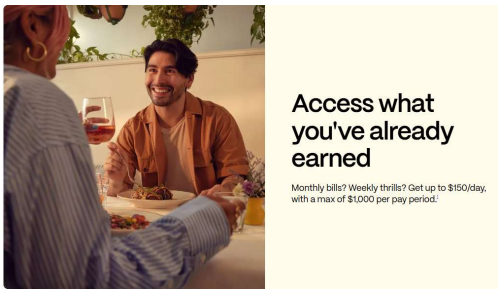

and boom,
$150
140
130
120
0:25



25. As recently as March 2026, the advertisements for EarnIn's app in the Google Play Store indicated that users can get their pay "as [they] earn it" for "no mandatory fees."



26. While EarnIn previously limited Borrowers to obtaining up to $100 per day, beginning in at least 2025, EarnIn started advertising nationwide, including in the District, that its customers can obtain up to $150 day in a Cash Out and $1,000 per pay period. One ad states: "Monthly bills? Weekly thrills? Get up to $150/day with a max of $1,000 per pay period."



27. EarnIn's messaging to users also repeatedly represents that its users are accessing their own pay instead of third-party funds.

a. "Why wait for payday? Access your money . . ."

b. "The best way to get your paycheck? Early"

c. "We believe hard work deserves same-day pay. Because you shouldn't be stuck waiting for what you've earned."

d. "Make the most of your money."

e. "Is EarnIn a payday loan app? No . . . EarnIn gives you access to the pay you've earned – when you want it."

28. In March 2026, EarnIn's ad in the Google Play Store indicated that its users were "taking control of their paycheck" and not borrowing money.



Downloaded from Google app store 3.2.26.

II. EarnIn's "No Fee" Loans Within Minutes Actually Require Lightning Speed Fees.

29. Although EarnIn has promised no-fee loans within minutes, EarnIn has charged a fee for all Lightning Speed transfers since March 2022, with the only exception being a Borrower's first-time use. Otherwise, EarnIn tells Borrowers they will have to wait one to two *business days* to get their advance—completely at odds with EarnIn's promises of access within minutes for no fees.

30. And paying this purportedly "non-mandatory" fee is the *only* way Borrowers can get access "to their pay" "within minutes," as EarnIn repeatedly promises.

31. Starting in March 2022, when Borrowers signed up for EarnIn, they were given no information about the actual cost of Lightning Speed transfers. EarnIn only informed Borrowers of the Lightning Speed fees after Borrowers, facing a need for fast cash, set up an account with EarnIn.

32. It was not until the Borrower had gone through over a dozen different screens in the app, had shared extensive personal and financial information with EarnIn, and finally initiated a Cash Out, that EarnIn disclosed to a Borrower that (after the first loan) there is a

mandatory Lightning Speed fee if the Borrower wants instant access to their wages, as EarnIn had promised.

33. The amount of the Lightning Speed fee has changed over time. EarnIn initially charged a Lightning Speed fee of between $1.99-$3.99 for instant transactions based upon the amount of the Cash Out. Starting at least in July 2024, it increased the Lightning Speed fee to $3.99 for all instant Cash Out transactions.

34. Because Borrowers must pay these Lightning Speed fees to receive the instant access they signed up for, it is no surprise that the vast majority of District Borrowers have paid a Lightning Speed fee (89.7% between March 2022 and January 2024), and the vast majority of transactions in the District have included the Lightning Speed fee (83% for the same time period).

35. From March 2022 through January 2024, District Borrowers who completed at least 10 transactions with EarnIn paid an average of $12.81 in Lightning Speed fees to borrow an average of $293.80 during a typical biweekly pay period. Considering only the Lightning Speed fees, these payments resulted in loans with an average APR of 315%.

36. In July 2024, EarnIn rolled out a new business model to some District customers, *requiring* them to set up an account at one of its Partner Banks, Lead Bank, in order to get a loan. For these accounts, it increased the fee for each Lightning Speed transfer to $5.99 and took the fee out of the amount requested up front, at the time of the transfer ("July 2024 Model").

37. Since Borrowers must pay Lightning Speed fees to obtain immediate access to the loans that they have signed up for, which are advertised as available "as soon as they've worked" "within minutes" or "instant[ly]," the Lightning Speed fees are a condition of the loans and are considered interest. Under District law, the Lightning Speed fees therefore constitute interest on

the loans. As alleged above, when Lightning Speed fees are included in the calculation of the finance charges on District Borrowers' loans, the APRs on these loans average more than 315%—well in excess of the District's 24% usury cap.

III. District Borrowers Are Restricted from Accessing the Advertised "up to" $150/Day, and Accessing Even $100/Day Every Day Is a Mathematical Impossibility.

38. In addition to daily Cash Out limits and available earnings limits, EarnIn restricts the amounts that Borrowers can access within a single pay period with a "pay period max." The pay period max amount has varied over time. In July 2024, the pay period max was $750, and in March 2026, it was $1,000.

39. New customers generally start with a much lower pay period max that ranges between $50 and $250. Many District Borrowers have complained about their low pay period maxes. EarnIn also routinely raises or lowers an individual Borrower's pay period max from one pay period to the next based upon a number of factors, including the Borrower's bank balance, overdraft fees, spending behavior, failed debits, repayment history, and paycheck amount.

40. The pay period max undermines EarnIn's repeated representations that Borrowers can obtain "up to $100 every day" through Cash Outs. Given the overall pay period max of $1,000, ***no*** Borrower would ever be able to obtain the advertised $100 *every day* in a 14-day pay period ($1400).

41. Further, until June 2026,[2] the higher daily max of $150/day EarnIn began advertising nationwide in 2025, including in the District, was unavailable to any customers in the District, who were limited to $100/day, something even the small font footnote disclosure at the

[2] The June 2026 increase in the daily max was only advertised in conjunction with EarnIn's new lending model in the District, Cash Out Link. (See Section VII below.)

bottom of EarnIn's webpage fails to disclose. That footnote simply indicates generally that daily maxes and pay period maxes vary.

42. A District customer would have to go, unprompted, to an unrelated page in EarnIn's help center to discover information about the limits EarnIn places specifically on its District customers.[3]

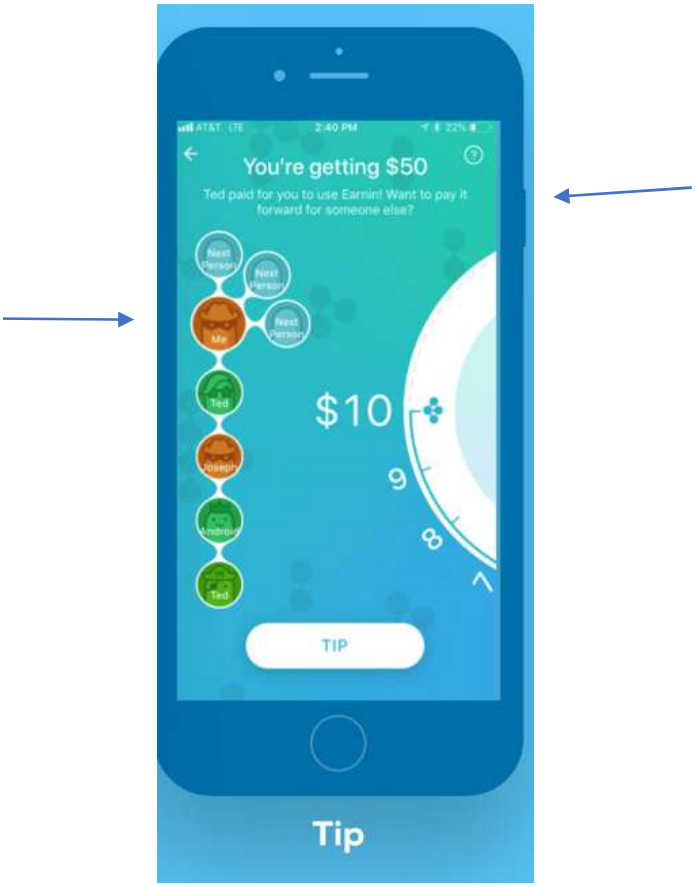
IV. [redacted]

43. EarnIn has encouraged its customers to provide even more money to EarnIn in the form of so-called "tips," advertising that the tips help other people who use the app (whom EarnIn calls community members).

44. Some of those advertisements indicated that tips were a way to "pay it forward."

45. Others went even further, suggesting that an individual had helped with another specific user's cash out (who was previously helped by another user) and asking for that user to similarly pay it forward. "Ted paid for you to use EarnIn! Want to pay it forward for someone else?"

[3] https://help.earnin.com/hc/en-us/articles/360036131814-Understanding-your-Max-at-EarnIn.



46. [redacted]

47. EarnIn has advertised this feature even when it has admitted in internal documents that such advertisements are [redacted]

48. [redacted]

V. Borrowers Are Not Accessing Their Own Pay— EarnIn Advances Loans and Then Establishes Multiple Means to Secure Repayment.

49. Despite EarnIn's repeated advertisements that Borrowers are accessing "their money," "their pay," or "their earnings," they are not. Advances in pay would simply be repaid through reductions in the amount of the paycheck equal to the amount of the advance. That is not what happens here.

50. In reality, like a typical lender, the funds EarnIn loans to Borrowers are provided by EarnIn's outside investors. One of those investors, Cross River Bank, explicitly stated in a press release that the $150 million credit facility that it provided to EarnIn was for EarnIn's Cash Outs, announcing that it was "help[ing] EarnIn meet rising demand for its "Cash Out" product . . .".[4]

51. EarnIn advances those investors' funds in part based upon a Borrower's expected wages, debts, and spending habits, and then withdraws funds from the Borrower's bank account as soon as the customer's full paycheck lands there. The company has created multiple mechanisms through which it ensures repayment.

52. First, like any lender, EarnIn underwrites its loans by assessing Borrowers' likelihood to repay the advances, which EarnIn then uses to determine how much it will advance Borrowers in a single day and in a single pay period. It requires Borrowers to disclose a significant amount of personal and financial information that it uses to track Borrowers' earnings and spending. EarnIn verifies some Borrowers' wages through their work email addresses and requires some Borrowers to upload their weekly timesheets to verify hours worked. EarnIn even asks some Borrowers to allow EarnIn to track their physical location through GPS so that EarnIn

[4] https://www.crossriver.com/newsroom/cross-river-provides-150-million-credit-facility-to-earnin-to-expand-access-to-on-demand-pay.

can estimate how many hours the Borrower has worked based on their physical location. EarnIn also continually tracks Borrowers' spending to make sure that the amount of the loans will be available for repayment on the Borrowers' paydays.

53. In addition to ensuring Borrowers earn enough to repay, EarnIn has established failsafe means to secure repayment. When Borrowers set up their accounts, EarnIn requires them to link the EarnIn app to the bank account where they receive their pay as well as any debit cards linked to their bank account. Then, as part of their agreement to the Terms of Service, Borrowers agree to allow EarnIn to charge their bank account and debit cards for any charges due to the company.

54. EarnIn also directs Borrowers, through two separate documents, to agree to recurring electronic debits in their linked bank account as a condition of using both the app and Lightning Speed. Borrowers must accept one agreement for ACH transfers and another for Lightning Speed transfers. If there is insufficient money in the Borrower's bank account on payday to repay the loan, EarnIn will reschedule the debit for a future date, usually a Borrower's next pay date.

55. If the debits from the Borrower's bank account fail to go through, EarnIn reserves the right to charge the Borrower's linked debit card through a "Transfer Out Authorization Agreement."

56. Additionally, Borrowers on the EarnIn app are strongly encouraged to set up a no-interest deposit account with one of EarnIn's "Partner Banks," (Evolve Bank & Trust ("Evolve") or Lead Bank), to deposit their paychecks. If the Borrower does so, EarnIn reserves the right to withdraw funds to repay itself from this Partner Bank account.

57. In enticing Borrowers to set up accounts at its Partner Banks, EarnIn has misrepresented the benefits those accounts provide. EarnIn has advertised the Partner Bank account as a way for Borrowers to receive their paycheck faster, with statements such as "your paycheck may arrive up to 2 days early." In reality, only 55% of District Borrowers with Partner Bank accounts have received their paychecks even *one day* earlier than their usual pay day as a result of setting up an account at a Partner Bank. None have received their pay two days earlier.

58. As yet another repayment mechanism, EarnIn encourages Borrowers using Evolve accounts to set up "Tip Jars" for themselves. In its FAQs, EarnIn describes Tip Jars as "a feature that lets community members set aside money for themselves through the EarnIn app. Use Tip Jar funds for any purpose you choose, such as a savings tool or for unexpected expenses." These Tip Jars are subaccounts through EarnIn's Partner Banks. EarnIn has created various incentive programs to encourage Borrowers to create and fund Tip Jars, such as a sweepstakes only available to app users who establish a Tip Jar. However, EarnIn's pursuit of repayment of its loans takes priority over a customer's savings goals, as EarnIn can access these "savings" funds to recover Cash Outs, Lightning Speed fees, or tips in case the amount remaining in the Borrower's paycheck or available through the Borrower's debit card is insufficient to cover the amounts borrowed.

59. In sum, EarnIn ensures repayment of its loans through rigorous assessment of ability to repay, linked external bank accounts, linked external debit cards, deposit accounts set up at its artner Banks, Tip Jar accounts, and agreements for recurring debits.

60. Because it has established all these methods of ensuring repayment, EarnIn has only a 1% risk of loss on its loans, as it boasts to its investors. By comparison, the average rate of

delinquency on all consumer loans at commercial banks was 2.74% in the second quarter of 2024,[5] almost triple the EarnIn rate.

61. EarnIn has explained that low risk to its investors as based in part upon "minimal fraud, short exposure duration, **pre-authorized recovery**." (emphasis added)

VI. EarnIn's Business Model Takes Advantage of Its Customers By Unfairly Setting Artificially Low Daily Limits that Require Multiple Loans—with Multiple Required Fees to Obtain Those Sums Within Minutes—to Reach the Pay Period Max.

62. EarnIn repeatedly and regularly deploys a manipulative business model to unlawfully maximize its profits at the expense of its customers.

63. Because EarnIn collects Lightning Speed fees on every Cash Out transaction within minutes, it is incentivized to encourage Borrowers to engage in as many transactions as possible. Indeed, EarnIn encourages repeated transactions through prompts it sends to individual Borrowers within the app, such as: "We've added $100 to your EarnIn account. Activate now!" It has also used a "repeat activation" button, as well as a "one-click cashout" interface to facilitate repeat transactions. EarnIn also encourages its customers to use Lightning Speed, with messages to Borrowers who choose ACH transfers such as [redacted]

64. EarnIn structures its business model to require financially strapped Borrowers to repeatedly pay fees by imposing low loan limits on each Cash Out. Each transaction is subject to three different limits: a daily limit of up to $100, a pay period max that has changed over time

[5] https://www.federalreserve.gov/releases/Chargeoff/delallsa.htm.

from up to $750 to up to $1,000, and a limit based upon EarnIn's calculation of available earnings.

65. [redacted] Internal EarnIn documents reveal [redacted]

66. [redacted] Internal EarnIn documents note: [redacted] (emphasis in original) [redacted]

67. Together, these limits are designed to require Borrowers to pay multiple Lightning Speed fees to obtain loan amounts up to the pay period max that EarnIn advertises and is willing to loan to some of those Borrowers.

68. For instance, a Borrower who needs $200 as soon as possible and is eligible for the maximum daily withdrawal of $100 would need to pay the Lightning Speed fee for two withdrawals of $100 over two days ($3.99 fee x 2 = $7.98), rather than for a single withdrawal of $200 (at a $3.99 fee), even if their "earned wages" were over $200.

69. Furthermore, many District Borrowers are unable to even get a loan of $100 in a single Cash Out, as EarnIn sets lower daily limits for some Borrowers depending on their bank balance, spending behavior, repayment history, and earned income amount. Thousands of District Borrowers have paid Lightning Speed fees to receive loans of either under $25, $25-$50, or $50-$75 per Cash Out. Hundreds of District Borrowers have received loans of only $1. The average amount that District Borrowers have obtained through each individual Cash Out using Lightning Speed is only $84.

70. District Borrowers who pay Lightning Speed fees on average borrow three to four times in each biweekly pay period. These Borrowers rack up Lightning Speed fees each time and thus incur numerous Lightning Speed fees in any given pay period just to obtain the supposed "no fee" loans within minutes to access amounts that they have "already earned."

VII. EarnIn's Latest Loan Model Requires District Borrowers to Incur Mandatory, Usurious Fees.

71. As of April 2026, EarnIn has announced that it is changing its Cash Out model within the District.

72. EarnIn has launched a product in the District that it calls "Cash Out Link." As of June 2026, EarnIn is requiring all District Borrowers to transition to this version of its product.

73. As with previous iterations of EarnIn's product, Borrowers request a loan (Cash Out Link) through the EarnIn app, and must allow EarnIn to verify their sources of income.

74. This product operates very similarly to EarnIn's earlier Cash Out products, but with mandatory fees for all transactions. It does not solicit tips. With the roll out of Cash Out Link, EarnIn has also raised the Daily Max for District borrowers to $150 per day.

75. Additionally, EarnIn provides Cash Out Link loans to people based upon their receipt of certain federal public benefits, something it did not do with its earlier Cash Out product.

76. Otherwise, the product is essentially the same as the earlier Cash Out, with EarnIn imposing limits on the amount that it will lend to the Borrower of $150 per day and $1,000 per pay or income period. And, like the earlier Cash Out model, EarnIn reserves the right to change the amount that individual Borrowers are eligible to receive. Like the July 2024 Model, EarnIn requires Cash Out Link Borrowers to set up an account at Lead Bank in order to get a loan.

77. EarnIn frames this "Cash Out Link" advance as an overdraft account. "Cash Out Link is a way to request funds through the EarnIn app using a bank-provided overdraft account from Lead Bank, Member FDIC."

78. To obtain a Cash Out Link loan, EarnIn requires Borrowers to set up an "EarnIn Central account" with Lead Bank and to set up direct deposit for their paycheck or federal public benefits to go directly to the EarnIn Central account. This account will of course start with a zero balance. When a Borrower requests an advance, EarnIn deposits funds into the Borrower's customary bank account (not the EarnIn Central account). This deposit is then deemed to be an overdraft in the EarnIn Central account in the amount of the loan plus fees, resulting in a negative balance even though no funds have actually been taken from that account. For example, a Borrower who requested and was approved for a $100 loan would receive $100 in her customary bank account, and her EarnIn Central account would show an overdraft of $101.99 (the loan plus the mandatory fee). If she wanted the funds immediately, the EarnIn Central account "overdraft" would be increased by the amount of the Lightning Speed fee as well.

79. This is not an overdraft in any usual or accepted meaning of that term. As the CFPB has explained, "An overdraft occurs when you don't have enough money in your account to cover a transaction, but the bank pays the transaction anyway."[6]

80. As soon as the Borrower's pay or benefits check hits the EarnIn Central account, the Borrower's pay or benefits check automatically repays the Cashout Link loan. EarnIn notes, "If needed," if the Borrower's pay or benefits check is insufficient, or the Borrower stops direct deposit to the EarnIn Central account, "repayment may be collected from your linked bank account."

81. Borrowers may find it very difficult to avoid repaying these loans/overdrafts. Lead Bank's terms of service state that it has the right to refuse to close the account of a customer who owes money. "We reserve the right to refuse your request to close your Account if your Account is not in good standing or if you have a negative balance on your Account."

82. EarnIn acknowledges in its announcement of this new product that this debit to the Borrower's customary account may cause the Borrower to incur overdraft or NSF fees in the account linked to the EarnIn Central account if the Borrower's linked account does not have sufficient funds to cover the debit.

83. On top of a mandatory $1.99 "service fee," if the Borrower wants access to the borrowed funds/overdraft right away, rather than waiting one to two business days, they must pay a Lightning Speed fee. For loans of $10-$75 the Lightning Speed fee is $3.99. For loans of $76-$150, the Lightning Speed fee is $5.99.

[6] https://www.consumerfinance.gov/consumer-tools/bank-accounts/know-your-overdraft-options/.

84. These are usurious loans. For instance, an advance of $100, repaid in seven days, with a $1.99 mandatory fee on top of that amount, would constitute a loan with an APR of 103.76%.

85. Additionally, if the Borrower wanted the loan amount immediately, they would have to pay a Lightning Speed fee of $5.99, paying almost $8 to borrow $100 for one week.

86. EarnIn accepts repayment of its Cash Out Link not just through paychecks, but additionally through federal public benefits. It specifically lists Social Security (retirement benefits), Supplemental Security Income (disability benefits for low-income people), and Veterans benefits as accepted forms of income. It requires Borrowers to have their benefits deposited into EarnIn Central account and then sets off those benefits to repay the overdraft/loan and fees.

87. When EarnIn accepts repayment of its Cash Out Links through these sources of income the full repayment of the loans comes through these benefits and not from other sources of income.

CAUSES OF ACTION

COUNT ONE
Deceptive Trade Practices in Violation of the Consumer Protection Procedures Act, D.C. Code § 28-3904

88. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

89. The CPPA is a remedial statute that is to be construed broadly. It establishes a 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.

90. The funds Borrowers obtain through EarnIn's app and website are for personal, household, or family purposes and, therefore, are consumer goods and services.

91. EarnIn, in the ordinary course of business, offers to sell or supply, either directly or indirectly, consumer goods and services and is therefore a merchant.

92. The CPPA prohibits unfair and deceptive trade practices in connection with the offer, sale, and supply of consumer goods and services, including:

a. Representing that goods or services have a source, characteristics, or benefits that they do not have, D.C. Code § 28-3904(a);

b. Misrepresenting as to a material fact which has a tendency to mislead, D.C. Code § 28-3904(e);

c. Failing to state a material fact if such failure tends to mislead, D.C. Code § 28-3904(f);

d. Using innuendo or ambiguity as to a material fact, which has a tendency to mislead, D.C. Code § 28-3904(f-1); and

e. Advertising or offering 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).

93. By engaging in the acts and practices alleged in this Complaint, EarnIn has engaged, and continues to engage, in deceptive acts and practices in violation of the CPPA, including the following:

a. Misrepresenting to consumers that Cash Outs and Cash Out Link transactions are not loans and failing to disclose that they are in fact loans, in violation of D.C. Code § 28-3904(a), (e), (f-1) and (f);

b. Misrepresenting to consumers that instant Cash Outs carry no interest, failing to disclose that instant Cash Outs carry interest in excess of 0%, and failing to provide instant Cash Outs with no interest as advertised, in violation of D.C. Code § 28-3904(a), (e), (f), (f-1) and (h);

c. Misrepresenting that instant Cash Outs have no fees, and no hidden fees, and failing to provide instant Cash Outs with no fees as advertised, in violation of D.C. Code § 28-3904(a), (e), (f-1) and (h);

d. Misrepresenting that consumers can access up to $100 of their wages per day, every day, in violation of D.C. Code § 28-3904(e) and (f-1);

e. Misrepresenting that District of Columbia consumers were able to receive up to $150 day of their wages per day, when they were limited to $100 day, in violation of D.C. Code § 28-3904(a), (e), (f), (f-1) and (h);

f. Misrepresenting that consumers are accessing the pay that they have earned from their employer, when they are receiving third party funds, in violation of D.C. Code § 28-3904(a), (e), (f), (f-1), and (h);

g. [redacted] in violation of D.C. Code § 28-3904(a), (e), (f), (f-1) and (h); and

h. Misrepresenting that Cash Out Link transactions are overdrafts, in violation of D.C. Code § 28-3904(a), (e), (f), (f-1) and (h).

94. Each of these deceptive acts or practices constitutes a separate violation of the CPPA.

COUNT TWO
Violations of D.C. Code § 28-3301(a) as Violations of the Consumer Protection Procedures Act, D.C. Code § 28-3904

95. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

96. The CPPA prohibits any person from engaging in unfair and deceptive trade practices, including by violating the District's interest rate cap. D.C. Code § 28-3904(ff).

97. The District's interest rate limit is 24% if the interest rate is expressed in the contract. D.C. Code § 28-3301(a).

98. Under District law, "interest" is defined broadly to include any compensation imposed by a lender for the extension of credit. D.C. Code § 28-3311(a) (defining "interest," as "any compensation directly or indirectly imposed by a lender for the extension of credit for the use or forbearance of money, including any loan fee, origination fee, service and carrying charge, investigator's fee, and any amount payable as a discount . . . , or point, or otherwise payable for services.").

99. EarnIn has offered loans in the District at interest rates that average more than 315%, well in excess of the District's 24% interest rate limit, through all business models under which it has charged Lightning Speed fees for funds promised within minutes, including EarnIn's early Cash Out models; EarnIn's July 2024 Model, under which all customers were required to pay Lightning Speed fees of $5.99, which EarnIn took out upfront from the amount of the loan; and EarnIn's Cash Out Link Model, under which EarnIn charges mandatory fees for each transaction of $1.99.

100. EarnIn's violations of the District's interest rate cap are unlawful trade practices in violation of D.C. Code § 28-3904(ff).

COUNT THREE
Unfair Trade Practices in Violation of the Consumer Protection Procedures Act, D.C. Code § 28-3904

101. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

102. The CPPA requires merchants to treat consumers fairly in connection with the sale, lease, or transfer of consumer goods and services.

103. EarnIn has violated the CPPA by engaging in the unfair acts and practices alleged herein, including limiting the amount consumers can take out in one loan (daily max) when their earned wages can support a larger amount.

104. EarnIn's acts and practices in limiting the amount that its customers can take out in one loan are unfair because they induce EarnIn's customers to take out multiple loans (requiring multiple fees to obtain those amounts within minutes) in order to obtain the funds they need, rather than a single loan (with a single fee for a loan within minutes) based upon their earned wages.

105. The substantial injury that EarnIn's daily max inflicts on its customers includes paying fees and tips for multiple loans, rather than for a single fee or tip for a single loan, in order to receive amounts that EarnIn has otherwise determined the customer to be eligible for under its underwriting criteria.

106. EarnIn's customers are unable to reasonably avoid these harms because the daily max limits are set by EarnIn.

107. The injuries that EarnIn has caused through artificially low daily limits are not outweighed by countervailing benefits to consumers or to competition and thus constitute unfair practices in violation of D.C. Code § 28-3904.

108. As a direct result of the unfair practices described above, EarnIn obtained income, profits, and other benefits that it would not otherwise have obtained.

109. EarnIn's violations present a continuing harm, and the unlawful acts and practices complained of here affect the public interest.

COUNT FOUR
Unlawful Trade Practices Violating the Social Security Act and the Veterans' Benefits Act, in Violation of the Consumer Protection Procedures Act, D.C. Code § 28-3904

110. The District re-alleges the foregoing paragraphs of this Complaint as if fully set forth herein.

111. The CPPA prohibits any person from engaging in unfair or deceptive trade practices, including trade practices that, though not separately enumerated in D.C. Code § 28-3904, violate other laws and regulations.

112. EarnIn has violated the CPPA by engaging in trade practices that violate the Social Security Act and Veterans' Administration Act.

113. Social Security benefits are non-assignable, non-transferable, and exempt from execution, levy, attachment, garnishment or other legal process. 42 U.S.C. § 407(a).

114. Supplemental Security Income benefits are similarly protected under 42 U.S.C. § 1383(d)(1).

115. Veterans' benefits are not assignable except to the extent specifically authorized by law, are exempt from the claims of creditors, and are protected from any legal or equitable process whatever, either before or after receipt by the beneficiary. 38 U.S.C. § 5301(a)(1).

116. The purpose of these anti-alienation provisions in federal law is to protect beneficiaries from the claims of creditors.

117. By having Borrowers deposit their Social Security and Veterans benefits into the Lead Bank 'overdraft' account as part of the Cash Out Link product, and then setting-off those benefits to take its fees in violation of the Social Security Act and Veterans' Administration Act, EarnIn engages in unlawful trade practices under D.C. Code § 28-3904.

PRAYER FOR RELIEF

WHEREFORE, the District of Columbia respectfully requests that the Court enter a judgment in its favor and grant relief against EarnIn as follows:

a. Permanently enjoin EarnIn, in accordance with D.C. Code § 28-3909(a), from violating the District of Columbia Consumer Protection Procedures Act, D.C. Code § 28-3901, *et seq.*;

b. Order EarnIn to pay restitution or damages pursuant to D.C. Code § 28-3909;

c. Order the payment of civil penalties as permitted by D.C. Code § 28-3909(b);

d. Award the District the costs of this action and reasonable attorney's fees pursuant to § 28-3909(b); and

e. Grant such further relief as the Court deems just and proper.

JURY DEMAND

The District of Columbia demands a trial by jury by the maximum number of jurors permitted by law.

Dated: June 24, 2026

Respectfully submitted,

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