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11 **UNITED STATES DISTRICT COURT**
12 **EASTERN DISTRICT OF CALIFORNIA**
13 **SACRAMENTO DIVISION**

14 JOEL CASCIANI, PAOLA HARTMAN, and
15 CRYSTAL TURNBOUGH, on behalf of
16 themselves and all others similarly situated,

17 Plaintiffs,

18 v.

19 KNOWLEDGE SUPPORT SYSTEMS, INC.
20 d/b/a KALIBRATE, MARATHON
21 PETROLEUM CORP., MARATHON
22 PETROLEUM COMPANY LP, 7-ELEVEN,
23 INC., SPEEDWAY LLC, EG AMERICA, LLC,
24 BP PRODUCTS NORTH AMERICA, INC.,
25 TRAVEL CENTERS OF AMERICA INC., TA
26 OPERATING LLC, TA FRANCHISE SYSTEMS
27 LLC, WALMART INC., SAM'S WEST, INC.
d/b/a SAM'S CLUB, CIRCLE K STORES, INC.,
TMC FRANCHISE CORPORATION,
ALBERTSONS COMPANIES, INC., and DOE
CORPORATIONS 1-10,

28 Defendants.

Case No. _____

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

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NATURE OF THE ACTION

1
2 1. For California drivers, the pain at the pump has reached a breaking point. While a
3 global energy crisis and military conflict in Iran have pushed gasoline as high as \$7.00 per
4 gallon, Californians are being forced to pay surcharges that cannot be explained by crude oil
5 costs, refining costs, environmental regulation, or taxes.

6 2. Part of the cause of California’s astronomical fuel prices is an illegal algorithmic
7 price-fixing scheme orchestrated by the algorithmic pricing company Kalibrate and some of the
8 state’s largest fuel retailers.

9 3. This artificial surcharge inflicts a severe, daily financial toll on millions of
10 Californians who rely on their vehicles for basic necessities. For everyday commuters, the
11 inflated cost of fuel means struggling to afford the gas needed to travel to work, care for loved
12 ones, or visit family. And for those whose livelihoods are directly tied to the road, including
13 truck drivers transporting essential goods and ride-hailing drivers operating in urban and
14 suburban areas, these higher prices swallow their hard-earned income, inflicting unsustainable
15 hardship.

16 4. Historically, gas stations have competed for customers by aggressively
17 undercutting one another’s retail prices. But today, that vibrant street-corner retail competition is
18 being replaced by automated, algorithmic coordination.

19 5. Kalibrate is a driving force behind this new anticompetitive reality. Kalibrate
20 provides the central nervous system for a conspiracy to extinguish retail price competition
21 among gas stations: Kalibrate Fuel Pricing, an algorithmic, AI-based pricing system that
22 connects directly to gas stations’ pumps and signs. Instead of lowering prices to attract drivers,
23 Kalibrate Fuel Pricing relies on the data of competing gas stations to coordinate high prices and
24 wring more money from the pockets of consumers throughout the state.

25 6. Kalibrate’s pitch to gas station operators is as cynical as it is effective: Kalibrate
26 promises that if gas stations surrender their pricing decisions and competitively sensitive cost
27 and volume data to Kalibrate Fuel Pricing, the software will enable them to avoid competing
28 with other area stations and to charge higher prices to consumers. Kalibrate Fuel Pricing even

1 includes a feature to launch “restorations”—phenomena where nearly all stations in a market
2 contemporaneously implement large price hikes.

3 7. Defendants Marathon Petroleum Corp. (“Marathon Petroleum”), Marathon
4 Petroleum Company LP (“Marathon LP”), 7-Eleven, Inc. (“7-Eleven”), Speedway LLC
5 (“Speedway”), EG America, LLC (“EG America”), BP Products North America, Inc. (“BP”),
6 TravelCenters of America Inc. (“TravelCenters”), TA Operating LLC (“TA Operating”), TA
7 Franchise Systems LLC (“TA Franchise”), Walmart Inc. (“Walmart”), Sam’s West, Inc. d/b/a
8 Sam’s Club (“Sam’s Club”), Circle K Stores, Inc. (“Circle K”), TMC Franchise Corporation
9 (“TMC Franchise”), Albertsons Companies, Inc. (“Albertsons”), and Doe Corporations 1-10
10 (collectively the “Gas Station Defendants”) are among the gas station companies that have
11 accepted the invitation of Knowledge Support Systems, Inc. d/b/a Kalibrate (“Kalibrate”) to
12 collude and use Kalibrate Fuel Pricing to make California drivers pay more for each gallon of
13 fuel.

14 8. For the Gas Station Defendants, this price-over-volume strategy has led to
15 supracompetitive profit margins. For California consumers, the cost is staggering. Because of the
16 volume of fuel sold across California, a single cent increase at the pump will drain a whopping
17 \$134 million from California drivers’ wallets every year across the state. While families struggle
18 to afford the commute to work, Defendants have conspired to put an end to competition, joining
19 an AI-powered trust to ensure that no matter where a driver turns, the price for gasoline is
20 artificially high.

21 9. By entering into these agreements to outsource their pricing decisions to Kalibrate
22 Fuel Pricing, Defendants have violated the Cartwright Act, California’s cornerstone antitrust law.
23 This conduct constitutes an unlawful trust—a combination of capital, skill, or acts by two or
24 more persons to fix, control, or establish the price of a commodity.

25 10. Specifically, the Gas Station Defendants have replaced independent, competitive
26 pricing with a coordinated, automated mechanism that relies on sensitive competitor data and a
27 conscious decision to ensure that prices remain artificially high. These acts represent a modern,
28 digital iteration of traditional price-fixing and combination that California law expressly forbids.

1 11. Plaintiffs bring this suit to put a stop to Defendants’ unlawful combination and
2 collusion, restore competition to California’s retail fuel markets, and make California drivers
3 whole by compensating them for the substantial overcharges Defendants have extracted from
4 them through their illegal scheme.

5 **PARTIES**

6 12. Plaintiff Joel Casciani is a resident and domiciliary of Chula Vista, California.

7 13. Plaintiff Paola Hartman is a resident and domiciliary of Homeland, California.

8 14. Plaintiff Crystal Turnbough is a resident and domiciliary of Marysville,
9 California.

10 15. Defendant Kalibrate is a subsidiary of the U.K.-incorporated Kalibrate
11 Technologies Limited and conducts business in the United States on Kalibrate Technologies
12 Limited’s behalf. Kalibrate offers pricing and location analytics software for a broad range of
13 industries including retail, restaurant, retail fuel, grocery, healthcare, education, banking, private
14 equity, and franchising. Kalibrate contracts with customers to license its fuel pricing and location
15 intelligence software at transportation fuel retail locations across California. Kalibrate is a New
16 Jersey corporation with its principal place of business in Livonia, Michigan.

17 16. Defendant Marathon Petroleum is a large, vertically integrated company spanning
18 many levels of the fuel industry, from refineries to retail. Marathon Petroleum is incorporated
19 under the laws of Delaware, with its principal place of business in Findlay, Ohio.

20 17. Defendant Marathon LP (together with Marathon Petroleum the “Marathon
21 Defendants”) is a wholly owned operating subsidiary of Marathon Petroleum, which is the sole
22 partner in and owner of Marathon LP. Through Marathon LP, Marathon Petroleum exercises
23 control over several retail transportation fuel and convenience store brands in California:
24 Marathon and, in the central and southern California regions, ARCO (alongside its licensing of
25 the “ampm” brand from Defendant BP). The Marathon Defendants maintain this extensive retail
26 presence in California through a franchising and licensing model. Through this model, the
27 Marathon Defendants exercise pervasive direct and indirect control over the day-to-day
28 operations of franchised and licensed California locations by mandating specific technological

1 standards, marketing strategies, and operational protocols, including having the right to control
2 and substantially controlling franchisees' adoption and implementation of Kalibrate Fuel Pricing.
3 Consequently, the Marathon Defendants have been deploying Kalibrate Fuel Pricing in hundreds
4 of retail transportation fuel stations across California, including dozens of stations within the
5 localities described in the Complaint. In particular, in the illustrative localities highlighted below,
6 the Marathon Defendants exercise control over 73 gas stations. Marathon LP is organized under
7 the laws of Delaware, with its principal place of business in San Antonio, Texas. Because
8 Marathon Petroleum owns 100% of Marathon LP, Marathon LP's place of domicile, for the
9 purposes of diversity jurisdiction, is the same as Marathon Petroleum's place of domicile.

10 18. Defendant 7-Eleven owns and operates convenience stores and transportation fuel
11 stations in California and across the United States, including, through 7-Eleven's wholly owned
12 subsidiary Speedway, convenience stores and fuel stations in California operating under the
13 Speedway and Speedway Express brands. Through its subsidiary Speedway, 7-Eleven maintains
14 pervasive direct and indirect control over the day-to-day operations of these Speedway-branded
15 convenience stores and fuel stations by mandating specific technological standards, marketing
16 strategies, and operational protocols, including these locations' adoption and implementation of
17 Kalibrate Fuel Pricing. 7-Eleven is incorporated under the laws of Texas, with its headquarters
18 and principal place of business in Irving, Texas.

19 19. Defendant Speedway (together with 7-Eleven, the "Speedway Defendants") is a
20 convenience store and fuel station chain. Speedway operates convenience stores and
21 transportation fuel stations in California under the "Speedway" and "Speedway Express" brands.
22 Speedway- and Speedway Express-branded fuel stations use Kalibrate Fuel Pricing. Speedway is
23 a Delaware limited liability company wholly owned by 7-Eleven, with its headquarters and
24 principal place of business in Irving, Texas. Because 7-Eleven owns 100% of Speedway,
25 Speedway's place of domicile, for the purposes of diversity jurisdiction, is the same as 7-
26 Eleven's place of domicile.

27 20. Defendant EG America owns, operates, and controls convenience stores and
28 transportation fuel stations in California and across the United States, including convenience

1 stores and fuel stations in California operating under the “Quik Stop” brand. Though a portion of
2 the Quik Stop sites operate as franchises, EG America maintains pervasive direct and indirect
3 control over the day-to-day operations of these Quik Stop-branded convenience stores and fuel
4 stations by mandating specific technological standards, marketing strategies, and operational
5 protocols, including these locations’ adoption and implementation of Kalibrate Fuel Pricing.
6 Indeed, as Kalibrate’s own website makes clear, EG America elected to transition its “entire
7 network . . . to Kalibrate’s centralized Pricing Software.” EG America is a Delaware limited
8 liability company with its headquarters and principal place of business in Westborough,
9 Massachusetts. EG America’s ultimate parent company is EG Group Limited, a foreign private
10 limited company organized, existing, and doing business under the laws of England and Wales,
11 with its headquarters in Bolton, England, United Kingdom. Because EG Group Limited owns
12 100% of EG America, EG America’s place of domicile, for the purposes of diversity jurisdiction,
13 is the same as EG Group Limited’s place of domicile.

14 21. Defendant BP is a wholly owned indirect subsidiary of BP p.l.c., a large,
15 vertically integrated company spanning many levels of the fuel industry, from extraction to
16 refineries to retail. BP exercises control over the “ARCO” and “ampm” retail transportation fuel
17 and convenience store brands in the northern California region by licensing the “ARCO” brand
18 name from the Marathon Defendants. BP maintains this extensive retail presence in California
19 through a franchisor-franchisee relationship. Through this model, BP, as franchisor, maintains
20 pervasive direct and indirect control over the day-to-day operations of these franchised locations
21 by mandating specific technological standards, marketing strategies, and operational protocols,
22 including having the right to control and substantially controlling franchisees’ adoption and
23 implementation of Kalibrate Fuel Pricing. Consequently, Defendant BP has been deploying
24 Kalibrate Fuel Pricing in many retail transportation fuel stations across California, including
25 stations within the localities described in the Complaint. BP is incorporated under the laws of
26 Maryland, with its principal place of business in Chicago, Illinois.

27 22. Defendant TravelCenters is a wholly owned indirect subsidiary of Defendant BP.
28 TravelCenters operates full-service truck stop and travel centers with sites in California under

1 several brands: TA, TA Express, Petro, Petro Stopping Center, Minit Mart, and GOASIS. Among
2 the many services offered at its locations, TravelCenters sites sell retail transportation fuel.
3 TravelCenters sites use Kalibrate Fuel Pricing. TravelCenters is incorporated under the laws of
4 Maryland, with its principal place of business in Westlake, Ohio.

5 23. Defendant TA Operating is a wholly owned direct subsidiary of Defendant
6 TravelCenters. TA Operating owns and operates convenience stores and transportation fuel
7 stations in California under the TravelCenters of America, TA, TA Express, Petro, Petro Stopping
8 Center, and GOASIS brands. These fuel stations use Kalibrate Fuel Pricing. TA Operating is
9 organized under the laws of Delaware, with its principal place of business in Westlake, Ohio.
10 Because TravelCenters owns 100% of TA Operating, TA Operating's place of domicile, for the
11 purposes of diversity jurisdiction, is the same as TravelCenters' place of domicile.

12 24. Defendant TA Franchise (together with BP, TravelCenters, and TA Operating, the
13 "TravelCenters Defendants") is a wholly owned direct subsidiary of Defendant TravelCenters.
14 TA Franchise exercises control over several retail transportation fuel and convenience store
15 brands in California: TravelCenters of America, TA, and TA Express. TA Franchise maintains
16 this extensive retail presence in California through a franchisor-franchisee relationship. Through
17 this model, TA Franchise, as franchisor, maintains pervasive direct and indirect control over the
18 day-to-day operations of these franchised locations by mandating specific technological
19 standards, marketing strategies, and operational protocols, including having the right to control
20 and substantially controlling franchisees' adoption and implementation of Kalibrate Fuel Pricing.
21 TA Franchise is organized under the laws of the state of Delaware, with its principal place of
22 business in Westlake, Ohio. Because TravelCenters owns 100% of TA Franchise, TA Franchise's
23 place of domicile, for the purposes of diversity jurisdiction, is the same as TravelCenters' place
24 of domicile.

25 25. Defendant Walmart is an international retail giant, selling a broad assortment of
26 items and services through its brick-and-mortar locations and e-commerce platform. In addition
27 to its substantial role in retail and e-commerce, Walmart operates retail transportation fuel and
28 convenience stores in California under the "Walmart" brand. Walmart contracts with Kalibrate

1 for the use of Kalibrate Fuel Pricing. Walmart is incorporated under the laws of Delaware with
2 its principal place of business in Bentonville, Arkansas.

3 26. Defendant Sam’s Club is a membership-only warehouse club with an international
4 footprint, including multiple locations in California. Sam’s Club also offers retail transportation
5 fuel stations under the brand “Sam’s Club Fuel.” Sam’s Club Fuel stations use Kalibrate Fuel
6 Pricing. Sam’s Club is incorporated under the laws of Arkansas with its principal place of
7 business in Bentonville, Arkansas. Sam’s Club operates as a division within Walmart’s corporate
8 structure.

9 27. Defendant Circle K owns and operates several retail transportation fuel and
10 convenience store brands in California: Circle K, Kangaroo Express, and Holiday Stationstores.
11 These branded fuel stations use Kalibrate Fuel Pricing. Circle K is incorporated under the laws of
12 the state of Delaware, with its principal place of business in Tempe, Arizona.

13 28. Defendant TMC Franchise (together with Circle K, the “Circle K Defendants”) is
14 a wholly owned subsidiary of Defendant Circle K. TMC Franchise exercises control over certain
15 retail transportation fuel and convenience store brands in California operating under the Circle K
16 brand. TMC Franchise maintains this retail presence in California through a franchisor-
17 franchisee relationship. Through this model, TMC Franchise, as franchisor, maintains pervasive
18 direct and indirect control over the day-to-day operations of these franchised locations by
19 mandating specific technological standards, marketing strategies, and operational protocols,
20 including having the right to control and substantially controlling franchisees’ adoption and
21 implementation of Kalibrate Fuel Pricing. TMC Franchise is incorporated under the laws of the
22 state of Arizona, with its principal place of business in Tempe, Arizona.

23 29. Defendant Albertsons owns and operates supermarkets and drugstores in
24 California and across the United States. In addition to its substantial role in the supermarket and
25 drugstore sector, Albertsons operates retail transportation fuel stations in California under the
26 “Safeway” brand. Albertsons contracts with Kalibrate for use of Kalibrate Fuel Pricing at its
27 Safeway fuel stations in California. Albertsons is incorporated under the laws of the state of
28 Delaware, with its principal place of business in Boise, Idaho.

1 30. None of the named defendants is a citizen of or domiciled in California.

2 31. John Doe Corporations 1-10 are as-yet unidentified gasoline fuel retail companies
3 operating in the State of California and using Kalibrate Fuel Pricing. The Doe Corporations
4 cannot be presently identified because Kalibrate keeps the identities of most of its Kalibrate Fuel
5 Pricing customers and the locations of the gas stations using its software confidential. When
6 these John Doe Corporations are identified, they will be added through amendment and served as
7 required by law.

8 **JURISDICTION AND VENUE**

9 32. This Court has subject matter jurisdiction over this civil action under 28 U.S.C.
10 § 1332(d) because the amount in controversy exceeds \$5,000,000, exclusive of interest and costs,
11 this is a class action in which members of the class and Defendants are citizens of different
12 states, and the number of members of the proposed class is greater than 100.

13 33. This Court further has subject matter jurisdiction over this civil action under 28
14 U.S.C. § 1332(a) because the amount in controversy exceeds \$75,000, exclusive of interest and
15 costs, and Plaintiffs and Defendants are citizens of different states.

16 34. This Court has personal jurisdiction over Kalibrate. Kalibrate has sufficient
17 minimum contacts with this District and has purposefully availed itself of the privilege of doing
18 business in this District such that it could reasonably foresee litigation being brought in this
19 District. Among other things, Kalibrate has marketed and sold its Kalibrate Fuel Pricing services
20 to firms like the Gas Station Defendants who operate gas stations in this District. Through
21 Kalibrate Fuel Pricing, Kalibrate sets and adjusts prices for gasoline at the pumps of Gas Station
22 Defendants' stations within this District, and this action arises out of Kalibrate's contacts within
23 this District. Kalibrate has harmed consumers within this District and has derived substantial
24 revenue from its conduct within this District.

25 35. The Gas Station Defendants similarly have sufficient minimum contacts with this
26 District and have purposefully availed themselves of the privilege of doing business in this
27 District such that they could reasonably foresee litigation being brought in this District. Among
28 other things, this action arises out of the Gas Station Defendants' use of Kalibrate Fuel Pricing to

1 set prices for gasoline at their stations within this District. The Gas Station Defendants have
2 harmed consumers within this District and have derived substantial revenue from their conduct
3 within this District.

4 36. Defendants are further subject to personal jurisdiction under California Code of
5 Civil Procedure § 410.10 because they have purposefully established significant contacts with
6 the State of California and its citizens, including by transacting with California retail gas stations
7 to provide services related to fuel pricing, and by transacting with California citizens to engage
8 in the retail sale of gasoline. In establishing and maintaining these and other contacts, the
9 Defendants have availed themselves of the benefits and protections of California law.

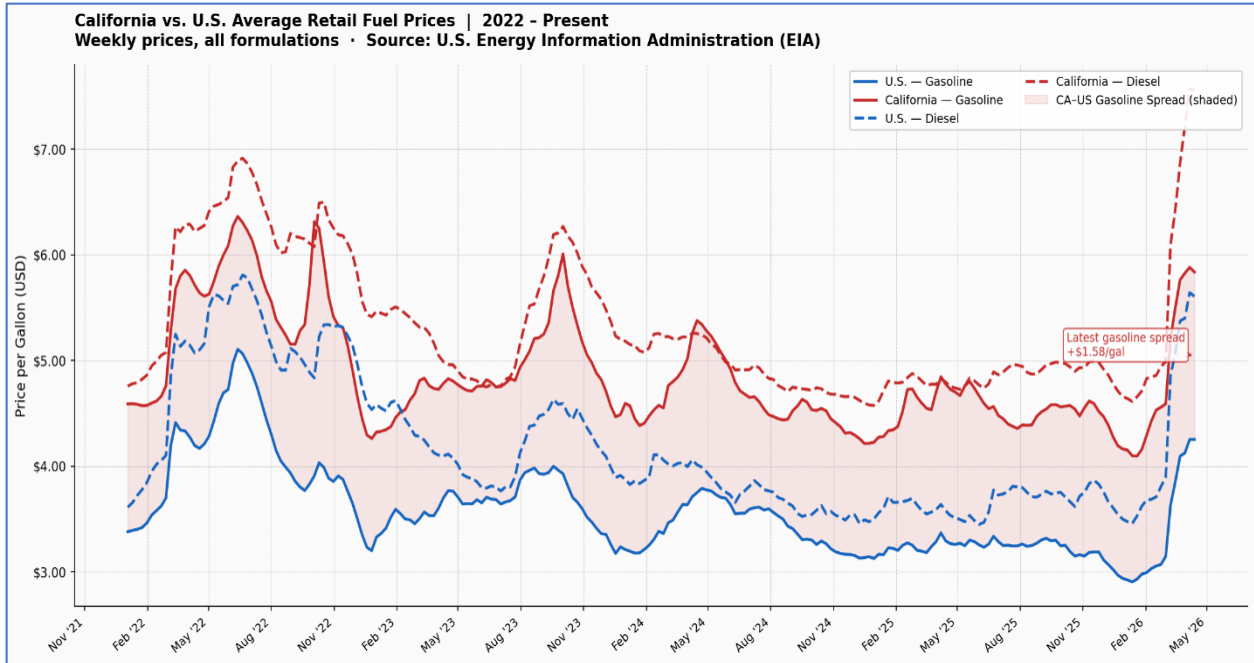
10 37. Venue is proper in this District under 28 U.S.C. § 1391 because Defendants are
11 subject to personal jurisdiction within this District with respect to this civil action and a
12 substantial part of the events giving rise to Plaintiffs' claims occurred within this District.
13 Specifically, each of the Gas Station Defendants operates retail fuel locations using Kalibrate
14 Fuel Pricing within this District.

15 **FACTS**

16 **I. Gasoline-Powered Vehicles Are a Pervasive and Expensive Part of Life for**
17 **Californians**

18 38. California's economy and the daily lives of its nearly 40 million residents are
19 inextricably tied to cars. Despite the state's aggressive push toward electrification and mass
20 transit, California car culture remains a dominant reality, with approximately 27 million
21 gasoline-powered passenger vehicles currently on the road. For the vast majority of Californians,
22 particularly those in the state's sprawling inland and suburban regions, fueling their vehicles is
23 not a discretionary purchase. It is rather a mandatory expense required to access work, school,
24 and basic services. Each year, California drivers consume 13.4 billion gallons of gasoline,
25 making the state one of the largest and most lucrative fuel markets in the world.

39. As of June 2026, the price spread between California and the rest of the United States has widened, with Californians paying a premium of approximately \$1.68 per gallon above the national average.



40. California’s geography, limited refining capacity, and emissions standards account for only a piece of these high prices. Even accounting for taxes and environmental programs, gasoline in California is extremely expensive, and more expensive than is warranted by wholesale acquisition costs.¹

41. While refinery consolidation and a dearth of out-of-market imports play an unquestionable role in facilitating high wholesale gasoline prices in California, the retail fuel landscape in California also is dominated by a handful of multinational conglomerates. This concentration is not accidental. It was a calculated effort by the industry’s largest participants to gain the scale and market density necessary to move away from competition and toward a profit-extraction strategy. These giants—including the Gas Station Defendants—now collectively control a substantial share of the gas stations on many of the prime corners and high-traffic highway corridors across California.

¹ State of Cal. Energy Comm’n. & Dep’t of Tax and Fee Admin., *2024 Review of the Price of Gasoline in California and Related Impact on State Revenues* 18, 27 (May 2024), https://seuc.senate.ca.gov/sites/seuc.senate.ca.gov/files/cdtfa_cec_joint_report_2024_review_of_the_gasoline_in_california_and_relate.pdf.

1 42. As these dominant players in retail fuel looked for ways to extract value and avoid
2 the race to the bottom that characterizes competitive markets, they increasingly turned to
3 sophisticated technology to manage their vast networks.

4 43. Historically, retail pricing for gasoline has been fiercely competitive. Gas stations
5 would seek to attract customers by undercutting the prices of other nearby gas stations. Gas
6 stations thus would chase one another's prices down as far as they were able (taking account of
7 their costs), in the hope of convincing more drivers to fuel at their pumps. This competition was
8 intense enough that gas stations would adjust prices even by tenths of a cent to make their fuel
9 appear cheaper than the station across the street. This downward price retail competition benefits
10 consumers by resulting in lower prices for gasoline for their vehicles. But when consumers pay
11 less for gasoline, gas stations earn lower profits on each gallon of fuel sold.

12 44. Kalibrate offers gas station operators a tool to avoid this retail price competition
13 and to wring as much money as possible from California drivers' wallets: Kalibrate Fuel Pricing.

14 **II. Kalibrate Fuel Pricing Is Designed and Marketed to Eliminate Fuel Price**
15 **Competition Between Gas Stations**

16 45. Kalibrate Fuel Pricing is software based on a common pricing algorithm that sets
17 fuel prices at the pump for Kalibrate's gas station customers. It connects a gas station's pumps
18 and signage to Kalibrate's central Pricing Cloud. Kalibrate Fuel Pricing's algorithm then
19 automatically sets the gas station's fuel price at its pumps, signage, and points of sale.

20 46. Kalibrate's marketing proposition is straightforward: Kalibrate tells its customers
21 that by surrendering their fuel price decisions to Kalibrate Fuel Pricing, they will increase their
22 margins and profits on fuel sales. Kalibrate's advertising materials make clear that Kalibrate Fuel
23 Pricing achieves these higher prices by collecting data about all of an area's competitors and then
24 implementing a common pricing algorithm that coordinates its users to refrain from competing
25 on price.

1 ***A. Kalibrate Fuel Pricing Relies on Users Abdicating Control of Pricing to a***
 2 ***Common Pricing Algorithm***

3 47. Kalibrate warns its customers (i.e., gas stations) that if they do not rely on its
 4 automated pricing, they will be limited in the benefits they can achieve and may even cause
 5 unnecessary price volatility for themselves and their competitors. In its promotional materials,
 6 Kalibrate offers its users lighthearted advice on “[h]ow to overcome fuel price automation
 7 anxiety”:

8 **Auto-implementation**

9 *noun*

10 *The process of automatically applying fuel prices to a product, product group,*
 11 *site, or network, that have been generated by a pricing software system.*

12 48. Kalibrate also makes clear to its potential customers that where customers have
 13 allowed its algorithm to take over pricing decisions, “there is **less fluctuation and gross margins**
 14 **have increased significantly** and are now more predictable.”

15 49. Though gas station operators can in theory manually override Kalibrate Fuel
 16 Pricing, Kalibrate boasts in its marketing materials that in practice its users surrender as much as
 17 90% of their pricing decisions to its algorithm. Thus, Kalibrate’s customers delegate nearly all of
 18 their pricing decisions to Kalibrate Fuel Pricing. This nearly absolute delegation and automation
 19 are core to the value proposition of Kalibrate Fuel Pricing.
 20

21 50. Defendant EG America, like the rest of Gas Station Defendants, has turned over
 22 its pricing to Kalibrate Fuel Pricing’s algorithm. In a testimonial on Kalibrate’s website, EG
 23 America’s Manager of Retail Petroleum Pricing said: “I have a great deal of faith and fidelity in
 24 the system, that our pricing decisions are being made automatically”
 25
 26
 27
 28

1 ***B. Kalibrate’s Customers Use Kalibrate Fuel Pricing Not to Compete, But to***
2 ***Coordinate Price Increases***

3 51. In a competitive market, gas stations use information about competitor pricing to
4 undercut one another’s prices and attract consumers. But Kalibrate tells its users that with
5 Kalibrate Fuel Pricing, they can do the opposite: Kalibrate Fuel Pricing uses public and non-
6 public data funneled from competing gas stations in an area to help its users to instead coordinate
7 and charge higher prices to consumers.

8 52. Kalibrate Fuel Pricing is widely used in the United States. Kalibrate wants its
9 customers to know that other gas stations in their markets also use Kalibrate Fuel Pricing to
10 maintain higher prices: It advertises that Kalibrate Fuel Pricing sets fuel prices for “8 of the top
11 10 fuel retailers in the USA,” and for 14 of the top 20 convenience store chains.

12 53. This is because coordination among gas stations using Kalibrate Fuel Pricing is
13 important to the value Kalibrate delivers. If only one gas station in an area uses Kalibrate Fuel
14 Pricing to raise prices, customers may divert to its lower-priced competitors for fuel. But if
15 multiple competitors use Kalibrate Fuel Pricing to raise prices together in an area, consumers run
16 out of low-priced options, and the gas stations can increase prices without losing so much
17 volume that the increase becomes unprofitable.

18 54. Kalibrate purposely markets Kalibrate Fuel Pricing as a way for its customers to
19 avoid competing with one another on price. Kalibrate urges on its website that even in the face of
20 “falling oil prices . . . it’s critical to avoid a race to the bottom.” Kalibrate tells its customers that
21 they should work together to increase their profits on the backs of drivers: “Your competitors
22 look to you to set the prices and will just modify their prices accordingly.” Kalibrate warns its
23 customers that price competition is harmful to both their profits and their competitors’ profits: “If
24 you’re the influencer in that market, you could be making a change that triggers a downward
25 spiral and has negative implications for everyone operating in that market.” Kalibrate tells
26 potential customers in its promotional materials that trying to drop prices to drive volume over a
27 short period of time is “largely a waste of time.”
28

1 55. Kalibrate makes clear in its advertising that Kalibrate Fuel Pricing can help
2 customers to avoid this downward price competition with other gas stations. By using Kalibrate
3 Fuel Pricing to set prices instead of relying on gas station operators’ analog, emotional, and
4 competitive instincts, Kalibrate tells its customers they can work together to keep prices high
5 even at times when wholesale prices are falling. By keeping prices high across the market,
6 Kalibrate Fuel Pricing enables gas stations to “see more long-term success . . . than by sacrificing
7 margin in an attempt to draw volume”:

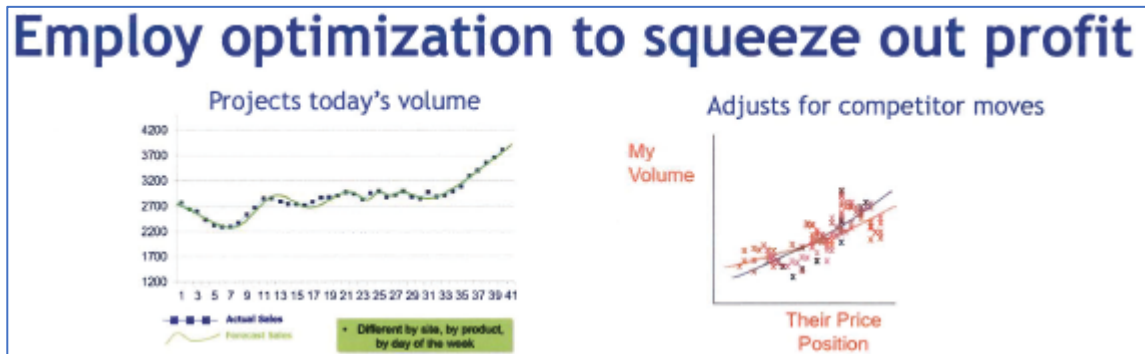
Don't get caught up in panic

8 While fuel markets are currently experiencing sudden, unexpected volatility,
9 it's important to find efficiencies where you can — now more than ever.

10 While falling oil prices are never reflected as quickly on the forecourt as the
11 press would like, supermarkets are already beginning to slash prices. But it's
12 critical to avoid a race to the bottom. Take a step back to evaluate your
13 network. You'll see more long-term success by doing this than by sacrificing
14 margin in an attempt to draw volume.
15

16 56. Kalibrate provides its customers with much more than high-level suggestions
17 about how to use Kalibrate Fuel Pricing to coordinate durable high prices with one another.
18 Kalibrate Fuel Pricing takes into account all of the competing gas stations in a market and
19 optimizes prices to meet a given gas station’s target margin. Kalibrate Fuel Pricing achieves this
20 outcome by using a vast set of public and nonpublic pricing and volume data to identify to its
21 customers how other gas stations would adjust their prices in reaction to a customer’s own price
22 shift. By incorporating competitors’ reactions into its automated price-setting, Kalibrate Fuel
23 Pricing enables the gas stations in a given market to work collectively to “squeeze out profit”
24
25
26
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1 across the market by keeping prices artificially high together. Coordinating price changes with
 2 nearby competitors is built into Kalibrate’s model:



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 9 57. Kalibrate Fuel Pricing even contains tools within its interface for its customers to
 10 explicitly and purposely execute coordinated price increases jointly with their competitors in a
 11 given area. For example, a “restoration” is a phenomenon where nearly all gas stations in an area
 12 raise their prices contemporaneously and by a large amount. Kalibrate Fuel Pricing’s customer
 13 interface includes a feature that allows customers to initiate or join these market-wide price-
 14 hikes:



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 19 58. The price effect of fuel retailers switching to Kalibrate Fuel Pricing is significant
 20 and immediate. Research on algorithmic pricing by gas stations—including Kalibrate Fuel
 21 Pricing—has shown that where gas stations switch to collusive algorithmic pricing software such
 22 as Kalibrate Fuel Pricing, the mean price increase can be roughly 6 cents per gallon at today’s
 23 high prices. However, where a high proportion of an area’s stations have adopted the software,
 24 gasoline prices may increase as much as 4.5%, or 30 cents per gallon. Though Kalibrate keeps
 25 much of its customer information confidential, public records reflect that when a California
 26 Albertsons site adopted Kalibrate Fuel Pricing during a time of lower overall gasoline prices, its
 27 retail fuel prices quickly increased by 3 to 4 cents per gallon, consistent with this research.
 28 Kalibrate likewise has advertised that using Kalibrate Fuel Pricing results in an increase in

1 margins and profits while selling fewer gallons overall—a hallmark of anticompetitive behavior.
2 *See* Cal. Bus. & Prof. Code § 16720(b) (“A trust is a combination of capital, skill or acts . . . [t]o
3 limit or reduce the production, or increase the price of merchandise or of any commodity.”).

4 ***C. Kalibrate Fuel Pricing Incorporates Data from All of the Competing Gas***
5 ***Stations in a Market, Including Its Customers***

6 59. To power the collusive common pricing algorithm of Kalibrate Fuel Pricing,
7 Kalibrate has amassed large amounts of both public and nonpublic data to facilitate its customers
8 charging supracompetitive prices. Kalibrate advertises that it “collects raw data from over 6000
9 sources” and that it has assembled “[v]ast, far-reaching fuel retail data sets.” This data ranges
10 from public surveys to proprietary third-party reports, volume data, and surveillance of
11 consumers’ cellphone location data.

12 60. Kalibrate boasts that it offers its customers “[c]omplete visibility on [their]
13 competitors”—including those competitors who also provide their confidential pricing and
14 volume data to Kalibrate Fuel Pricing:

15 **Start your journey to customer and**
16 **competitor-led fuel pricing decisions**

17 **Book a demo of Kalibrate Fuel Pricing to see the features in action.**

18 **Our expert team will ask about your short and long-term objectives and can show**
19 **you how Kalibrate’s software and insight can assist in achieving them.**


20 **A personalized demo will demonstrate how you can:**

21 **▶ Gain complete visibility on your competitors**
22

23
24 61. Kalibrate’s customers, including the Gas Station Defendants, understand that one
25 of the primary benefits of using Kalibrate Fuel Pricing is access to their competitors’ non-public
26 pricing and volume data. As explained in further detail at paragraphs 134 to 136, the unique
27 benefits flowing from the access and use of competitors’ non-public pricing and volume data are
28 also corroborated by independent academic research. In fact, Kalibrate includes customer

1 testimonials on its website emphasizing the importance of the unique non-public competitor data
2 Kalibrate possesses, which only its customers are allowed to access. In product demos, Kalibrate
3 also has shown potential customers the confidential, non-public, competitively sensitive
4 information of competing gas stations—including non-public, competitively sensitive fuel sales
5 volumes—that Kalibrate would make available to them.

6 62. One customer testimonial gushes about how Kalibrate Fuel Pricing has allowed it
7 to better understand how its competitors' decisions affected its own profits: "It's given us tons of
8 visibility into the competitive landscape and how that affects our volume and margin, that we
9 simply didn't have before"

10  *"What mattered most to us is speed and accuracy of
11 competitive pricing. We just couldn't trust the data
12 we were seeing in the other platforms."
13*

14 63. Another customer similarly explains how Kalibrate Fuel Pricing allows it to
15 coordinate pricing with its competitors based on the proprietary data Kalibrate provides about
16 those competitors: "[Q:] How does the data and insight in Kalibrate influence your fuel pricing
17 decisions? [A:] The data and insight that we receive, it's brought into one place into Kalibrate, so
18 it's very easy for me to look at and understand a competitor's way of thinking or how they'll
19 react to something, or a move that I made. . . . If someone challenges me on a decision, it's very
20 easy for me to go back and explain how or why I chose that price based on learning competitor
21 behavior"

22 64. Kalibrate's customers, including the Gas Station Defendants, also understand that
23 Kalibrate Fuel Pricing will improve their margins only if they provide Kalibrate with their own
24 competitively sensitive inventory, pricing, cost, volume, and market data to be processed in
25 conjunction with their competitors' data.

26 65. In the retail fuel market, demand elasticity measures how sensitive drivers are to
27 price differences between nearby competing stations, or in other words the number of customers
28 who would switch to a competing gas station in response to a price hike. While gas stations can

1 and do independently adjust their prices, doing so under normal competitive conditions carries an
2 inherent risk. If a station raises its prices too much on its own, drivers will simply divert to a
3 cheaper nearby competitor or will purchase less fuel, rendering the price increase unprofitable.

4 66. Kalibrate Fuel Pricing makes it significantly easier to execute these price
5 increases and minimize competition between gas stations.

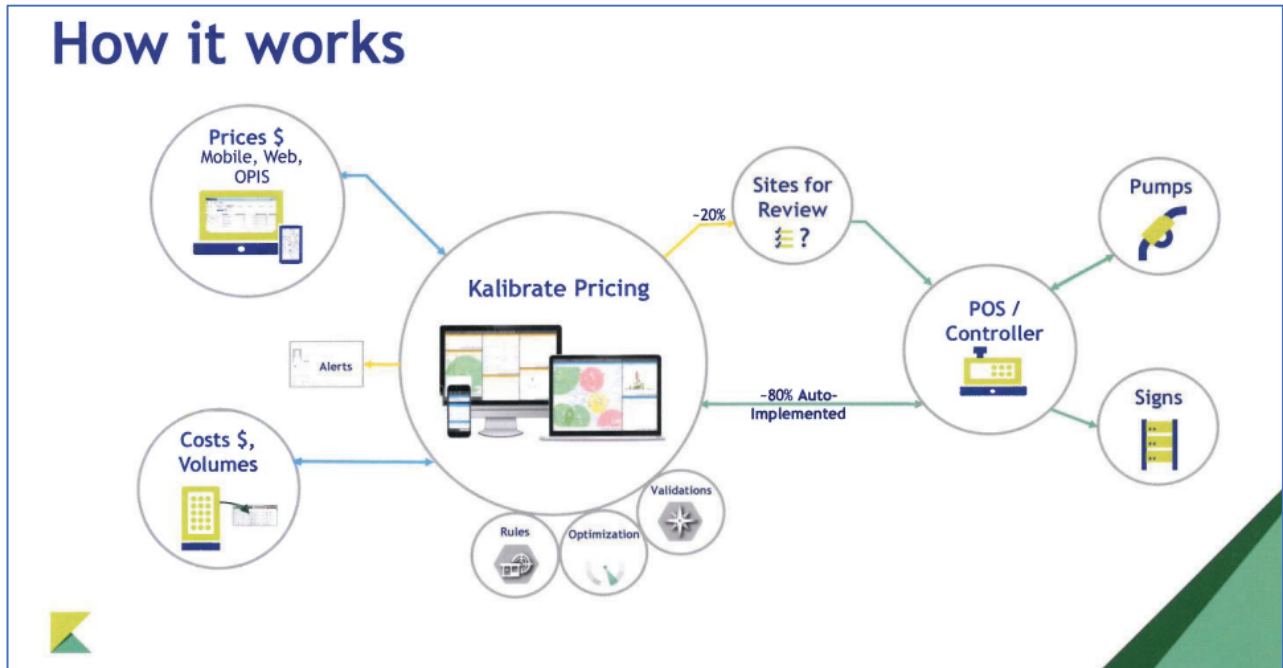
6 67. Accurately assessing demand elasticity requires analyzing two distinct core
7 inputs: retail prices, which are often public, and the corresponding sales volume data of gas
8 stations in a given area, which is strictly non-public.

9 68. Using real-time data that includes non-public volume data from local rivals,
10 Kalibrate harnesses sophisticated algorithms to model elasticity between stations in a given area
11 and coordinate price increases in a way that individual gas stations otherwise could not
12 accomplish without illegally conspiring:

13 You should be able to relate your prices, and competitor prices, to volume. Employ an
14 elasticity model to strike the balance between not dropping the price too quickly, and not
15 being seen to lag behind. To monitor and manage this level of data, and respond to such
16 rapid market changes, you need to shift away from manual pricing and embrace
17 automation.

18 69. This mutual reliance on non-public data about competing gas stations provides the
19 Gas Station Defendants with the economic insights and confidence necessary to successfully
20 increase pump prices. Instead of risking a costly drop in volume, the software gives participating
21 stations a higher degree of certainty that they can raise prices across the board while ensuring
22 they do not lose too many sales to neighboring competitors.
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70. Below is a diagram created by Kalibrate illustrating the combination of public and non-public data that feeds into Kalibrate Fuel Pricing to enable price increases:



III. The Gas Station Defendants Use Kalibrate Fuel Pricing to Fix Prices in California

71. Working with a combination of jobbers, direct dealers, and franchisees, the Marathon Defendants maintain over 1,000 ARCO fuel stations across California, including in the Acton, Coachella, Chula Vista, Lake Elsinore, Lodi, Los Banos, Menifee, National City, Redwood City, Turlock, Victorville, Woodland, Winters, Yuba City, and Yucaipa areas. The Marathon Defendants have licensed Kalibrate Fuel Pricing to automate and raise prices in their ARCO stations’ markets since at least 2020.

72. The TravelCenters Defendants operate 16 retail fuel stations across California, including in the Coachella market. In addition, BP controls ARCO-branded stations throughout Central and Northern California. The TravelCenters Defendants have licensed Kalibrate Fuel Pricing to automate and raise prices in their stations’ markets since at least 2023.

73. EG America operates more than 90 retail fuel stations in California, including in the Lodi, Redwood City, Turlock, Woodland, and Yuba City markets. EG America has used Kalibrate Fuel Pricing to automate and raise prices in its stations’ markets since at least 2020.

1 74. The Speedway Defendants operate more than 150 Speedway-branded retail fuel
2 stations in California, including in the Chula Vista, Lodi, and Yucaipa markets. The Speedway
3 Defendants have used Kalibrate Fuel Pricing to automate and raise prices in their Speedway
4 stations' markets since at least 2021.

5 75. The Walmart Defendants operate more than 25 Walmart and Sam's Club-branded
6 retail fuel stations in California, including in the Menifee and Yuba City markets. The Walmart
7 Defendants have been using Kalibrate Fuel Pricing to automate and raise prices in their stations'
8 markets since at least 2025.

9 76. The Circle K Defendants operate and license more than 400 retail fuel stations in
10 California, including in the Los Banos, Menifee, Turlock, and Yuba City markets. The Circle K
11 Defendants have been using Kalibrate Fuel Pricing to automate and raise prices in their stations'
12 markets since at least 2025.

13 77. Albertsons operates 51 retail fuel stations in California, including in the Turlock
14 market. Albertsons has been using Kalibrate Fuel Pricing to automate and raise prices in its
15 stations' markets since at least 2009. When Albertsons later implemented Kalibrate Fuel Pricing
16 at one of its California locations, the price of its gasoline at that location increased quickly by 3
17 to 4 cents per gallon as a result.

18 **IV. Kalibrate's Agreements with the Gas Station Defendants Constitute Illegal Trusts**
19 **Under California Law**

20 78. At all relevant times, Defendants have entered into and maintained trusts within
21 the meaning of the Cartwright Act—a combination of capital, skill, or acts by two or more
22 persons—for the unlawful purpose of tampering with and controlling the retail price of gasoline
23 in California.

24 79. First, the Gas Station Defendants have each engaged in concerted activity with
25 Kalibrate in violation of the Cartwright Act. Each Gas Station Defendant has combined with
26 Kalibrate so as to replace its independent pricing decision-making with an algorithmic pricing
27 mechanism that coordinates that Gas Station Defendant's pricing decisions with the pricing
28

1 decisions of its competitors, thereby fixing, tampering, or otherwise interfering with the price of
2 gasoline sold at the Gas Station Defendants' sites in California.

3 80. As explained in paragraphs 134 to 140, Kalibrate Fuel Pricing only works to
4 achieve margins as advertised if each Gas Station Defendant allows Kalibrate to determine the
5 optimal supracompetitive fuel price and adopts that price with little or no second guessing.

6 81. Kalibrate's advertising makes clear that a key value proposition of Kalibrate Fuel
7 Pricing is its use of competitor information to maximize prices in each market by avoiding
8 unnecessary downward price competition. Kalibrate's customers understand that in exchange for
9 surrendering their commercially sensitive pricing, cost, and volume data to Kalibrate, and
10 delegating their pricing decisions to Kalibrate Fuel Pricing, Kalibrate's algorithm will coordinate
11 with other nearby gas stations to increase their profits by eliminating normal price-cutting
12 competition which would otherwise benefit consumers.

13 82. By adhering to the price recommendations generated by Kalibrate Fuel Pricing,
14 the Gas Station Defendants have surrendered their independent pricing authority to a third
15 party's automated common pricing algorithm designed to maximize the price of gasoline within
16 a market, and to impede the free interplay of competition and supply and demand among gas
17 stations. The Gas Station Defendants' contracts with Kalibrate were entered into with the specific
18 knowledge and expectation that Kalibrate Fuel Pricing would direct the Gas Station Defendants'
19 own pricing systems to avoid competition. Each Gas Station Defendant purposely abdicated its
20 independent duty to compete by entering into a trust aimed at maintaining supracompetitive
21 prices.

22 83. Further, by utilizing Kalibrate Fuel Pricing to achieve and maintain
23 supracompetitive pricing that no station would risk setting independently, the Gas Station
24 Defendants have also combined among themselves as well as with Kalibrate to artificially inflate
25 the price of gasoline for California consumers.

1 **V. Algorithmic Price Fixing, Including Defendants’ Use and Distribution of Kalibrate**
2 **Fuel Pricing, Is *Per Se* Illegal Under the Cartwright Act.**

3 84. Price fixing of any stripe is *per se* illegal under the Cartwright Act, Cal. Bus. &
4 Prof. Code § 16720.

5 85. The quintessential image of price fixing is a secret deal made between
6 competitors over cigars in a smoky back room. But as technology has advanced, so too have the
7 mechanisms available to competitors to fix prices without the cigars, the smoke, or even the
8 room. Common pricing algorithms allow competitors to pool confidential data and generate
9 prices based on those data without communicating with each other directly.

10 86. California’s Assembly Bill 325 (“AB 325”) was enacted to make clear that
11 companies cannot evade liability for fixing prices by delegating their illegal trusts to an
12 algorithm. The bill makes explicit that the prohibition on fixing prices under the Cartwright Act
13 extends to the use of such algorithms. Effective January 1, 2026, AB 325 states that “[i]t shall be
14 unlawful for a person to use or distribute a common pricing algorithm as part of a contract,
15 combination in the form of a trust, or conspiracy to restrain trade or commerce in violation of
16 this chapter.”

17 87. As explained by California Attorney General Rob Bonta, “AB 325 simply makes
18 it clear that using common pricing algorithms to fix prices among competitors is just as illegal as
19 traditional price fixing methods under the [Cartwright] Act.”

20 88. AB 325’s drafters similarly wrote: “This subdivision does not constitute a change
21 in, but is declaratory of, existing law.” At the third reading of the bill before the Assembly,
22 arguments in support of the bill stated that “price fixing is already illegal,” and that this bill is
23 “[c]odifying that price fixing through algorithmic tools is just as illegal as traditional price fixing
24 between competitors.”

25 89. Kalibrate Fuel Pricing qualifies as an illegal common pricing algorithm under AB
26 325 as codified in California Business and Professions Code Section 16729. Kalibrate Fuel
27 Pricing is software used by two or more persons that uses competitor data to recommend, align,
28 stabilize, set, and influence gasoline prices.

1 **VI. Relevant Markets**

2 90. The understanding and agreement among the Gas Station Defendants and
3 Kalibrate to use Kalibrate Fuel Pricing to raise gasoline prices, and charge more to consumers, is
4 *per se* illegal under California law.

5 91. Because the conduct alleged herein increases prices and reduces output, if the
6 Court declines to analyze this case under the *per se* rule, the Court could conduct a quick look
7 review. For both standards Plaintiffs are not required to define a relevant antitrust market or to
8 prove that Gas Station Defendants had market power in any defined antitrust market.

9 92. To the extent the Court nonetheless decides to engage in a rule of reason analysis,
10 the relevant product market is the retail sale of gasoline. The relevant geographic markets are the
11 areas in which the Gas Station Defendants' sites are situated within California.

12 **A. *The Retail Sale of Gasoline Is a Relevant Product Market.***

13 93. Consumers need to purchase gasoline to power and use their gasoline-powered
14 vehicles. Consumers can purchase this gasoline only at retail gas stations. Consumers cannot
15 feasibly purchase or store gasoline in wholesale quantities. Consumers cannot use other types of
16 fuel, such as diesel, in their gasoline-powered vehicles. Consumers with gasoline-powered
17 vehicles cannot feasibly switch to other means of transportation in response to a small but
18 significant price increase in the retail sale of gasoline. For example, the switching costs involved
19 in replacing a gasoline-powered vehicle with an electric vehicle are significant. This type of
20 switching is an expensive and time-consuming undertaking which requires a large up-front
21 investment or financing. Public transit, on the other hand, is typically much slower and less
22 reliable than driving in one's own vehicle and serves only limited routes at limited time periods
23 throughout the day. Public transit therefore is not a comparable substitute for the vast majority of
24 California consumers. As explained by the Bureau of Labor Statistics in a publication using
25 gasoline to explain the concept of inelastic demand, gasoline "is a necessity for many daily
26 functions and reducing consumption is difficult even when the good becomes increasingly costly.

1 Gasoline is difficult to substitute and necessary to many citizens for daily life.”² For consumers
2 with gasoline-powered vehicles, no economic or practical alternative to the retail sale of gasoline
3 exists in the event of a small but significant price increase.

4 94. Market participants such as fuel wholesalers, gas station operators, and the
5 general public recognize gasoline sold at retail as a distinct product and market.

6 95. The market for the retail sale of gasoline is characterized by specialized vendors
7 and unique facilities that are not interchangeable with other business types. The specialized
8 infrastructure—including underground storage tanks, high-flow pumping hardware, and specific
9 environmental safety systems—is unique to the retail fuel industry and carefully regulated by the
10 State of California and federal regulators. Because these facilities cannot be easily converted to
11 other uses, and because general retailers cannot easily install such equipment, the retail sale of
12 gasoline constitutes a distinct area of effective competition.

13 96. Additionally, gasoline possesses peculiar characteristics and uses that distinguish
14 it from any other commodity. Gasoline is refined and chemically formulated specifically for use
15 in internal combustion engines. This uniqueness is reflected in the distinct prices and the lack of
16 cross-price elasticity between gasoline and other consumer goods, including other retailed oil
17 byproducts.

18 97. The price of gasoline at the pump is tracked and reacted to by consumers as a
19 standalone economic factor, independent of the pricing of other retail products like jet fuel,
20 heating oil, or diesel. Because there is no functional substitute for the specific energy density and
21 combustible properties of gasoline for gasoline-powered vehicles, the market exhibits the
22 sensitivity to price changes typical of a market where consumers are unable to turn to alternative
23 products in response to a price increase.

24 98. The market for the retail sale of gasoline also satisfies the test for market
25 definition used by economists and federal antitrust enforcement agencies known as the
26 hypothetical monopolist test. This test examines whether a hypothetical monopolist of a
27

28 ² Eliana Eitches & Vera Crain, U.S. Bureau of Labor Statistics, *Using Gasoline Data to Explain Inelasticity*, 5
Beyond the Numbers: Prices and Spending, at 5 (Mar. 2016), <https://www.bls.gov/opub/btn/volume-5/pdf/using-gasoline-data-to-explain-inelasticity.pdf>.

1 proposed relevant market could profitably impose a small but significant non-transitory increase
2 in price on a product within the relevant market without causing enough customers to turn to
3 more distant products outside the proposed relevant market and render the increase unprofitable.
4 Here, the hypothetical monopolist test is satisfied because a monopolist in the retail sale of
5 gasoline would not lose enough sales as the result of a small but significant non-transitory
6 increase in price of the product to make the price increase unprofitable. The retail sale of
7 gasoline therefore constitutes a properly defined relevant market.

8 ***B. Geographic Markets***

9 99. As discussed in paragraph 91, Plaintiffs are not required to prove that Gas Station
10 Defendants have market power in any defined antitrust market to state a claim under the
11 Cartwright Act. Nonetheless, if required to do so, it is evident that consumers prefer to buy
12 gasoline at gas stations near where they live or work, or along preplanned routes. Competition
13 for the sale of gasoline is therefore local, ranging from a few blocks to a few miles, depending on
14 unique local circumstances. Consumers do not consider distant gas stations as substitutes for
15 their local gas stations. For one thing, the fuel costs associated with driving to a distant station
16 will quickly erase any marginal savings from buying cheaper gasoline.

17 100. Kalibrate and the Gas Station Defendants operate across the State of California.
18 The Gas Station Defendants sell gasoline throughout California, and Kalibrate coordinates their
19 gasoline pricing across California. However, given the localized nature of competition for the
20 retail sale of gasoline, localized markets around the Gas Station Defendants' sites within
21 California are relevant geographic markets in which to evaluate the effects of Defendants'
22 conduct. A hypothetical monopolist of any of these local markets could profitably impose a small
23 but significant non-transitory increase in price at one retail outlet within a given local relevant
24 geographic market without causing enough consumers to turn to gas stations outside of that
25 proposed market to render the price increase unprofitable.

26 ***C. Market Shares in Relevant Markets***

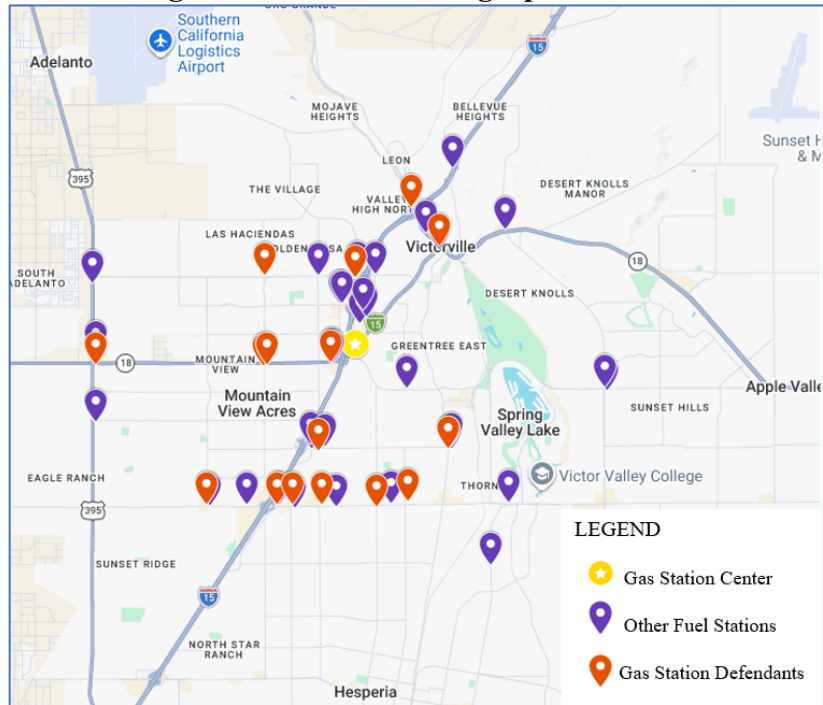
27 101. Courts often use market share as a rough proxy for market power. Below is a non-
28 exhaustive list of geographic locations within California containing local markets where the Gas

1 Station Defendants possess market power, as evidenced in part by their significant collective
2 market shares in those local markets:

3 **Figure 1: Representative Gasoline Geographic Markets**

<u>Region</u>	<u>Percentage of Market Controlled by Gas Station Defendants</u>	<u>Description</u>
Acton	33.33%	Isolated street corner on the outskirts of town near a highway
Coachella/Indio/La Quinta Area	31.58%	Semi-rural area near casinos and outlet malls
Lake Elsinore	36.36%	Small/medium town
Lodi	41.38%	Suburb of Sacramento
Los Banos	26.67%	Urban neighborhood surrounded by rural land
Menifee/Perris/Sun City Area	36.00%	Growing suburb
National City/Chula Vista	26.32%	Dense urban neighborhood
Redlands/Mentone/Yucaipa/Highland Area	37.04%	Small town near San Bernardino Forest
Redwood City	26.19%	Medium-sized city which is in Silicon Valley
Turlock	34.38%	Small university town near Modesto
Victorville	34.62%	Sprawling desert highway town
Winters	33.33%	Small exurb of Sacramento
Woodland	26.32%	Suburb of Sacramento
Yuba City/Marysville	36.11%	Medium-sized town

20 102. An example of such a local gasoline market is Victorville, a California retail
21 gasoline market depicted in Figure 3. This market is situated in the southern California region in
22 the Mojave Desert and is nestled between several mountain ranges. The I-15 highway corridor
23 traverses this region, making it a common stop between Los Angeles, California and Las Vegas,
24 Nevada as well as for residents of local communities such as Victorville. There are 52 gasoline
25 stations in this relevant market. Of the 52 gas stations, 17 are locations controlled by the Gas
26 Station Defendants, which are depicted in orange on the map below. The closest gas station
27 outside of this geographic market is a 25-minute drive away from the gas station that is at the
28 center of this local market:

Figure 3: Victorville Geographic Market

VII. Several Plus Factors Reinforce the Existence of a Combination in Restraint of Trade Among the Gas Station Defendants

A. High Barriers to Entry

103. Significant barriers exist for businesses seeking to enter and compete in market for the retail sale of gasoline. These barriers include the sparse availability of attractive real estate, as well as the time and cost associated with building a new gas station and obtaining the necessary permits and approvals. Building a new gas station can cost several million dollars. Site selection, permitting, design, and construction can take years.

104. And as detailed in paragraphs 98 and 100, a new entrant is unlikely to offset price increases in the retail sale of gasoline caused by Defendants' anticompetitive conduct.

B. Fungible Product Subject to Inelastic Demand

105. Gasoline is a fungible commodity. The product characteristics of gasoline are largely uniform, and without lab testing it is not possible to differentiate gasoline manufactured, sold, or distributed by a given entity. Though certain gasoline brands may seek to differentiate themselves through branding, gasoline is refined, sold, transported, and blended in large quantities. A gasoline-powered vehicle can readily use the gasoline of any gasoline brand and,

1 with very limited exceptions such as high-performance sports cars, every type of gasoline.
2 Though certain additives may be mixed with gasoline to satisfy engine specifications or
3 emissions standards, these additives are standardized across suppliers in California and do not
4 affect the fungible nature of gasoline.

5 106. Demand for the retail sale of gasoline is inelastic. Most people in the United
6 States use gasoline-powered automobiles as their primary form of transportation. As explained
7 by the Bureau of Labor Statistics in a publication using gasoline to explain the concept of
8 inelastic demand, gasoline “is a necessity for many daily functions and reducing consumption is
9 difficult even when the good becomes increasingly costly. Gasoline is difficult to substitute and
10 necessary to many citizens for daily life.”

11 ***C. Motive, Opportunity, and Invitation to Collude***

12 107. Kalibrate’s own marketing materials explain the company’s and the Gas Station
13 Defendants’ motive and opportunity to collude, and Kalibrate invites potential customers,
14 including the Gas Station Defendants, to use Kalibrate Fuel Pricing to implement this collusion.

15 108. In its marketing materials, Kalibrate explains to gas station operators that they can
16 use Kalibrate Fuel Pricing to increase their margins by coordinating to avoid price wars with
17 their competitors. Kalibrate warns potential customers that if they do not use Kalibrate Fuel
18 Pricing to avoid price cutting competition with their competitors, they may be needlessly
19 “sacrificing margin in an attempt to draw volume.” Even worse, Kalibrate warns that potential
20 customers who choose to compete on price “could be making a change that triggers a downward
21 spiral and has negative implications for everyone operating in that market.” Kalibrate tells
22 potential customers: “Your competitors look to you to set the prices and will just modify their
23 prices accordingly.”

24 109. Kalibrate offers Kalibrate Fuel Pricing as a solution, a tool that it enables its
25 customers to stop needlessly competing with one another on price and to instead work
26 cooperatively to keep their prices high to “squeeze out profit” from consumers. Beyond using
27 Kalibrate Fuel Pricing to collaborate to avoid competition and the accompanying price cutting,
28 Kalibrate even showcases in its marketing materials an ability within Kalibrate Fuel Pricing to

1 initiate or follow a “restoration,” a phenomenon where nearly all gas stations in a market raise
2 their prices contemporaneously and by a large amount.

3 110. In sum, Kalibrate warns gas station operators that they will lose money and
4 margin by competing with other market participants, and markets Kalibrate Fuel Pricing as a
5 method to collude to avoid price cutting and even raise prices. This constitutes a clear invitation
6 to collude, and this collusion to avoid price competition is central to delivering Kalibrate Fuel
7 Pricing’s value proposition.

8 111. Kalibrate’s Fuel Pricing customers—including the Gas Station Defendants—
9 understand that by contracting with Kalibrate, they are purchasing access to a system that will
10 provide them with full visibility into their competitors’ pricing and sales, allow them to stop
11 competing vigorously on price with their competitors, and even let them coordinate market-wide
12 price increases with their competitors. These competition-eliminating features are the core value
13 proposition of Kalibrate Fuel Pricing. Absent these collusive outcomes, it would make no sense
14 to pay what Kalibrate charges for Kalibrate Fuel Pricing, since Kalibrate itself has acknowledged
15 that using Kalibrate Fuel Pricing merely to automate pricing will not achieve meaningful margin
16 increases offered by the software. Kalibrate’s Fuel Pricing customers—including the Gas Station
17 Defendants—accept Kalibrate’s invitation to collude when they sign on to delegate their pricing
18 decisions to Kalibrate Fuel Pricing so that Kalibrate can raise their prices and their competitors’
19 prices together.

20 ***D. Actions Against Self-Interest Explained Only by the Existence of a Trust***

21 112. The Gas Station Defendants each have acted in ways that would be against their
22 independent economic self-interest in the absence of collusion. Simply put, no Gas Station
23 Defendant would hand over the keys for their pricing, inventories, volumes, and sales to a third
24 party like Kalibrate who promises to compete less intensely with other area gas stations unless it
25 knew that same third party was also promising that the gas station’s competitors would not
26 undercut it. This is the essence of an action against self-interest in which Defendants would not
27 engage in the absence of an unlawful trust.
28

1 113. The Gas Station Defendants similarly provide their confidential, competitively
2 sensitive information for ingestion into Kalibrate’s Pricing Cloud. Kalibrate publicizes that it
3 uses its vast array of competitor data to power Kalibrate Fuel Pricing’s algorithms. The Gas
4 Station Defendants would not provide their confidential information to a pricing company such
5 as Kalibrate that also powers pricing decisions for competing gas stations in the absence of
6 collusion. But the Gas Station Defendants understand that through Kalibrate Fuel Pricing, their
7 confidential information will be used in conjunction with the confidential information of
8 competitors to facilitate market-wide price increases and the end of true price competition.

9 ***1. Maintaining Elevated Prices***

10 114. In a competitive, well-functioning market, the Gas Station Defendants would
11 reduce the retail price of their gasoline down toward their costs to attract consumers from their
12 competitors’ gas stations and win market share. Kalibrate itself acknowledges this ‘natural’ state
13 of competition in its marketing materials: “[I]f you decide to drop your prices in an effort to
14 drive high volume over a short space of time, you might enjoy a momentary uplift while the rest
15 of the market catches up”

16 115. In a competitive market, it would be against each Gas Station Defendant’s self-
17 interest to keep their gas prices high and refrain from vigorous price competition with other gas
18 stations, because they would lose customers to price-cutting competitors.

19 116. However, Kalibrate tells its customers that they can keep prices high by colluding.
20 An investigator’s affidavit from the ongoing investigation into Kalibrate by Canada’s
21 Department of Justice wrote: “Kalibrate markets its pricing services as a way for gas stations to
22 increase their margins and avoid price wars.” Kalibrate tells its customers not to cut prices as
23 would be in their independent economic self-interest, because through concerted action they can
24 earn higher profits.

25 117. Kalibrate’s approach to retail gasoline pricing makes sense only as part of an
26 illegal agreement to restrain price competition.

27 118. Joining in the collusion among users of Kalibrate Fuel Pricing is key to the
28 service’s main value proposition. Kalibrate’s marketing materials make clear Kalibrate Fuel

1 Pricing enables customers to delegate their pricing decisions to Kalibrate’s algorithm, coordinate
2 higher prices with other gas stations in their markets, and deprioritize chasing volume through
3 lower prices in favor of colluding to charge consumers more for gas at the pump.

4 119. When Kalibrate’s customers, including the Gas Station Defendants, sign up to use
5 Kalibrate Fuel Pricing, they understand that they are joining a system that uses a common pricing
6 algorithm to coordinate price increases with their competitors in the market. This collusion is not
7 merely a niche feature of Kalibrate Fuel Pricing; collusion is its main purpose and value
8 proposition. The Gas Station Defendants understand that ceding their pricing to Kalibrate and
9 allowing Kalibrate Fuel Pricing to reduce price competition with competing stations is key to
10 achieving the margin gains Kalibrate advertises.

11 120. One Kalibrate executive confirmed in an interview that if a gas station merely
12 uses Kalibrate Fuel Pricing to streamline its pricing operations, the station will not see the full
13 return on investment offered by the pricing algorithm: “Starting to use smart analytics and
14 optimization is where you really make the big bucks. Now, if all you’re interested in is the
15 operational efficiencies, in other words, getting prices from the point of decision to the pump,
16 POS and price sign, then the [return on investment] might take a little longer” But, when
17 gas stations surrender their prices to Kalibrate Fuel Pricing and its competitor-led fuel pricing
18 decisions, they can exploit their “pricing power” such that the increases in their margins will pay
19 for the three-year subscription well within the first year of using the software—sometimes even
20 within the first two months.

21 121. By delegating all or the vast majority of their pricing decisions to Kalibrate, the
22 Gas Station Defendants use Kalibrate Fuel Pricing as the tool to maintain high prices that would
23 drive customers away and would be against their independent economic self-interests in a
24 competitive market. Their use of Kalibrate Fuel Pricing to maintain high prices makes sense only
25 if other area competitors—including the Gas Station Defendants—collude together to keep
26 prices high by declining to compete.

1 127. Absent collusion, it would make no sense and would be against each Gas Station
2 Defendant's self-interest to provide non-public, commercially sensitive price, volume, margin,
3 and other data to a software company that also sets prices for its competitors, particularly where
4 that software company itself acknowledges that the benefit of the software is limited if it is used
5 only to streamline fuel pricing. However, because Kalibrate Fuel Pricing uses this data to help its
6 customers coordinate to avoid competing on price, the benefits of being able to collude to charge
7 higher prices outweigh the risk to the Gas Station Defendants of sharing this competitively
8 sensitive information with one's closest competitors.

9 ***E. Kalibrate Fuel Pricing Is the Subject of Government Investigation***

10 128. The use of Kalibrate Fuel Pricing as a tool to fix prices is also the subject of an
11 ongoing government investigation. Canada's Department of Justice commenced an inquiry into
12 Kalibrate Fuel Pricing in 2024. In an affidavit supporting an investigatory subpoena, a senior
13 investigator wrote: "[T]he Commissioner has reason to believe that . . . Kalibrate[] guides retail
14 motor fuel prices . . . and that this conduct has had, is having or is likely to have the effect of
15 preventing or lessening competition Further, the Commissioner has reason to believe that
16 Kalibrate collects competitively sensitive information related to price, cost and output from [gas
17 stations], produces pricing guidance for them using artificial intelligence, machine learning,
18 algorithms, and bespoke consulting services such that competition is likely substantially
19 prevented or lessened"

20 **VIII. Defendants' Use of Kalibrate Fuel Pricing Has Increased Gasoline Prices in Local**
21 **Markets and Across California**

22 129. Kalibrate Fuel Pricing has had its intended purpose of restraining competition and
23 allowing the Gas Station Defendants to raise prices. By stifling the price-cutting retail
24 competition that previously characterized local gasoline markets, Defendants eliminated the
25 competitive dynamic that historically drove local retail prices down.

26 130. A growing body of literature reflects that when retailers delegate their pricing to
27 algorithmic pricing tools like Kalibrate Fuel Pricing, market prices trend higher, toward
28

1 monopoly prices.³ Research has shown that where multiple gas stations in a market use common
2 pricing algorithms, price undercutting among competitors evaporates, gas station margins
3 expand, and market-wide fuel prices can increase as much as 30 cents per gallon.

4 131. The assertion that algorithmic pricing fundamentally alters market competition is
5 not merely a theoretical concern; it is an empirically documented reality. In the seminal study on
6 the topic, *Algorithmic Pricing and Competition: Empirical Evidence from the German Retail*
7 *Gasoline Market* (“German Study”), researchers provided the first large-scale analysis of how
8 this technology impacts fuel margins.⁴

9 132. By examining a high-frequency database of retail gas stations in Germany, the
10 study found that the adoption of algorithmic pricing software leads to a significant and
11 measurable increase in retail prices and margins at stations using algorithmic pricing tools,
12 including Kalibrate Fuel Pricing.

13 133. Specifically, the study concluded that after adopting such software, mean station-
14 level margins increased by approximately 15%. This real-world evidence confirms that when
15 fuel retailers outsource their pricing to common pricing algorithms, the primary result is a
16 systematic transfer of wealth from consumers to gas station owners.

17 134. The study’s most alarming findings relate to how these algorithms affect
18 competition. The researchers discovered that the impact on margins of adopting such algorithms
19 is directly tied to the intensity of competition that existed in the market *before* the use of the
20 algorithms. While pre-existing monopolists saw no significant change in their margins, stations
21 that historically faced competition from rivals saw a pronounced increase in margins. Most
22 notably, in markets where stations adopting algorithmic pricing software like Kalibrate Fuel
23 Pricing competed head-to-head, margins increased by 38% when both stations adopted the
24 software.

25
26
27

³ See, e.g., Leon Musolff, *Algorithmic Pricing, Price Wars and Tacit Collusion: Evidence from E-Commerce* 27
28 (Dec. 16, 2025), https://lmusolff.com/papers/Algorithmic_Pricing.pdf.

⁴ Stephanie Assad, et al., *Algorithmic Pricing and Competition: Empirical Evidence from the German Retail Gasoline Market*, 132 J. Polit. Econ. 723 (2024).

1 135. This observation demonstrates that the strong appeal and key value proposition of
2 Kalibrate Fuel Pricing’s algorithm lies in its ability to neutralize preexisting retail competition by
3 ensuring that no rival has an incentive to lower prices.

4 136. Using the algorithms, the gas stations were able to coordinate and signal high
5 prices in ways that humans are unable to do without communications that would violate anti-
6 cartel statutes.

7 137. The German Study’s conclusions are consistent with Kalibrate’s public statements
8 and the success of the Gas Station Defendants in increasing their margins. Where preexisting
9 monopolists were already extracting monopoly profits before switching to algorithmic pricing
10 tools, the study did not find an appreciable increase in margins. For these monopolists, the
11 algorithmic pricing tools functioned only to streamline operations. In an interview, a Kalibrate
12 executive similarly noted that using Kalibrate Fuel Pricing merely to streamline a gas station’s
13 pricing will not achieve the potential margin gains from the software.

14 138. Rather, like the algorithmic pricing software in the German Study that juiced up
15 gas station profits by eliminating competition, the core value proposition of Kalibrate Fuel
16 Pricing lies in its ability to eliminate competition in formerly competitive markets.

17 139. In that same interview, the Kalibrate executive explained that Kalibrate is most
18 effective in growing profits when it helps its customers to leverage their “pricing power.” As
19 described at section II.B *supra*, Kalibrate Fuel Pricing enables its customers to exercise their
20 pricing power by collectively deciding not to compete on price, and in some cases—for example,
21 with regard to restorations—even agreeing to raise prices together.

22 140. On its website, Kalibrate provides customer testimonials about how it has
23 succeeded in this mission: “We have experienced an improvement in margins since
24 implementing Kalibrate Fuel Pricing.”

25 141. Kalibrate even advertises that Kalibrate Fuel Pricing will increase margins and
26 total profits for its users by raising prices while selling fewer gallons overall. In one brochure,
27 Kalibrate offers an example of how following its anticompetitive fuel strategy “would result in a
28 volume decrease of -2.2% — but a **total profit increase of \$587 per site per week.**” (emphasis

1 in original.) Increasing price while reducing volume is stark evidence of the anticompetitive
2 effect of Kalibrate Fuel Pricing. *See* Cal. Bus. & Prof. Code § 16720(b) (“A trust is a
3 combination of capital, skill or acts . . . [t]o limit or reduce the production, or increase the price
4 of merchandise or of any commodity.”).

5 142. In a state where even a one-cent increase at the pump costs drivers over \$134
6 million annually, the surcharge resulting from Gas Station Defendants’ use of Kalibrate Fuel
7 Pricing to set gasoline prices represents a multi-billion dollar drain on the California economy.

8 143. Californians already face gas prices higher than in the rest of the United States.
9 Since roughly 2015, gasoline prices in California have been 40 to 50 cents per gallon higher than
10 can be explained by input costs such as the price of crude oil or regulation and taxes. In other
11 words, a significant factor of high prices at the pump results from industry players at the retail
12 level making the conscious decision to charge higher prices than they are able to obtain in other
13 parts of the country.

14 144. Since the beginning of the 2026 war in Iran, California gasoline prices have
15 spiked even higher. In March 2026, the California Energy Commission (CEC) Division of
16 Petroleum Market Oversight announced that it was monitoring gasoline prices above as much as
17 \$7.00 per gallon. Like the California Mystery Gasoline Surcharge, “[t]hese extraordinarily high
18 prices are not supported by current crude oil prices or gasoline futures.” Kalibrate’s marketing
19 materials help to understand one reason for gasoline prices being higher than can be explained by
20 world events and market forces: Kalibrate tells its users how Kalibrate Fuel Pricing can help
21 them to maximize their profits during these fuel crises, exacerbating California’s already sky-
22 high gasoline prices.

23 145. Though Kalibrate and the Gas Station Defendants are understandably secretive
24 about the full extent of the price hikes they have been able to achieve on retail gasoline sales
25 using Kalibrate Fuel Pricing in California, Kalibrate’s marketing materials and certain public
26 materials make clear that Defendants have in fact succeeded in using Kalibrate to raise fuel
27 prices and margins to supracompetitive levels.
28

1 146. Marathon’s ARCO brand provides an example of gasoline prices that have
2 increased in ways that cannot be explained by input costs. From 2021 to 2022, the retail margin
3 on gasoline sold at ARCO gas stations spiked in comparison to other brands and unbranded
4 gasoline, going from roughly 37 cents per gallon to as high as 67 cents per gallon, with
5 corresponding price increases for consumers.

6 147. This margin increase is attributable in part to Marathon’s shift to a price-over-
7 volume strategy the company implemented around 2021. Marathon’s use of Kalibrate Fuel
8 Pricing and Kalibrate’s core value proposition of squeezing greater profits from consumers even
9 while selling fewer gallons of gasoline are part of this corporate strategy and have led to an
10 increase in the price Marathon charges California drivers for gasoline.

11 148. The TravelCenters Defendants boasted in one investor presentation that adopting
12 Kalibrate Fuel Pricing allowed them to increase margins by more than \$1.00 per gallon at certain
13 sites.

14 149. Publicly available materials similarly reflect that Albertsons’ gasoline prices
15 increased significantly—in one California market, increasing quickly by 3 to 4 cents per
16 gallon—after implementing Kalibrate Fuel Pricing.

17 150. Based on an understanding of the effects of algorithmic retail fuel pricing as
18 illustrated through the German Study, the mean overcharge for gasoline in California for the Gas
19 Station Defendants’ stations using Kalibrate Fuel Pricing is roughly 6 cents per gallon. The price
20 increase is much more pronounced in areas where a high proportion of gas stations have adopted
21 Kalibrate Fuel Pricing, as high as 30 cents per gallon.

22 151. Moreover, when the Gas Station Defendants use Kalibrate Fuel Pricing to raise
23 prices, it not only affects pricing at their individual stations—it also results in a softening of
24 retail fuel competition across the markets where they do business. This results in higher gasoline
25 prices for all consumers—not just the ones who buy fuel at the Gas Station Defendants’
26 locations. The market-wide price increases that result from the Gas Station Defendants’ use of
27 Kalibrate Fuel Pricing is an intentional result of the software’s operation, placing every consumer
28

1 who purchased fuel in an area where Kalibrate Fuel Pricing is in use directly within the zone of
2 foreseeable injury of Defendants' conduct.

3 152. The use of Kalibrate Fuel Pricing by multiple gas stations within a given
4 geographic area exacerbates the anti-competitive effects of Defendants' unlawful conduct. When
5 multiple competitors in an area surrender their pricing to Kalibrate Fuel Pricing, the algorithm
6 effectively lifts the pricing floor for that entire territory. This localized manipulation forces up
7 retail prices across all area distribution outlets, meaning that a Gas Station Defendant's use of
8 Kalibrate Fuel Pricing will cause higher prices even for consumers who purchase from other gas
9 stations. When Kalibrate advertises that its software is used by a "8 of the top 10 fuel retailers in
10 the USA," and 14 of the top 20 convenience store chains, it is communicating to potential
11 customers that they too can benefit from Kalibrate's broad presence and amplify the effects of
12 Kalibrate Fuel Pricing in their markets. Kalibrate's geographic saturation functions as a
13 substantial factor in driving these market-wide overcharges, directly harming every consumer
14 who buys fuel from any gas station within these locales, whether from a particular Gas Station
15 Defendant or another area station.

16 153. Absent Court intervention, areas across California will continue to operate as no-
17 competition zones, draining the budgets of California drivers already feeling the pain at the
18 pump. Because consumers are rooted in their local communities and bound by its geography,
19 commuting daily to work and school, they have no choice but to continue making purchases in
20 these rigged markets. The Court must enjoin this conduct to restore the fundamental right of
21 every Californian to benefit from honest, free competition on the street corners of their local
22 communities.

23 **IX. Defendants' Anticompetitive Conduct Has Harmed Plaintiffs**

24 154. Plaintiffs each have paid higher prices at the pump as a direct result of
25 Defendants' use of Kalibrate Fuel Pricing to set retail gasoline prices.

26 155. Plaintiff Joel Casciani has regularly purchased gasoline for his car and motorcycle
27 at ARCO gas stations in Chula Vista, CA, where he paid inflated prices due to the Gas Station
28 Defendants' use of Kalibrate Fuel Pricing in that area. Mr. Casciani works with aviation

1 programs in Coronado, CA, but the increased cost of gasoline for his daily commute has
2 financially burdened him.

3 156. Plaintiff Paola Hartman has regularly purchased gasoline from Defendant
4 Circle K in Perris, CA, where she paid inflated prices due to the Gas Station Defendants' use of
5 Kalibrate Fuel Pricing in that area. Ms. Hartman dedicated her career to serving her local
6 community as a former paraprofessional in special education, but she now experiences
7 unsustainably increased costs for gasoline.

8 157. Plaintiff Crystal Turnbough has regularly purchased gasoline from the ARCO gas
9 station in Yuba City, CA and the Walmart Fuel & Convenience Store in Marysville, CA, where
10 she paid inflated prices due to the Gas Station Defendants' use of Kalibrate Fuel Pricing in that
11 area. As a Restorative Nurse Aide, Ms. Turnbough is committed to rehabilitating and caring for
12 her patients, but increased gasoline costs have rendered her commute to work financially
13 burdensome.

14 **X. Class Allegations**

15 158. Plaintiffs Joel Casciani, Paola Hartman, and Crystal Turnbough bring this action
16 for themselves and as a class action under Rules 23(a) and (b)(3) of the Federal Rules of Civil
17 Procedure on behalf of the following class:

18 All persons and entities who purchased gasoline at any of the Gas Station Defendants'
19 gas stations in California where Kalibrate Fuel Pricing was in use from and including
20 June 22, 2022 to the present (the "Class Period").

21 159. Specifically excluded from the Class are Defendants; the officers, directors, or
22 employees of any Defendant; any entity in which any Defendant has a controlling interest; any
23 affiliate, legal representative, heir, or assign of any Defendant and any person acting on their
24 behalf. Also excluded from the Class is any judicial officer presiding over this action and the
25 members of his/her immediate family and judicial staff, all State agencies; and any juror assigned
26 to this action.

1 160. The Class is so numerous as to make joinder impracticable. While Plaintiffs do
2 not know the exact number of the members of the Class, Plaintiffs believe there are millions of
3 geographically dispersed members in the Class.

4 161. Plaintiffs' claims are typical of the claims of the members of the Class. Plaintiffs
5 and Class Members sustained damages arising out of Defendants' common course of conduct in
6 violation of the laws alleged herein. Because the core of this action centers on an algorithmic
7 pricing conspiracy orchestrated through Kalibrate to systematically inflate retail fuel prices for
8 all gas stations using Kalibrate Fuel Pricing, the financial injury inflicted upon the representative
9 Plaintiffs is similar in nature to the injury suffered by every other member of the Class.

10 162. Plaintiffs' claims arise out of the same course of conduct giving rise to the claims
11 of the other members of the Class. Plaintiffs' interests are coincident with, and not antagonistic
12 to, those of the other members of the Class. Plaintiffs are represented by counsel who are
13 competent and experienced in the prosecution of antitrust litigation.

14 163. Common questions of law and fact exist as to all members of the Class. Plaintiffs
15 and the Class were injured by the same unlawful anticompetitive trust, Defendants'
16 anticompetitive conduct is generally applicable to all members of the Class, and relief to the
17 Class as a whole is appropriate. Such questions of law and fact common to the Class include, but
18 are not limited to:

- 19 • Whether Defendants entered into a formal or informal combination, conspiracy,
20 common understanding, or trust to suppress competition and inflate prices for the
21 retail sale of gasoline;
- 22 • If Defendants entered into such formal or informal combination, conspiracy,
23 common understanding, or trust, whether that conduct violates California's
24 Cartwright Act under the *per se*, quick look, or rule of reason modes of analysis;
- 25 • If Defendants entered into such formal or informal combination, conspiracy,
26 common understanding, or trust, whether that conduct has artificially inflated the
27 retail price of gasoline to supracompetitive levels;
- 28

- 1 • Whether the operation of Kalibrate Fuel Pricing and its algorithmic use of
- 2 competitor data restrained price competition in the retail sale of gasoline;
- 3 • Whether retail gasoline is a relevant product market;
- 4 • The appropriate injunctive and related equitable relief; and
- 5 • The appropriate measure of classwide damages.

6 164. The questions of law and fact common to the members of the Class predominate
7 over any questions affecting only individual members, including legal and factual issues relating
8 to liability and damages.

9 165. Class action treatment is a superior method for the fair and efficient adjudication
10 of the controversy, in that, among other things, such treatment will permit a large number of
11 similarly situated persons to prosecute their common claims in a single forum simultaneously,
12 efficiently, and without the unnecessary duplication of evidence, effort and expense that
13 numerous individual actions would engender. The benefits of proceeding through the class
14 mechanism, including providing injured persons or entities with a method for obtaining redress
15 for claims that might not be practicable to pursue individually, substantially outweigh any
16 difficulties that may arise in the management of this class action.

17 166. The prosecution of separate actions by individual members of the Class would
18 create a risk of inconsistent or varying adjudications, establishing incompatible standards of
19 conduct for the Defendants.

20 **VIOLATIONS ALLEGED**

21 **COUNT ONE**

22 ***Trust for the Prevention of Competition in the Sale of a Commodity in Violation of the***
23 ***California Cartwright Act (Cal. Bus. & Prof. Code Section 16720, et seq.)***

24 167. Plaintiffs restate, reallege, and incorporate by reference each of the allegations in
25 paragraphs 1 through 166 as though fully set forth herein. Defendants' use of Kalibrate Fuel
26 Pricing as a vehicle for price manipulation constitutes a *per se* violation of California Business
27 and Professions Code Sections 16720 and 16729(a).

1 168. Defendant Kalibrate has entered into contracts, combinations, trusts, and/or
2 agreements with the Gas Station Defendants for the purpose and with the effect of preventing
3 competition and artificially inflating, fixing, raising, and stabilizing the price of retail gasoline
4 within the State of California.

5 169. The Gas Station Defendants have entered and maintained a conspiracy—a
6 coordinated trust—to fix, raise, and stabilize retail gasoline prices. This agreement among
7 competitors is evidenced by the Gas Station Defendants’ conscious commitment to common and
8 collusive algorithmic pricing software, Kalibrate Fuel Pricing, with the shared understanding that
9 their competitors were doing the same. By plugging their pricing into Kalibrate Fuel Pricing, as
10 well as providing this centralized pricing agent with their competitively sensitive pricing,
11 volume, and other data, the Gas Station Defendants replaced independent, street-corner
12 competition with an illegal, coordinated, automated pricing system to stop competing on price,
13 and to fix and raise prices in tandem. This conscious use of the software to lessen competition is
14 the common binding link which connects each of the Gas Station Defendants in this trust.

15 170. Additionally, each individual agreement between Kalibrate and each Gas Station
16 Defendant constitutes an unlawful trust and an agreement to tamper with of fix prices. In these
17 individual agreements, the Gas Station Defendants have provided proprietary, non-public,
18 competitively sensitive price, volume, and other data, and have surrendered as much as 90% of
19 their pricing decisions to Kalibrate’s centralized pricing platform. Kalibrate in return provides
20 the Gas Station Defendants with the certainty necessary to anticompetitively raise prices without
21 fearing the loss of customer volume.

22 171. Kalibrate distributes and Kalibrate and the Gas Station Defendants use a common
23 pricing algorithm within the meaning of the Cartwright Act. By utilizing this common pricing
24 algorithm, Defendants have replaced independent competitive decision-making with a
25 centralized, coordinated pricing mechanism.

26 172. As a direct result of these competitor agreements and individual contracts,
27 combinations, trusts, and/or agreements, competition in the California retail gasoline market has
28 been restrained, and prices have been maintained at supracompetitive levels.

1 173. Plaintiffs and members of the Class have been forced to pay an illegal surcharge
2 at the pump as a result of Defendants' conduct, causing them significant economic injury.

3 **COUNT TWO**

4 ***Unfair Competition in Violation of the California Unfair Competition Law – Unlawful and***
5 ***Unfair Prongs (Cal. Bus. & Prof. Code Section 17200, et seq.)***

6 174. Plaintiffs restate, reallege, and incorporate by reference each of the allegations in
7 paragraphs 1 through 166 as though fully set forth herein.

8 175. Defendants have engaged in unlawful and unfair business acts or practices within
9 the meaning of California Business and Professions Code Section 17200 ("UCL").

10 176. Defendants' conduct constitutes an unlawful business practice because it violates
11 the Cartwright Act, including but not limited to Sections 16720(b), (c), (d) and Section 16729.

12 177. Defendants' conduct constitutes an unfair business practice under the UCL.
13 Defendants' use of a common pricing algorithm to align retail gasoline prices is conduct that
14 threatens an incipient violation of an antitrust law, violates the policy and spirit of the Cartwright
15 Act, and constitutes an unfair method of competition.

16 178. Defendants' conduct significantly threatens to harm competition in the retail
17 gasoline market; has potential anticompetitive effects comparable to a violation of the antitrust
18 laws such that it threatens to artificially stabilize and increase gasoline prices; and substitutes
19 independent, competitive pricing decisions with a coordinated, algorithmic mechanism, thereby
20 subverting the legislatively declared policy of maintaining independent centers of competitive
21 decision-making in markets throughout the state of California.

22 **REQUEST FOR RELIEF**

23 179. Wherefore, Plaintiffs, on behalf of themselves and a class of all others similarly
24 situated, respectfully request that the Court enter an order or judgment against Defendants
25 including the following:

- 26 a. For certification of this proceeding as a class action;
- 27 b. That Defendants' conduct be adjudged and decreed to violate the laws alleged
- 28 herein;

- c. That Plaintiffs and the Class Members recover compensatory and treble damages;
- d. For disgorgement and restitution to Plaintiffs and the Class;
- e. For attorneys' fees to Plaintiffs and the Class;
- f. For costs and expenses as provided by law;
- g. For permanent injunctive relief to Plaintiffs and the Class;
- h. For pre- and post-judgment interest upon each of the foregoing; and
- i. For all other such relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

180. Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiffs demand a trial by jury on all claims in this Complaint so triable.

Dated: June 22, 2026

Respectfully Submitted,

/s/ Constantine P. Economides

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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Joel Casciani, et al.

(b) County of Residence of First Listed Plaintiff San Diego, California (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Constantine P. Economides, Dynamis LLP, 1 SE 3rd Avenue, Suite 1000, Miami, FL 33131 (305) 985-2959

DEFENDANTS

Knowledge Support Systems, Inc. d/b/a Kalibrate, et al.

County of Residence of First Listed Defendant Wayne, Michigan (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, 1 1, 2 2, 3 3, 4 4, 5 5, 6 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Includes codes like 110 Insurance, 210 Land Condemnation, 310 Airplane, 440 Other Civil Rights, 463 Alien Detainee, 625 Drug Related Seizure, 710 Fair Labor Standards Act, 820 Copyrights, 870 Taxes (U.S. Plaintiff or Defendant), 375 False Claims Act, etc.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332. Brief description of cause: Violation of the California Cartwright Act and Unfair Competition

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ Over \$5,000,000. CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 6/22/2026 SIGNATURE OF ATTORNEY OF RECORD /s/ Constantine P. Economides

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

Case 2:26-at-01044 Document 1-1 Filed 06/22/26 Page 2 of 2
INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.