

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

10/14/26

09:31 AM

A2605012

Application of Race Telecommunications, LLC)
(U-7060-C) for a Full-Facilities Based)
Certificate of Public Convenience and) Application 26-05-012
Necessity pursuant to Public Utilities Code)
Section 1001.)

**RACE TELECOMMUNICATIONS, LLC ADDITIONAL RESPONSE WITH
INFORMATION REQUESTED AT PREHEARING CONFERENCE**

Rachelle Chong
Law Office of Rachelle Chong
345 W. Portal Avenue, Ste. 110
San Francisco, CA 94127
Tel. (415) 410-3167
Email: rachelle.chong@chonglaw.net
Outside Counsel to Race
Telecommunications, LLC

October 14, 2026

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Race Telecommunications, LLC	)	
(U-7060-C) for a Full-Facilities Based	)	
Certificate of Public Convenience and	)	Application 26-05-012
Necessity pursuant to Public Utilities Code	)	
Section 1001.	)	

**RACE TELECOMMUNICATIONS, LLC ADDITIONAL RESPONSE WITH
INFORMATION REQUESTED AT PREHEARING CONFERENCE**

Pursuant to the instructions of the Assigned Administrative Law Judge (“ALJ”) at the Prehearing Conference (“PHC”) held on August 25, 2026,¹ Applicant Race Telecommunications, LLC (“Race” or “Applicant”) hereby provides an update relating to the Maniquiz v. Race Telecommunications, LLC, Case No. CIVSB2621521, now pending in the Superior Court of California, County of San Bernardino.

As background, the Assigned ALJ had requested certain supplemental information in her ruling dated July 8, 2026. In its August 13, 2026 Response to that Ruling, Race disclosed the Maniquiz v. Race case in an abundance of caution. Race described a federal case in the Central District of California, Case 5:26-cv-00136 KK (Ajrjx). After the plaintiff withdrew the sole federal claim under the Electronic Fund Transfer Act, the federal court dismissed the case stating it lacked subject matter jurisdiction over the remaining state claims. While there was no finding of any violation of a statute, law or rule pertaining to public utilities, or settlement, Race disclosed the matter voluntarily.

Race reported further developments on the Maniquiz v. Race case at the Prehearing Conference, that it was refiled in state court on July 21, 2026.² In its September 24, 2026 Race Additional Response with Information Requested at the Prehearing Conference, Race provided an update on the Maniquiz v. Race case, confirming that the same plaintiff had refiled the case in California state court on July 21, 2026. Race provided the case number and court, as well as a copy of the complaint with that filing. Race stated that it would submit its response to the complaint, which was due on October 7, 2026.

¹ Transcript, at pp. 7-9.

² Id.

As requested by the ALJ, in this additional response, Race provides a copy of the responses it filed with the Superior Court on October 6, 2026. The documents provided from Race's litigation counsel are as follows:

Exhibit 1: Notice of Demurrer and Demurrer to Complaint by Defendant Race Telecommunications, LLC, Declaration of Matthew Follett in support of Demurrer by Defendant Race Telecommunications, LLC, [Proposed] Order and Proof of Service; and **Exhibit 2:** Notice of Motion and Motion to Strike Portions of Complaint by Defendant Race Telecommunications, LLC, [Proposed] Order and Proof of Service.

Fox Rothschild, the litigation law firm representing Race, provided this summary of these filings for the purpose of this regulatory filing.

Background. The plaintiff, a former Race Internet customer, claims that Race Telecommunications, LLC debited his bank account twice for \$748.25 after he canceled service in October 2024. He also claims Race sent him a "Refund Receipt," but the refund was never processed. He brings three claims on behalf of himself and a putative class of California consumers: (1) violation of the Unfair Competition Law (UCL); (2) violation of the Consumers Legal Remedies Act (CLRA); and (3) common law conversion. He filed the same claims in federal court first, and that court dismissed the case without prejudice on June 22, 2026, for lack of jurisdiction.

In its responses, Race's central argument is that California's Automatic Renewal Law (ARL) does not apply to it. Business and Professions Code Section 17605(b) exempts services provided by businesses regulated by the California Public Utilities Commission (CPUC). The complaint itself admits that Race is a telecommunications provider subject to CPUC oversight. Race also argues that this exemption depends on Race's status as a CPUC-regulated entity, not on whether the CPUC approved the particular billing practice at issue.

Demurrer. The demurrer challenges the legal sufficiency of parts of the complaint. In particular, Race argues that:

- the main class definition fails because it is built entirely on ARL violations;
- the "Misrepresentation Subclass" cannot be certified because each member's claim depends on individual phone calls with customer service representatives and on individual reliance; and
- the UCL claim fails to the extent it relies on the ARL. Race does not challenge the UCL

claim's other theories, which rest on the CLRA and conversion.

Motion to Strike. The motion to strike asks the court to remove specific allegations and requests for relief. These are:

- the ARL allegations and the class definition based on them;
- the class allegations based on phone calls;
- the request for punitive damages, because the complaint does not name any officer, director, or managing agent who authorized the conduct; and
- the request for "disgorgement," because private UCL plaintiffs can recover only restitution and injunctive relief.

Respectfully submitted,

/s/ Rachelle Chong

Rachelle Chong
Law Office of Rachelle Chong
345 W. Portal Avenue, Ste 110
San Francisco, CA 94127
Tel. (415) 410-3167
Email: rachelle.chong@chonglaw.net
Outside Counsel to Race Telecommunications, LLC

October 14, 2026

LIST OF EXHIBITS

- EXHIBIT 1** Notice of Demurrer and Demurrer to Complaint by Defendant Race Telecommunications, LLC, Declaration of Matthew Follett in support of Demurrer by Defendant Race Telecommunications, LLC, [Proposed] Order and Proof of Service
- EXHIBIT 2** Notice of Motion and Motion to Strike Portions of Complaint by Defendant Race Telecommunications, LLC, [Proposed] Order and Proof of Service