

1 Terry Goddard
2 Attorney General
(Firm State Bar No. 14000)

3 Rebecca C. Salisbury
4 Assistant Attorney General
5 State Bar No. 022006
6 Office of the Attorney General
7 1275 West Washington Street
Phoenix, AZ 85007
(602) 542-3725
fax, (602) 542-4377
consumer@azag.gov

8 Attorneys for Plaintiff

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SEP 29 2009



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9
10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

11 **IN AND FOR THE COUNTY OF MARICOPA**

12 STATE OF ARIZONA, *ex rel.* TERRY
13 GODDARD, Attorney General,

14 Plaintiff,

15 vs.

16 Y.M.S. INC., a Nevada Corporation, D/B/A
17 ARIZONA CORPORATE HEADQUARTERS;
18 GASTON MUHAMMAD and RONNA
19 MUHAMMAD, husband and wife,

20 Defendants.

Case No.: CV2009-030811

**COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF**

(Non-Classified Civil)

21 Plaintiff, the State of Arizona, *ex rel.* Terry Goddard, Attorney General, for its
22 Complaint, alleges as follows:

I. JURISDICTION AND VENUE

23 1. This action is brought pursuant to the Arizona Consumer Fraud Act, A.R.S. § 44-
24 1521, *et seq.* Plaintiff seeks injunctive relief, restitution, civil penalties, investigative expenses,
25 costs and attorneys' fees and other relief to prevent the unlawful acts and practices alleged in
26 this complaint.

1 2. The Superior Court has jurisdiction to enter appropriate orders both prior to and
2 following a determination of liability pursuant to A.R.S. § 44-1528.

3 3. Venue is proper in this county as Defendants transacted business within Maricopa
4 County at all material times.

5 4. Defendants caused events to occur in this state out of which the claims which are
6 the subject of this complaint arose.

7 **II. PARTIES**

8 5. Plaintiff is the State of Arizona, *ex rel.* Terry Goddard, Attorney General.

9 6. Defendant Y.M.S. Inc. is a Nevada corporation which is operating and doing
10 business in Arizona under the fictitious name Arizona Corporate Headquarters.

11 7. Defendant Gaston Muhammad a/k/a Gaston Greene, is a resident of the state of
12 Georgia. At all times relevant hereto, Defendant Gaston Muhammad was the president, chief
13 executive officer and manager of Defendant Y.M.S. Inc d/b/a Arizona Corporate Headquarters.

14 8. Defendant Ronna Muhammad, a/k/a Ronna Greene, is a resident of the state of
15 Georgia. At all times relevant hereto, Defendant Ronna Muhammad was the vice-president and
16 assistant manager of Defendant Y.M.S. Inc. d/b/a Arizona Corporate Headquarters.

17 9. At all relevant times alleged herein, Defendants Gaston Muhammad and Ronna
18 Muhammad acted on behalf of their marital community with respect to the allegations
19 contained in this Complaint.

20 10. Whenever in this complaint reference is made to any acts of Defendants, such
21 allegation shall be deemed to mean that Defendants Y.M.S. Inc., Gaston Muhammad and
22 Ronna Muhammad, acting individually, jointly and/or severally, did such acts or are
23 accountable for them.

24 **III. DEFENDANTS' BUSINESS PRACTICES**

25 11. From November 2008 until May 2009, Defendants disseminated at least 137,500
26 solicitations, using direct mail, to Arizona corporations and limited liability companies. The

1 solicitations, under the fictitious name Arizona Corporate Headquarters, were official-looking
2 forms which implied that a business had to complete the form and return it with an "Annual
3 Fee" of \$125 by a "REPLY BY" date to preserve its corporate status. The form is entitled
4 "Annual Minutes Disclosure Statement." Below this title is a date designated as the "NOTICE
5 DATE: X/X/XX" followed by the "CORPORATE NAME: [Name of Corporation or LLC]"
6 and the "CORPORATION NUMBER: [#####]," which was the corporation number of the
7 business addressee as assigned by the Arizona Corporation Commission. The form has the
8 format of an official-looking document and includes a citation to the Arizona Corporations
9 Code requiring a corporation to hold annual meetings of shareholders. (See Exhibit 1, which is
10 attached to this Complaint and incorporated by reference as though set forth in full.)

11 12. The forms contain a warning, in boldface capital letters: **"TO ENSURE**
12 **APPROPRIATE PROCESSING AND FULFILLMENT, PLEASE RETURN THIS**
13 **FORM WITH YOUR PAYMENT TO: ARIZONA CORPORATE HEADQUARTERS –**
14 **BUSINESS DIVISION – 5025 N. CENTRAL AVENUE, SUITE 573, PHOENIX, AZ**
15 **85012."** The address is a private mail box used by Defendants and located in a UPS Store.

16 13. The form also contains a warning that "[f]ailure to comply with certain
17 requirements could cause your corporation to lose its limited liability status. If so, personal
18 liability exposure to tax agencies, or other creditors could possibly be put on the directors and
19 shareholders for failing to document formalities." Thereafter each form states that it should be
20 submitted "with the ANNUAL FEE OF \$125.00 WITHIN 15 BUSINESS DAYS." (See
21 Exhibit 1)

22 14. The back of the forms utilized by Defendants states that payment should be
23 submitted "along with the Annual Minutes Disclosure Statement for proper processing and
24 fulfillment of the Annual Minutes for your corporation." It directs payments be sent to the
25 "Business Division" of Arizona Corporate Headquarters. (See Exhibit 1)

26 15. Defendants represent that in exchange for payment they will prepare corporate

1 minutes. In fact, in the limited cases in which Defendants did provide corporate minutes, those
2 minutes reflected meetings that never took place and actions that never occurred. (See Exhibit 2
3 attached, as an example of the fictitious minutes provided by Defendants.)

4 16. There is no requirement for a corporation or limited liability company to file
5 annual minutes in Arizona.

6 17. Defendants have received over \$350,000 from the thousands of Arizona
7 corporations and limited liability companies that completed the form and paid the \$125.00.

8 18. The Consumer Information and Complaints Unit of the Arizona Attorney
9 General's Office has received hundreds of complaints from consumers who found the mailing
10 to be deceptive and misleading.

11 **IV. VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT**

12 19. The solicitations distributed by Defendants are fraudulent and deceptive. The
13 forms led Arizona companies to believe that they were sent by a government agency and
14 require response and payment or the corporation could lose its corporate or limited liability
15 status. The misleading provisions include:

16 A. The solicitations are official looking forms using the fictitious name
17 ARIZONA CORPORATE HEADQUARTERS;

18 B. The language on the forms implies that a business has to complete the
19 form and return it with an "ANNUAL FEE OF \$125 WITHIN 15 BUSINESS DAYS" to
20 preserve its corporate status;

21 C. The forms include the business name and the corporate ID number
22 assigned to the corporation or limited liability company by the Arizona Corporation
23 Commission;

24 D. The forms contain a warning, in boldface capital letters: "TO ENSURE
25 APPROPRIATE PROCESSING AND FULFILLMENT PLEASE RETURN THIS
26 FORM WITH YOUR PAYMENT TO: ARIZONA CORPORATE

1 **HEADQUARTERS—BUSINESS DIVISION:** followed by a downtown Phoenix
2 mailing address that is not revealed to be a mailbox in a UPS store.

3 20. Defendants mailed their solicitations to all types of Arizona corporations and
4 limited liability companies, and indicated to all that “failure to comply with certain
5 requirements could cause your corporation to lose its limited liability status.” (See Exhibit 1)
6 However, only certain types of Arizona corporations are required to hold annual shareholder
7 meetings, and limited liability corporations have no requirement to do so.

8 21. Neither Corporations nor limited liability companies are required to prepare or
9 file annual minutes, the service ostensibly provided by Defendants.

10 22. Defendants represented that in exchange for payment they will prepare corporate
11 minutes. In fact, Defendant, in only a few cases, provided fictitious general minutes which
12 reflected meetings that never took place and actions that never occurred. (See Exhibit 2,
13 attached.)

14 23. The conduct described in the preceding paragraphs of this Complaint constitutes
15 deception, deceptive acts and practices, fraud, false pretenses, false promises, misrepresentation
16 and the concealment, suppression or omission of material facts with the intent that others rely
17 upon such concealment, suppression or omission of material facts in violation of
18 A.R.S. § 44-1522(A.)

19 24. Defendants actions were willful as defined by A.R.S. § 44-1531(B), because
20 Defendants knew or should have known that this conduct was of the deceptive nature
21 prohibited by A.R.S. § 44-1522.

22 25. Specifically, Defendants knew that their conduct was fraudulent because at all
23 times alleged in the Complaint, Defendant Gaston Muhammad was subject to a permanent
24 injunction as a result of the Final Judgment in *The People of the State of California v. Gaston*
25 *Muhammad et al.*, Orange County Superior Court Case No. 05CC12258, entered January 3,
26 2007. This Stipulated Judgment prevents Gaston Muhammad, and all corporations or other

1 entities acting through, under or on his behalf, from engaging in specific conduct, which
2 includes the following:

3 A. Soliciting the purchase of or payment for, any product or services and
4 utilizing a term or symbol that could reasonable be construed as implying a
5 governmental connection, without including on the front side of any solicitation in
6 conspicuous and legible type of not less than (12) point type in capital letters, in contrast
7 by typography, layout or color with other printing on its face, and set apart from any
8 other language, the following notice: "THIS PRODUCT OR SERVICE HAS NOT
9 BEEN APPROVED OR ENDORSED BY ANY GOVERNMENT AGENCY, AND
10 THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE GOVERNMENT"
11 including solicitations:

12 (1) utilizing a form which resembles an official state or federal form;

13 (2) utilizing a corporate number on a document which could imply that
14 the form is an official state or federal form;

15 (3) utilizing an official-sounding name implying a governmental
16 relationship, such as but not limited to, "Corporate Minutes Headquarters" or
17 "Corporate Minutes Compliance Service;"

18 (4) implying that a fee is mandatory by including language such as, but
19 not limited to, the following" "Your corporation may not be in compliance with
20 California law and its bylaws unless you take the necessary action to hold annual
21 meetings of shareholders and board of directors and file such documentation in
22 your corporate book," or "Avoid Personal Exposure by Preparing Corporate
23 Annual Meeting Documents; or

24 (5) implying that a penalty may be imposed by having a reply date.

25 B. Representing by solicitation that the recipient is required to fill out or file
26 any form with any governmental agency or that Defendants will assist the recipient in

1 filling out or filing any form with any governmental agency.

2 **V. PRAYER FOR RELIEF**

3 WHEREFORE, Plaintiff, State of Arizona, respectfully requests that the Court:

4 1. Issue a permanent injunction, enjoining and restraining Defendants and each of
5 them, their officers, agents, servants, employees and attorneys and all persons in active concert
6 or participation with them, directly or indirectly, from engaging in the course of conduct
7 alleged in violation of A.R.S. § 44-1522(A), including, without limitation:

8 A. Soliciting any Arizona consumer or business by mail, telephone and/or
9 internet;

10 B. Operating any business in the State of Arizona which purports to offer
11 services to businesses;

12 C. Receiving any monies, in any form, from any Arizona consumer or
13 business, which responds to the type of solicitation referenced in this Complaint;

14 2. Pursuant to A.R.S. § 44-1528(A)(2), order that Defendants restore to all persons
15 in interest any monies or property, real or personal, which may have been acquired by means of
16 any practice in this article declared to be unlawful;

17 3. Pursuant to A.R.S. § 44-1531, order Defendants to pay to the State of Arizona a
18 civil penalty of ten thousand dollars (\$10,000.00) for each violation of A.R.S. § 44-1521, *et*
19 *seq.*;

20 4. Pursuant to A.R.S. § 44-1534, order Defendants to reimburse the Attorney
21 General for its attorneys' fees and costs incurred in the investigation and prosecution of the
22 Defendants' activities alleged in this Complaint;

23 ///

24 ///


25 ///

26 ///

5. For such further relief as the Court may deem just and proper.

DATED this 29th day of September, 2009.

Terry Goddard
Attorney General


Rebecca C. Salisbury
Assistant Attorney General
Attorneys for Plaintiff

536141

EXHIBIT 1

ARIZONA CORPORATE HEADQUARTERS

ANNUAL MINUTES DISCLOSURE STATEMENT

DIRECTORS AND SHAREHOLDERS

IMPORTANT! READ INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE PRINT LEGIBLY.

NOTICE DATE: 11/03/08

CORPORATE NAME:

T20 5035 ACHT

CORPORATION NUMBER: L

LLC.

ANNUAL FEE: \$125.00

PHOENIX, AZ 85022-3152

REPLY BY: NOVEMBER 24, 2008



ARIZONA CORPORATE HEADQUARTERS IS NOT AFFILIATED
WITH THE OFFICE OF THE ARIZONA SECRETARY OF STATE

ARIZONA CORPORATIONS CODE SECTION 10-701

SEC. 10-701: A. A corporation shall hold a meeting of shareholders annually at a time stated in or fixed in accordance with the bylaws. B. Annual shareholders' meetings may be held in or out of this state at the place stated in or fixed in accordance with the bylaws. If no place is stated in or fixed in accordance with the bylaws, annual meetings shall be held at the corporation's known place of business. C. The failure to hold an annual meeting at the time stated in or fixed in accordance with the corporation's bylaws does not affect the validity of any corporate action. D. Any water users' association may provide in its articles of incorporation or bylaws for any method of electing its governing body or bodies on a biannual or more frequent basis, in which event the water users' association has no obligation to hold an annual meeting notwithstanding subsection A of this section and section 10-803. Whenever a meeting of shareholders is required or permitted under this chapter, a water users' association, without conducting such a meeting, may accomplish the purpose of such meeting through an election by its shareholders pursuant to its articles of incorporation.

**TO ENSURE APPROPRIATE PROCESSING AND FULFILLMENT, PLEASE RETURN THIS FORM WITH YOUR PAYMENT TO:
ARIZONA CORPORATE HEADQUARTERS - BUSINESS DIVISION - 5025 N. CENTRAL AVENUE, SUITE 573 - PHOENIX, AZ 85012**

Maintaining records is vital to the existence of all corporations; in particular the recording of shareholder and director meetings. Failure to comply with certain requirements could cause your corporation to lose its limited liability status. If so, personal liability exposure to tax agencies, or other creditors, could possibly be put on the directors and shareholders for failing to document formalities. We assist corporations to avoid non-compliance with the above provisions. Whereas attorneys and accountants may charge an amount ranging from \$200 to \$900 for processing annual minutes, Arizona Corporate Headquarters charges \$125.00. Order corporate minutes by completing the statement form below. Provide the following candidate's names for positions listed and submit with the **ANNUAL FEE OF \$125.00 WITHIN 15 BUSINESS DAYS** to ensure satisfactory time for processing, completion, and mailing of the annual minutes for your corporation. For questions please email to: info@azcorporatehq.com

1. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE [REDACTED]	CITY AND STATE PHOENIX, AZ	ZIP CODE 85022
2. MAILING ADDRESS (IF ADDRESS IS OUTSIDE OF ARIZONA)	CITY	STATE
3. CHIEF EXECUTIVE OFFICER: [REDACTED]		
4. CHIEF FINANCIAL OFFICER:		
5. SECRETARY:		
6. DIRECTOR:		
7. DIRECTOR:		
8. BUSINESS PHONE: [REDACTED]	CONTACT PERSON: [REDACTED]	
9. SHAREHOLDER INFORMATION: (IF APPLICABLE)-ATTACH ADDITIONAL PAGES IF NECESSARY		

NAME:	MAILING ADDRESS	# OF SHARES (NOT %)
NAME:	MAILING ADDRESS	# OF SHARES (NOT %)

YOUR CORPORATION SHOULD COMPLY WITH APPLICABLE LAWS AND REGULATIONS FOR ADEQUATE RECORD TRANSFER. PLEASE PRINT LEGIBLY. ALL INFORMATION WILL BE TREATED AS PRIVATE AND CONFIDENTIAL. PLEASE ALLOW 45 DAYS FROM DATE OF RECEIPT FOR FULL PROCESSING, COMPLETION, AND MAILING OF ANNUAL MINUTES FOR YOUR CORPORATION.

U.S.C. 39 § 3001(d) THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY THE FEDERAL GOVERNMENT AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE FEDERAL GOVERNMENT. THIS IS A SOLICITATION FOR THE ORDER OF SERVICES AND IS NOT A BILL, INVOICE, OR STATEMENT OF ACCOUNT DUE. YOU ARE UNDER NO OBLIGATION TO MAKE ANY PAYMENTS ON ACCOUNT OF THIS OFFER UNLESS YOU ACCEPT THIS OFFER.

BY SUBMITTING THIS DISCLOSURE STATEMENT, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

[REDACTED]	[REDACTED]	CEO	11-18-08
TYPE OR PRINT NAME OF OFFICER OR AGENT	SIGNATURE	TITLE	DATE

When completing this form, please print or type all information and attach additional paper if you require additional space. Be sure to check that names are provided for all required positions and the form has been completed accurately. Also, review the provided business name and principal office street address, so that we can process and forward your annual minutes to you. Incorrect or incomplete information may mean inadequate time for processing and exposure of your corporation. Arizona Corporate Headquarters is a private, non-governmental business providing corporate services to corporations. Our liability is strictly limited to the amount received by us from you to provide this service. Arizona Corporate Headquarters has no affiliation to the Secretary of State or any government agency. You may choose to prepare the documents to keep your corporation in compliance with corporate law yourself. If you have legal questions or are in need of legal advice, please contact an attorney licensed to practice law in Arizona who can advise you on matters of corporate law or obtain other professional advice.

Complete the Annual Minutes Disclosure Statement as follows:

Line 1 Enter the complete street address, city, state and zip code, of the principal executive office. Please do not enter a P.O. Box or abbreviate the name of the city.

Line 2 Enter complete street address, city and zip code of the corporation's business mailing address only if the address on Line 2 is outside of Arizona. Please do not enter a P.O. Box or abbreviate the name of the city.

Line 3-5 Enter the name and complete business or residential address of the corporation's Officers (CEO, CFO, and Secretary).

Line 6-7 Enter the name and complete business or residential address of the corporation's Directors and Directors who are also Officers. If there are more than two Directors, please attach additional pages.

Line 8 Enter the business phone number and the name of a contact person should we need further information.

Line 9 Enter the name and complete business or residential address of each incumbent Shareholder. If there are more than two shareholders please attach additional pages.

NOTE: Type or print the name and title of the officer or agent completing this statement, then sign and enter the date this statement was completed.

Payment should be submitted along with the Annual Minutes Disclosure Statement for proper processing and fulfillment of the Annual Minutes for your corporation. Submit a check or money order for \$125 made payable to Arizona Corporate Headquarters and mail to:

Arizona Corporate Headquarters
Business Division
5025 N. Central Avenue, Suite 573
Phoenix, AZ 85012

By submitting this Annual Minutes Disclosure Statement to Arizona Corporate Headquarters, the corporation certifies the information obtained herein, including any attachments is true and correct.

EXHIBIT 2

MINUTES OF BOARD OF DIRECTORS MEETING

OF
[REDACTED]

The undersigned, being the directors of the above named corporation, in accordance with corporate law and the bylaw of this Corporation, do hereby consent to the adoption of the following recitals and resolutions:

An annual meeting of the board of directors of the corporation was held at: [REDACTED] on December 22, 2008 at 11:00 a.m.

All directors signed waiver of notice, and the waiver was made a part of and precede the minutes of this meeting. The President and Secretary of the Corporation acted respectively, as Chairman and Secretary of the meeting.

There were present, representing a quorum of the board:

Chief Executive Officer: [REDACTED]

Chief Financial Officer: [REDACTED]

Secretary: [REDACTED]

Director: [REDACTED]

RATIFICATION AND APPROVAL OF ACTIONS

The President of the corporation acted as chairperson, and the Secretary of the corporation acted as secretary of the meeting.

WHEREAS, the Board of Directors and Officers of the Corporation have taken action between the last meeting and this meeting;

WHEREAS, it would be in the best interests of the Corporation to ratify and approve the actions of Directors and Officers of the Corporation occurring between the last meeting and this meeting;

RESOLVED, the Directors ratify and approve the actions of Directors and Officers of the Corporation occurring between the last meeting and this year's meeting.

There being no further business to come before the meeting, it was adjourned on motion duly made and carried.

DATE_____
SECRETARY

WAIVER OF NOTICE AND CONSENT TO HOLDING OF MEETING

OF

[REDACTED]

The undersigned, being all the directors of: [REDACTED] an Arizona corporation, do hereby waive notice of and consent to the holding of the annual meeting of the directors, held at: [REDACTED] on December 22, 2008 at 10:00 a.m. for the purpose of discussing old and new business matters and that the agenda of the meeting may include transaction of any other business that properly may be brought before the shareholders for their vote.

Director:

[REDACTED]

Dated: _____