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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA, *ex rel.* MARK
BRNOVICH, Attorney General,

Plaintiff,

vs.

MALOWS JETSKI RENTALS, LLC, d/b/a
MALOW'S JET SKI RENTALS LLC, an
Arizona limited liability company;
MAHRIAR AKBARI, a/k/a MALOW
AKBARI, a single man; and FARIBA
BADRE, a single woman.

Defendants.

Case No: CV CV 2017-009036

**COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF**

(Non-classified Civil; Consumer Fraud)

For its Complaint against defendants Malows Jetski Rentals, LLC, d/b/a Malow's Jet Ski Rentals LLC, Mahriar Akbari, a/k/a Malow Akbari, and Fariba Badre (collectively "Defendants"), Plaintiff, the State of Arizona *ex rel.* Mark Brnovich, the Attorney General (the "State"), alleges as follows:

JURISDICTION AND VENUE

1. The State brings this action pursuant to the Arizona Consumer Fraud Act, Ariz. Rev. Stat. ("A.R.S.") §§ 44-1521 to 44-1534 (collectively the "CFA"), to obtain injunctive relief to permanently enjoin and prevent the unlawful acts and practices alleged in this

1 Complaint, and to obtain other relief to remedy the consequences of past unlawful acts and
2 practices, including restitution, disgorgement of profits/gains/benefits, civil penalties, attorneys'
3 fees and costs, expert fees, and investigative expenses.

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

6 3. Venue is appropriate in Maricopa County pursuant to A.R.S. § 12-401.

7 **PARTIES**

8 4. Plaintiff is the State, who is authorized to bring this action under the CFA.

9 5. Defendant Malows Jetski Rentals, LLC, d/b/a Malow's Jet Ski Rentals LLC,
10 ("Malow's") is an Arizona limited liability company that incorporated and began doing
11 business in February 2012 as a jet ski and boat rental business in Bullhead City, Arizona.
12 Defendant Malow's is currently located at 1080 Highway 95, in Bullhead City, Arizona.

13 6. Defendant Fariba Badre, an Arizona resident, is the sole owner, member, and
14 statutory agent of Defendant Malow's. At all times material to this complaint, Defendant
15 Fariba Badre, with actual and/or constructive knowledge, approved, endorsed, directed, ratified,
16 controlled, or otherwise participated in the acts and practices of Malow's. As such, Defendant
17 Fariba Badre is responsible for the illegal acts, practices, omissions, and misrepresentations of
18 Defendant Malow's.

19 7. Defendant Mahriar Akbari, a/k/a Malow Akbari, an Arizona resident, is the
20 manager at Defendant Malow's and with actual and/or constructive knowledge, approved,
21 endorsed, directed, ratified, controlled, or otherwise participated in the acts and practices of
22 Malow's. As such, Defendant Mahriar Akbari is responsible for the acts, practices, omissions,
23 and misrepresentations of Defendant Malow's.

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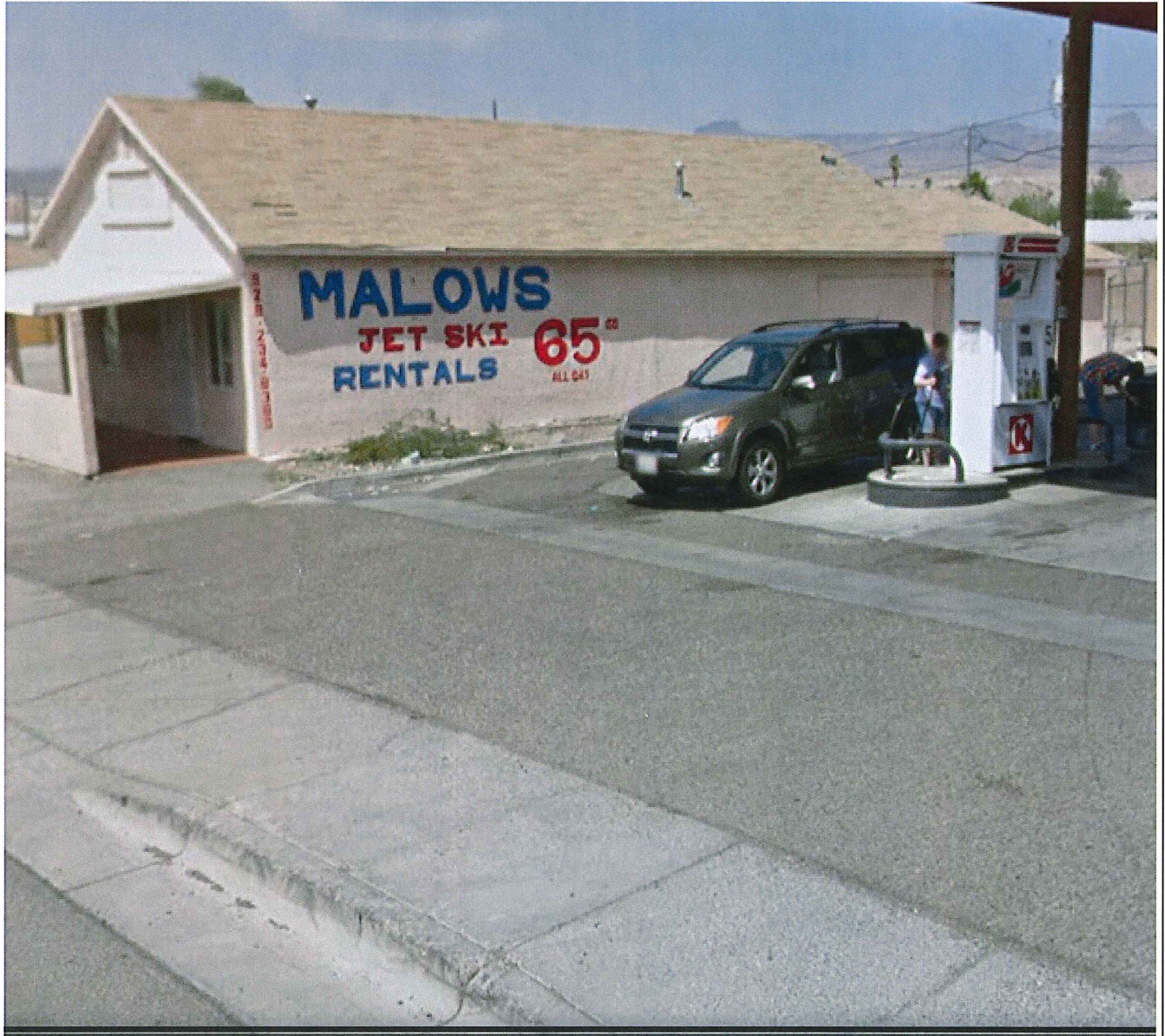
10. Consumers may rent Rental Watercraft from Defendants at an hourly or full-day rental rate.

11. Defendants advertise their Rental Watercraft services in a variety of places, including on the side of a building next to a gas station; with a sign located on the sidewalk outside their business; on their website, www.Malowsjetskirentals.com; and on their Facebook page.

12. Defendants have used numerous advertisements touting “\$65 All Day” and “\$75 All Day” jet ski rentals.

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1 13. From approximately June 2016 through January 2017, Defendants displayed an
2 advertisement (“Building Ad”) on the side of a building next to a gas station stating
3 “MALOWS JET SKI RENTALS 65⁰⁰ ALL DAY”:



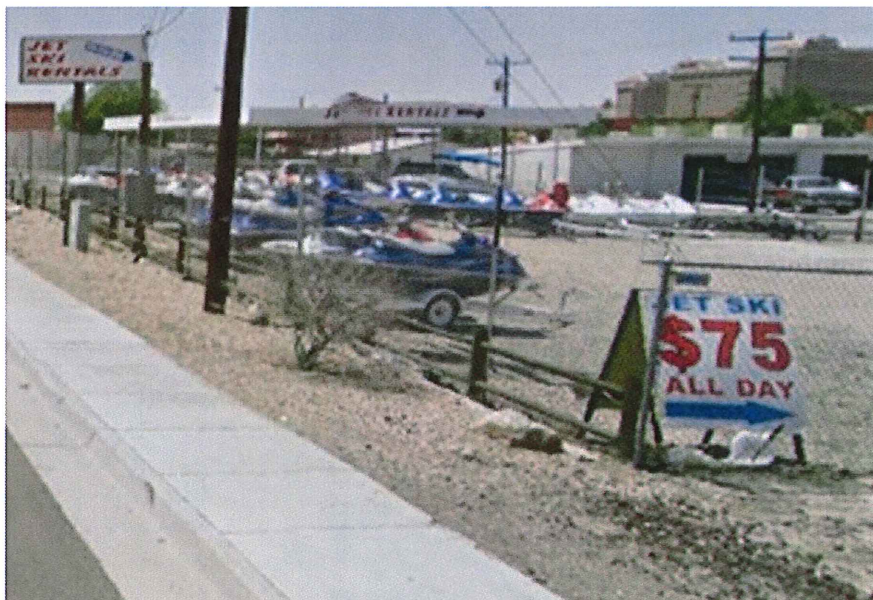
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1 14. Defendants displayed the following sign (“\$65 A-Frame Sign”) next to the
2 sidewalk outside their business from approximately June 2015 to January 2017:



15 15. Defendants displayed the following sign (“\$75 A-Frame Sign”) next to the
16 sidewalk outside their business from approximately January 2014 through approximately May
17 2015:



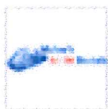
1 16. During the summer of 2016, Defendants' website,
2 www.Malowsjetskirentals.com, advertised "\$65 ALL DAY RENTALS" ("Website Ad");



\$65 ALL DAY RENTALS

Malow's jet ski rentals is the biggest rentals agency in Laughlin, Nevada. We will beat or match any competitor pricing. Our number one goal is customer service to make a fun experience out on the Colorado River!

10 17. In April 2016, Defendants posted an advertisement ("Facebook Ad 1") on their
11 Facebook page for "\$65 ALL DAY RENTALS," which is still posted on Defendants'
12 Facebook page:



Malow's Jet Ski Rentals

April 28, 2016 · 🌐

Water, Sun, Jet skiing on the Colorado River! Priceless!

www.LaughlinJetSkiRentals.com

#Water #Sun #JetSkiing #ColoradoRiver #Priceless



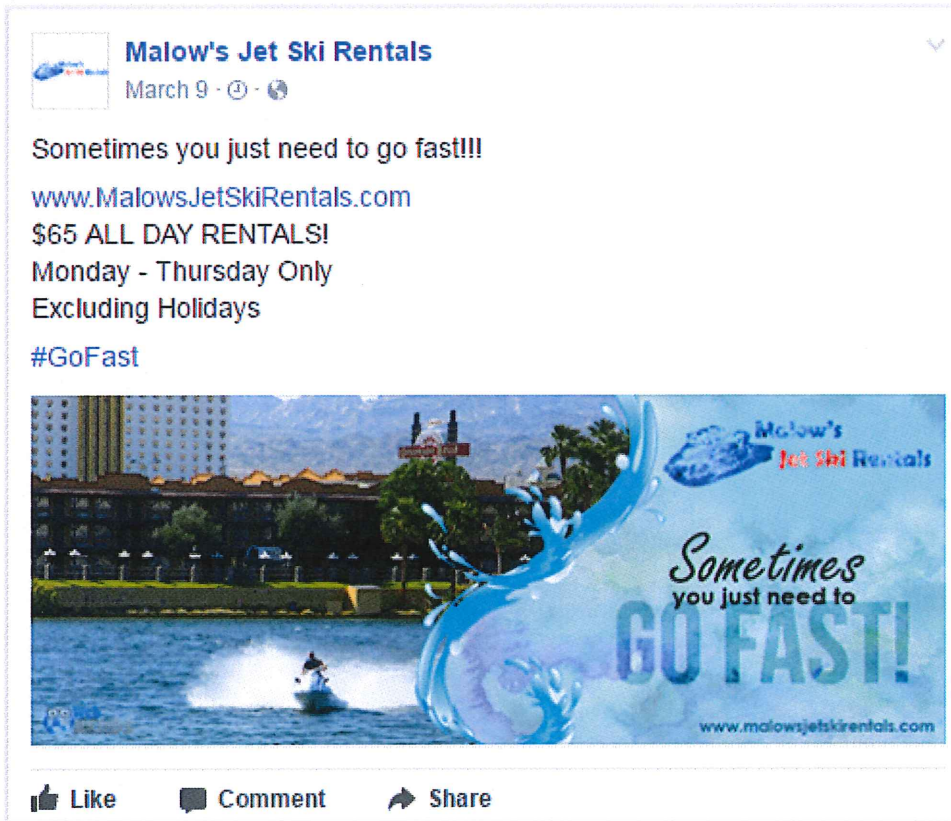
18. In February 2017, Defendants posted an advertisement ("Facebook Ad 2") on their Facebook page for "\$65 ALL DAY RENTALS! Monday – Thursday Only Excluding Holidays," which is still on their Facebook page:



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1 19. In March 2017, Defendants posted an advertisement (“Facebook Ad 3”) on their
2 Facebook page for “\$65 ALL DAY RENTALS! Monday – Thursday Only Excluding
3 Holidays,” which is still on their Facebook page:



17 ***b. Defendants' Rental Practices***

18 20. When consumers arrive at Defendants' counter, Defendants present consumers
19 with a lengthy contract that contains information such as rules and regulations associated with
20 the Rental Watercraft, releases of Defendants' liability, and dollar amounts Defendants will
21 assess if consumers return Rental Watercraft with damages.

22 21. Until at least August 2016, the contract Defendants presented to consumers failed
23 to include specific rental terms such as the following: an itemized list of Defendants' rental
24 charges, the specific watercraft rented, the rental period, the amount of the refundable deposit
25 collected, the method of payment of the refundable deposit, or any fees for gasoline, launch and
26 recovery of jet skis, or labor to repair damages.

1 *c. Undisclosed Rates and Fees in Advertisements*

2 22. Defendants charged consumers far more than the price their advertisements
3 disclosed.

4 23. Upon information and belief, since approximately June 2015, on Mondays
5 through Thursdays, Defendants have been charging consumers a base rental rate of \$65 per jet
6 ski for a full-day rental.

7 24. If consumers rented jet skis from Defendants on a Friday, Saturday, Sunday, or
8 on a holiday—i.e., the days that most consumers rent jet skis—Defendants charged consumers
9 varying base rental rates ranging from approximately \$150 to \$225 per jet ski for a full-day
10 rental.

11 25. In addition to the base rental rate, Defendants typically require renters to pay a
12 \$15 launch and recovery fee.

13 26. In addition to the base rental rate and launch and recovery fee, Defendants charge
14 fees for gasoline.

15 27. At times, Defendants charge consumers a flat rate for an unlimited quantity of
16 gasoline.

17 28. At times, Defendants charge consumers at a per-gallon rate for the amount of
18 gasoline used during the rental period.

19 29. At times, Defendants charge for gasoline at a per-gallon rate by checking the
20 number of bars measuring fuel consumption on the gasoline gauge.

21 30. At times, when Defendants run specials, they include the price of gasoline in the
22 total cost of the rental.

23 31. Defendants' Building Ad deceptively and unfairly failed to disclose that the
24 advertised \$65 all-day rental rate did not apply on Fridays, Saturdays, Sundays, or on holidays.

25 32. Defendants' Building Ad deceptively and unfairly failed to disclose that the
26 advertised rate did not include Defendants' \$15 launch and recovery fee or Defendants' extra

1 charge for gasoline.

2 33. Defendants' \$65 A-Frame Sign deceptively and unfairly failed to adequately
3 notify consumers that the \$65 all-day base rental rate did not apply on Fridays, Saturdays,
4 Sundays, or on holidays.

5 34. Defendants' \$65 A-Frame Sign prominently disclosed the "\$65 ALL DAY" base
6 rental rate in large, bold print; however, Defendants' only disclosure regarding time period
7 limitations to this rate was included in extremely tiny print that consumers could not readily
8 see.

9 35. Defendants' \$65 A-Frame Sign deceptively and unfairly failed to disclose that the
10 advertised rate did not include Defendants' \$15 launch and recovery fee or Defendants' extra
11 charge for gasoline.

12 36. Defendants' \$75 A-Frame Sign deceptively and unfairly failed to disclose or
13 adequately disclose that the advertised \$75 all-day rental rate did not apply on Fridays,
14 Saturdays, Sundays, or on holidays.

15 37. Defendants' \$75 A-Frame Sign deceptively and unfairly failed to disclose that the
16 advertised rate did not include Defendants' extra charge for gasoline.

17 38. Defendants' Website Ad deceptively and unfairly failed to disclose that the
18 advertised \$65 all-day rental rate did not apply on Fridays, Saturdays, Sundays, or on holidays.

19 39. Defendants' Website Ad deceptively and unfairly failed to disclose that the
20 advertised rate did not include Defendants' \$15 launch and recovery fee or Defendants' extra
21 charge for gasoline.

22 40. Defendants' Facebook Ad 1 deceptively and unfairly failed to disclose that the
23 advertised \$65 all-day rental rate did not apply on Fridays, Saturdays, Sundays, or on holidays.

24 41. Defendants' Facebook Ad 1 deceptively and unfairly failed to disclose that the
25 advertised rate did not include Defendants' extra charge for gasoline or Defendants' launch and
26 recovery fee.

1 42. Defendants' Facebook Ad 2 deceptively and unfairly failed to disclose that the
2 advertised rate did not include Defendants' extra charge for gasoline or Defendants' launch and
3 recovery fee.

4 43. Defendants' Facebook Ad 3 deceptively and unfairly failed to disclose that the
5 advertised rate did not include Defendants' extra charge for gasoline or Defendants' launch and
6 recovery fee.

7 ***d. Gasoline Charges***

8 44. In numerous instances, Defendants did not disclose, prior to consumers entering
9 into a rental agreement for Rental Watercraft, the amount to be charged for gasoline or the
10 method Defendants would use to determine the gasoline charge

11 45. In some instances, Defendants charged consumers a \$64 "unlimited gas" rate, and
12 then also required consumers to pay additional amounts for gasoline at a per-gallon rate to
13 refuel the Rental Watercraft.

14 46. In some instances, Defendants did not provide consumers with a full tank of
15 gasoline at the beginning of the rental and then Defendants charged the consumers at a per
16 gallon rate as though consumers took possession of the Rental Watercraft with a full tank of
17 gasoline.

18 47. In some instances, Defendants overcharged consumers by charging for gasoline
19 based on the wrong size of gasoline tank.

20 ***e. Failure to Refund Deposits and Amounts Paid***

21 48. Defendants used deceptive and unfair practices in order to retain all or part of
22 consumers' refundable security deposit.

23 49. Defendants require consumers to provide \$200 per jet ski as a security deposit,
24 which they tell consumers is "refundable."

25 50. In numerous instances, Defendants refused to refund consumers' refundable
26 deposit even when the consumers did not cause damage to Defendants' jet skis, did not owe

1 Defendants the full amount of the deposit, and/or did not owe any additional money to
2 Defendants.

3 51. In at least one instance, when a consumer signed Defendants' credit card slips and
4 then decided not to rent Rental Watercraft, Defendants cited their "no refund" policy and
5 refused to refund the monies paid by the consumer, including the base rental rate, deposits,
6 gasoline charges, and other associated fees.

7 52. In some instances, when consumers disputed Defendants' charges to their credit
8 cards, Defendants misrepresented and/or mischaracterized the basis of the credit card charges to
9 credit card companies so that Defendants would prevail in the credit card disputes and retain
10 the consumers' money.

11 53. Prior to renting Rental Watercraft, Defendants instructed consumers to identify
12 any damage to the equipment. Defendants noted the damage on a document entitled:
13 "Customer Inspection Sheet: Record of Damage Leaving Our Dock" ("Inspection Sheet").

14 54. In numerous instances, Defendants charged consumers for damage to Rental
15 Watercraft when the Rental Watercraft had damage prior to the consumers renting it and/or the
16 consumers did not damage the Rental Watercraft.

17 55. In numerous instances, Defendants required consumers to sign a blank
18 "Watercraft Rental Damage Report" prior to taking possession of Rental Watercraft even
19 though the signature on the form purportedly constitutes consumers' "Acknowledgement of
20 Damages" that occurred during the rental.

21 56. In numerous instances, when consumers questioned Defendants' additional
22 charges for alleged damage to Rental Watercraft, Defendants refused to answer questions about
23 the charges by becoming hostile, verbally abusive, and/or threatening to increase the charges.

24 57. In numerous instances, Defendants rented faulty or inoperable Rental Watercraft
25 to consumers and refused to refund amounts paid for the faulty or inoperable Rental Watercraft.

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1 ***f. Other Conduct***

2 58. At times, Defendants provided quotes to specific consumers prior to the rental
3 date, but did not honor the quoted prices when those consumers arrived at Defendants' business
4 location.

5 59. In at least one instance, Defendants' employees posted positive, five-star reviews
6 on the internet without disclosing to consumers that the reviews were posted by employees.

7 **CAUSES OF ACTION**

8 **Violations of the Arizona Consumer Fraud Act (A.R.S. §§ 44-1521 to 44-1534)**

9 60. The preceding allegations set forth in paragraphs 1-59 are incorporated herein by
10 reference as though fully set forth herein.

11 61. The acts and practices set forth in the paragraphs above constitute deception,
12 deceptive or unfair acts or practices, fraud, false pretense, false promises, misrepresentations, or
13 concealment, suppression or omission of any material fact with intent that others rely upon such
14 concealment, suppression or omission, in connection with the sale or advertisement of any
15 merchandise whether or not any person has in fact been misled, deceived or damaged thereby,
16 in violation of A.R.S. § 44-1522.

17 62. Defendants were, at all times, acting willfully, as defined by A.R.S. § 44-
18 1531(B), while engaging in the acts and practices alleged herein.

19 **PRAYER FOR RELIEF**

20 WHEREFORE, Plaintiff, the State, respectfully requests that the Court:

21 63. Enter an injunction against Defendants permanently prohibiting them from
22 engaging in the unlawful acts and practices alleged in this Complaint and from doing any acts
23 in furtherance of such acts and practices, pursuant to A.R.S. § 44-1528(A);

24 64. Order Defendants to restore to all persons in interest any monies or property, real
25 or personal, which may have been acquired by any unlawful means or practices alleged in this
26 Complaint, pursuant to A.R.S. § 44-1528(A)(2);

65. Order Defendants to disgorge all profits, gains, gross receipts, or other benefits that they obtained as a result of their unlawful acts alleged herein, pursuant to A.R.S. § 44-1528(A)(3);

66. Order Defendants to pay to the State of Arizona a civil penalty of up to ten thousand dollars (\$10,000.00) for each willful violation of A.R.S. § 44-1521, *et seq.*, pursuant to A.R.S. § 44-1531;

67. Order Defendants to reimburse the Attorney General for its attorneys' fees and costs incurred in the investigation and prosecution of the Defendants' activities alleged in this Complaint, pursuant to A.R.S. § 44-1534; and

68. Award the State such further relief the Court deems just and proper under the circumstances.

DATED this 19th day of June, 2017.

MARK BRNOVICH
ATTORNEY GENERAL

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