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11 **SUPERIOR COURT OF ARIZONA**
12 **IN MARICOPA COUNTY**

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

15 Plaintiff,

16 v.

17 AMAZON HOME WARRANTY, LLC a/k/a
18 AHW; YEYY HOLDING CORP.; ABADY
19 GROUP LLC; ONE STOP SOLUTION
20 GROUP, LLC; AMAZON WARRANTY
21 ADMINISTRATORS OF ARIZONA, LLC;
22 HARRY J. BAILEY; MARC ABADY; and
23 LEO KASSIN,

24 Defendants.

Case No.

COMPLAINT

(Jury Trial Demanded)

25 Plaintiff, State of Arizona *ex rel.* Mark Brnovich, the Attorney General (the “State”), alleges
26 the following for its Civil Complaint (the “Complaint”) against Defendants Amazon Home

27 ...

28 ...

1 Warranty, LLC a/k/a AHW (“AHW”),¹ YEYY Holding Corp., Abady Group LLC, One Stop
2 Solution Group, LLC, Amazon Warranty Administrators of Arizona, LLC (“AWAA”), Harry J.
3 Bailey (“Bailey”), Marc Abady (“Abady”), and Leo Kassin (“Kassin”) (collectively, “Defendants”).

4 **INTRODUCTION**

5 The State of Arizona brings this action to curtail and redress the harm to Arizona consumers
6 caused by the deceptive and unlawful practices of AHW under the direction and control of
7 Defendants Bailey, Abady, and Kassin, individually and through their limited liability companies.

8 AHW markets and sells residential “home warranty” services nationwide and through its
9 agent AWAA in this state. From AHW’s inception, Defendants have engaged in a scheme of
10 deception and material omissions in their advertising and sale of AHW’s residential home
11 warranty services. Even before AHW’s official incorporation as a company, Defendants made
12 false claims about how long AHW had been providing home warranty services to consumers.
13 Among other things, Defendants have claimed that AHW has been in business for nearly or over
14 a decade from the moment AHW started doing business in 2018 up to at least April 2021.

15 Defendants also have misrepresented AHW’s ratings and even the identity of AHW’s
16 president. Defendants have used false names to, among other things, conceal the identity of
17 AHW’s Chief Executive Officer (“CEO”), Bailey, who was previously involved with a failed
18 home warranty company. After Defendants discovered that the truth about Bailey’s identity could
19 affect AHW’s business, Defendants installed as AHW’s supposed president “Patrick Bateman,”
20 a fictitious individual who even had his own LinkedIn page.

21 Defendants also have misrepresented the quality of AHW’s service to consumers through
22 either publishing or, at a minimum, failing to address the continuous online publication of fake
23 reviews favorable to AHW from purported AHW customers. These reviews are a farce, presented
24 to consumers as the independent positive opinions of ordinary, impartial, AHW customers. They
25 are not. Rather, these reviews are blatant copies of customer reviews previously posted for other
26 home warranty companies, AHW’s competitors.

27
28 ¹ This entity is not affiliated with Amazon.com.

1 **JURISDICTION AND VENUE**

2 1. The State brings this action pursuant to the Arizona Consumer Fraud Act, Arizona
3 Revised Statutes (“A.R.S.”) §§ 44-1521 *et seq.* (the “CFA”), to obtain injunctive relief to
4 permanently enjoin and prevent the unlawful acts and practices alleged in this Complaint, and to
5 obtain other relief including restitution, disgorgement of profits, gains, gross receipts, or other
6 benefits, civil penalties, costs and attorneys’ fees.

7 2. This Court has subject-matter jurisdiction.

8 3. This Court may issue appropriate orders both prior to and following a determination
9 of liability pursuant to A.R.S. § 44-1528.

10 4. Defendants caused events to occur in this state out of which the claims asserted in
11 this Complaint arose.

12 5. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).

13 **PARTIES**

14 6. Plaintiff is the State of Arizona, *ex rel.* Attorney General Mark Brnovich, who is
15 authorized to bring this action under the CFA.

16 7. Defendant AHW is a privately-held Delaware limited liability company
17 incorporated in July 2018. It sells residential home-warranty-service contracts in Arizona through
18 Defendant AWAA.

19 8. Defendant AWAA is an Arizona limited liability company that is a subsidiary of
20 Amazon Warranty Administrators LLC and agent of Defendant AHW licensed to do business in
21 Arizona.

22 9. Defendant AHW consists of three separate member entities—Defendant YEYY
23 Holding Corp., Defendant Abady Group LLC, and Defendant One Stop Solution Group, LLC
24 (collectively, “Member Entities”).

25 10. Defendant YEYY Holding Corp. is a limited liability company wholly owned by
26 Bailey and holds Bailey’s 70% interest in AHW.

27 11. Bailey is AHW’s CEO and a resident of New Jersey.

28 . . .

1 26. Defendants have maintained AHW’s website (“Website”) since 2018. Currently, the
2 URL for that Website is at <https://ahwp.com/>. It was formerly at
3 <https://www.amazonhomewarranty.com/>.

4 27. At all relevant times, the Website has been accessible to Arizona consumers and
5 intended as a way of communicating to Arizona consumers.

6 28. Defendants have maintained a Facebook page for AHW since 2018.

7 29. At all relevant times, the Facebook page has been accessible to Arizona consumers
8 and intended as a way of communicating to Arizona consumers.

9 30. Defendants also have maintained a LinkedIn page for AHW.

10 31. At all relevant times, the LinkedIn page has been accessible to Arizona consumers
11 and intended as a way of communicating to Arizona consumers.

12 32. Defendants Bailey, Abady, and Kassin collectively decided what representations
13 they would make about AHW and AHW’s services in advertisements and on AHW’s Website,
14 Facebook and LinkedIn pages.

15 33. Defendants Bailey, Abady, and Kassin, individually and through the Member
16 Entities, directed and controlled all of AHW’s deceptive and misleading conduct, as explained
17 below, in Arizona and elsewhere.

18 34. Defendants Bailey, Abady, and Kassin, individually and through the Member
19 Entities, intended for AHW’s deceptive and misleading conduct, as explained below, to cause
20 Arizona residents to enter into home warranty service contracts with AHW to have services
21 performed on their homes in Arizona by Arizona-based technicians.

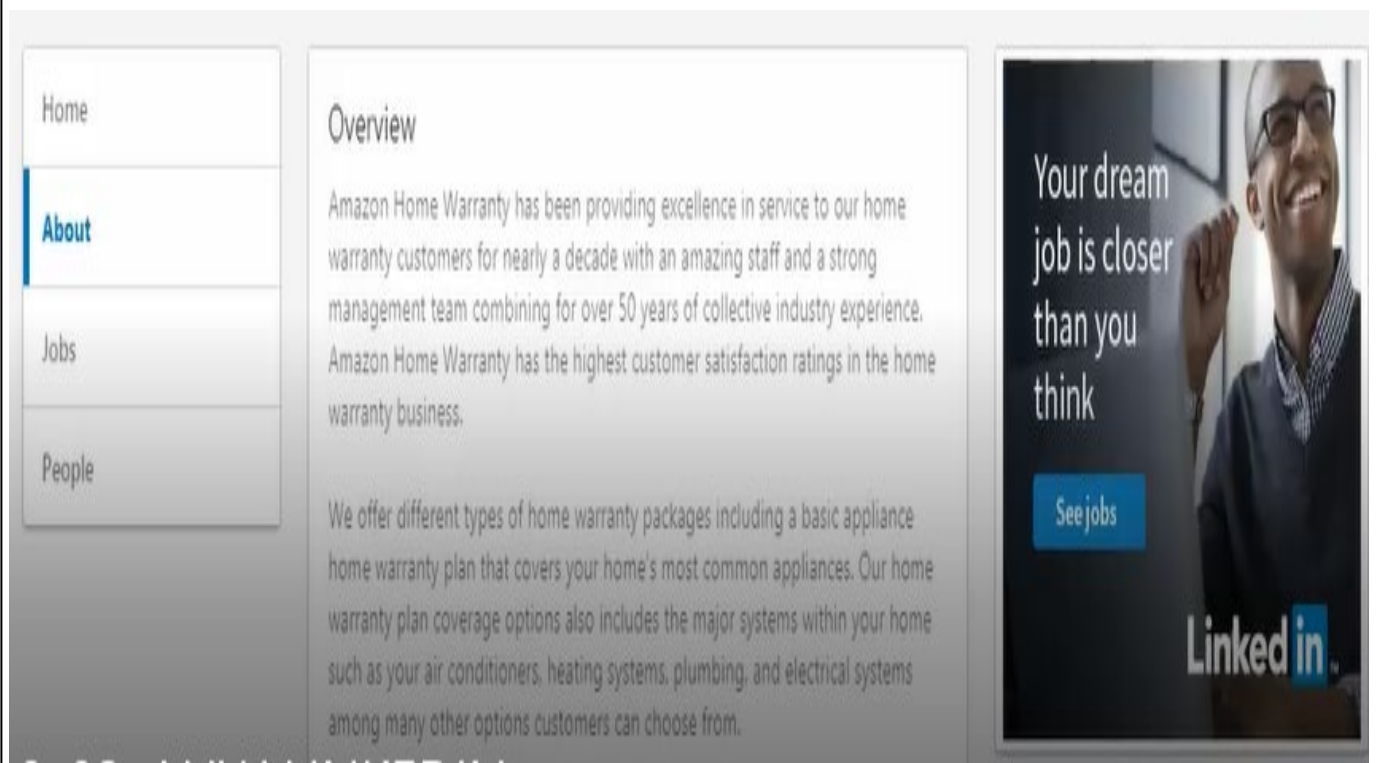
22 **I. False Representations about Years in Business**

23 35. Defendants have used AHW’s Website and Facebook and LinkedIn pages, among
24 other means, to engage in deceptive and unfair practices aimed at consumers, including Arizona
25 consumers.

26 36. Since creating AHW’s Facebook page in 2018 through at least December 2020,
27 Defendants claimed that AHW “has been providing excellence in service to our home warranty
28 customers for nearly a decade.”



37. During the same time period, Defendants made similar claims on AHW's LinkedIn page, claiming that AHW "has been providing excellence in service to our home warranty customers for nearly a decade with an amazing staff and a strong management team combining for over 50 years of collective industry experience."



38. On AHW's Website, Defendants have, among other things, represented since AHW started doing business in 2018 that AHW had been working with service technicians "for years."

...

...



"As a service provider, I'm always very skeptical about working with home warranty companies but I have been working with Amazon Home Warranty for years now. They pay my invoices like clockwork and they have lots of happy customers."

39. Defendants have either supplied the same information to third-party platforms or knew or should have known that third-party platforms, particularly websites that review home warranty services and provide company information about the same, also would rely on this information to inform consumers, including Arizona consumers, about AHW.

40. Third parties, such as ReviewHomeWarranties, This Old House, Best Company and Home Warranty Reviews, have adopted the information Defendants provide on AHW's platforms and by other means, and shared the same on their websites, furthering the extent and reach of Defendants' deception.

41. Consistent with Defendants' misrepresentations, ReviewHomeWarranties (at <https://www.reviewhomewarranties.com/amazon-home-warranty/>) published that "Amazon Home Warranty has been in the home warranty market for about 10 years . . ."

Editorial Notes

Amazon Home Warranty has been in the home warranty market for about 10 years and has a solid reputation among clients. This is evident by the fact that this home warranty provider ranks among the top of the industry with an B rating by the BBB. The company covers 43 states of the USA, including Mississippi, Texas, Virginia, Arizona and Rhode Island, which is rare when compared to its competitors.

42. Consistent with Defendants' misrepresentations, This Old House (at <https://www.thisoldhouse.com/home-finances/21242656/amazon-home-warranty>) stated that AHW has been in business for "10 years."

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Company Information

- Company name: Amazon Home Warranty, LLC
- CEO: Patrick C. Bateman, President
- Years in business: 10 years
- Address: 20 S 3rd Street Suite 210
- City/State: Columbus, OH
- Zip code: 43215-4206
- BBB rating: B

43. Consistent with Defendants’ misrepresentations, Best Company (at <https://bestcompany.com/home-warranty/company/amazon-home-warranty>) states that AHW “has been providing home warranties for the past decade with over 50 years of collective industry experience.”

 This company may not service all states. [See states serviced](#)

[Amazon Home Warranty](#) has been providing home warranties for the past decade with over 50 years of collective industry experience. The home warranty provider ranks at the top of the industry with an A+ rating by the BBB. The company has a large network of licensed and certified technicians and an extensive vetting and screening process.

Amazon Home Warranty offers a variety of home warranty packages that cover major home systems and appliances, such as air conditioners, heating systems, plumbing, and electrical systems along with additional options customers can choose from.

Read on for pros and cons of working with this home warranty company or skip to [Amazon Home Warranty customer reviews](#) for first-person feedback.

Company Details	
States Serviced	50
Average Cost Per Year	\$349 - \$549
Average Service Fee	\$75
Contract Length	Monthly or Annually
Time in Business	11 Years
Number of Reviews	565
LAST UPDATED: SEPTEMBER 2ND, 2020	

44. Consistent with Defendants’ misrepresentations, Home Warranty Reviews (at <https://www.homewarrantyreviews.com/companies/amazon-home-warranty/>) stated that AHW “has been providing excellence in service to our home warranty customers for nearly a decade with an amazing staff and a strong management team combining for over 50 years of collective industry experience.”

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AMAZON HOME WARRANTY

Amazon Home Warranty has been providing excellence in service to our home warranty customers for nearly a decade with an amazing staff and a strong management team combining for over 50 years of collective industry experience. Amazon Home Warranty has the highest customer satisfaction ratings in the home warranty business. We offer different types of home warranty packages including a basic appliance home warranty plan that covers your home's most common appliances. Our home warranty plan coverage options also includes the major systems within your home such as your air conditioners, heating systems, plumbing, and electrical systems among many other systems.

45. Based on information and belief, Defendants used companies, such as LeadCreations.com, LLC, to share AHW's purported business information, such as the falsely claimed years in business, with at least one of these third-party review sites.

46. Additionally, Defendants submitted applications to the Better Business Bureau ("BBB") to obtain BBB accreditation for AHW, representing falsely that AHW had been in business since October 2009. They submitted this misinformation to the BBB even before AHW was incorporated in Delaware.

47. This false representation to the BBB was significant in Defendants' attempt to obtain BBB accreditation for AHW, as the BBB weights a company's years in business in the accreditation process (<https://www.bbb.org/overview-of-bbb-ratings>).

48. In fact, under the BBB's accreditation standards, the BBB will consider accrediting a business only if the business has been "actively selling products or services for at least six months" (<https://bbb.org/bbb-accreditation-standards>).

49. Therefore, under the BBB's accreditation standards AHW would have had to provide services for six months before it could obtain accreditation from the BBB.

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1 50. Instead of waiting to obtain AHW’s BBB accreditation until after it had been in
2 business for at least six months, Defendants decided to falsely represent how long AHW had been
3 in business.

4 51. Defendants’ false representations about AHW’s years in business also made it
5 appear that AHW had been operating for almost a decade without any BBB complaints – another
6 factor that is significant in the BBB’s accreditation analysis ([https://www.bbb.org/overview-of-
7 bbb-ratings](https://www.bbb.org/overview-of-bbb-ratings)).

8 52. In an attempt to defend their years-in-business claims, Defendants have represented
9 at times that AHW was formerly Home Marketing Solutions, LLC (“HMS”).

10 53. However, as Bailey admitted under oath, HMS never operated as a home warranty
11 company, and in fact, never operated at all.

12 54. Rather, as Bailey admitted under oath, HMS was a Wyoming “shelf corporation.”

13 55. A “shelf corporation” is a corporation created for the sole purpose of being placed
14 “on the shelf” for later purchase. A shelf corporation never transacts any business. Instead, it
15 makes any required corporate filings and builds a record of existence that might be valuable to a
16 new company or individual wanting to make it appear that they have been in business longer than
17 they actually have.

18 56. On information and belief, Defendants purchased the shelf corporation HMS solely
19 to further their deceptive effort to misrepresent to consumers, the BBB, and other third parties that
20 AHW had a decade-long business track record providing home warranty services.

21 57. Not surprisingly, based on Defendants’ misrepresentation, the BBB stated on its
22 website that AHW has been in business since 2009. In fact, the BBB website still includes this
23 misinformation.

24 58. Despite all of these misrepresentations about AHW’s years in business, AHW *has*
25 *not* been in the home warranty business, or provided home warranty services to consumers, for
26 over or nearly a decade. Instead, AHW has only existed since 2018, when Defendants started
27 making the false years-in-business statements.

28 . . .

1 59. Defendants used these representations in order to sell AHW's home warranty
2 services to Arizona consumers, like others across the country.

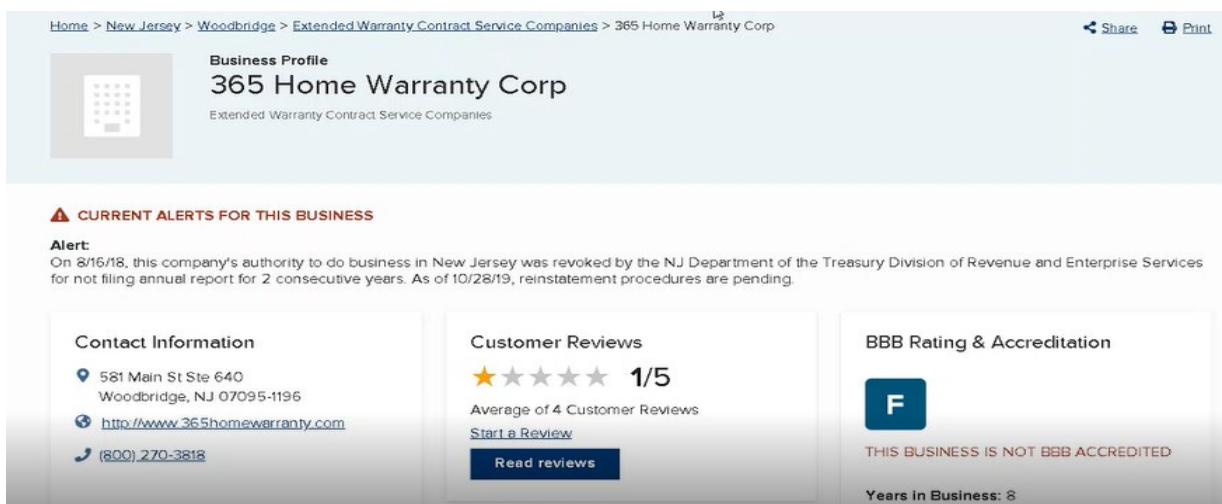
3 60. Arizona consumers have purchased AHW's home warranty service contracts to
4 have Arizona-based technicians service their homes in Arizona unaware of AHW's true level of
5 expertise and not knowing that Defendants' claims about AHW's years in business were false.

6 II. False Representations about Identity of Leadership

7 61. As part of their scheme of deception, Defendants have used false representations
8 about the identity of AHW's leadership to conceal material information related to the sale and
9 advertising of home warranty services from consumers.

10 62. Among other things, Defendants have made false representations to conceal that
11 AHW's CEO and principal owner—Bailey—was formerly a part of a failed home warranty
12 business.

13 63. Bailey previously held 50% ownership in another company selling home warranty
14 services, 365 Home Warranty Corp., which earned an "F" rating with the BBB and had its
15 authority to do business revoked by the State of New Jersey (*see*
16 [https://www.bbb.org/us/nj/woodbridge/profile/extended-warranty-contract-service-](https://www.bbb.org/us/nj/woodbridge/profile/extended-warranty-contract-service-companies/365-home-warranty-corp-0221-90164138)
17 [companies/365-home-warranty-corp-0221-90164138](https://www.bbb.org/us/nj/woodbridge/profile/extended-warranty-contract-service-companies/365-home-warranty-corp-0221-90164138)).



The screenshot shows the BBB Business Profile for 365 Home Warranty Corp. The breadcrumb trail is: Home > New Jersey > Woodbridge > Extended Warranty Contract Service Companies > 365 Home Warranty Corp. The business profile includes a placeholder for a logo, the name "365 Home Warranty Corp", and the address "581 Main St Ste 640, Woodbridge, NJ 07095-1196". A red alert banner states: "CURRENT ALERTS FOR THIS BUSINESS. Alert: On 8/16/18, this company's authority to do business in New Jersey was revoked by the NJ Department of the Treasury Division of Revenue and Enterprise Services for not filing annual report for 2 consecutive years. As of 10/28/19, reinstatement procedures are pending." The contact information section lists the phone number "(800) 270-3818". The customer reviews section shows a 1/5 star rating based on 4 reviews. The BBB Rating & Accreditation section shows an "F" rating and states "THIS BUSINESS IS NOT BBB ACCREDITED". The business has been in business for 8 years.

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27 64. In their first application to the BBB, filed on July 10, 2018, Defendants failed to
28 disclose that Bailey was AHW's principal owner and CEO. Instead, Defendants falsely

1 represented that Abady was AHW's president and owner and that an individual by the name
2 "Harry Jay" was AHW's office manager.

3 65. Abady was not AHW's president and owner.

4 66. No person named "Harry Jay" ever worked at AHW.

5 67. "Harry Jay" was a misleading pseudonym for Harry J. (Joseph) Bailey.

6 68. Bailey does not legally use the name "Harry Jay."

7 69. The BBB initially saw through this deception and denied Defendants' first
8 application, noting, among other things, that it found that Harry J. Bailey had requested HMS be
9 changed to "Amazon Home Warranty, LLC" on June 22, 2018, and that Bailey "is also the
10 president of 365 Home Warranty Corp in Edison NJ with an F [BBB] rating."

11 70. Not to be deterred, Defendants filed a second BBB accreditation application in
12 November 2018, removing any reference to "Harry Jay" and falsely identifying "Patrick C.
13 Bateman" as AHW's president.

14 71. Defendants made the same false representation during a related telephone call with
15 the BBB—wherein Abady introduced Bateman as AHW's president and stated that Bateman
16 would assume all of Abady's duties because Abady would be leaving AHW.

17 72. Abady never left AHW, nor did he intend to do so.

18 73. On the call with the BBB, Bailey pretended to be "Patrick C. Bateman."

19 74. No person named "Patrick C. Bateman" ever worked at AHW.

20 75. After receiving Defendants' second accreditation application and completing the
21 related telephone call with Abady and "Bateman," the BBB decided to accredit AHW.

22 76. Defendants also created, or directed the creation of, a fake LinkedIn account for
23 "Patrick C. Bateman," falsely stating, among other things, that Bateman has been AHW's
24 president since September 2009.

25 77. Consistent with the false information Defendants provided, the BBB informed
26 consumers on its website that "Patrick C. Bateman" was AHW's president.

27 78. Other third-party platforms, such as This Old House, likewise informed consumers
28 that "Patrick C. Bateman" was AHW's president. (*See above* ¶ 42 (thisoldhouse.com image).)

1 79. Then, at least as of 2020, Defendants began falsely representing to consumers and
2 third-party platforms that another individual, “Gary Ojeda,” was AHW’s president.

3 80. For example, in updating AHW’s company information with the BBB in 2020,
4 Defendants informed the BBB that “Gary Ojeda” was now its president.

5 81. No person named “Gary Ojeda” ever worked at AHW.

6 82. In reality, Bailey was still AHW’s president.

7 83. Consistent with the false information Defendants provided, the BBB informed
8 consumers on its website that “Gary Ojeda” was AHW’s president.

9
10 A screenshot of a business details page. It features a blue header 'Business Details' and several sections: 'Location of This Business' with address '20 S 3rd St Ste 210, Columbus, OH 43215-4206' and an 'Email this Business' link; 'BBB File Opened: 7/10/2018', 'Years in Business: 10', 'Business Started: 10/30/2009', and 'Business Started Locally: 6/22/2018'; 'Business Management' listing 'Mr. Gary Ojeda, President', 'Mr. Angel L Santiago, Executive Vice President', and 'Ms. Sofia Gimenez, Registered Agent & Director of Public Relations and Mediations'; and 'Contact Information' listing 'Customer Contact' with the same three individuals.

Business Details

11 **Location of This Business**

12 20 S 3rd St Ste 210, Columbus, OH 43215-4206

13 ✉ [Email this Business](#)

14 **BBB File Opened:** 7/10/2018

15 **Years in Business:** 10

16 **Business Started:** 10/30/2009

17 **Business Started Locally:** 6/22/2018

18 **Business Management**

19 Mr. Gary Ojeda, President

20 Mr. Angel L Santiago, Executive Vice President

21 Ms. Sofia Gimenez, Registered Agent & Director of Public Relations and
22 Mediations

23 **Contact Information**

24 Customer Contact

25 Mr. Gary Ojeda, President

26 Mr. Angel L Santiago, Executive Vice President

27 Ms. Sofia Gimenez, Registered Agent & Director of Public Relations and
28 Mediations

84. “Harry Jay,” “Patrick C. Bateman,” and “Gary Ojeda” are all false names
Defendants used to conceal Bailey’s identity, role and involvement at AHW, among other things.

85. Defendants acted in concert to conceal Bailey’s involvement with AHW.

86. Defendants knew or should have known that the use of the false names would
mislead consumers and public-facing third-party platforms about information material to AHW’s
advertising and sale of home warranty services, such as Bailey’s substantial involvement in a
failed, F-rated home warranty company.

1 **III. Misrepresentations and Omissions about Its Ratings**

2 87. Defendants also have misled consumers about AHW’s online ratings.

3 88. On AHW’s Website, in a section titled “Why AHW,” Defendants claimed in 2019
4 through at least September 2020 that AHW had earned an A+ rating with the BBB despite
5 knowing that its BBB rating had diminished over time.

6
7 **Why AHW**

- 8 • We’re here for you 24/7
9 • We’ve earned an A+ rating on the BBB, with thousands of 5 star customer reviews.
10 • We have a nationwide network of more than 40,000 contractors

11 89. Defendants did not make this A+ BBB rating statement in the prior version of the
12 same section—similarly titled “Why Amazon Home Warranty”—before 2019, but in that version
13 claimed that AHW was the “most highly rated home warranty company in the United States.”

14 90. Defendants knew or should have known that the reference to an A+ BBB rating was

15
16 **Why Amazon Home Warranty**

17 Amazon Home Warranty is the most highly rated home warranty company in the United States. Our 5 star customer ratings and
18 reviews are a credit to our outstanding commitment, passion and dedication to

19
20 misleading to consumers.

21 91. On AHW’s Facebook page, under a section titled “awards,” Defendants similarly
22 represented that AHW is “A+ BBB Rated” even after the BBB revoked AHW’s accreditation on
23 November 17, 2020.

24 ...

25 92. Through Google advertising, Defendants have claimed to be “BBB #1 Ranked
26 Home Warranty.”

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1 Ad · www.ahwp.com/ ▾

2 AHW Home Warranty - BBB #1 Ranked Home Warranty

3 Get coverage for common home repairs like A/C, Heating, Appliances, Plumbing & Electrical.

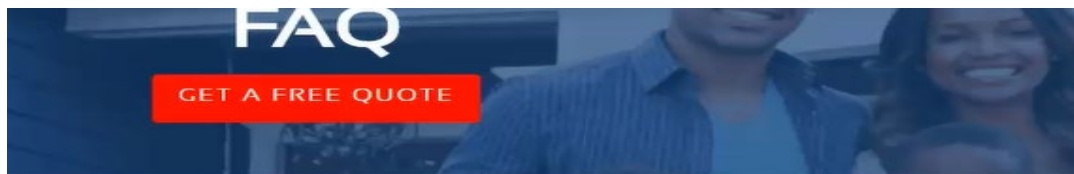
4 Personalized home **warranty** plans tailored to your needs. Only cover what you need & save!

5 Get Your First Month Free. Guaranteed Service. Get A Free Quote. Certified Technicians.

6 [Pricing And Plans](#) · [Read The FAQs](#) · [For Contractors](#) · [Get A Quote](#) · [Real Estate Pros](#)

7 93. Defendants knew or should have known that a claim that AHW was “BBB #1
8 Ranked Home Warranty” was false and misleading because, among other things, the BBB does
9 not provide numerical ranking and AHW did not have the highest BBB rating during the time the
10 advertisement was published.

11 94. Defendants also have claimed that AHW is “the highest rated company in the home
12 warranty industry!” including on its Website.



17 Reviews & Ratings

18 AHW is the highest rated company in the home warranty industry! See for yourself what our customers have
19 to say:

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21 95. Defendants knew or should have known that representing AHW as “the highest
22 rated company in the home warranty industry” was false and misleading because AHW is not,
23 and was not, the highest-rated home warranty company across rating websites.

24 96. For example, at least as of mid-2020, on the review website Consumer Affairs (at
25 <https://www.consumeraffairs.com/homeowners/amazon-home-warranty.html>), AHW had earned
26 a less than 2.5 stars out of 5 overall satisfaction rating, a rating that continues to decrease over
27 time.

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ConsumerAffairs is not a government .

Home / Homeowners / Home Warrant



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7 97. Likewise, at least as of mid-2020, on Best Company (at
8 <https://bestcompany.com/home-warranty/company/amazon-home-warranty>), AHW had earned a
9 3.9 of 5 stars review rating, a rating that continues to decline.



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25 98. At least as of December 2020, on Yelp, AHW has a 1 star of 5 customer-review
26 rating.

27 99. At the same time, AHW also has received a high volume of consumer complaints
28 on the BBB's website, among other places.

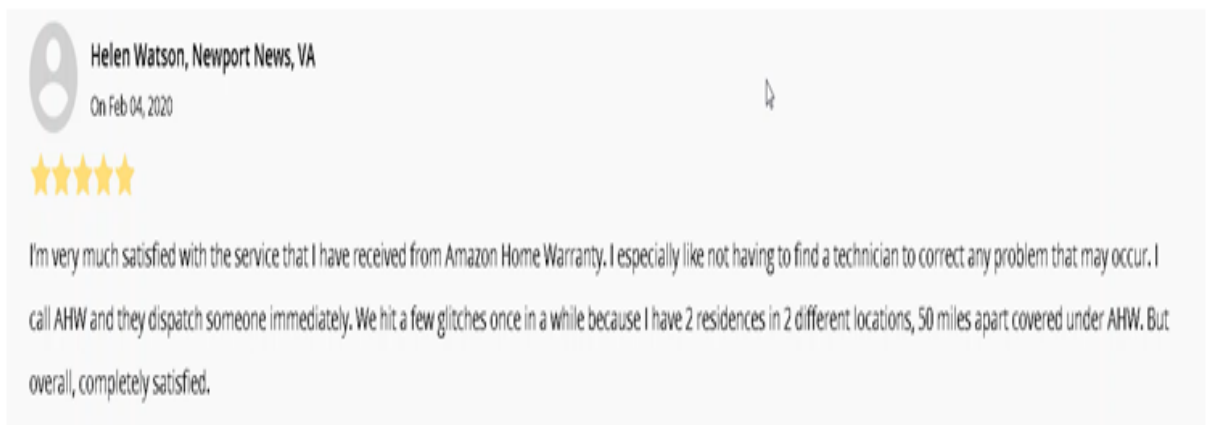
1 **IV. Use of Fake Reviews**

2 100. AHW has touted its great customer review ratings while in reality, its aggregate
3 review ratings across multiple third-party platforms are propped up by fake reviews.

4 101. Defendants have disseminated, or have caused to be disseminated, fake favorable
5 consumer reviews on third-party review websites, including on the BBB's website.

6 102. These fake favorable reviews are actually imitations of customer reviews on other
7 public websites, for *other* home warranty companies that are AHW's competitors.

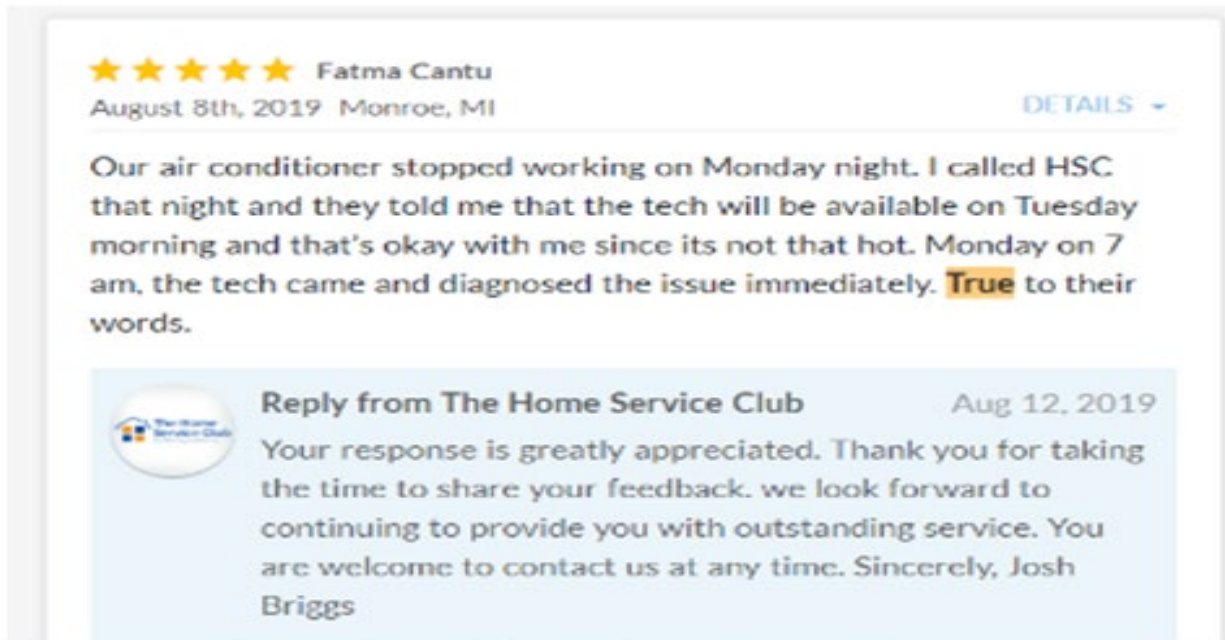
8 103. For example, the following review was originally posted by a Choice Home
9 Warranty customer; it was edited and republished by an individual claiming to be AHW's
10 customer:



104. For clarity, here is a chart comparing the reviews in the above example:

Original Review of Choice Home Warranty by Blythe Gottlieb (1/31/2020)	Subsequent Review of AHW by “Helen Watson” (2/4/2020)
I am very satisfied with the service that I have received from Choice. I especially like not having to find a technician to correct any problem that may occur. I call Choice and they dispatch someone immediately. We hit a few glitches once in a while because I have 2 residences in 2 different locations, 50 miles apart covered under Choice. But overall, completely satisfied.	I’m very much satisfied with the service that I have received from Amazon Home Warranty. I especially like not having to find a technician to correct any problem that may occur. I call AHW and they dispatch someone immediately. We hit a few glitches once in a while because I have 2 residences in 2 different locations, 50 miles apart covered under AHW. But overall, completely satisfied.

105. As another example, the following review was originally posted by a Home Service Club customer; it was also edited and republished by an individual claiming to be an AHW customer residing in Arizona:





106. For clarity, here is a chart comparing the reviews in the above example:

Original Review of Home Service Club by Fatma Cantu (8/8/2019)	Subsequent Review of AHW by “Colin Brancati” (1/13/2020)
Our air conditioner stopped working on Monday night. I called HSC that night and they told me that the tech will be available on Tuesday morning and that’s okay with me since its not that hot. Monday on 7 am, the tech came and diagnosed the issue immediately. True to their words.	Our air conditioner stopped working on Monday night. I called AHW that night and they told me that the tech will be available on Tuesday morning and that’s okay with me since its not that hot. Monday on 7 am, the tech came and diagnosed the issue immediately. True to their words.

107. To take another example, the following review was originally posted by an American Home Shield customer residing in Arizona; it was edited and republished by an individual claiming to be an AHW customer also residing in Arizona.

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★★★★★ Nereida
November 23rd, 2019 Phoenix, AZ

My first experience with American home shield was excellent! Easy to schedule service over the app. Quick response and follow up via text instantaneously. Service available within the same day.



Reply from American Home Shield

Nov 25, 2019

Hi Nereida, Thank you for sharing your American Home Shield experience with us! We strive to provide you with a great service experience and knowledgeable contractors to complete each repair.

★★★★★ Nathen Carlin
November 25th, 2019 Chandler, AZ

[DETAILS](#) ▾

My first experience with amazon home warranty was excellent! Easy to schedule service over the app. Quick response and follow up via text instantaneously. Service available within the same day.

108. For clarity, here is a chart comparing the reviews in the above example:

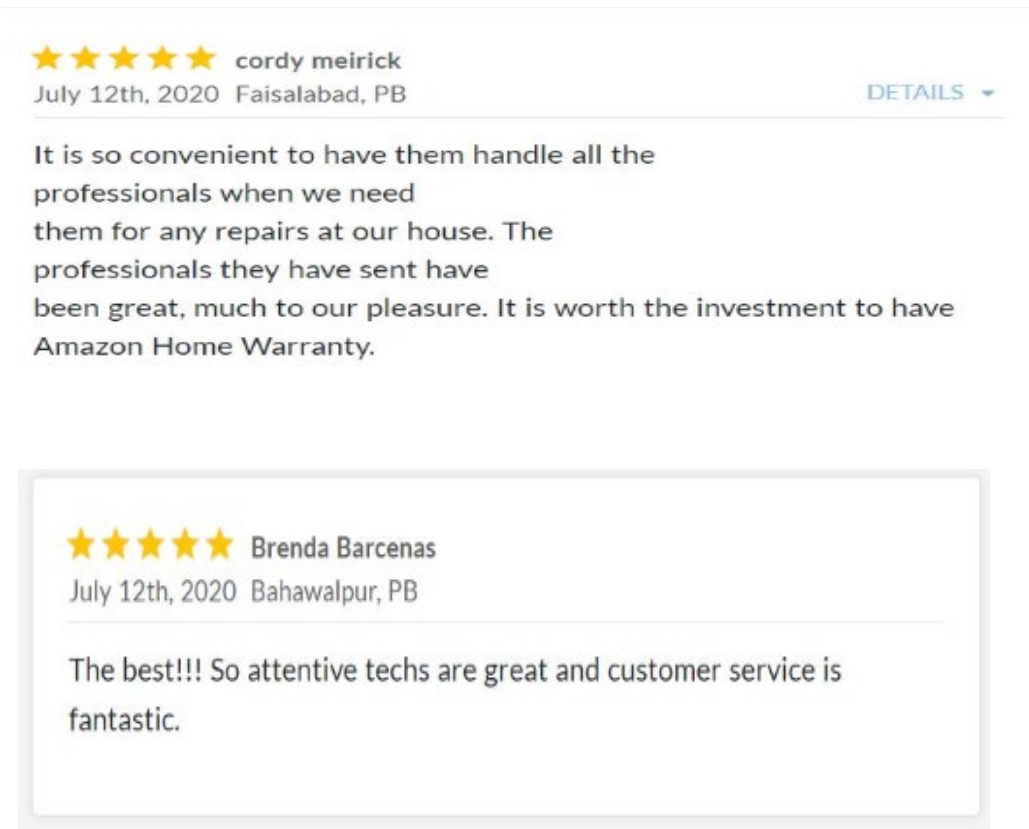
Original Review of American Home Shield by Nereida (11/23/2019)	Subsequent Review of AHW by “Nathen Carlin” (11/25/2019)
My first experience with American home shield was excellent! Easy to schedule service over the app. Quick response and follow up via text instantaneously. Service available within the same day.	My first experience with amazon home warranty was excellent! Easy to schedule service over the app. Quick response and follow up via text instantaneously. Service available within the same day.

109. Tellingly, the posting of five-star fake consumer reviews on the BBB’s website increased after the BBB began to investigate Defendants in mid-September 2020.

1 110. For example, on a single day—October 5, 2020—at least twenty five-star reviews
2 that had previously been posted by Choice Home Warranty customers to Best Company’s website
3 were repurposed and posted to the BBB’s website by individuals purporting to be AHW
4 customers.

5 111. Likewise, in early November 2020, at least fifteen five-star reviews that had
6 previously been posted by Landmark Home Warranty, LLC’s customers to Best Company’s
7 website were posted to the BBB’s website by individuals purporting to be AHW customers.

8 112. In addition, five-star reviews from individuals purporting to be AHW customers
9 located as far as Faisalabad and Bahawalpur, Pakistan, where AHW does not—and cannot—do
10 business, were posted to Best Company’s website.



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26 113. The above-mentioned reviews were not actually from AHW customers but rather
27 were reposted by individuals falsely claiming to be AHW customers.

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1 114. In many cases, the fake reviews were posted using encrypted email addresses to
2 prevent tracking.

3 115. Defendants used, agreed to the use of, and/or benefited from the posting of the
4 above-mentioned fake reviews.

5 116. Defendants have denied knowledge of the fake reviews. This denial is implausible
6 given the ubiquity of the fake reviews and the benefit that the reviews conferred to AHW.

7 117. Defendants used the fake reviews to advertise falsely to consumers, including
8 Arizona consumers who contract for services through AWAA, that AHW was a reliable home
9 warranty company and that other consumers had positive experiences with AHW.

10 118. Defendants knew or should have known that fake reviews are misleading to
11 consumers and that their knowing participation in, or failure to address, the deception is likewise
12 harmful to consumers.

13 **V. Failure to Take Corrective Measures**

14 119. Defendants have failed to take corrective measures to rectify their deceptive conduct
15 even after the State notified them about it.

16 120. In 2020, the State notified Defendants that it was false and/or deceptive to advertise
17 to consumers that they have been providing home warranty services for over or nearly a decade
18 when they have only been in business since 2018.

19 121. In 2020, the State provided Defendants with numerous examples of fake reviews
20 that the State had identified and told Defendants where the fake reviews could be found.

21 122. The State specifically noted that certain reviews were copies of reviews previously
22 posted by Choice Home Warranty and Landmark Home Warranty LLC's customers on the Best
23 Company and BBB websites.

24 123. Defendants assured the State that they would act to correct their deceptive conduct.

25 124. Nonetheless, Defendants continued to make the same false years-in-business
26 representation through at least April 2021.

27 125. The following is one example of an advertisement that was on one of AHW's
28 landing pages on March 30, 2021, which may be accessed through Facebook advertising to

1 consumers, including Arizona consumers. The same advertisement remained on the landing page
2 after that date.



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10 126. At least as of March 2021, Defendants prominently displayed fake five-star Google
11 reviews on their Website's home page.

12 127. As of April 2021, the fake reviews continued to be available on third-party websites.

13 128. Even specific reviews that the State informed Defendants about, which were copied
14 and reposted to the BBB's website in October and November 2020, remained there at least as of
15 April 2021.

16 129. At minimum, Defendants have acceded to the posting of fake favorable reviews by
17 failing to inform third-party review companies of the posting of these reviews on the third-party
18 websites and/or requesting the third party provide notice to consumers of the presence of fake
19 AHW reviews, even after the State notified them of the deception.

20 130. By failing to inform third-party review companies about the posting of fake
21 favorable reviews and/or requesting notice to consumers about the same, Defendants concealed
22 information from consumers that is material to consumers' purchase of AHW's home warranty
23 service contracts.

24 131. Rather than take corrective measures, Defendants decided to ratchet up their
25 deceptive conduct and intentionally mislead consumers by blatantly featuring fake Google
26 reviews on their Website.

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1 **CLAIM FOR RELIEF**

2 **VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT, A.R.S. §§ 44-1521 to -1534**

3 132. The State realleges all prior allegations of this Complaint as though fully set forth
4 herein.

5 133. The conduct described in the preceding paragraphs of this Complaint constitutes
6 deception, deceptive or unfair acts or practices, fraud, false pretenses, false promises,
7 misrepresentations, or concealment, suppression or omission of material facts with intent that
8 others rely on such concealment, suppression or omission, in connection with the sale or
9 advertisement of merchandise in violation of A.R.S. §§ 44-1521 to 44-1534, including but not
10 limited to:

11 a. Defendants engaged in deceptive and unfair acts and practices by
12 misrepresenting AHW's years in business and in not disclosing AHW's actual years
13 in business;

14 b. Defendants concealed, suppressed, or omitted material facts by failing to
15 disclose that AHW started operating in 2018;

16 c. Defendants engaged in deceptive and unfair acts and practices by
17 misrepresenting AHW's ownership and officers;

18 d. Defendants concealed, suppressed, or omitted material facts, by hiding the
19 fact that AHW's principal owner had a previous failed home warranty company;

20 e. Defendants engaged in deceptive and unfair acts and practices by
21 misrepresenting AHW's review ratings and BBB accreditation status;

22 f. Defendants concealed, suppressed, or omitted material facts about AHW's
23 true ratings and BBB accreditation status;

24 g. Defendants engaged in deceptive and unfair acts and practices by creating
25 and posting fake reviews about AHW's service, or paying others to create and post
26 fake reviews about AHW's service and prominently featuring fake reviews on
27 AHW's Website;

28 h. Defendants engaged in the concealment, suppression or omission of material

1 facts, including that they disseminated or caused the dissemination of favorable fake
2 reviews on third-party review websites and have not disclosed the posting of fake
3 reviews to those third parties;

4 i. Defendants engaged in deceptive and unfair acts and practices by failing to
5 contact the relevant third parties to take down fake reviews for their service;

6 j. Defendants engaged in the concealment, suppression or omission of material
7 facts, including that they failed to contact third parties to take down fake reviews
8 for their service;

9 k. Defendants engaged in deceptive and unfair acts and practices by failing to
10 take corrective measures to rectify their deceptive conduct even after the State
11 notified Defendants of the same; and

12 134. While engaging in the acts and practices alleged in this Complaint, Defendants knew
13 or should have known that their conduct was of the nature prohibited by A.R.S. § 44-1522,
14 subjecting Defendants to enforcement and penalties as provided in A.R.S. § 44-1531(A).

15 135. With respect to the concealments, suppressions, or omissions of material fact
16 described above, Defendant Defendants did so with intent that others rely on such concealments,
17 suppressions, or omissions.

18 136. With respect to the unfair acts and practices described above, these acts and
19 practices caused or were likely to cause substantial injuries to consumers that were not reasonably
20 avoidable by consumers and were not outweighed by countervailing benefits to consumers or to
21 competition.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, the State respectfully requests that the Court:

24 137. Pursuant to A.R.S. § 44-1528(A)(1), issue a permanent injunction in accordance
25 with Ariz. R. Civ. P. 65(d)(1), enjoining and restraining (a) Defendants, (b) their officers, agents,
26 servants, employees, attorneys, and (c) all persons in active concert or participation with anyone
27 described in part (a) or (b) of this paragraph, directly or indirectly, from engaging in deceptive,
28 misleading, or unfair acts or practices, or concealments, suppressions, or omissions, that violate

1 the CFA, .R.S. § 44-1522(A), including specific injunctive relief barring Defendants from:

2 a. disseminating or causing the dissemination of favorable fake reviews on
3 public platforms; and

4 b. continuing to misinform consumers and third-party platforms about its
5 business information, including its years-in-business, identity of its officers, and
6 customer ratings.

7 138. Pursuant to A.R.S. § 44-1528(A)(2), order that Defendants restore to all persons in
8 interest any monies or property, real or personal, in the amount of at least \$599,366, which may
9 have been acquired by any means or any practice in this article declared to be unlawful;

10 139. Pursuant to A.R.S. § 44-1528(A)(3), order Defendants to disgorge all profits, gains,
11 gross receipts, or other benefits obtained as a result of their unlawful acts alleged herein, in the
12 amount of at least \$599,366;

13 140. Pursuant to A.R.S. § 44-1531, order Defendants to pay to the State of Arizona a
14 civil penalty of up to \$10,000 for each willful violation of the CFA;

15 141. Pursuant to A.R.S. § 44-1534, order Defendants to reimburse the State for its costs
16 and attorneys' fees incurred in the investigation and prosecution of Defendants' activities alleged
17 in this Complaint;

18 142. Pursuant to A.R.S. § 44-1201, require Defendants to pay pre-judgment and post-
19 judgment interest to the State and all consumers;

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