

1 **MARK BRNOVICH**  
2 **ATTORNEY GENERAL**  
(Firm State Bar No. 14000)  
3 MATTHEW DU MEE (STATE BAR No. 028468)  
4 CONSUMER LITIGATION UNIT CHIEF COUNSEL  
5 OFFICE OF THE ATTORNEY GENERAL  
6 2005 North Central Avenue  
7 Phoenix, AZ 85004-1592  
8 Telephone: (602) 542-7757  
9 Facsimile: (602) 542-4377  
10 *Attorneys for the State of Arizona*

11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

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

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

15 Plaintiff,

16 v.

17 GUARDIAN PROTECTION SERVICES,  
18 INC.,

19 Defendant.

Case No.

**COMPLAINT**

(Assigned to the Hon. )

20 Plaintiff, State of Arizona *ex rel.* Mark Brnovich, the Attorney General (the “State”),  
21 alleges the following for its Civil Complaint (the “Complaint”) against Defendant Guardian  
22 Protection Services, Inc. (“Defendant” or “Guardian”).

23 **NATURE OF CLAIMS**

24 1. Guardian directly and/or indirectly through its agents, convinced Arizona  
25 consumers to enter into contracts with unfair provisions pertaining to advertising, selling,  
26 installing, monitoring and servicing electronic security systems to consumers, including non-  
27 disclosure of automatic renewal terms; inadequately disclosed automatic renewal terms; non-  
28 disclosure of options for canceling; non-disclosure of early termination fees; early termination

1 fees; early termination fees that bear no relationship to any amount lost or incurred by  
2 Defendant as a result of the customer's termination of services.

3 2. Guardian also misrepresented its inability to cancel some consumers' contracts  
4 after the consumers complained of deceptive, unfair and/or fraudulent acts, practices and/or  
5 omissions during the advertisement and/or sale of their security systems.

6 3. In addition, Guardian required consumers to pay substantial early termination fees  
7 for canceling their contracts, equaling the amount covering the entire remaining period of  
8 consumers' contracts, regardless of the size of that amount or its relationship to Defendant's  
9 expenses.

10 4. As a result of Guardian's actions, Arizona consumers collectively paid hundreds  
11 of thousands of dollars in unexpected and unfair early termination fees.

#### 12 **JURISDICTION AND VENUE**

13 5. The State brings this action pursuant to the Arizona Consumer Fraud Act, Arizona  
14 Revised Statutes ("A.R.S.") §§ 44-1521 to -1534, to obtain injunctive relief to permanently  
15 enjoin and prevent the unlawful acts and practices alleged in this Complaint, and to obtain other  
16 relief, including restitution, disgorgement of profits, gains, gross receipts, or other benefits, civil  
17 penalties, and costs and attorneys' fees.

18 6. This Court has subject-matter jurisdiction.

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

21 8. Defendant caused events to occur in this state out of which the claims which are  
22 the subject of this Complaint arose.

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

#### 24 **PARTIES**

25 10. Plaintiff is the State of Arizona *ex rel.* Mark Brnovich, the Attorney General of  
26 Arizona, who is authorized to bring this action under the Arizona Consumer Fraud Act (the  
27 "CFA"), A.R.S. §§ 44-1521 to -1534.

28 11. Defendant Guardian is a Pennsylvania corporation doing business in Arizona, with

1 its principal place of business in Warrendale, Pennsylvania.

2 **ALLEGATIONS**

3 12. Guardian sold alarm monitoring services to consumers in Arizona.

4 13. Guardian typically sold its services to homeowners through door-to-door  
5 salespeople, who attempted to convince consumers to sign an alarm-monitoring contract.

6 14. As one might expect, Guardian's contracts obligated consumers to pay a monthly  
7 fee for Guardian's services over a set number of years. However, the contracts also contained  
8 other obligations that many consumers would not expect, including automatic renewal terms and  
9 early termination fees.

10 15. Most notably, Guardian contracts imposed early termination fees equal to *all* of  
11 the consumer's remaining monthly payments, regardless of the amount of the remaining  
12 payments.

13 16. For example, a consumer who purchased a five-year plan, but then chose to cancel  
14 after two months would be forced to pay for the remaining 58 months of the plan.

15 17. Many of Guardian's contracts inadequately disclosed these key terms either or did  
16 not disclose these key terms at all.

17 18. Guardian's contracts also inadequately disclosed cancellation options, and in some  
18 cases, Guardian misrepresented its inability to cancel consumers' contracts after the consumers  
19 complained of deceptive, unfair and/or fraudulent acts, practices and/or omissions during the  
20 advertisement and/or sale of their security systems.

21 19. As a result of Guardian's actions, Arizona consumers collectively paid hundreds  
22 of thousands of dollars in unexpected and unfair early termination fees, paid for automatically  
23 renewed services without adequate disclosure, and paid for contracts that they should have been  
24 able to cancel.

25 ///

26 ///

27 ///

28 ///

1 **FIRST CLAIM FOR RELIEF**  
2 **VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT,**  
3 **A.R.S. §§ 44-1521 to -1534**  
4 (Against Defendant Guardian Protection Services)

5 20. The State realleges all prior allegations of this Complaint as though fully set forth  
6 herein.

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

13 a. Defendant Guardian engaged in deceptive and unfair acts and practices by  
14 charging early termination fees equal to the entire amount of remaining payments in the  
15 contract;

16 b. Defendant Guardian concealed, suppressed, or omitted material facts,  
17 including the details of its early termination fees, and did so with intent that others rely on such  
18 concealments, suppressions, or omissions;

19 c. Defendant Guardian engaged in deceptive and unfair acts and practices by  
20 auto-renewing contracts without providing adequate notice;

21 d. Defendant Guardian concealed, suppressed, or omitted material facts,  
22 including the details of its automatic renewal provisions, and did so with intent that others rely  
23 on such concealments, suppressions, or omissions;

24 e. Defendant Guardian engaged in deceptive and unfair acts and practices by  
25 failing to cancel contracts upon request; and

26 f. Defendant Guardian concealed, suppressed, or omitted material facts,  
27 including the details of its cancellation policies, and did so with intent that others rely on such  
28 concealments, suppressions, or omissions.



