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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. CV2020-017490

CONSENT JUDGMENT

(Assigned to the Hon. Roger Brodman)

20 The State of Arizona, *ex rel.* Mark Brnovich, the Attorney General (the “State”), filed a
21 Complaint against Guardian Protection Services, Inc. (“Defendant”) alleging violations of the
22 Arizona Consumer Fraud Act, A.R.S. §§ 44-1521–1534 (the “CFA”). Defendant has waived
23 service of the Complaint, has been advised of the right to a trial in this matter, and has waived the
24 same. Defendant admits the jurisdiction of this Court over the subject matter and parties,
25 stipulates that this Court may enter the following Consent Judgment, and acknowledges that this
26 Court will retain jurisdiction for the purpose of enforcing this Consent Judgment. Defendant has
27 consented and stipulated to entry of this Consent Judgment to compromise and settle claims in

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1 connection with an investigation under the CFA and not out of any admission of guilt,
2 wrongdoing, violation, or sanction.

3 **PARTIES**

4 1. The State is authorized to bring this action under the CFA.

5 2. Defendant is a Pennsylvania corporation doing business in Arizona. Its corporate
6 headquarters is located at 174 Thorn Hill Rd., Warrendale, PA 15086.

7 3. This Court has jurisdiction over the Complaint and the parties as is necessary for the
8 Court to enter this Consent Judgment and any orders hereafter appropriate pursuant to A.R.S.
9 § 44-1528 and this Consent Judgment.

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

11 **FACTUAL ALLEGATIONS**

12 5. The State alleges that:

13 a. Defendant, directly and/or indirectly through its agents (which the State contends
14 includes third parties referred to as dealers), convinced Arizona consumers to
15 enter into contracts with unfair provisions pertaining to advertising, selling,
16 installing, monitoring and servicing electronic security systems to consumers,
17 including non-disclosure or inadequate disclosure of automatic renewal terms;
18 non-disclosure of options for canceling; non-disclosure of early termination fees;
19 and early termination fees that bore no relationship to any amount lost or
20 incurred by Defendant as a result of the customer's termination of services.

21 b. Defendant misrepresented its inability to cancel some consumers' contracts after
22 the consumers complained of deceptive, unfair and/or fraudulent acts, practices
23 and/or omissions during the advertisement and/or sale of their security systems.

24 c. Defendant required consumers to pay substantial early termination fees for
25 canceling their contracts, equaling the amount covering the entire remaining
26 period of consumers' contracts, regardless of the size of that amount or its
27 relationship to Defendant's expenses.

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1 11. Prior to the filing of this Consent Judgment, pursuant to A.R.S. § 44-1531(A),
2 Defendant shall pay to the Attorney General the amount of \$200,000.00 in civil penalties to be
3 deposited into the Consumer Protection-Consumer Fraud Revolving Fund pursuant to A.R.S.
4 § 44-1531.01, and used for the purposes set forth therein. The Attorney General's Office shall
5 direct the timing of this payment and shall file this Consent Judgment within ten (10) days of
6 receipt of this payment.

7 12. In addition to the amounts provided for in Paragraphs 10 and 11, Defendant will pay
8 for the cost of the claims administrator selected by the Attorney General pursuant to paragraph 13
9 to administer restitution payments.

10 13. The Attorney General will have the discretion to select a claims administrator.
11 Defendant will have the right to approve or reject the Attorney General's selection, but such
12 approval may not be unreasonably withheld. Defendant will pay the claims administrator the total
13 restitution amount and additional payments for the administrator's costs prior to the entry of the
14 Consent Judgment. The restitution amount will be held in escrow by the claims administrator until
15 the entry of the Consent Judgment. Defendant agrees to provide all necessary consumer
16 information in its possession to cooperate with the claims administrator in furtherance of these
17 restitution payments.

18 14. The total restitution payment amount will be distributed to the previously identified
19 603 Arizona consumers who paid more than \$500 for Defendant's early termination fee such that
20 each of the 603 consumers receives the amount over \$500 that they paid for early termination.
21 Should monies remain from the total amount allocated for restitution, the remaining amount will
22 be transferred by the claims administrator to the State to be deposited in the Consumer Protection-
23 Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the purposes set
24 forth therein.

25 **GENERAL PROVISIONS**

26 15. Nothing in this Consent Judgment will be construed as an approval by the Attorney
27 General, the Court, the State of Arizona, or any agency thereof of Defendant's past, present, or
28 future conduct. Defendant must not represent or imply that the Attorney General, the Court, the

1 State of Arizona, or any agency thereof has approved or approves of any of Defendant's actions or
2 any of Defendant's past, present or future business practices.

3 16. This Consent Judgment represents the entire agreement between the parties, and
4 there are no representations, agreements, arrangements, or understandings, oral or written,
5 between the parties relating to the subject matter of this Consent Judgment which are not fully
6 expressed herein or attached hereto.

7 17. If any immaterial portion of this Consent Judgment is held invalid by operation of
8 law, the remaining terms thereof will not be affected and will remain in full force and effect.

9 18. Jurisdiction is retained by this Court for the purpose of entertaining an application
10 by the State or Defendant for the enforcement of this Consent Judgment.

11 19. This Consent Judgment is the result of a compromise and settlement agreement
12 between the parties. Only the State or the Defendant may seek enforcement of this Consent
13 Judgment. Nothing herein is intended to create a private right of action by other parties.

14 20. The effective date of this Consent Judgment is the date that it is entered by the
15 Court.

16 21. This Consent Judgment may be executed by the parties in counterparts and be
17 delivered by facsimile or electronic transmission, or a copy thereof, such constituting an original
18 counterpart hereof, all of which together will constitute one and the same document.

19 22. This Consent Judgment resolves all outstanding claims in this action on all remedies
20 provided under the CFA against the Defendant. As no further matters remain pending, this is a
21 final judgment entered pursuant to Ariz. R. Civ. P. 54(c).

22 DATED this _____ day of _____, 20____.

23
24 _____
25 JUDGE OF THE SUPERIOR COURT
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27
28

1 **CONSENT TO JUDGMENT**

2 1. Defendant acknowledges that it has waived service of the Summons and Complaint,
3 has read the Consent Judgment, and is aware of its right to a trial in this matter and has waived the
4 same.

5 2. Defendant admits the jurisdiction of this Court, and consent to the entry of the
6 foregoing Consent Judgment.

7 3. Defendant states that no promise of any kind or nature whatsoever was made to
8 induce it to enter into this Consent Judgment and declares that it has entered into this Consent
9 Judgment voluntarily.

10 4. This Consent Judgment is entered as a result of a compromise and a settlement
11 agreement between the parties. Only the State or the Defendant may seek enforcement of this
12 Consent Judgment. Nothing herein is intended to create a private right of action by other parties;
13 however, this Consent Judgment does not limit the rights of any private party to pursue any
14 remedies allowed by law.

15 5. Defendant acknowledges that its acceptance of this Consent Judgment is only for the
16 purpose of resolving the ongoing inquiry and lawsuit filed by the State, and further acknowledges
17 that this Consent Judgment does not preclude any agency or officer of this State or subdivision
18 thereof from instituting other proceedings, if appropriate.

19 6. This Consent to Judgment may be executed in counterparts and be delivered by
20 facsimile or electronic transmission, or a copy thereof, such constituting an original counterpart
21 hereof, all of which together will constitute one and the same document.

22 7. Defendant represents and warrants that the person signing below on its behalf is
23 duly appointed and authorized to do so.

24 DATED this 9th day of December, 2020.

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Guardian Protection Services, Inc.


By:  _____

APPROVED AS TO FORM AND CONTENT:

MARK BRNOVICH
Attorney General

Mitchell Stein Carey Chapman, PC

By:  _____
Matthew du Mee, Unit Chief Counsel
Attorney for the State of Arizona



Anne M. Chapman, Esq.
Attorney for Defendant

eSignature Page 1 of 1

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Granted as Submitted



/S/ Roger Brodman Date: 1/6/2021
Judicial Officer of Superior Court

ENDORSEMENT PAGE

CASE NUMBER: CV2020-017490

SIGNATURE DATE: 1/6/2021

E-FILING ID #: 12397763

FILED DATE: 1/7/2021 8:00:00 AM

MATTHEW B DU MEE

GUARDIAN PROTECTION SERVICES INC
174 THORN HILL RD WARRENDALE PA 15086