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10	10 SUPERIOR COURT OF ARIZONA		
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12	IN MARICOPA COUNTY		
13	13 STATE OF ARIZONA, <i>ex rel.</i> MARK Case No. CV2022-003084 BRNOVICH, Attorney General,		
14	14 COMPLAINT		
15	15 Plaintiff, (Assigned to the Hon:		
16)	
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18	10		
	Defendant.		
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20	Plaintiff, State of Arizona <i>ex rel</i> . Mark Brnovich, the Attorney General (the "State"), alleges		
21	the following for its Civil Complaint (the "Complaint") against Defendant Vivint, Inc. ("Vivint").		
22	22 INTRODUCTION		
23	23 1. Vivint is a corporation that sells home security services throughout	t the United States	
24	24 and Canada.		
25	25 2. Vivint typically signs up new customers for multi-year contracts	, then when those	
26	contracts expire the customer continues to receive service on a month-to-month basis unless the		
27	27 consumer signs a new contract or cancels their service.		
28	28		

3. Vivint acquires a substantial portion of its new customers through its door-to-door sales program.

4. Vivint's door-to-door sales program typically runs from April through October, and primarily includes young adults, often students on summer break. In an average year, Vivint employs more than 4,000 sales representatives nationally.

5. Vivint compensates seasonal sales representatives primarily through commissions for the sales of new systems. This approach to payment, as with any commission-based occupation, incentivizes the sales representatives to work hard and, on some occasions, to misrepresent material facts to potential customers and engage in deceptive and unfair sales practices.

JURISDICTION AND VENUE

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

7.

This Court has subject-matter jurisdiction.

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

9. Vivint caused events to occur in this state out of which the claims which are the subject of this Complaint arose.

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

PARTIES

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

12. Defendant Vivint, Inc. is a Utah corporation originally incorporated February 2, 2006 with its corporate headquarters at 4931 N. 300 W., Provo, Utah 84604.

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ALLEGATIONS

13. On some occasions, Vivint's salespeople or agents have made false representations to consumers to induce them into signing a written contract, including:

a. Vivint's salespeople or agents have made false representations to consumers regarding the terms of the written contract, including telling a customer that they have 30 days to cancel, when the contract states they only have three days to cancel;

b. Vivint's salespeople or agents have informed consumers falsely that Vivint had taken over the consumer's alarm monitoring contract from another company;

c. Vivint's salespeople or agents have extended some customer contracts over the phone in such a way that the customer was not aware that the contract had been extended and without providing written confirmation of the contract extension; and

d. Vivint's salespeople or agents have executed contracts for alarm monitoring services on behalf of consumers that were not present at the signing of the contract, did not sign the contract, and had not consented to entering into such contract.

14. Consumers were damaged by the false representations made by Vivint because they entered into contracts they otherwise would not have entered into without relying on Vivint's false representations. Consumers also were damaged by not being allowed to cancel contracts within the time period represented to them by Vivint.

CLAIM FOR RELIEF

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

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

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

27 me 28 ... a. Vivint engaged in deceptive and unfair acts and practices in order to induce the consumer to enter into a written contract by making false representations regarding the cancellation terms of the contract, including representing to customers that they have 30 days to cancel, when the contract states they only have three days to cancel;

b. Vivint engaged in concealment, suppression, or omission of material facts by failing to disclose the actual cancellation terms in the contract;

c. Vivint engaged in deceptive and unfair acts and practices by falsely claiming that Vivint had taken over the consumer's alarm monitoring contract from another company, when Vivint had not taken over the consumer's alarm monitoring contract;

d. Vivint engaged in concealment, suppression, or omission of material facts by failing to disclose Vivint's true relationship with the consumer's alarm monitoring company;

e. Vivint engaged in deceptive and unfair acts and practices by extending a consumer's contract over the telephone in such a manner that the consumer did not realize their contract had been extended and did not provide written confirmation of the contract extension;

f. Vivint engaged in concealment, suppression, or omission of material facts by not making consumers aware they were extending their contract when Vivint extended a consumer's contract over the telephone;

g. Vivint engaged in deceptive and unfair acts and practices by executing contracts for alarm monitoring services on behalf of consumers that were not present at the signing of the contract, did not sign the contract, and had not consented to entering into such contract; and

h. Vivint engaged in concealment, suppression, or omission of material facts by failing to inform consumers that Vivint was executing contracts on their behalf and by failing to give the consumer an opportunity to consent to the contract.

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

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18. With respect to the concealments, suppressions, or omissions of material fact described above, Vivint did so with intent that others rely on such concealments, suppressions, or omissions.

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

PRAYER FOR RELIEF

WHEREFORE, the State respectfully requests that the Court:

20. Pursuant to A.R.S. § 44-1528(A)(1), issue a permanent injunction in accordance with Ariz. R. Civ. P. 65(d)(1), enjoining and restraining (a) Vivint, (b) its officers, agents, servants, employees, attorneys, and (c) all persons in active concert or participation with anyone described in part (a) or (b) of this paragraph, directly or indirectly, from engaging in deceptive, misleading, or unfair acts or practices, or concealments, suppressions, or omissions, that violate the CFA, A.R.S. § 44-1522(A), including specific injunctive relief barring Vivint from engaging in the unlawful acts and practices set forth above.

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

22. Pursuant to A.R.S. § 44-1528(A)(3), order Vivint to disgorge all profits, gains, gross receipts, or other benefits obtained as a result of its unlawful acts alleged herein.

23. Pursuant to A.R.S. § 44-1531, order Vivint to pay to the State of Arizona a civil penalty of up to \$10,000 for each willful violation of A.R.S. § 44-1522.

24. Pursuant to A.R.S. § 44-1534, order Vivint to reimburse the State for its costs and attorneys' fees incurred in the investigation and prosecution of Vivint's activities alleged in this Complaint.

25. Pursuant to A.R.S. § 44-1201, require Vivint to pay pre-judgment and post-judgment interest to the State and all consumers.

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1	26. Award the State such further relief the Court deems just and proper under the
2	circumstances.
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4	DATED this 11 th day of March, 2022.
5	MARK BRNOVICH
6	Attorney General
7	Du In On
8	By: Dylan Jones
9	Assistant Attorney General
10	Attorneys for the State of Arizona
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