

**IN THE COURT OF COMMON PLEAS
FRANKLIN COUNTY, OHIO**

| | | |
|--|---|----------------------------------|
| STATE OF OHIO ex rel. |) | |
| ATTORNEY GENERAL |) | |
| DAVE YOST |) | Case No: |
| 30 E. Broad St., 14 th Floor |) | |
| Columbus, Ohio 43215 |) | |
| |) | Judge: |
| Plaintiff, |) | |
| v. |) | |
| |) | |
| AMAZON HOME WARRANTY, LLC |) | COMPLAINT AND REQUEST |
| 20 South 3rd St., Suite 210 |) | FOR DECLARATORY JUDGMENT, |
| Columbus, OH 43215 |) | INJUNCTIVE RELIEF, |
| |) | CONSUMER RESTITUTION, |
| and |) | CIVIL PENALTIES, AND |
| |) | OTHER APPROPRIATE RELIEF |
| AMAZON WARRANTY ADMINISTRATORS, |) | |
| LLC |) | |
| 545 Metro Place S., One Metro Place, Suite 100 |) | |
| Dublin, Ohio 43017 |) | |
| |) | |
| Defendants. |) | |

JURISDICTION AND VENUE

1. Plaintiff, State of Ohio, by and through its counsel, Ohio Attorney General Dave Yost, having reasonable cause to believe that violations of Ohio’s consumer protection laws have occurred, brings this action in the public interest and on behalf of the State of Ohio under the authority vested in him by R.C. 1345.01 *et seq.*

2. The actions of Defendants Amazon Home Warranty, LLC (“AHW”) and Amazon Warranty Administrators, LLC (“AWA”), hereinafter described, have occurred in Franklin County and other counties in the State of Ohio and across the United States, as set forth herein, are in violation of the Consumer Sales Practices Act (“CSPA”), R.C. 1345.01, *et seq.*

3. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.

4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(C)(1) and (3).

DEFENDANT

5. Defendant AHW is a privately held limited liability company registered in Wyoming on October 30, 2009 and as a foreign corporation with the Ohio Secretary of State on or about September 3, 2020. Defendant AHW's principal places of business are 980 US Highway Route 9 South Amboy, NJ 08879-3320 and 19 W. 34th St., Floor 11, New York, NY, 10001-3075.

6. Defendant AHW publicly uses 20 S. Third St, Suite 210, Columbus, OH 43215 as its headquarters, contact, and customer service address.

7. In its contracts, Defendant AHW identifies Defendant AWA, located at 545 Metro Place South, One Metro Place Suite 100, Dublin Ohio 43017, as the obligor and administrator for its home warranty plans. Defendant AWA is an agent of Defendant AHW.

8. Defendant AWA is not registered to do business with the Ohio Secretary of State.

9. Despite the above public representations, Defendants AHW and AWA do not have a physical presence in Ohio. Both the above addresses are Regus owned office rental spaces with no employees at either Defendant's address. However, by using Ohio customer service addresses, Defendants represent that they are located in Ohio.

10. Defendants are "suppliers," as that term is defined in R.C. 1345.01(C), as they engaged in the business of effecting and soliciting "consumer transactions" by soliciting individual consumers in the State of Ohio to enter into transactions for "home warranty" services for

purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A).

BACKGROUND AND STATEMENT OF FACTS

11. Defendants market and sell residential “home warranty” services in Ohio and nationwide under the name Amazon Home Warranty (“AHW Plan”).
12. Defendants have sold AHW Plans to Ohio consumers since 2018.
13. Defendants have advertised AHW Plans to Ohio residents so Ohio residents will enter into home service contracts for repairs and services on their homes in Ohio, by Ohio-based technicians.
14. Defendant AWA, as an agent of AHW, serves as the administrator of claims that Ohio residents make for AHW Plans.
15. Defendants advertised the AHW Plans on the website, <https://ahwp.com/>.¹ Previously, AHW Plans were sold from the website <https://amazonhomewarranty.com/>; however that website is no longer active.
16. Defendants maintain an AHW Facebook page and have advertised through a variety of online platforms.
17. Defendants represented that the AHW Plan is a home warranty, when in fact it is actually a home service contract, which is substantially different from a home warranty.

¹ Note that as of Nov. 29, 2022, many of the links on Defendants’ website are not working. Thus, consumers are able to gather less information regarding the product before purchasing, including potential disclosures of information material to a consumer’s purchase.

18. An actual home warranty is passed from a seller to a buyer without additional cost when a house is new and being sold to the first occupant. It's a guarantee, a right afforded to a customer, to expect that a product purchased will function properly inside a particular time frame. The home warranty typically covers everything between the foundation and the roof, but not items that are not permanently installed, such as dishwashers, refrigerators, or ovens.
19. In contrast, a service contract provides additional protections for an additional cost beyond the original purchase price for the item. A service contract can vary broadly in its coverage terms.
20. Defendants admit, on the AHW website, that the "home warranties" are actually home service contracts; however, Defendants continue to use the word "warranty" in both the company and product name. "A home warranty is a (residential) service contract and an extended warranty that helps protect against the cost of repairs and replacements of the major systems and appliances in your home such as your Air Conditioner, Heating System, Refrigerator, Clothes Washer and Dryer....When one of your covered appliances and systems malfunctions or breaks down, you call us and let us know about the problem or you can even request service online. We will dispatch a technician and take care of all the covered costs. Your only out of pocket cost on a covered claim is the service call fee payable to the technician." ²

² AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

What is a Home Warranty?

A home warranty is a (residential) service contract and an extended warranty that helps protect against the cost of repairs and replacements of the major systems and appliances in your home such as your Air Conditioner, Heating System, Refrigerator, Clothes Washer and Dryer.

How does a home warranty work?

When one of your covered appliances and systems malfunctions or breaks down, you call us and let us know about the problem or you can even request service online. We will dispatch a technician and take care of all the covered costs. Your only out of pocket cost on a covered claim is the service call fee payable to the technician.

21. Defendants advertised that their service contracts would “save time, protect your budget, and most importantly, you will never pay for a covered home repair bill again.”³

WELCOME TO AHW

- Home Warranty -

With an AHW Plan, you save time, protect your budget, and most importantly, you will never pay for a covered home repair bill again.

22. In reality, Defendants do not save consumers time or protect consumer budgets.
23. Defendants charge consumers between \$400 and \$650 a year for an AHW Plan.

³ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

24. Consumers must pay a service call fee for *each* service request. This standard fee is \$65 or \$75, depending on the type of plan, is included in the AHW Plan contract, and is not reimbursed.
25. Defendants' website states that "what you get with a quality home warranty provider like AHW is peace of mind. You don't need to worry about finding someone to come out and fix your problem, because we will arrange the service for you."⁴

Why do I need a home warranty?

Over time your appliances and systems wear down. Repair and replacement costs run into the hundreds and sometimes thousands of dollars. In addition to the financial savings with a home warranty, what you get with a quality home warranty provider like AHW, is peace of mind. You don't need to worry about finding someone to come out and fix your problem, because we will arrange the service for you. I

26. Defendants' website states "What You Get IS Peace of Mind":
 - a. "Save Time and Money"
 - b. "Local, Licensed & Insured Technicians"
 - c. "24 hour Service"⁵

⁴ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

⁵ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

What You Get Is Peace of Mind



Save Time and Money



Local, Licensed & Insured Technicians



24 hour Service

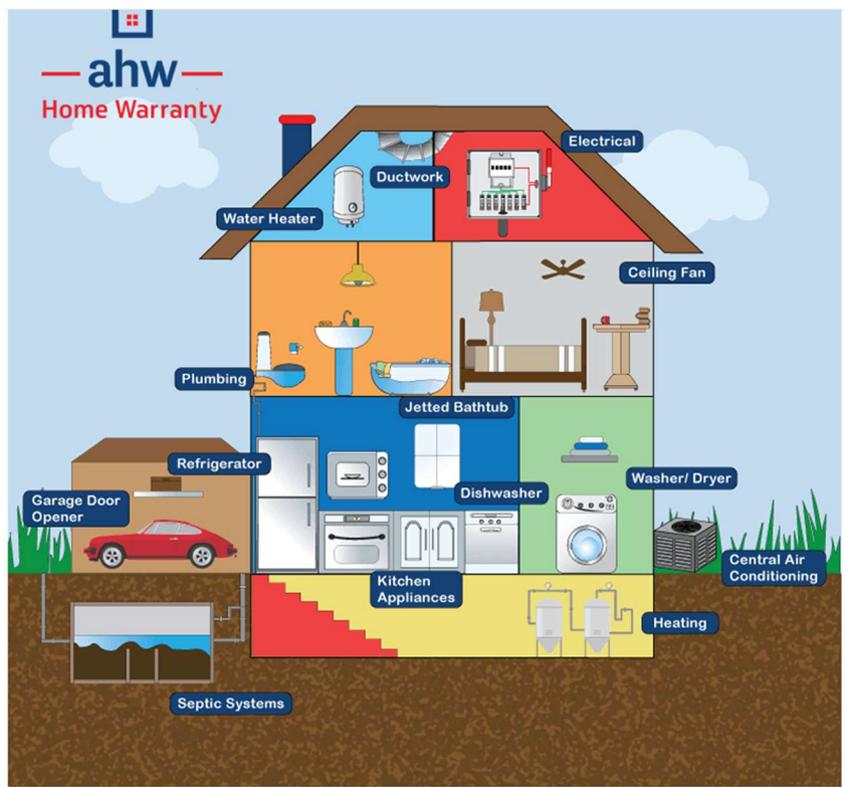
27. Defendants' website states "Save Time: Don't waste time calling a repair person or contractor and asking around for references and recommendations. Let AHW handle getting a professional who can solve your problem to your house quickly."⁶

1. Save Time: Don't waste time calling a repairperson or contractor and asking around for references and recommendations. Let AHW handle getting a professional who can solve your problem to your house quickly.

28. In contrast to this representation, Defendants' AHW Plan allows up to 48 hours after contact from a consumer to find a contractor to provide service and then the consumer must wait for the contractor to contact the consumer directly to schedule service. Additionally, the contract states that it is up to Defendants to determine what does or not constitute an emergency need for repair.
29. Consumers complain that sometimes it takes days or weeks to have a service technician dispatched to provide a diagnosis and/or repair.

⁶ AHW Home Warranty website, www.ahwp.com, last accessed on Nov. 1, 2022. Link to page no longer working as of Nov. 29, 2022.

30. Consumers complain that they spent hours of time and effort trying to find service technicians to service or repair their home issues when AHW wouldn't or couldn't or failed to address an issue timely.
31. Consumers complain that when AHW instructs consumers to find their own service technicians, AHW will deny payment or reimbursement for the technician.
32. Consumer complain that when AHW failed to find a service technician timely, and they had to do so on their own, AHW denies payment or reimbursement for the technician.
33. Defendants' website contains a graphic showing what parts of a home an AHW service contract covers⁷:



⁷ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

34. In reality, the AHW Plan does not cover these items in full, but has very specific coverage.
35. Defendants offer three separate AHW Plans – one that covers appliances, one that covers home systems, and one that is a “combo” plan. Only the combo plan covers all the items in the website graphic – and still with significant exclusions.
36. The representations by Defendants are inconsistent with the fine print in the AHW Plans.
37. Defendants’ AHW Plans include significant exclusions to home systems and appliances – often excluding items that consumers would typically assume would be covered.
38. For example, the AHW Plans include the following regarding general coverage⁸:

I. BASIS FOR COVERAGE

During the term of this Contract, We agree to pay the covered costs to repair or replace the items listed as covered on Your Cover Page if any such items become inoperable due to mechanical failure caused by normal wear and tear. Determination of coverage including the operational condition as of the Contract effective date for any claim will be made solely by Us considering, but not limited to, Our independent contractor's diagnosis, hereinafter referred to as the "Service Contractor." This Contract does not cover any known or unknown pre-existing conditions. It is understood that WE ARE NOT A SERVICE CONTRACTOR and We are not Ourselves undertaking to repair or replace any such systems or components. This Contract covers single-family homes, new construction homes, condominiums, townhomes, and mobile homes under 5,000 square feet, unless an alternative dwelling type (i.e. above 5,000 square feet or multi-unit home) is applied and appropriate fees are paid. This Contract will not cover systems or appliances within (a) commercial properties; (b) residential properties used for business purposes including, but not limited to, dwellings used for rest homes, day care centers, schools and/or professional offices; (c) common areas of condominiums, multi-family houses and/or cooperatives; (d) vacant properties; or (e) foreclosed/short sold properties. Coverage applies to the systems and components mentioned as "covered" in accordance with the terms and conditions of this Contract so long as such systems and components:

- A. Become inoperable due to normal wear and tear;
- B. Are in place and in proper working order on the effective date of this Contract; and
- C. Are located inside the confines of the main foundation of the home or attached or detached garage, with the exception of the air conditioner, exterior pool/spa, septic system, and well pump.

39. The AHW Plan includes a laundry list – A-U – of general exclusions to the entire plan.
40. To request service under the contracts, consumers are instructed to do as follows⁹:

⁸ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

⁹ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

III.REQUESTING SERVICE - CALL (646-860-0622)

- A. We must be notified as soon as the malfunction is discovered and prior to expiration of the Contract. You can request service by calling (646) 860-0622. We will accept service requests 24 hours a day, 7 days a week. We will not provide service until all past due Service Call Fees and Contract fees are made current.
- B. Upon request for service under normal circumstances, We will contact a Service Contractor within forty-eight (48) after You request service. The Service Contractor will contact You to schedule a mutually convenient appointment during normal business hours. We will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. We will accept Your request to expedite scheduling of non-emergency service only when a Service Contractor is available. If the Service Contractor agrees to expedite scheduling of a non-emergency service request, You may be required to pay an additional fee.
- C. We have the sole and absolute right to select the Service Contractor to perform the service. We will not reimburse You for services performed without Our prior approval.
- D. We reserve the right to obtain a second opinion at Our expense. In the event that We inform You the malfunction is not covered under this Contract, You have the right to request a second opinion concerning the cause of the malfunction. You must ask Us for a second opinion from another Service Contractor within seven (7) days from Us informing You the malfunction is not covered. In the event that the outcome of the second opinion is different than the first opinion, then We may, in Our discretion, decide whether to accept coverage under this Contract. If You request a second opinion, You will be responsible for the payment of an additional Service Call Fee only if the outcome of the second opinion is the same as the initial opinion.
- E. In the event We authorize or request You to contact an independent service contractor to perform a covered service, We will provide reimbursement for an authorized amount of the cost You incur for the repair or replacement services. Acceptable proof of the repair and Your actual itemized costs must be provided to and approved by Us before any reimbursement will be paid. We are not responsible for expenses You incur without Our express consent. We will not reimburse You for any costs associated with unauthorized repairs or work performed by unauthorized contractors.
- F. If service work performed under this Contract should fail, then We will make the necessary repairs without an additional Service Call Fee for a period of 90 days on parts and 30 days on labor.

41. Despite all of these representations, consumers complain that even when a certain item is “covered” under an AHW Plan, many times various component parts of the appliance are not covered per the fine print.

42. For example, even though the AHW Plan for appliances covers refrigerators if they are located in the kitchen, the following are NOT covered¹⁰:

I. Refrigerator with Ice Maker

Note: Refrigerator must be located in the kitchen.

COVERED: All components and parts, including integral freezer unit, except:

NOT COVERED: Racks; shelves; glass; lighting; handles; doors, door seals, hinges, and gaskets; Freon; disposal and recapture of Freon; ice crushers, beverage dispensers and their respective equipment; water lines; line restrictions; leaks of any kind; maintenance; interior thermal shells; freezers which are not an integral part of the refrigerator; wine chillers or mini refrigerators; food spoilage; noise without a related mechanical failure; or multi-media centers and internet connection components.

43. Many of the more expensive appliances or household components that are covered under an AHW Plan are subject to a maximum payout per contract term, which is far lower than the typical cost to diagnosis, repair, or replacement.

¹⁰ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

44. For example, even though the AHW Plan provides for electrical coverage, it includes a \$500 limitation¹¹:

C. Electrical System

COVERED: All components and parts, except as excluded below in "NOT COVERED." We will pay no more than \$500 per contract term for access, diagnosis, repair and/or replacement.

NOT COVERED: Attic exhaust fans; direct current (DC) wiring and systems; exterior wiring and components (except main panels mounted to exterior wall); any wiring or components servicing a detached structure; fire, carbon monoxide alarm and/or detection systems; batteries; intercom or speaker systems; doorbells; multi-media systems; lighting fixtures; load control devices; low voltage systems including wiring and relays; service entrance cables; telephone systems; telephone wiring; cable wiring; alarm and/or security systems and wiring; timers; touch pad assemblies; transmitters and remotes; utility meter base pans; solar power systems and panels; all solar components and parts; energy management systems; commercial grade equipment; auxiliary or sub-panels; bus bars; broken and/or severed wires; rerunning of new wiring for broken wires; wire tracing; or central vacuum systems. Failures and conditions caused by inadequate wiring capacity, inadequate size breakers, circuit overload, power failure/shortage or surge, or corrosion are not covered.

45. The AHW Plan also includes limited payout for the entire contract term, stating that the consumer “agree(s) that in no event will Our liability exceed \$1500 per contract item for access, diagnosis, repair and/or replacement.”¹²
46. The AHW Plan also states “We reserve the right to offer cash back in lieu of repair or replacement in the amount of Our actual cost, which at times may be less than retail, to repair or replace any covered system, component, or appliance.”¹³
47. Consumers complain that in some cases when a covered item fails and/or is irreparable and/or is expensive, Defendants refuse to replace the system and/or appliance and instead offer an inadequate cash payment pursuant to the term above.
48. Consumers complain that when Defendants agree to provide a coverage payment or reimbursement, the Defendants fail to provide payment in a timely manner.

¹¹ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

¹² AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

¹³ AHW Home Warranty website, www.ahwp.com, last accessed on Dec. 29, 2022.

49. Defendants’ website states "Your contract helps cover repair or replacement of covered items, regardless of age, make or model-and a home inspection is not required".¹⁴
50. Consumers complain that Defendants deny coverage because of the age of appliances or consider age to be a pre-existing condition making repairs or replacements ineligible for coverage.
51. Consumers complain that Defendants deny coverage and consider normal wear and tear a pre-existing condition that cannot be covered.
52. Consumers complain that Defendants deny coverage for “improper maintenance” and other subjective reasons.
53. Consumers complain that Defendants fail to comply with the cancellation terms in the AHW Plan and provide refunds when consumers cancel the plan because of dissatisfaction with coverage.
54. Defendants advertise on their website that AHW is “top rated in customer satisfaction.”¹⁵ and have also advertised “AHW is the highest rated company in the home warranty industry.”¹⁶

¹⁴ AHW Home Warranty website, www.ahwp.com, last accessed on Nov. 29, 2022.

¹⁵ AHW Home Warranty website, www.ahwp.com, last accessed on Nov. 29, 2022.

¹⁶ AHW Home Warranty website, www.ahwp.com, last accessed on May 6, 2022. Link to page no longer working as of Nov. 29, 2022.

AHW is the highest rated company in the home warranty industry! See for yourself what our customers have to say, [click here](#) to see our reviews

GET A FREE QUOTE

55. In reality, Defendants had over 90 complaints with the Ohio Attorney General and nearly 1,200 complaints with the Better Business Bureau since January 1, 2020.

CAUSE OF ACTION: VIOLATIONS OF THE CONSUMER SALES PRACTICES ACT

COUNT I – UNFAIR AND DECEPTIVE ACTS AND PRACTICES

56. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the preceding paragraphs of this Complaint.
57. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by engaging in inadequate and unfair customer service practices.
58. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(1), by representing that the subject of a consumer transaction has sponsorship, approval, performance characteristics, accessories, uses, or benefits that it does not have.
59. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(8), by representing that a specific price advantage exists, if it does not.

60. Defendants committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(10), by representing that representing that a consumer transaction involves a warranty if the representation is false.
61. The acts or practices described above have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 *et seq.* Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II – UNCONSCIONABLE ACTS AND PRACTICES

62. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in the preceding paragraphs of this Complaint.
63. Defendants have committed unconscionable acts or practices in violation of the CSPA, R.C. 1345.03(A), as set forth in R.C. 1345.03(B)(3), by entering into service contracts when Defendants knew of the inability of the consumer to receive a substantial benefit from the contracts.
64. Defendants have committed unconscionable acts or practices in violation of the CSPA, R.C. 1345.03(A), as set forth in R.C. 1345.03(B)(5), by entering into service contracts on terms the Defendants knew were substantially one-sided in favor of the Defendants.
65. The acts or practices described above have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 *et seq.* Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT III - EXCLUSIONS AND LIMITATIONS IN ADVERTISEMENTS

66. Plaintiff incorporates, by reference, as if completely rewritten herein, the allegations set forth in the preceding paragraphs of this Complaint.
67. Defendants committed unfair or deceptive acts or practices in violation of the Exclusions and Limitations in Advertisements Rule, Ohio Admin. Code 109:4-3-02(A) and the CSPA, R.C. 1345.02(A), by advertising service contracts for sale and failing to clearly and conspicuously disclose, in close proximity to the words stating the offer, all material exclusions, reservations, limitations, modifications, or conditions of such offers.

68. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 *et seq.* Defendants committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- A. ISSUE A DECLARATORY JUDGMENT that each act or practice complained of herein violates the CSPA and its Substantive Rules, O.A.C. 109:4-3-01 *et seq.*, in the manner set forth in the Complaint.
- B. ISSUE A PERMANENT INJUNCTION enjoining the Defendants, doing business under their own name or any other names, together with their officers, partners, agents, representatives, salespersons, employees, successors or assigns, and all persons acting in concert and participation with them directly or indirectly through any corporate device, partnership or association, from engaging in the acts and practices of which Plaintiff complains and from further violating the CSPA, R.C. 1345.01 *et seq.*, and its Substantive Rules, O.A.C. 109:4-3-01 *et seq.*
- C. ORDER Defendants, pursuant to R.C. 1345.07(B), to pay damages to all consumers injured by the conduct of the Defendants as set forth in this Complaint.
- D. ASSESS, FINE and IMPOSE upon Defendants a civil penalty of up to \$25,000.00 for each separate and appropriate violation of the CSPA described herein pursuant to R.C. 1345.07(D).
- E. GRANT Plaintiff its costs incurred in bringing this action, including but not limited to, the cost of collecting on any judgment awarded.

- F. ORDER Defendants to pay all court costs associated with this matter.
- G. ORDER Defendants enjoined from engaging in consumer transactions as a supplier in the State of Ohio until Defendants have satisfied all monetary amounts ordered to be paid in this action.
- H. GRANT such other relief as the court deems to be just, equitable, and appropriate.

Respectfully submitted,

DAVE YOST
Attorney General

/s/ Teresa A. Heffernan
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