IN THE COURT OF COMMON PLEAS FRANKLIN COUNTY, OHIO

STATE OF OHIO, ex rel.) CASE NO.
ATTORNEY GENERAL)
MICHAEL DEWINE) JUDGE
30 E. Broad St., 14 th Floor)
Columbus, Ohio 43215)
PLAINTIFF,))
V.)
VISION SECURITY, LLC 508 West 800 North Orem, Utah 84057) OCOMPLAINT FOR DECLARATORY JUDGMENT, INJUNCTIVE RELIEF, RESTITUTION, AND CIVIL PENALTIES
DEFENDANT.)

JURISDICTION

- 1. Plaintiff, Ohio Attorney General Michael DeWine, 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, pursuant to the authority vested in him by the Ohio Consumer Sales Practices Act ("CSPA"), R.C. 1345.01 et seq.
- 2. The actions of the Defendant, hereinafter described, have occurred in the State of Ohio, Franklin County and various other counties, as set forth below, are in violation of the CSPA, R.C. 1345.01 et seq., and the Ohio Home Solicitation Sales Act ("HSSA"), R.C. 1345.21 et seq.
- Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C.
 1345.04.
- 4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(B)(3), in that some of the transactions complained of herein, and out of which this action arose, occurred in Franklin County, Ohio.

DEFENDANT

- 5. Defendant Vision Security, LLC (hereinafter "Vision" or "Defendant") is a Utah limited liability company with its principal place of business located at 508 West 800 North, Orem, Utah, 84057.
- 6. Defendant is registered to do business in Ohio with the Ohio Secretary of State.
- 7. Defendant, as described below, is a "supplier" as that term is defined in R.C. 1345.01(C) as Defendant was at all times relevant herein, engaged in the business of effecting consumer transactions by soliciting and selling home security systems to "individuals" in the State of Ohio, Franklin County and various other counties, for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.01(A) and (D).
- 8. Defendant, as described below, was at all relevant times hereto a "seller" engaged in the business of effecting home solicitation sales by soliciting and selling home security systems to "buyers" at the buyers' personal residences in the State of Ohio, Franklin County and various other counties, for purposes that were primarily personal, family or household within the meaning specified in R.C. 1345.21(A) and (E).

STATEMENT OF FACTS

- 9. Defendant was, and has been at all times relevant to this action, engaged in the business of advertising, soliciting, offering and selling home security systems in the State of Ohio, Franklin County and various other counties.
- 10. Defendant advertises its services via door to door sales at consumer residences.
- 11. Defendant conducts sales presentations for the sale of home security systems in consumers' homes.

- 12. Defendant executed contracts to provide home security systems to consumers in their homes.
- 13. Defendant's contracts with consumers are typically for sixty months.
- 14. Defendant made oral misrepresentations to consumers during the home solicitation sales.
- 15. Defendant made oral misrepresentations regarding the identity of the company during the home solicitation sales.
- 16. Defendant made oral representations that the monthly monitoring fee would be one price, but the price on the contract was higher than the oral price quoted.
- 17. Defendant made oral misrepresentations that they were providing an upgrade to the consumer's current home security system, that they had purchased consumer's current home security contract, or that they were otherwise part of/or authorized to continue the monitoring services of the consumer's current home security system.
- 18. Consumers, believing such representations as described in paragraphs Fourteen through Seventeen (14-17), contracted with Defendant for Defendant's home security systems.
- 19. Defendant debited an installation fee and a higher monthly monitoring fee from consumers' checking accounts or credit cards.
- 20. Defendant routinely installed the home security systems on the same day the contract was executed.
- 21. Defendant failed to provide oral notification of the consumers' three-day right to rescission.
- 22. Defendant routinely failed to honor the notice of cancellation when consumers timely mailed, faxed or delivered it to Defendant.

23. In some instances when the consumer returned a home security system, or the Defendant promised to pick up a home security system when the consumer was no longer receiving services from Defendant, Defendant continued to bill consumers.

PLAINTIFF'S CAUSES OF ACTION: VIOLATIONS OF THE CSPA

COUNT I SUBSTANTIATION OF CLAIMS IN ADVERTISING

- 24. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Twenty-Three (1-23) of this Complaint.
- 25. Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and the Substantiation of Claims in Advertising Rule, Ohio Admin. Code 109:4-3-10(A), by making false claims in advertising in connection with goods or services, and, causing consumers to believe such claims were true.
- 26. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II FALSE AND MISLEADING REPRESENTATIONS

- 27. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Twenty-Six (1-26) of this Complaint.
- 28. Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) by making false and misleading statements that the cost of their monthly fee would be a lower price than the price on the contract, causing consumers to believe such claims were true.

29. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT III UNFAIR AND DECEPTIVE CONSUMER SALES ACTS AND PRACTICES

- 30. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Twenty-Nine (1-29) of this Complaint.
- 31. Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by making false and misleading statements which consumers relied upon to their detriment.
- 32. Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by engaging in a pattern or practice of failing to provide prompt refunds to consumers or denying valid request for refunds.
- Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C.1345.02(A), by providing inadequate and unfair customer service.
- 34. Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(7), by representing that consumers' existing home security systems were in need of replacement or repair, when such is not the case.
- 35. Defendant committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.02(B)(9), by representing that Defendant had a sponsorship, approval, or affiliation that it does not have.
- 36. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions

were available for public inspection pursuant to R.C. 1345.05(A)(3).

<u>COUNT IV</u> <u>UNCONSCIONABLE CONSUMER SALES PRACTICES</u>

- 37. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Thirty-Six (1-36) of this Complaint.
- 38. Defendant committed unconscionable practices in violation of the CSPA, R.C. 1345.03(A), by providing inadequate and unfair customer service.
- 39. Defendant committed unconscionable practices in violation of the CSPA, R.C. 1345.03(A), as set forth in R.C. 1345.03(B)(6), by making false and misleading statements upon which consumers were likely to rely to their detriment.
- 40. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

VIOLATIONS OF THE HSSA

COUNT I FAILURE TO PROVIDE PROPER NOTICE OF THREE DAY RIGHT OF RESCISSION

- 41. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty (1-40) of this Complaint.
- 42. Defendant violated the HSSA, R.C. 1345.23(A) and R.C. 1345.23(B), by failing to give proper notice to consumers of their right to cancel their contract by a specific date.
- 43. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT II INSTALLING SECURITY SYSTEMS DURING THREE-DAY RIGHT TO CANCEL

- 44. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-Three (1-43) of this Complaint.
- 45. Defendant committed unfair or deceptive acts or practices in violation of the HSSA, R.C. 1345.22 and the CSPA, R.C. 1345.02(A) by installing home security systems and related security and monitoring services during the three-day cancellation period.
- 46. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT III MISREPRESENTING THE RIGHT TO CANCEL

- 47. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set forth in paragraphs One through Forty-Six (1-46) of this Complaint.
- 48. Defendant committed unfair or deceptive acts or practices in violation of the HSSA, R.C. 1345.23(D)(3), the CSPA, 1345.02(A) and the Direct Solicitations Rule, Ohio Admin. Code 109:4-3-11(5), by misrepresenting the buyer's right to cancel the contract for the home security system and related security and monitoring services.
- 49. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

COUNT IV FAILURE TO HONOR NOTICE OF CANCELLATION

50. Plaintiff incorporates by reference, as if completely rewritten herein, the allegations set

- forth in paragraphs One through Forty-Nine (1-49) of this Complaint.
- 51. Defendant committed unfair or deceptive acts or practices in violation of the HSSA, R.C. 1345.23, when Defendant refused to accept timely notice of cancellations from consumers.
- 52. These types of acts and practices were previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant 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 prays that this Court:

- 1. ISSUE A DECLARATORY JUDGMENT declaring that each act or practice described in Plaintiff's Complaint violates the CSPA, R.C. 1345.01 et seq., and the HSSA, R.C. 1345.21 et seq., in the manner set forth in this Complaint.
- 2. ISSUE PERMANENT INJUNCTIVE RELIEF, pursuant to R.C. 1345.07, enjoining Defendant Vision Security, LLC their agents, servants, representatives, salespeople, employees, successors or assigns, and all persons acting in concert or participating with them, directly or indirectly, from engaging in the acts or practices of which Plaintiff complains and from further violating the CSPA, R.C. 1345.01 et seq., and the HSSA, R.C. 1345.21 et seq.
- 3. ORDER Defendant Vision Security LLC, liable for reimbursement to all consumers found to have been damaged by the Defendant's unfair, deceptive and unconscionable acts and practices, including, but not limited to, making restitution to consumers who

- entered into contracts with Defendant for a higher price than orally represented during the sales presentation.
- 4. ASSESS, FINE AND IMPOSE upon Defendant, Vision Security, LLC, a civil penalty of Twenty-Five Thousand Dollars (\$25,000.00) for each separate and appropriate violation described herein, pursuant to R.C. 1345.07(D).
- 5. ORDER, that all contracts entered into between Defendant and Ohio consumers by unfair, deceptive or unconscionable acts or practices, be rescinded, with full restitution to the consumers;
- 6. ORDER, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, Defendant to maintain in their possession and control for a period of five (5) years, all business records relating to Defendant's solicitation and sale of home improvement goods and/or services in Ohio and to permit the Ohio Attorney General or his representative, upon reasonable twenty-four (24) hour notice, to inspect and/or copy any and all records.
- 7. PROHIBIT Defendant, as a means of insuring compliance with this Court's Order and with the consumer protection laws of Ohio, from engaging in consumer transactions in this state until such time as Defendant has satisfied all monetary obligations due.
- 8. GRANT the Ohio Attorney General his costs in bringing this action.
- 9. ORDER Defendant to pay all court costs.
- 10. GRANT such other relief as the Court deems to be just, equitable and appropriate.

Respectfully submitted,

MICHAEL DEWINE Attorney General

/s/ Teresa A. Heffernan

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