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10
11 **IN THE UNITED STATES DISTRICT COURT**
12 **FOR THE DISTRICT OF NEVADA**

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14 In the Matter of

15 FEDERAL TRADE COMMISSION,
16 Plaintiff,

17 vs.

18 A AAAAUTO CAR BROKERS, INC.;
AAA ANYWHERE ANYTIME AUTO
19 BROKERS, INC.; and

20 KATHERINE ANN CARTER, individually
and as an officer of said corporations.

21 Defendants.
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COMPLAINT FOR
INJUNCTIVE AND OTHER
RELIEF

23 Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its complaint alleges:

24 1. The Commission brings this action under Section 13(b) of the Federal Trade
25 Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b), to secure preliminary and permanent injunctive
26 relief, restitution, rescission or reformation of contracts, disgorgement, and other equitable relief for
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1 defendants' unfair or deceptive acts or practices in violation of Section 5(a)(2) of the Securities Act of 1933, 15 U.S.C.

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1 transacts business at 4495 W. Hacienda, #12, Las Vegas, Nevada. At all times material to this
2 complaint, acting alone or in concert with others, she has formulated, directed, controlled or
3 participated in the acts and practices of defendants A AAA and AAA Anywhere. She transacts or
4 has transacted business in this District and elsewhere.

5 **COMMERCE**

6 8. At all times material to this complaint, defendants have maintained a substantial course
7 of trade in or affecting commerce, as "commerce" is defined in Section 4 of the FTC Act, 15 U.S.C.
8 § 44.

9 **DEFENDANTS' BUSINESS ACTIVITIES**

10 9. Defendants A AAA and AAA Anywhere are automobile transport brokers ("auto
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1 11. Defendants A AAA and AAA Anywhere, since at least November 1999, have
2 engaged in a campaign to induce consumers to contract with them through false and misleading
3 representations that A AAA or AAA Anywhere will pick up and deliver consumers' automobiles in a
4 timely manner.

5 12. Defendants advertise nationwide in the yellow pages. Sometimes the advertisements
6 make explicit reliability claims with respect to timely delivery – “Fast Reliable Pickup & Delivery” . . .
7 “Reliable Delivery” . . . “On Time !” . . . “Guaranteed Delivery.” The advertisements often add to this
8 impression of reliability with such phrases as “I.C.C. Licensed, Bonded, and Insured.”

9 13. The advertisements contain a toll-free number. When consumers call, the defendants'
10 salesperson, after learning of the requested destination and time frame, (1) advises the consumer of the
11 applicable transportation price; (2) represents that the company will have the automobile picked up
12 within a narrow two-day window; and (3) gives a time period after the specified pickup date(s) within
13 which the company will have the automobile delivered (*e.g.*, “7 - 10 days”). Salespersons in numerous
14 instances give no warning that those pickup and delivery dates are uncertain or may be impossible,
15 depending on the availability of transport or other factors.

16 14. Once agreement is reached, the company faxes the consumer a standard contract. The
17 first page of the contract recites the 2-day window for pickup cited by the salesperson, and the amount
18 due. If the amount due is just a \$250 deposit, the consumer must pay the trucker the remainder of the
19 contract upon delivery of the car to the consumer. If the consumer is required to pay the entire
20 transportation cost up front, then it is the auto broker's responsibility to pay the trucker. The contract
21 specifies that A AAA or AAA Anywhere, as applicable, must receive a certified check within one or
22 two days.

23 15. Consumers send the deposit requested to defendants and then either wait for the truck
24 to arrive or travel to their destinations and leave their automobile with friends or family. Consumers first
25 learn that defendants' representations were false or without basis when the truck fails to arrive on time
26 to pick up the automobile. This failure to pick up the automobile within a reasonable time frame, by
27 itself, causes considerable injury to consumers in numerous instances.

1 16. Defendants, in numerous instances, also misrepresent that they will have the consumer's
2 automobile delivered by a specific date or range of dates. Frequently, consumers are forced to wait
3 weeks or months beyond the promised date for their automobile to arrive, due to late pickup, or
4 transportation delays far beyond those promised, or both.

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1 3. Award such relief as the Court finds necessary to redress injury to consumers resulting
2 from defendants' violations of the FTC Act, including, but not limited to, rescission or reformation of
3 contracts, ~~rescission~~, refund of monies paid, and disgorgement, reTc 75l-gotteet3.2m.3.25 TD -0.418oracts, regaaB1*rp4.

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