1	WILLIAM E. KOVACIC General Counsel	
2 3	JEROME M. STEINER, JR. DAVID M. NEWMAN	
4	Federal Trade Commission 901 Market Street, Suite 570	
5	San Francisco, CA 94103 Phone (415) 356-5282/ fax (415) 356-5284	
6	BLAINE T. WELSH	
7	Assistant United States Attorney 701 E. Bridger Ave, Suite 600 Las Vegas, NV 89101	
8	Phone (702) 388-6336/ fax (702) 388-6787	
9	Attorneys for Plaintiff Federal Trade Commission	
10		
11	IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEVADA	
12		
13	T 4 26 C	
14	In the Matter of	
15	FEDERAL TRADE COMMISSION,	COMPLAINT FOR INJUNCTIVE AND OTHER
16	Plaintiff,	RELIEF
17	vs.	
18	A AAAAUTO CAR BROKERS, INC.; AAA ANYWHERE ANYTIME AUTO BROKERS, INC.; and	
19	, ,	
20	KATHERINE ANN CARTER, individually and as an officer of said corporations.	
21	Defendants.	
22		
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	
	1	

defendants' unfair or deceptive acts or practices in violation of Section 5(aU24 TD (tionr02 -22.5 TD24 15ae, 15 U. 22.

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

COMMERCE

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

DEFENDANTS' BUSINESS ACTIVITIES

9. Defendants A AAA and AAA Anywhere are automobile transport brokers ("auto

- 11. Defendants A AAA and AAA Anywhere, since at least November 1999, have engaged in a campaign to induce consumers to contract with them through false and misleading representations that A AAA or AAA Anywhere will pick up and deliver consumers' automobiles in a timely manner.
- 12. Defendants advertise nationwide in the yellow pages. Sometimes the advertisements make explicit reliability claims with respect to timely delivery "Fast Reliable Pickup & Delivery" . . . "Reliable Delivery" . . . "Guaranteed Delivery." The advertisements often add to this impression of reliability with such phrases as "I.C.C. Licensed, Bonded, and Insured."
- 13. The advertisements contain a toll-free number. When consumers call, the defendants' salesperson, after learning of the requested destination and time frame, (1) advises the consumer of the applicable transportation price; (2) represents that the company will have the automobile picked up within a narrow two-day window; and (3) gives a time period after the specified pickup date(s) within which the company will have the automobile delivered (*e.g.*, "7 10 days"). Salespersons in numerous instances give no warning that those pickup and delivery dates are uncertain or may be impossible, depending on the availability of transport or other factors.
- 14. Once agreement is reached, the company faxes the consumer a standard contract. The first page of the contract recites the 2-day window for pickup cited by the salesperson, and the amount due. If the amount due is just a \$250 deposit, the consumer must pay the trucker the remainder of the contract upon delivery of the car to the consumer. If the consumer is required to pay the entire transportation cost up front, then it is the auto broker's responsibility to pay the trucker. The contract specifies that A AAA or AAA Anywhere, as applicable, must receive a certified check within one or two days.
- 15. Consumers send the deposit requested to defendants and then either wait for the truck to arrive or travel to their destinations and leave their automobile with friends or family. Consumers first learn that defendants' representations were false or without basis when the truck fails to arrive on time to pick up the automobile. This failure to pick up the automobile within a reasonable time frame, by itself, causes considerable injury to consumers in numerous instances.

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

22. Therefore, the representation set forth in Paragraph 20 was, and is, misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45.

CONSUMER INJURY

23. Consumers throughout the United States have suffered substantial monetary loss as a result of defendants' unlawful acts and practices. Defendants' failure to pick up or deliver automobiles in a timely manner has forced consumers to cancel flights and lose hundreds of dollars in paying for higher-priced replacement tickets; to cancel the contract and then lose the \$250 deposit when defendants refuse to take responsibility; to have to find and pay for accommodations (having rented or leased their own homes in reliance on defendants' representations); to rent cars, pay for hotels, and impose on neighbors and friends for transportation at their former or new locations; and to experience harms and personal disruptions. In addition, defendants have been unjustly enriched as a result of their unlawful acts and practices. Absent injunctive relief, defendants are likely to continue to injure consumers, reap unjust enrichment and harm the public.

THIS COURT'S POWER TO GRANT RELIEF

24. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes this Court to issue an injunction against defendants' violation of the FTC Act and, in the exercise of its equitable jurisdiction, to order such ancillary relief as consumer redress, recission, restitution and disgorgement of profits resulting from defendants' unlawful acts or practices, and other remedial measures.

PRAYER FOR RELIEF

WHEREFORE, plaintiff Federal Trade Commission, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:

- 1. Award plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to, temporary and preliminary injunctions;
 - 2. Permanently enjoin defendants from violating the FTC Act, as alleged herein;

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 Aphatituifions, refund of monies paid, and disgorgement, reTc 751-gotteet3.2m.3.25 TD -0.418 oracts, regaaBl*rp4		
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			

COMPLAINT