

<p>DISTRICT COURT, COUNTY OF ARAPAHOE, STATE OF COLORADO 7325 S. Potomac St. Centennial, Colorado 80112</p> <hr/> <p>STATE OF COLORADO, ex rel. CYNTHIA H. COFFMAN, ATTORNEY GENERAL</p> <p>Plaintiff,</p> <p>v.</p> <p>COUNTY LINE VACUUM & APPLIANCE, INC. DBA AAAA TELEVISION ELECTRONIC VACUUM & APPLIANCE and MUHAMMED MURIB, AND OMAR MURIB, INDIVIDUALLY</p> <p>Defendants.</p>	<p>DATE FILED: November 4, 2015 10:30 AM FILING ID: 4F7E1A1E58A08 CASE NUMBER: 2015CV32600</p> <p style="text-align: center;">▲ COURT USE ONLY ▲</p>
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<p>PLAINTIFF'S MOTION FOR EX-PARTE TEMPORARY RESTRAINING ORDER, PRELIMINARY INJUNCTION AND ASSET FREEZE</p>	

Plaintiff, the State of Colorado, upon relation of Cynthia H. Coffman, Attorney General for the State of Colorado (hereinafter the "State"), by and through undersigned counsel, moves this Court for a temporary restraining

order, preliminary injunction, and asset freeze, pursuant to C.R.S. § 6-1-101(1)(2015) and C.R.C.P. 65 (2015), to enjoin Defendants from engaging in deceptive trade practices in violation of the Colorado Consumer Protection Act, C.R.S. §§ 6-1-101 *et. seq.* (“CCPA”).

Defendants’ Deceptive Trade Practices

I. Defendant Muhammed Murib has a history of deceptive trade practices.

1. County Line Vacuum & Appliance, Inc. dba AAAA Television Electronic Vacuum & Appliance (hereinafter, “AAAA TEVA”) is an electronics sales and repair store located in Centennial, Colorado, owned by Defendant Muhammed Murib (“Murib”).

2. In the 1990’s, Murib owned six Denver metro repair stores that generated numerous complaints with the Denver and Jefferson County District Attorney’s Offices, the Colorado Attorney General’s Office, and the Better Business Bureau. **Exhibit 1**, *Affidavit of Gary Pangus, Attachment 2*, pp. 3-4, 8.

3. An investigation led by the Denver District Attorney’s Office showed that Defendant Murib made heavy use of deceptive advertising to bring consumers into his electronics repair store, such as coupons for a \$24 VCR cleaning and servicing. Murib sent these items to other actual repair stores that charged minimal prices for cleaning and servicing. *Id.* at pp. 3-8.

4. The investigation showed that after receiving these items back in his store, Murib would subsequently call consumers and inform them that their VCR, or other electronic item, required additional repairs, such as belt replacement. The evidence showed that Murib simply made up these additional repairs and that Murib charged consumers hundreds of dollars for these belt replacements, and other “repairs,” that never occurred. *Id.*

5. In 1993, Murib was charged with 18 counts of felony theft, including bait advertising and racketeering under COCCA. Murib pleaded guilty to one felony count and was sentenced to 6 years of probation in 1995. Murib moved to Lebanon and failed to complete his probation. He returned to the United States in 2002 and opened AAAA TEVA in 2006. See **Exhibit 3**, *Colorado State Courts Data Access document, 1993CR1391*; **Exhibit 4**, *Probation Complaint and Arrest Warrant, April 17, 1997*; **Exhibit 2**, *Muhammed Murib, Tr. 21:4-21:13*.

II. Currently, Defendants make heavy use of internet advertising in order to deceive customers.

6. Murib continues to this day to use the same *modus operandi* with his current repair store, AAAA TEVA, as he did with his repair stores in the 1990's. Specifically, Murib makes heavy use of deceptive advertising to draw consumers into his store, and then falsely charges them for repairs that never occurred.

7. As a result of his current deceptive advertising, Muhammed Murib has been able to defraud thousands of Colorado consumers. AAAA TEVA's website states that his company has carried out 50,000 repairs since 2006. See **Exhibit 8**, *AAAA TEVA website homepage*.

8. Murib has profited greatly by this deceptive enterprise. AAAA TEVA reported gross revenues of \$1.4 million dollars in 2012, \$1.8 million dollars in 2013, and over \$2 million dollars in 2014. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez, Colorado Attorney General's Office*, at ¶ 53.

9. Most of AAAA TEVA's repair business stems from television and projector repair. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 42.

10. AAAA TEVA's advertising targets owners of high-end expensive television and projection systems, and its customers include not only individual consumers, but businesses, schools, fire departments, municipalities, recreation centers and churches that use this technology for trainings, presentations or church services. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 33.

11. High-end televisions and home entertainment systems can frequently cost several thousand dollars. Name-brand projectors can frequently cost more than \$10,000. *Id.* at ¶ 34.

12. Over the past several years, Murib has utilized a search engine optimization (SEO) consultant two days a week to ensure that AAAA TEVA Google ads and multiple websites are the first search results displayed for all Google searches related to electronic repair. See **Exhibit 6**, *E. Lopez, Tr. 15:11-16-4, 90:5-90:19, CID Exhibit 20*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 14.

13. AAAA TEVA's Google ads and websites are the first results shown to any consumer in the Colorado Front Range who searches for "TV repair," "flat

screen TV repair,” “big screen tv repair,” “projector repair,” or virtually any form of television or electronic repair. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 15-18; **Exhibit 10**, *Google search results-TV repair*. See also **Exhibit 6**, *E. Lopez, Tr. 111:25-115:9*.

14. To achieve this high positioning in Google search results, Murib consistently outbids his competitors for the rights to key search words in Google, such as “tv repair.” In 2014, Murib spent \$9,000 a month on Google advertising. Beginning in November 2014, Murib increased his Google advertising expenditure to \$12,000 a month. **Exhibit 6**, *E. Lopez, Tr. 47:10-50:25*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 35.

15. To further ensure his positioning in Google search results, Murib has set up six different “micro-sites” on the internet, each organized around a different facet of his business, each with a URL that is separate and distinct from AAAA TEVA’s primary website (aaaateva.com). **Exhibit 6**, *E. Lopez, Tr. 26:25-29:19*, **Exhibit 16**, *Microsites landing pages*.

16. AAAA TEVA operates two microsites related solely to television repair (303television.com and tvrepairdenvermetro.com), one related to projector repair (projectorrepairdenver.com), one related to stereo repair (stereorepairdenver.com), one related to sewing machine repair (sewingmachinerepairdenver.com), one related to vacuum repair (303vac.com) and one related to sales (303bigsale.com) (hereafter AAAA TEVA’s website and microsites are collectively referred to as “AAAA TEVA’s web pages”). *Id.*

17. Each microsite contains multiple landing pages, which further increases the likelihood that AAAA TEVA’s web pages will be the first result for repair-related searches on Google. *Id.*

18. AAAA TEVA’s ads and web pages come up first on searches by city location and brand as well, so that Google searches for “Aurora TV repair” or “Samsung TV repair” result in AAAA TEVA’s web pages coming up as the first result virtually every time. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 16, 18; **Exhibit 10**, *Google search results-TV repair*.

19. Murib also pays to advertise on secondary search engines such as Bing and Yahoo, as well as in traditional Yellow Pages advertising. **Exhibit 2**, *Muhammed Murib, Tr. 12:18-12:25; 46:1-47:21*; **Exhibit 6**, *E. Lopez, Tr. 79:14-81:25*; **Exhibit 41**, *Yellow page advertising*.

20. AAAA TEVA heavily advertises that it provides “in-home” television repair. AAAA TEVA’s website homepage offers “In Home TV Repair-Television Repair Done in Your Home.” See **Exhibit 8**, *AAAA TEVA website home page*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 18.

21. In 2014, AAAA TEVA went to over a thousand consumers’ homes and businesses, ostensibly to carry out in-home television repair. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 49-50.

22. When a consumer searches on Google for “Denver TV repair,” the first result that comes up is “In Home Denver TV Repair - TVRepairDenverMetro.com.” **Exhibit 10**, *Google search results-TV repair*; **Exhibit 6**, *E. Lopez, Tr. 111:25-115:9*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 15, 18.

23. A similar result occurs when pairing the search terms “TV repair” with almost any town or city along the Colorado Front Range from Fort Collins to Colorado Springs. For example, a search for “Aurora TV repair,” results in “In Home Aurora TV Repair - TVRepairDenverMetro.com” as the first search result. *Id.*

24. Through its internet advertising, AAAA TEVA claims that it provides “The Highest Quality In Home TV Repair and Service for the Denver Metro Area. Specializing in Big Screen TV, HDTV, Projection, LCD, LED and Plasma Flat Panel TV repair.” See **Exhibit 9**, *AAAA TEVA In Home TV Repair webpage*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 18.

25. Describing its in-home television repair service, AAAA TEVA’s website states: “We have field technicians that will come to your home and perform on site in home repairs. Our fleet of trucks and technicians are equipped to come to you wherever you are to help fix your TV or electronics. Our technicians are specialized and we have a field technician in every major metro daily.” *Id.*

26. AAAA TEVA’s website couples this explanation of its in-home television repair service with an offer of “Free Trip with Repair” and the claim of “Same day service most of the time.” *Id.*

27. AAAA TEVA’s online ads are intentionally designed so that a consumer, who simply searches for “television repair” without ever considering “in-home” television repair, will see AAAA TEVA’s ad for “In-Home Television

Repair” at the top of the page. See **Exhibit 10**, *Google search results-TV repair*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 15, 18.

28. AAAA TEVA’s advertising leads people to believe that their television will be repaired in their home or place of work, that it may actually be faster than bringing their television to a repair shop, and that there is no additional cost associated with the in-home television repair service.

29. Despite its advertising, AAAA TEVA **does not** perform in-home television repair.

30. Muhammed Murib hires “mobile technicians” to handle the “in-home” television repair component of his business. These mobile technicians have no education, training or experience in television or even electronics repair. And at no time during their employment with AAAA TEVA, do they receive any repair training. **Exhibit 11**, *Cody Hawkins, Tr. 184:15-184:19*; **Exhibit 12**, *Andrew Carter, Tr. 8:22-9:24, 12:14-12:24*; **Exhibit 13**, *Brandon Postlewait, Tr. 15:18-15:23*; **Exhibit 14**, *Daniel Ballez, Tr. 6:10-8:4*.

31. While AAAA TEVA’s mobile technicians have no background in electronics repair, AAAA TEVA employs several actual repair technicians who do repair these items at AAAA TEVA’s store location. **Exhibit 2**, *Muhammed Murib, Tr. 91:1-94:10*.

32. AAAA TEVA’s “In-Home TV Repair” is a ruse that allows Murib to bring televisions back to his repair store so that he can falsely claim that extensive repairs took place and then charge exorbitant prices for these non-existent repairs.

33. In addition to the fact that the mobile technicians do not know how to repair televisions, Murib has instructed these mobile technicians that they must bring all televisions back to the repair shop. AAAA TEVA operates three Mercedes vans which the mobile technicians drive to consumers’ homes, solely for the purpose of picking up televisions or other electronic items. **Exhibit 11**, *Cody Hawkins, Tr. 26:19-27:16*; **Exhibit 12**, *Andrew Carter, Tr. 25:5-25:10, 16:11-16:17*; **Exhibit 13**, *Brandon Postlewait, Tr. 24:12-26:7*; **Exhibit 2**, *Muhammed Murib, Tr. 60:13-65:17*.

34. AAAA TEVA’s mobile technicians travel to consumers’ homes and businesses without bringing any diagnostic equipment, any replacement parts, or any tools or equipment necessary for television repair. **Exhibit 11**, *Cody*

Hawkins, Tr. 26:19-27:16,188:4-189:18; Exhibit 12, Andrew Carter, Tr. 22:8-22:18, 24:4-24:7; Exhibit 13, Brandon Postlewait, Tr. 18:16-20:24; Exhibit 2, Muhammed Murib, Tr. 60:13-65:17.

35. As part of its investigation, the Attorney General's Office took the sworn testimony of several of AAAA TEVA's former and present employees. AAAA TEVA's former mobile technician manager testified that he was hired as a mobile technician despite having no training or experience in television repair. The former manager explained AAAA TEVA's in-home television repair service as follows:

"At first, it made sense, because a lot of people don't understand it's really hard to repair TVs in-home. You usually have to order boards or parts or something like that in order to do so. So going into the house and basically saying, hey, this is why we can't do it here was more of our job. We went to the house and essentially said, this is why we can't fix it here, we have to take it into the shop."

Exhibit 11, Cody Hawkins, Tr. 20:25-21:09.

36. Until 2014, Murib paid these mobile technicians a bonus of \$20 for each consumer's television that was brought back to the store for repair. While there was no possibility that the mobile technicians could actually repair televisions in consumers' homes, Murib paid the bonus because it was not always easy to convince consumers that they needed to pay a \$150 "diagnostic fee" for further analysis at AAAA TEVA's repair shop. **Exhibit 11, Cody Hawkins, Tr. 29:2-29:5;55:23-56:21; Exhibit 12, Andrew Carter, Tr. 25:11-25:15; Exhibit 13, Brandon Postlewait, Tr. 32:12-34:9; Exhibit 2, Transcript-Muhammed Murib.**

37. Former mobile technicians testified that Murib required them to bring all customers televisions back to the shop, even if the problem was obvious and non-technical, such as a television that was not programmed properly. **Exhibit 11, Cody Hawkins, Tr. 27:10-27:20; Exhibit 13, Brandon Postlewait, Tr. 23:1-23:5.**

38. In 2014, Murib stopped paying bonuses for each television brought to the shop. Former mobile technicians testified that after the bonuses stopped, Murib simply used anger and intimidation to ensure that the mobile technicians brought all customers' televisions back to the store. **Exhibit 11, Cody Hawkins,**

Tr. 29:2-29:5;55:23-56:21; Exhibit 13, Brandon Postlewait, Tr. 25:16-26:7; Exhibit 2, Muhammed Murib Tr. 136:5-141:14.

39. Consumers calling AAAA TEVA for “in-home television repair” obviously expect that these mobile technicians would repair their television in their home. During depositions, former mobile technicians testified to awkward situations in which consumers, who were clearly expecting their television to be repaired in their home, had set up a work area in their home for the mobile technician to do the repair work. See **Exhibit 22**, *Consumer affidavits-in home repair*; **Exhibit 12**, *Andrew Carter, Tr. 24:8-24:17, 32:14-34:21*; **Exhibit 13**, *Brandon Postlewait, Tr. 17:10-18:15.*

40. To deal with these consumer expectations, Murib instructed the mobile technicians to open up the back of the television and pretend to be diagnosing the problem, in order to “inspire consumer confidence.” **Exhibit 12**, *Andrew Carter, Tr. 29:12-30:19*; **Exhibit 11**, *Cody Hawkins, Tr. 64:9-65:9*; **Exhibit 13**, *Brandon Postlewait, Tr. 22:22-24:21.*

41. Regarding Murib’s instructions, one former mobile technician testified:

“That’s why he wanted us to take the backs off of the TVs. He wanted us to look like we were actively probing the back of the TV. I jokingly referred to the tools as our props in a play....”

Exhibit 12, *Andrew Carter, Tr. 29:16-29:19.*

42. This same technician testified, however, that he did not always open up the backs of the televisions, because he was not confident he could even open the back of a television without causing damage.

“I never really took the backs off. I wasn’t comfortable with that, not knowing what it was. Especially with carpet static electricity, computer components, which are more or less the same as the stuff inside of TVs, is (sic) very, very vulnerable to that.”

Exhibit 12, *Andrew Carter, Tr. 29:23-29:31.*

43. AAAA TEVA’s former mobile technician manager testified to having frequent conflicts with Murib about deceiving customers:

“And so I actually trained my mobile tech -- it used to be what Muhammed wanted you to do was go to the customer's home, take the TV off the wall, take it back out, take out your multi-media, set it to the short setting, which essentially just beeps when you touch the two ends together or when you touch something that's metal, and sit there and make the thing beep so that the person thought you were doing something to the TV, and then say, oh, I can't fix this here, and then put it all back together and bring it into the shop.

I worked in sales and customer service. I was, like, okay, first of all, we're not doing that. We're not taking the TV apart and pretending like we're actually doing something. There are ways you can talk to someone that will convince them or explain to them in a way that you don't have to do those things. And so I actually trained my mobile techs to go into a customer's home and essentially not need tools. You can go in there and look at the TV and kind of give the customer a rough idea of what's wrong with it, why you can't fix it in the home in a convincing way so you can essentially just take it without having to waste the time and lie to them and do all that stuff.”

Exhibit 11, *Cody Hawkins, Tr. 64:9-65:9*.

44. Regardless of the methods used by the mobile technicians to deal with the customer, AAAA TEVA's mobile technicians do not repair televisions. See **Exhibit 22**, *Consumer affidavits-in home repair*; **Exhibit 11**, *Cody Hawkins, Tr. 58:17-59:20*; **Exhibit 12**, *Andrew Carter, Tr. 22:8-22:11*; **Exhibit 13**, *Brandon Postlewait, Tr. 20:2-20:24*.

45. After the fake inspection, or a perfunctory review by the mobile technicians, consumers are told that the television appears to have an unidentifiable problem and will need to go back to the shop for further diagnostic testing. The customer is then asked to pay a “diagnostic fee” ranging from \$150 to \$200. **Exhibit 11**, *Cody Hawkins, Tr. 64:9-65:9, 54:15-55:22*; **Exhibit 12**, *Andrew Carter, Tr. 38:1-41:8*; **Exhibit 13**, *Brandon Postlewait, Tr. 24:24-26:7*.

46. AAAA TEVA's former mobile technicians were consistent in their testimony that it was their job to “sell” the diagnostic fee and get televisions back to the shop:

“We were instructed to essentially tell the customer whatever we could find, whatever we could sell them on to make them believe that their television was non-repairable in the home and had to come back to the store.”

Exhibit 13, *Brandon Postlewait, Tr. 23:1-23:5*; **Exhibit 11**, *Cody Hawkins, Tr. 24:2-24:16*; **Exhibit 12**, *Andrew Carter, Tr. 38:1-41:8*.

47. AAAA TEVA’s mobile technicians already know the amount for the diagnostic fee prior to going to the consumer’s home. Murib writes the diagnostic fee on index cards, along with a number between 1 and 5, which tells the mobile technician how difficult Murib believes it will be to “sell” the customer on the diagnostic fee. **Exhibit 12**, *Andrew Carter, Tr. 38:1-41:8*; **Exhibit 15**, *AAAA TEVA Repair Card*; **Exhibit 13**, *Brandon Postlewait, Tr. 45:16-47:13*.

48. In addition to informing the mobile technicians of how easy or hard it will be to sell the diagnostic fee to the consumer, Murib writes an estimate of the customer’s age on the index card, which lets the mobile technicians know if the customer will be able to assist with loading their television into the van. **Exhibit 12**, *Andrew Carter, Tr. 38:1-41:8*; **Exhibit 15**, *AAAA TEVA Repair Card*.

49. While most customers readily believe that their television has a serious problem beyond the scope of the “specialized” field technician, some are surprised that their television requires further diagnosis and that they are being asked to pay a \$150 diagnostic fee. **Exhibit 12**, *Andrew Carter, Tr. 32:14-32:21*.

50. Customers who become frustrated and do not want to pay the diagnostic fee are charged a \$50 trip charge, or as Murib refers to it a “consultation” fee. There is no third option, however. Customers are charged either \$50 or \$150 solely for the experience of having an AAAA TEVA mobile technician come to their homes to tell them that they do not know how to repair their television. **Exhibit 11**, *Cody Hawkins, Tr. 64:9-65:9, 54:15-55:22*; **Exhibit 12**, *Andrew Carter, Tr. 38:1-41:8*; **Exhibit 13**, *Brandon Postlewait, Tr. 24:24-26:7*.

51. During depositions, AAAA TEVA’s former mobile technicians acknowledged that AAAA TEVA’s advertisements regarding in-home repair are false:

Q. There's a statement which says, "We have field technicians that will come to your home and perform on-site in-home repairs." Is this the type of language that customers were frustrated about?

A. Yeah, that's exactly it.

Q. And then it says, "Our fleet of trucks and technicians are equipped to come to you wherever you are to help fix your TV or electronics." I guess based on what you've testified to earlier, would you agree that's not really true?

A. That is very false.

Q. It also says, "Our technicians are specialized and we have a field technician in every major Metro area daily." Did you believe you were specialized as a technician?

A. No, by no means.

Q. I also notice on this page it says, "Same day service most of the time." Was that something that was true?

A. We'd usually call them back in the same day, but that's about the extent of the guarantee on that.

Exhibit 12, *Andrew Carter, Tr. 34:2-34:24*. See also **Exhibit 13**, *Brandon Postlewait, Tr. 29:13-31:23*.

52. Despite awareness of this investigation, Murib continues to advertise in-home television repair and send untrained mobile technicians to consumers' homes solely to bring their televisions back to his shop. AAAA TEVA's current mobile technician manager was hired in March of 2015. The current manager testified that he previously worked as a bank teller and that he presently supervises two other mobile technicians. Regarding his qualifications to carry out in-home television repair, he stated:

Q. Prior to working at AAAA had you ever worked as a repair technician?

A. No, sir.

Q. Do you have any training in repairs?

A. Prior to this?

Q. Prior to this.

A. No, sir.

Q. Had you ever repaired televisions prior to working for AAAA?

A. No, sir.

Q. Had you ever repaired any kind of electronic equipment prior to working at AAAA?

A. No, sir.

Exhibit 14, *Daniel Ballez, Tr. 6:10-8:4*.

III. Defendants deceive customers about what has been repaired in order to charge exorbitant repair prices.

53. AAAA TEVA gets consumers' repair items into its store either through their mobile technicians, or by convincing the customer to bring the repair item into the store for evaluation. With either situation, consumers pay a \$150 diagnostic fee up front.

54. Once a repair item is at the store, AAAA TEVA's actual repair technicians go ahead and complete repairs that cost less than the diagnostic fee, without further approval. AAAA TEVA's repair technician manager testified that he and his repair technicians make use of used parts and repair for the vast majority of repairs and for much less than the \$150 diagnostic fee. Thus, in most situations where Murib calls a customer to provide an "estimate," the repair is already completed. **Exhibit 17**, *Steven Gonzales, Tr., Vol. II. 66:25-68:5*

55. AAAA TEVA's repair technician manager testified that he has nothing to do with estimates given to customers. Customers receive their estimates and an explanation of the repair directly from Muhammed Murib over the phone. **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 48:5-49:2*; **Exhibit 2**, *Muhammed Murib, Tr. 69:21-70:7*.

56. Murib handles almost all technical discussions with AAAA TEVA's customers, despite an admitted complete lack of knowledge of electronics or

electronic repair. In Murib's own words, he is "zero when it comes to electronics." **Exhibit 2**, *Muhammed Murib, Tr. 69:17-71:18*; **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 48:5-49:2, 74:17-77:7*; **Exhibit 18**, *Michael Severin, Tr. 20:23-21:10*.

57. When Murib calls the customer to discuss the "estimate," he essentially reads from scripts, or hand-written lists that he has created of technical terms related to, or not related to, the repair of televisions, projectors, stereos, vacuum cleaners, and sewing machines. **Exhibit 11**, *Cody Hawkins, Tr. 90:7-97:7*; **Exhibit 19**, *Handwritten lists of technical terms*.

58. Using these lists, Murib tells customers that they have an item that is worth repairing, but to do so it will be necessary to "rebuild" circuitry boards, and "align the geometry," and "fine-tune capacitors," along with numerous other phrases he has compiled. **Exhibit 11**, *Cody Hawkins, Tr. 91-24-96:20*.

59. AAAA TEVA's mobile and repair technicians testified that many of the terms on these lists do not make any sense and that they routinely heard Murib reading from the lists while speaking with customers on the phone. **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 74:17-77:25, Vol. II. 107:10-109:20*; **Exhibit 11**, *Cody Hawkins, Tr. 91-24-96:20*.

60. AAAA TEVA's former employees described an open awareness of how Murib uses these lists of technical terms to deceive customers:

The thing that you have to grasp here, every single customer who has something brought into that shop is lied to and taken for money and defrauded. It's not like 5 percent or some. Every single person who brings something into the shop, he lies to. It doesn't matter. So, yes, every single one. I mean, he says the same things to every person, no matter what we repaired, no matter what was done, no matter what you put in the TV. He says, we rebuilt the main circuitry board, we fine-tune the capacitors, which is impossible, if you know anything about electronics. We've centered your focus. We've realigned your geometry. These are things he says to people on the phone that are literally impossible. They are not actual TV repair terms or anything like that.

Exhibit 11, *Cody Hawkins, Tr. 71:15--72:7*.

Among the mobile technicians, there would be a little bit of discussion. It was generally more of joking and, I hate to say it, almost making fun of him, that he -- disbelief that this would work, that you could read this list of technical terms and have people believe that you know what you're talking about and then cough up a few hundred dollars above and beyond what they'd paid already.

Exhibit 12, *Transcript-Andrew Carter*. See also **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 64.

61. AAAA TEVA's repair technician manager testified that Muhammed Murib refers to these phone conversations with customers as "selling" or "pitching" the repair. The repair technician manager testified that Muhammed Murib spends most of his time at the store pitching or selling these "repairs" to customers. **Exhibit 17**, *Steven Gonzales, Tr., Vol. II.101:25-102:8*.

62. Murib holds additional leverage in his discussions with AAAA TEVA's customers because they have already paid a non-refundable \$150 diagnostic fee. The customer who considers refusing Murib's "estimate" faces forfeiting the \$150 diagnostic fee.

63. A review of AAAA TEVA's repair records show that Murib typically charges hundreds of dollars, in addition to the diagnostic fee, per television repair, and charges thousands of dollars for more expensive equipment, such as projectors. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 52.

64. AAAA TEVA's former mobile technician manager explained that Murib sets his repair price based on the Manufacturer's Suggested Retail Price ("MSRP") for the item, versus the actual cost of parts and labor. As such, Murib finds the highest price that he can charge without making the purchase of a new television the more rational consumer choice. Murib also tells consumers that they bought "the best in their class" and that it is "well worth fixing." **Exhibit 11**, *Cody Hawkins, Tr., 156:11-157:5*. See also **Exhibit 1**, *Affidavit of Gary Pangus, Attachment 2, p. 3 (consumers told their appliances were "worth the repairs")*.

65. As further evidence of the arbitrary nature of AAAA TEVA's repair charges/estimates, a review of thousands of these repair charges showed that virtually all repair charges ended in .97, such as \$869.97 or \$649.97. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 43.

66. During his sworn testimony, Murib was asked to explain why his repair charges all end in 97 cents:

Q. How can your repair calculations, which involve parts, and which involve labor, and one job might be harder than other, how can all your repairs end in 97 cents?

What kind of math are you using?

A. I don't. But when I go to Sam's Club, Walmart, Best Buy, they all end with 99 cents. I never ask how come they come up with the TVs 99 cents. I never ask them. It's a purchase that I'm buying.

Exhibit 2, *Muhammed Murib, Tr. 167:12-167:20.*

67. When conveying the repair charges, Murib also tells customers that the manufacturer recommends a "fine-tune." If a customer balks at the repair cost, Murib will negotiate with the customer, offering to throw in the "fine-tune" for free, despite the fact that the item has already been repaired and the repair technicians do not perform such a service. **Exhibit 13**, *Brandon Postlewait, Tr. 37:10-39:7*

68. When an item is not repairable, Murib offers the customer an opportunity to apply the diagnostic fee towards a trade-in for a new television. AAAA TEVA purchases its televisions from Sam's Club and marks up the price. Thus, a customer who was deceived into paying the diagnostic fee is further deceived into purchasing an overpriced television. **Exhibit 11**, *Cody Hawkins, Tr. 42:8-44:5*; **Exhibit 14**, *Daniel Ballez, Tr. 27:3-28:7.*

69. Finally, if a customer refuses to accept the estimate or do a trade-in, Murib instructs the repair technicians to "unfix" the already repaired item. AAAA TEVA's actual repair technicians have worked for other repair companies and testified that this is not typical for the repair industry. **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 128:14-132:7.*

70. AAAA TEVA's repair technician manager testified that while they can frequently "unfix" the repair without causing damage to the consumer's television, there are other times where consumers' repaired items are unavoidably damaged in the process. **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 128:14-132:7.*

71. AAAA TEVA does not deliver the unrepaired or “unfixed” televisions back to the consumer as part of the already-charged \$150 diagnostic fee. The consumer forfeits the diagnostic fee, and if they want their unrepaired television delivered back to their home, there is an additional \$90 charge. See **Exhibit 44**, *AAAA TEVA Disclaimer*.

72. At this point, many consumers just give up on their televisions and Murib instructs the repair technicians to “dispose” of the television. The repair technicians do not throw away the televisions, however. Rather, they take the televisions apart and then use the parts to fix other consumers’ televisions. **Exhibit 11**, *Cody Hawkins, Tr. 42:8-44:5*; **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 127:4-128:6*.

73. Unlike most repair businesses, AAAA TEVA does not routinely provide customers with an invoice. Only in situations where the customer is extremely adamant, or where the customer is a business or a public entity, and requires an invoice prior to payment, does Murib provide an invoice. **Exhibit 2**, *Muhammed Murib, Tr. 193:16-194:24*; **Exhibit 11**, *Cody Hawkins, Tr. 79:2-80:22*.

74. Murib’s invoices are handwritten. AAAA TEVA’s repair technicians have reviewed these handwritten invoices and testified that they do not make any sense and bear no relation to the actual repair that was performed. **Exhibit 17**, *Steven Gonzales, Tr., Vol. I 81:14-84:21, Vol. II. 49:22-50:16, 107:10-109:20*; **Exhibit 18**, *Michael Severin, Tr.17:6-21:15*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 41.

75. Murib’s handwritten invoices are derived from the same handwritten lists of technical terms that he uses to “sell” the repair to customers over the phone. Murib creates these invoices without input from the repair technicians. **Exhibit 11**, *Cody Hawkins, Tr. 79:2-80:22*; **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 83:23-84:21;90:14-91:2*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 41.

76. AAAA TEVA’s repair technician manager has an associate’s degree in electronic engineering technology and 16 years of electronics repair experience. When asked to review Murib’s handwritten invoices, the repair technician manager commented on both the confusing nature and the similarity of the invoices:

Q. It’s not clear what was done with the output transistor?

A. It's not clear. The terminology is the same on most of these handwritten invoices anyway.

Q. And I mean, frankly, what does that mean to you?

A. That means Muhammed has really no knowledge of the repair process of these units. He's not a technician.

Q. And so if this is an invoice to the customer, he's just writing down a bunch of items from the list of terminology?

A. It appears to be so. The only thing that appears to change is the price.

Exhibit 17, Steven Gonzales, Tr., Vol. I. 90:14-91:2.

77. Murib avoids consumer pressure to provide invoices by attaching a meaningless and confusing "repair checklist" to every repaired item. The repair checklist is merely a list of all components and functions that a particular consumer electronic item possesses, and can be easily printed off and taped to the customer's repaired item. **Exhibit 11, Transcript-Cody Hawkins 76:21-77:1, 82:23-84:5; Exhibit 17, Steven Gonzales, Tr., Vol. II. 33:19-53:17.**

78. AAAA TEVA's repair technician manager described the repair checklists as "vague" and agreed that they convey no information to the customer about what work was performed. The repair technician manager testified that he has previously worked as a repair technician for other companies, such as Best Buy and Sears, and that most repair companies provide consumers with a computer-generated invoice showing the work that was actually done. **Exhibit 17, Steven Gonzales, Tr., Vol. II. 38:12-42:1.**

79. AAAA TEVA's repair technician manager testified that AAAA TEVA created the vague repair checklist in order to "appease" customers' requests for information about what work had been done. **Exhibit 17, Steven Gonzales, Tr., Vol. II. 40:25-41:13.**

80. AAAA TEVA's repair technician manager further testified that Muhammed Murib intentionally added meaningless language to the "Notes" section of these repair checklists. The default language reads:

"Notes: Fine tuned capacitors, relays, transformers, and field effect transistors."

Exhibit 20, AAAA TEVA Repair checklists; **Exhibit 17**, Steven Gonzales, Tr., Vol. II. 51:3-51:6; 52:9-53:17.

81. AAAA TEVA's repair technician manager testified that it is impossible to "fine tune" capacitors, relays, transformers, and field effect transistors. **Exhibit 17**, Steven Gonzales, Tr., Vol. II. 53:24-54:12.

82. Until recently, AAAA TEVA's actual repair technicians used a repair system database called "Repair Trax." The Repair Trax system allows for entry of all customer information, the make and model of the repair item, and all parts and labor required to repair that item. **Exhibit 17**, Steven Gonzales, Tr., Vol. I. 30:4-35:16; Vol. II 116:3-117:21, CID Exhibit 34.

83. Repair Trax is also capable of producing detailed estimates and invoices, but AAAA TEVA does not use that feature. **Exhibit 17**, Steven Gonzales, Tr., Vol. II. 30:3-30:5; 48:19-49:13.

84. When he became aware that he was being investigated, Murib instructed his repair technician manager to delete thousands of customer repair records on Repair Trax which showed the work that was actually done on customers' repair items. **Exhibit 17**, Steven Gonzales, Tr., Vol. I. 36:15-39:5.

A. False repairs - Televisions

85. While Murib provides very few invoices in general, the invoices that were reviewed during the Attorney General's investigation showed that Murib employs almost the exact same terminology to describe the repair, regardless of the type of item. AAAA TEVA's invoices for television repair, projector repair, stereo repair, and sewing machine repair all contained very similar verbiage.

86. Murib's handwritten invoice for an 82" Mitsubishi television reads as follows:

Mitsubishi 82 30 Day warranty on Main circuit board labor& parts only-repair-service-rebuild MAIN MOTHER circuit Board-power supply-conversion-center focus-field effect-resistor-Transformer-relay capacitor-replace optical sensor assembly. clean dust-oxidation-reseat capacitor-Transformer-Modification-calibration balance-alignment-set up-fine tune

Exhibit 21, AAAA TEVA customer invoice, Mitsubishi television.

87. Murib's handwritten invoice for a 60" Samsung television contains almost identical language:

Samsung 60" TV-60 Day warranty limited labor parts only on Main Power Board only repair-service-rebuild power Board MAIN Mother Board-power supply- output transistor-reseat capacitor resistor-transformer-relay-Modification-calibration balance alignment align Geometry-electro focus static-center focus set up Fine Tune

Exhibit 21, AAAA TEVA customer invoice, Samsung television.

88. Murib's own repair technicians have reviewed these invoices and testified that the repairs described on the invoices do not make any sense and bear no relation to the repairs that they actually performed. The employees have noted that phrases such as "align geometry" and "modification, calibration, balance, alignment" are nonsense and that repair technicians do not "reseat capacitors." **Exhibit 18**, Michael Severin, Tr.17:6-21:15; **Exhibit 17**, Steven Gonzales, Tr., Vol. II. 81:12-84:4; **Exhibit 7**, Affidavit of Investigator LeAnn Lopez, at ¶¶ 60-65.

89. AAAA TEVA's repair technician manager also noted that they AAAA TEVA does not "repair," "service" or "rebuild" main circuit boards, as claimed in all of Murib's handwritten invoices, because circuit boards are easily replaced, if needed, and technicians would not take the time to "rebuild" them. **Exhibit 17**, Steven Gonzales, Tr., Vol. I.68:19-69:10; Vol. II 36:2-43:14.

B. False repairs - Projectors

90. AAAA TEVA advertises projector repair and maintains a microsite, ProjectorRepairDenver.com. Projectors are widely used by businesses, churches and other organizations for presentations and training. A review of projector prices shows that name-brand projectors can frequently cost more than \$10,000. **Exhibit 7**, Affidavit of Investigator LeAnn Lopez, at ¶¶ 18, 20, 33-34; **Exhibit 16**, Microsites landing pages.

91. As with the other microsites, AAAA TEVA's projector repair microsite comes up as one of the first search results on a Google search for "projector repair." **Exhibit 7**, Affidavit of Investigator LeAnn Lopez, at ¶17.

92. In 2007, the Unity Church of Denver purchased a professional Mitsubishi projector for about \$10,000. The Church used the projector for its

Sunday slideshow, songs, and announcements. **Exhibit 23**, *Affidavit of Trisha Morris, Unity Church*, at ¶ 3.

93. In December 2014, the church's projector stopped working. The projector would turn on, but it would not illuminate. A volunteer at the Church researched online for "Mitsubishi projector repair" and found AAAA TEVA. *Id.*

94. The Unity Church administrator brought the church's projector to AAAA TEVA for repair. A few days passed and Ms. Morris contacted AAAA TEVA, speaking with Murib who told her that it would cost \$989 to repair the projector. She asked Murib what was being repaired for that price, and he told her several components were being repaired, including a "motherboard." *Id.* at ¶ 4.

95. AAAA TEVA charged the Unity Church \$828.97 for the projector repair. Murib's handwritten invoice reads as follows:

Mitsubishi projector estimate to repair 30 Day warranty on MAIN Circuit Board. service-repair-rebuild MAIN MOTHER Board-power supply output; labor/parts limited only reseal capacitor-resistor relay modification-calibration-Balance-alignment set up-Fine Tune reset

Id. at ¶ 8 and *Attachment 1*.

96. The Attorney General's Office interviewed the AAAA TEVA technician who actually repaired the Unity Church's projector. The repair technician reviewed the invoice that Murib provided and stated that projectors do not have "motherboards." The repair technician also noted that the invoice refers to both a "main circuit board" and a "mother board," which is technically impossible because projectors only have one circuit board. He further noted that repair technicians do not "reseal" capacitors. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 60-65.

97. The repair technician reviewed his own Repair Trax entry and stated that he had likely corrected the problem simply by cleaning dust out of the projector and pressing a reset button. *Id.*

98. In April of 2014, AAAA TEVA charged the Bennett Fire Protection District \$1,789.96 for the repair of a Hitachi projector that it uses for trainings. Pursuant to governmental purchasing procedures, the Bennett Fire Protection District requested an invoice for its records. See **Exhibit 24**, *Affidavit of Cpt.*

Caleb Connor, Bennett Fire; Exhibit 25, Affidavit of Chief Tim McCawley, Bennett Fire; Exhibit 26, Affidavit of Victoria Flamini.

99. In response to its request, Murib provided the Bennett Fire Protection District with a handwritten invoice. Murib's invoice to the Bennett Fire Protection District reads as follows:

Hitachi projector repair-30 day warranty limited on MAIN printed circuit Board only. Repair-service-rebuild---circuitry board-reseat capacitor-relay-resistor-transformer-optical focus. Clean-dust-oxidation-modification-calibration-TIMMING(sic)-Balance-Fine Tune-Set up

Id.

100. As with Murib's other handwritten invoices, the invoice shows that the Bennett Fire Protection District was charged for repairs that AAAA TEVA's own projector repair technician deemed impossible. See **Exhibit 26**, *Affidavit of Victoria Flamini, Attachment 2*. See also **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 60-65.

101. In similar fashion, Murib charged the Golden Plains Recreation Center, a 501(c)(3) non-profit organization located in Holyoke, Colorado, \$4,148.97 for projector repairs that AAAA TEVA's projector repair technician agrees is not possible. See **Exhibit 27**, *Affidavit of Robert Brandt*. See also **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 60-65.

C. False repairs - Audio equipment

102. In addition to televisions, AAAA TEVA also advertises that it repairs audio equipment. In 2013, the City of Brighton Recreation Center contacted AAAA TEVA to repair a \$3,000 Monster Portable Water Speaker that it uses for water aerobics instruction. See **Exhibit 28**, *Affidavit of Trish Lemke, City of Brighton*.

103. Murib informed the City of Brighton that it would cost \$798.97 to repair the speaker. The City of Brighton agreed to the repair and requested an invoice for its records. Murib provided a handwritten invoice which stated:

Monster Water portable speaker 30 day warranty limited labor/parts on Main Power circuitry board only-service-repair-rebuild power Main Board replace power supply. reseat capacitors resistor- relay-Modification

*calibration-balance-alignment clean switches align-solder cold joint set up-
Fine Tune*

Id.

104. The Attorney General's office interviewed the AAAA TEVA audio technician who actually repaired the water speaker regarding Murib's handwritten invoice. When asked if the invoice makes much sense, the technician stated:

A. Yeah, it is hard to follow. Rebuild power main board. That doesn't make a lot of sense to me. We would repair the power supply. Clean switches, do that. Solder cold joints, we would do that. Unsure about modification, calibration, balance, alignment. The main power circuitry board is confusing to me. Typically there's a main board and a power board. It would be called something else in different places.

Q. Do you ever talk with Muhammed about stereo repair?

A. Very little.

Q. Do you find that he understands or knows stereo repair?

A. He does not.

Q. And this information, you would agree, wouldn't have come from you. That was given to the customer?

A. I see part of it might have come (*sic*) from my report.

Q. But certain things you identified don't make much sense?

A. Correct.

Q. And could you just restate the part that didn't make much sense to you?

A. Modification, calibration, balance, alignment.

Exhibit 18, Michael Severin, Tr. 20:23-21:10.

105. Additionally, as part of its investigation, the Attorney General's office contacted the technical representative for the distributor of the Monster Portable Water Speaker and asked him to review Murib's handwritten invoice. The technical representative was surprised by both the price of the repair and by what Murib claimed was repaired. See **Exhibit 29**, *Affidavit of Dick Hahn, Ansr Audio*.

106. The technical representative reviewed Murib's invoice and determined that Murib's claimed repairs were impossible. In his affidavit, the technical representative noted that the Monster Portable Water Speaker does not have an "adaptor resistor" and the phrase "calibration-balance-alignment" makes no sense, given that there is nothing within the speaker to calibrate, balance or align. *Id.*

107. Consumer R.S. is a Denver dentist who brought a \$10,000 amplifier to AAAA TEVA for repair after finding the company through a Google search. R.S. was charged \$889.97 for repairs that sounded questionable and he demanded an invoice. See **Exhibit 30**, *Affidavit of R.S.*

108. R.S. received a handwritten invoice, created by Murib, referencing a "main circuitry board," along with the other repairs that AAAA TEVA's own technicians have stated are not possible:

Viva Tubeamp 30 day warranty limited on MAIN circuitry Board only labor & parts-Repair-service-rebuild MAIN circuitry. reseal capacitor Resistor-relay-transformer solder Cold soldering joints. Output transistor Modification-calibration-Balance Alignment-clean-set up Fine tune

Id.

109. Subsequently, R.S. brought his amplifier to ListenUp, a Denver company that specializes in audio systems. After inspecting the amplifier, ListenUp determined that no components had been repaired or replaced. *Id.* See **Exhibit 31**, *Affidavit of Steve Meyer, Listen Up*.

110. R.S. then contacted Robert Clarke, the owner of Profundo, the U.S. distributor for Viva Audio. Mr. Clarke reviewed the AAAA TEVA invoice and stated, in an affidavit, that:

First, the AAAA invoice speaks of “Main circuitry Board.” Viva Audio amplifiers do not use circuit boards. Rather, all components are wired with point-to-point wiring. If someone at AAAA had even opened the amp, this would have been immediately apparent.

On the invoice, AAAA also claims to have “reseat”-ed a “capacitor/resistor relay.” There are no relays in the amp of any kind.

Then, the invoice lists a litany of electronics gibberish that is equally irrelevant to the amp in question, including reference to “output transistor modification/calibration.” Again, I am awed by either the ignorance or the sheer audacity in this case. Dr. S----’s amp is a class A vacuum-tube amplifier circuit, with very large tubes that are openly visible. The amp uses no transistors whatsoever.

See **Exhibit 32**, *Affidavit of Robert Clarke, Profundo*.

D. False Advertising and False Repair - Sewing Machines

111. When a consumer searches on Google for “sewing machine repair,” the first Google ad to appear is for sewingmachinerepairdenver.com, one of AAAA TEVA’s seven microsites. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 17, 18, 24.

112. The Sewing Machine Repair Denver webpage states “We repair all sewing machines makes and models.” The web page shows the logos of eighteen (18) different sewing machine manufacturers. **Exhibit 16**, *Microsites landing pages, Sewing Machine Repair Denver*.

113. The webpage also states “If you need sewing machine repair in Denver, AAAA TV Electronics & Vacuum provides professional repair and maintenance services for ALL BRANDS of sewing machines, Serger and embroidery machines.” *Id.*

114. Despite its advertising, AAAA TEVA does not repair sewing machines. AAAA TEVA sends all the sewing machines it receives to other actual repair stores who perform the repairs.

115. D.G. is a Lakewood consumer. In June of 2014, her \$7,000 JUKI quilt sewing machine was not functioning properly. She looked online for a Denver company that could service JUKI sewing machines. Her online search

led her to AAAA TEVA's microsite, sewingmachinerepairdenver.com. See **Exhibit 33**, *Affidavit D.G.*

116. Based on the website's singular emphasis on sewing machines and use of the JUKI logo, she called the listed number and made a service appointment. AAAA TEVA's mobile technicians came out to her house and quickly informed her that they would need to take the sewing machine back to the shop and she would have to pay a \$250 diagnostic fee. *Id.*

117. One month later, D.G. contacted AAAA TEVA because she had not heard anything about the repair progress. *Id.*

118. On August 31, 2014, Murib called D.G. and told her that it would cost an additional \$1,557.97 to fix her sewing machine, on top of the \$250 diagnostic fee that she already paid. Murib told her that the store had just received the needed part to fix her sewing machine, a "main circuit board." *Id.*

119. A review of AAAA TEVA's business records shows that AAAA TEVA sent its customers' sewing machines to Rocky Mountain Sewing and Vacuum, a repair shop in Denver. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 24.

120. The review showed that Rocky Mountain Sewing and Vacuum provided AAAA TEVA with detailed invoices for each sewing machine it serviced or repaired. Rocky Mountain Sewing and Vacuum invoiced AAAA TEVA for the D.G. sewing machine on July 30, 2014. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 24. See also **Exhibit 34**, *Affidavit, Lynn Washington, Rocky Mountain Sew and Vac.*

121. The invoice clearly shows that Rocky Mountain Sewing and Vacuum charged AAAA TEVA \$139.30 for simple cleaning and servicing. *Id.*

122. The invoice also shows that Rocky Mountain Sewing and Vacuum did not repair or replace the machine's "main circuit board," as Murib claimed. Rocky Mountain Sewing and Vacuum confirmed that no parts were required to correct the issues with D.G's sewing machine. *Id.*

123. A technical representative for JUKI America confirmed that Rocky Mountain Sewing and Vacuum is an authorized JUKI repair shop and that cleaning and servicing was the appropriate solution for the reported problem. See **Exhibit 35**, *Affidavit, Elbert Shirley, JUKI America.*

124. Regarding Murib’s claimed repair, JUKI America’s technical representative stated that the price was “outrageous” and the customer was “scammed.” The representative confirmed that AAAA TEVA is not an authorized JUKI dealer or repair shop. *Id.*

IV. Defendants engage in deceptive trade practices regarding cracked television screen repair.

125. AAAA TEVA’s repair technicians and former mobile technicians expressed awareness and or concern about AAAA TEVA’s practice of accepting televisions with cracked screens for repair. AAAA TEVA’s technicians testified that the cost of replacing a cracked screen exceeds the cost of a comparable brand new television. AAAA TEVA’s technicians testified that they have never even attempted to repair a cracked television screen. **Exhibit 13**, *Brandon Postlewait, Tr. 22:2-22:21*; **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 115:11-116:7*; **Exhibit 18**, *Michael Severin, Tr. 26:1-27:14*; **Exhibit 12**, *Andrew Carter, Tr. 25:16-29:11*.

126. Despite awareness that cracked screens are not repairable, AAAA TEVA takes in a significant number of televisions with cracked screens solely for the purpose of getting consumers to purchase new televisions from its store. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 25.

127. Murib not only tells customers that it might be possible to fix their cracked television screens, he heavily advertises “cracked screen repair.” **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 25.

128. AAAA TEVA is the only repair company in Colorado which advertises that it can fix cracked television screens. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 17-18.

129. A simple search of “cracked TV screen” (not even “cracked TV screen repair”) results in one of AAAA TEVA’s microsites showing up as the first and only Google ad result, with the banner “TV Screen Repair-Get \$20 Off Repairs Above \$125.” **Exhibit 6**, *E. Lopez, Tr. 111:25-115:9*; **Exhibit 43**, *cracked screen Google search results*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 17-18.

130. AAAA TEVA’s search engine optimization consultant testified that AAAA TEVA had several online advertising “campaigns,” with television repair

as its primary campaign. The phrase “cracked TV screen” was a keyword within the television repair campaign. **Exhibit 6**, *E. Lopez, Tr. 59:14-63:4*.

131. At the recommendation of the SEO consultant, AAAA TEVA created a blog in order to drive internet traffic to its microsites. AAAA TEVA operates a blog called TV Repair Denver, which features AAAA TEVA’s phone number and address, but without any direct reference to AAAA TEVA. **Exhibit 6**, *E. Lopez, Tr. 28:19-29:25, CID Exhibit 20; Exhibit 36, Wordpress blog-TV Repair Denver. See also Exhibit 7, Affidavit of Investigator LeAnn Lopez*, at ¶ 18.

132. Regarding cracked television screens, a September 8, 2014 blog article posted on TV Repair Denver is titled “Panasonic 60 Inch Plasma Flat Screen Repair” and shows two photos of a television. The article states:

We received this Panasonic 60 inch Plasma to repair the cracked screen in our tv repair shop. We offer a full range of television repair services to the entire Denver Metro. We carry Panasonic TV original parts and our technicians are fully qualified and have many years of experience in Panasonic television repairs us a call 303-770-6321 regarding your plasma tv repair needs.

Exhibit 36, *Wordpress blog-TV Repair Denver. See also Exhibit 7, Affidavit of Investigator LeAnn Lopez*, at ¶ 18.

133. Despite this heavy advertising, AAAA TEVA’s repair technician manager testified “[w]e repair zero cracked screens.” **Exhibit 17**, *Steven Gonzales, Tr., Vol. I. 115:13-115:14*.

134. A review of AAAA TEVA’s repair records show that the repair technicians typically record 15 minutes of time spent on a cracked television screen, the time that it takes to look up the original manufacturer’s suggested retail price for the television and the price of a replacement screen. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 75.

135. AAAA TEVA receives customers cracked screen televisions through its advertised “in-home” television repair and at its front desk. Defendant Omar Murib is AAAA TEVA’s sales manager and also responsible for repair intake at the front desk. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 74.

136. Defendants Muhammed Murib and Omar Murib tell customers that their cracked screens may be repairable in order to lure customers to do a

“trade-in” for one of the televisions that AAAA TEVA sells in its store. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 25, 67.

137. K.B. is a Denver consumer who contacted AAAA TEVA regarding a cracked television screen. K.B. had purchased his television only two years prior for \$2,300. He found AAAA TEVA by searching online for local television repair. See **Exhibit 37**, *Affidavit of K.B.*

138. AAAA TEVA told K.B. that it could fix his television’s screen for \$200 and sent technicians to his house to pick up his television. K.B. was surprised, however, when the technicians requested payment of \$200 prior to the repair. *Id.*

139. With the technicians present, K.B. called the AAAA TEVA store and spoke to someone who assured him that AAAA TEVA could “absolutely” fix his television screen because they had thousands of televisions in their warehouse and would be able to find a replacement screen. K.B. agreed to pay \$200 upfront. *Id.*

140. Approximately one week later, K.B. received a call from AAAA TEVA informing him that it would cost \$800 to fix his screen. He did not agree to the repair, went to the store, and requested a refund of the \$200 he had paid. A store employee offered K.B. a \$200 credit toward the purchase of a new television from AAAA TEVA. K.B. continued to ask for a refund, and the employee became confrontational. K.B. left the store and then received a call from the AAAA TEVA employee telling him that the police had been called. K.B. returned to the store and after discussing what had happened with police, the AAAA TEVA employee gave him his television back. *Id.*

141. K.B.’s experience with AAAA TEVA is not atypical. From January 2013 to July of 2015, AAAA TEVA’s customers called the Centennial Police Department 38 times. Some of these calls were just to report that the business was a “scam” or that the customer had been the victim of fraud. A significant number of calls, however, required police officers to actually go to the scene either because the consumer was fearful of the business and requested a standby or to deescalate conflicts directly related to AAAA TEVA’s deceptive trade practices. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 90.

142. The Better Business Bureau has given AAAA TEVA a D+ rating. In its business review, the Better Business Bureau states:

BBB has identified a pattern of complaints against this business. Specifically, consumers allege they are not notified ahead of time that the diagnostic fee of \$150 is non-refundable. Instead, consumers alleged they are lead to believe the \$150 fee is applied toward the repair fee and will likely cover the cost of all repairs - but in no complaints did the fee cover the cost of repairs. To the contrary, most repairs cost substantially more than the \$150.

Exhibit 38, *Better Business Bureau Review*. See also **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶ 18.

V. Defendants' engage in additional deceptive trade practices.

143. AAAA TEVA's webpages suggest that it carries new parts in stock and uses new parts when performing repairs. AAAA TEVA's webpages list nine different television brands and, for each brand, claims that it uses "original" parts, *i.e.* "[w]e carry Samsung televisions original parts." The webpages also state "[w]e use factory parts." See **Exhibit 39**, *AAAA TEVA examples advertising statements regarding parts*.

144. In reality, AAAA TEVA maintains a stock of used parts that it strips from televisions it retains when the televisions cannot be repaired or where the owner has told AAAA TEVA to keep the television because the repair price is too high. AAAA TEVA's repair technicians testified that AAAA TEVA always looks to its used parts inventory first for any repairs, and only orders new parts when it cannot find parts in its used inventory. Consumers are not told that used parts were put into their televisions. **Exhibit 17**, *Steven Gonzales, Tr., Vol. II. 132:8-132:22*; **Exhibit 11**, *Cody Hawkins, Tr.42:22-44:23*.

145. AAAA TEVA deceptively advertises that its technicians are experienced in sewing machine and vacuum repair, and that it carries out such repairs in its store, when in fact, AAAA TEVA relies on other actual repair stores to repair these items. **Exhibit 11**, *Cody Hawkins, Tr.98:5-99:5*; **Exhibit 16**, *Microsites landing pages*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶18.

146. AAAA TEVA's webpages suggest that AAAA TEVA is an authorized repair center for almost every brand of television, projector, stereo and sewing machine. AAAA TEVA is not an authorized repair center for *any* brand of consumer electronic goods. AAAA TEVA's webpages make deceptive and unauthorized use of company brand logos, pairing the logos with statements

such as “We are specialized in Samsung TV repair.” AAAA TEVA’s advertising deceives consumers who have attempted to find an authorized repair center to repair their electronic items. See **Exhibit 16**, *microsite pages/examples representations repair center*; **Exhibit 42**, *AAAA TEVA’s ad on tvrepairmen.com*. See also **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶¶ 18, 31-32.

147. AAAA TEVA’s deceptive trade practices affect the reputation of numerous manufacturers of electronic goods through repeated misrepresentations of the repairs needed for such goods. AAAA TEVA repeatedly tells consumers that these goods require complicated repairs, such as “rebuilding” main circuitry boards, when, in fact, these items are designed to be repaired efficiently and economically.

LEGAL ARGUMENT

I. The CCPA expressly provides for Temporary Restraining Orders and Preliminary Injunctions

148. This Court is expressly authorized by C.R.S. § 6-1-110(1) to issue a temporary restraining order and preliminary injunction to enjoin ongoing violations of the CCPA:

Whenever the attorney general or a district attorney has cause to believe that a person has engaged in or is engaging in any deceptive trade practice listed in section 6-1-105 or part 7 of this article, the attorney general or district attorney may apply for and obtain, in an action in the appropriate district court of this state, a temporary restraining order or injunction, or both, pursuant to the Colorado rules of civil procedure, prohibiting such person from continuing such practices, or engaging therein, or doing any act in furtherance thereof. The court may make such orders or judgments as may be necessary to prevent the use or employment by such person of any such deceptive trade practice or which may be necessary to completely compensate or restore to the original position of any person injured by means of any such practice or to prevent any unjust enrichment by any person through the use or employment of any deceptive trade practice.

C.R.S. § 6-1-110(1).

149. Additionally, Plaintiff may seek a preliminary injunction and a temporary restraining order pursuant to C.R.C.P. Rule 65.

150. The Colorado Supreme Court has repeatedly held that the legislative purpose of the CCPA is to provide “*prompt, economical, and readily available remedies against consumer fraud.*” *W. Food Plan, Inc. v. Dist. Court*, 598 P.2d 1038, 1041 (Colo. 1979) (emphasis added); *see also May Dep’t Stores Co. v. State ex rel. Woodard*, 863 P.2d 967, 972 (Colo. 1993) (same); *Showpiece Homes Corp. v. Assurance Co. of Am.*, 38 P.3d 47, 51 (Colo. 2001) (same).

151. Both a temporary restraining order and preliminary injunction are designed to preserve the status quo or protect a party’s rights pending the final determination of a matter. *City of Golden v. Simpson*, 83 P.3d 87, 96 (Colo. 2004). A temporary restraining order is meant to prevent “immediate and irreparable harm.” *Id.* (quoting *Mile High Kennel Club v. Colo. Greyhound Breeders Ass’n*, 559 P.2d 1120, 1121 (Colo. App. 1977)).

152. Like a temporary restraining order, a preliminary injunction prevents irreparable harm before a decision on the merits of a case. *Id.* Granting preliminary injunctive relief is within the sound discretion of the trial court, and its ruling will not be disturbed on appeal unless it is manifestly unreasonable, arbitrary or unfair. *Bd. of County Comm’rs v. Fixed Base Operators*, 939 P.2d 464, 467 (Colo. App. 1997).

II. The facts of the case meet the *Rathke* factors.

153. The Court may grant a preliminary injunction when:

- a) there is a reasonable probability of success on the merits;
- b) there is a danger of real, immediate and irreparable injury which may be prevented by injunctive relief;
- c) there is no plain, speedy and adequate remedy at law;
- d) the granting of the preliminary injunction will not disserve the public interest;
- e) the balance of the equities favors entering an injunction; and
- f) the injunction will preserve the status quo pending a trial on the merits.

Rathke v. MacFarlane, 648 P.2d 648, 653-54 (Colo. 1982); *see also Gitlitz v. Bellock*, 171 P.3d 1274, 1278 (Colo. App. 2007).

154. The facts of the case meet the *Rathke* factors for preliminary injunctive relief.

155. First, there is a reasonable probability that the State will prove its claims against Defendants. *Rathke*, 648 P.2d at 653. Defendants' advertising is not merely misleading; Defendants' own former employees agree that it is entirely false. The State has presented strong and detailed evidence to support this assertion. The most prominent deceptive advertising involves Defendants' in-home repair service. Defendants do not have "specialized" technicians who are fully "equipped" to perform in-home television repair. Defendants' in-home television advertising is a ruse which allows them to charge diagnostic fees and take control of consumers' repair items and falsely claim that they performed extensive repairs.

156. Further, the false repairs claimed by Defendants are not subject to nuanced debate. Defendants' own repair technicians, including the repair technician manager, verify that these claimed repairs did not occur. The affidavits of outside repair technicians and industry technical representatives describe Defendants' repair invoices as "electronic gibberish" and "outrageous."

157. Defendants' deceptive trade practices are not singular incidents, rather a systemic and deceptive process. Defendants' former mobile technician and other employees testified that Defendants' deceptive trade tactics are used against 100% of Defendants' customers. This is evidenced by the fact that AAAA TEVA does not provide consumers with invoices unless demanded. Instead, the Defendants deliberately created "repair checklists" that Defendants' repair technician manager admits are "vague" and convey no information about the repair that was performed.

158. Defendant Muhammed Murib intentionally added deceptive language to these repair checklists, a series of terms that his own repair technician manager deems impossible.

159. Defendants attach these repair checklists to every single repair, one piece of evidence, amongst many, that show that these deceptive tactics are employed against all customers.

160. The evidence in support of the Complaint and this Motion establishes a reasonable likelihood that the State will establish violations of the CCPA for each of the State's ten claims for relief.

161. All ten of the listed claims for relief apply to Defendants County Line Vacuum & Appliance dba AAAA Television Electronic Vacuum & Appliance

and Muhammed Murib, individually. The Ninth Claim for relief applies to all Defendants, including Defendant Omar Murib, individually.

162. The State's ten claims for relief are based on 10 series of violations, related to the non-exhaustive list of deceptive trade practices set forth in C.R.S. § 6-1-105:

a) First Claim for Relief: Employs “bait and switch” advertising, which is advertising accompanied by an effort to sell goods, services, or property other than those advertised or on terms other than those advertised and which is also accompanied by one or more of the following practices:.....(I) Refusal to show the goods or property advertised or to offer the services advertised, C.R.S. § 6-1-105(n)(I).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(n)(I) by advertising through Google ads, its own websites, and yellow page advertising, that they provide in-home television repair and projector repair when, in fact, Defendants send untrained employees to pretend that they are repairing these items and then bring them back to the AAAA TEVA store so that higher prices can be charged. Defendants do not offer in-home television and projector repair as advertised.

b) Second Claim for Relief: Knowingly makes a false representation as to the characteristics, ingredients, uses, benefits, alterations, or quantities of goods, food, services, or property, C.R.S. § 6-1-105(1)(e).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(e), by misrepresenting to consumers the nature and extent of repairs that were never made.

c) Third Claim for Relief: Knowingly makes a false representation as to the characteristics, ingredients, uses, benefits, alterations, or quantities of goods, food, services, or property, C.R.S. § 6-1-105(1)(e).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(e), by knowingly representing that they have

“specialized” field technicians and trucks which are “fully equipped” to repair consumers’ electronic goods in the consumer’s home.

d) Fourth Claim for Relief: Advertises goods, services, or property with intent not to sell them as advertised, C.R.S. § 6-1-105(1)(i).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105 (i), by advertising in-home television repair, while providing their employees with incentives to not repair televisions in the consumer’s home.

d) Fifth Claim for Relief: Makes false or misleading statements of fact concerning the price of goods, services, or property or the reasons for, existence of, or amounts of price reductions in violation of C.R.S. § 6-1-105(1)(l).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(l), by falsely representing to consumers that they have performed certain repairs that they have not, in order to charge higher prices to the consumer.

e) Sixth Claim for Relief: Knowingly makes a false representation as to the source of services, C.R.S. § 6-1-105(b).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(b), by representing that they are they are experienced in sewing machine and vacuum repair, and they carry out such repairs, when in fact, Defendants rely on other actual repair stores to repair these items.

f) Seventh Claim for Relief: Fails to disclose material information concerning goods, services, or property which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter into a transaction, C.R.S. § 6-1-105(u).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(u), by failing to disclose that its mobile technicians lacked the technical knowledge and experience to repair

consumers' televisions and projections systems in consumers' homes and did not carry the equipment or parts to effect these types of repairs. The failure to disclose this information was intended to induce the consumer into a transaction.

g) Eighth Claim for Relief: Fails to disclose material information concerning goods, services, or property which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter into a transaction, C.R.S. § 6-1-105(u).

Defendants have violated C.R.S. § 6-1-105(u) by not disclosing in their advertising that they send items such as sewing machines and vacuum cleaners to other stores for repairs. The failure to disclose this information was intended to induce the consumer into a transaction.

h) Ninth Claim for Relief: Fails to disclose material information concerning goods, services, or property which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter into a transaction, C.R.S. § 6-1-105(u).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(u), by advertising that they repair cracked television screens and failing to disclose that such repair is cost-prohibitive to the consumer, and that they never repair cracked television screens. Defendants fail to disclose this information in order to induce the consumer into a transaction, specifically to have the consumer pay a diagnostic fee and be induced into purchasing a new television from the Defendants.

i) Tenth Claim for Relief: Knowingly makes a false representation as to affiliation, connection, or association with or certification by another, C.R.S. § 6-1-105(c).

Defendants have violated the Colorado Consumer Protection Act, C.R.S. § 6-1-105(u), by presenting themselves as authorized repair centers for numerous brands of electronics items, when in fact, they are not.

163. Regarding the second *Rathke* factor, there is a danger of real, immediate and irreparable injury which may be prevented by injunctive relief.

164. There is a danger of real, immediate and irreparable injury to consumers and Defendants' competitors if no preliminary injunction is entered. *Rathke*, 648 P.2d at 653. As a preliminary matter, the temporary restraining order and preliminary injunction are sought by the Colorado Attorney General on behalf of the State of Colorado to enforce state laws affecting the public interest. Under Colorado law, the Attorney General is not required to plead or prove immediate or irreparable injury when a statute concerning the public interest is implicated. *Kourlis v. Dist. Court*, 930 P.2d 1329, 1335 (Colo. 1997) ("Special statutory procedures may supersede or control the more general application of a rule of civil procedure."); see also *Baseline Farms Two, LLP v. Hennings*, 26 P.3d 1209, 1212 (Colo. App. 2001); *Lloyd A. Fry Roofing Co. v. State Dep't of Health Air Pollution Variance Bd.*, 553 P.2d 800, 808 (Colo. 1976).

165. While not a requirement for cases brought by the Attorney General, the irreparable injury requirement is met in this case. The CCPA is designed to protect fair competition and safeguard the public from financial loss. *State ex rel. Dunbar v. Gym of Am.*, 493 P.2d 660, 667 (Colo. 1972)

166. While not required to plead or prove immediate or irreparable injury, the Attorney General has presented evidence to show that such a danger exists. Defendants' continued operation of their repair business is both a real and immediate danger to consumers.

167. The Attorney General deposed AAAA TEVA's repair technician manager in September 2015 and he testified that AAAA TEVA continues its in-home repair service with three mobile technicians. **Exhibit 17**, *Steven Gonzales, Tr., Vol. II. 112:7-113:5*.

168. Further, Defendants continue with their heavy use of deceptive online advertising. **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez, Colorado Attorney General's Office*, at ¶ 18.

169. The Attorney General's investigation has shown that in a typical month, at least a hundred consumers are charged \$150 diagnostic fees as part of Defendants "in-home" repair scheme. Were this case to take a year to go to

trial, the number of additional new consumers affected would be over a thousand.

170. Allowing the Defendants to continue their deceptive in-home television repair scheme, will lead to over a thousand additional new consumer victims being financially harmed, for a collective amount in the hundreds of thousands of dollars.

171. Defendants' deceptive trade practices extend to all aspects of their repair business, not just repairs that originate through the in-home repair advertising scheme. Defendants' former mobile technician manager testified that Defendants deceptive trade tactics are used against 100% of Defendants' customers.

172. Defendants claim to have performed 50,000 repairs since 2006, which would indicate over 5,000 repairs per year. Defendants repair technician manager agreed that Defendants perform at least 2,000 repairs per year and that the number of repairs has increased over time. **Exhibit 17, Steven Gonzales, Tr., Vol. II. 110:18-113:2.**

173. Allowing Defendants to continue their repair business would inevitably cause harm to over 2,000 additional new consumer victims with the collective harm totaling several hundred thousands of dollars.

174. Additionally, while AAAA TEVA did report gross revenues of over \$2 million dollars in 2014, there is no evidence that suggests that Defendants maintain an adequate reserve of money to compensate an increasing pool of consumer victims.

175. For the same reasons, absent an injunction, there is no plain, speedy and adequate remedy at law. *Rathke*, 648 P.2d at 653-54. A law enforcement action under the CCPA is equitable in nature. *See State ex rel. Salazar v. Gen. Steel*, 129 P.3d 1047, 1050 (Colo. App. 2005). As noted above, the CCPA was designed to provide "prompt, economical, and readily available remedies against consumer fraud." *W. Food Plan*, 598 P.2d at 1041.

176. The balance of the equities and the public interest overwhelmingly favor the entry of an injunction. An injunction will serve the public interest by protecting consumers both within and outside Colorado from significant harm. Without an injunction, the State will be unable to protect the public from Defendants' ongoing illegal activities.

177. In contrast, Defendants will suffer no “undue” hardship by the entry of an injunction closing down their repair business because Defendants have no right to continue to engage in unlawful and deceptive trade practices, or to collect money from consumers as a result of such unlawful and deceptive conduct. While closing down their repair business will undoubtedly cause some “hardship,” such hardship is not undue.

178. Twice during his own deposition, Muhammed Murib referred to consumers as a “headache.” When asked about why he moved away from the repair business, for period of time, after his 1993 arrest, Murib stated:

I wanted to stay away from the retail business, after my bad experience. Went back to sell cars. I didn’t want to deal with the headache of dealing with consumers.

Id. at 21:24-22:2.

179. When discussing his current business, Murib testified that he is attempting to shift his business away from repairs and more towards sales:

You know we continue to diversify, trying to get away from repair because it’s headache. We try to go into more sales for the last three years.

Exhibit 2, *Muhammed Murib, Tr. 43:5:-43:8*.

180. In addition to their repair business, Defendants also sell electronic items, such as televisions, stereos, vacuum cleaners as well as mattresses. The State is not seeking to shut down Defendants’ sales operations, and is only requesting that the Court shut down Defendants’ repair business.

181. Unequivocally, however, Defendants’ repair business must be shut down to protect Colorado consumers from further harm.

182. Defendants may claim they have made changes to their business practices. As the Colorado Supreme Court has held, however, “cessation or modification of an unlawful practice does not obviate the need for injunctive relief to prevent future misconduct. . . . According to the United States Supreme Court: “It is the duty of courts to beware of efforts to defeat injunctive relief by protestations of repentance and reform, especially when abandonment [of the unlawful practice] seems timed to anticipate suit, and there is probability of resumption.” *May Dep’t Stores*, 863 P.2d at 979 n. 24 (internal citations omitted).

183. Finally, the injunction should preserve the status quo by forcing Defendants to comply with the law. “The status quo to be maintained is the last actual and lawful uncontested status, which preceded the pending controversy.” *Commonwealth of Pennsylvania v. Snyder*, 977 A.2d 28, 43 (Pa. Commw. Ct. 2009). Because of the ongoing consumer harm, there is a need to restore the status quo and prevent Defendants from continuing their unlawful business practices.

184. The State also requests an equitable order pursuant to C.R.S. § 6-1-110(1) that freezes certain assets, specifically vehicles owned by AAAA TEVA, to preserve effective financial relief for consumers.

185. The Court has broad discretion in how it meets the policy goals of the Colorado Consumer Protection Act, including freezing the Defendants’ assets.

“In prior cases concerning the CCPA, we have given the Act a liberal construction, relying on the Act's broad purpose and scope. See, e.g., *May Dep't Stores Co. v. State ex rel. Woodard*, 863 P.2d 967, 973-75 (Colo. 1993); *People ex rel. Dunbar v. Gym of America, Inc.*, 177 Colo. 97,111-17,493 P.2d660, 667-69 (1972).”

Hall v. Walter, 969 P.2d 224, 230 (Colo. 1998).

186. In the *Mandatory Poster* case, the Colorado Court of Appeals reaffirmed that this Court has the power to enter any such orders as the Court deems just and proper to effectuate the purposes of the CCPA. See *State ex rel. Suthers v. Mandatory Poster Agency, Inc.*, 260 P.3d 9, 13-14 (Colo. App. 2009).

187. Section 6-1-110(1) authorizes an equitable order which may be necessary to “completely compensate or restore to the original position of any person injured . . . or to prevent any unjust enrichment.” C.R.S. § 6-1-110(1).

188. The Colorado Supreme Court has held that § 6-1-110(1) “must be read in light of the broad legislative purpose to provide *prompt, economical, and readily available* remedies against consumer fraud.” *Western Food Plan, Inc. v. Dist. Court*, 598 P.2d 1038, 1041 (Colo. 1979) (emphasis added); see also *United States v. Oakland Cannabis Buyers' Co-op.*, 532 U.S. 438, 496 (2001) (stating that district courts sitting in equity have discretion to craft a fitting remedy “unless a statute clearly provides otherwise”).

189. Courts have ordered asset freezes in cases brought under Section 13(b) of the Federal Trade Commission Act, 15 U.S.C. § 53, which, like the CCPA, provides equitable relief against deceptive practices. *See, e.g., F.T.C. v. U.S. Mortg. Funding, Inc.*, 2011 U.S. Dist. LEXIS 31148, at *4 (S.D. Fla. March 01, 2011) (ordering asset freeze against loan modification defendants “thereby preserving the Court’s ability to provide effective final relief.”); *F.T.C. v. USA Fin., LLC*, 415 Fed. Appx. 970, 976 (11th Cir. 2011) (“Maintaining the asset freeze until the monetary judgment was satisfied was necessary to ‘accomplish complete justice.’”); *F.T.C. v. Inc21.com Corp.*, 2010 U.S. Dist. LEXIS 45663, at *4–5 (N.D. Cal. April 13, 2010) (ordering asset freeze in a preliminary injunction so refunds may be issued if FTC prevails); *F.T.C. v. Darling Angel Pin Creations, Inc.*, 2011 U.S. Dist. LEXIS 3981, at *1 (M.D. Fla. Jan. 10, 2011) (recognizing that the district court agreed to freeze assets in conjunction with a temporary restraining order); *Levi Strauss & Co. v. Sunrise Int’l Trading Inc.*, 51 F.3d 982, 987 (11th Cir. 1995) (“A request for equitable relief invokes the district court’s inherent equitable powers to order preliminary relief, including an asset freeze, in order to assure the availability of permanent relief.”); *In re Nat’l Credit Mgmt. Grp.*, 21 F. Supp. 2d 424, 462 (D. N.J. 1998) (observing that state and FTC were likely to prevail on merits in a consumer fraud action under state and federal law and thus an asset freeze is appropriate to preserve assets for possible restitution awards); *F.T.C. v. H. N. Singer, Inc.*, 668 F.2d 1107, 1112 (9th Cir. 1982) (stating that an asset freeze by a preliminary injunction is an appropriate provisional remedy to give form to the final equitable relief); *id.* (“While it is true that the asset freeze has an effect comparable to that of an attachment, it is not an attachment.”)

190. An asset freeze is necessary for the State to achieve its statutory mandate to “completely compensate or restore to the original position of any person injured . . . or to prevent any unjust enrichment.” C.R.S. § 6-1-110(1).

191. Absent the safeguard of an asset freeze, Defendants are likely to disburse, transfer or conceal these assets in a manner which will prevent consumers from being compensated or restored to their original positions. Defendants have shown a willingness to destroy evidence relevant to this investigation and there is no reason to believe that they will preserve these assets, as a potential source of consumer restitution funds, in a manner which complies with the stated goals of the CCPA.

192. The State has identified five vehicles that are listed as company assets. Three of the vehicles are the vans used by Defendants to further their

“in-home” television repair scheme. Three of the vehicles appear to be Defendants’ personal vehicles which are operated through the corporate Defendants. During his sworn testimony, Defendant Muhammed Murib testified that these vehicles are owned by AAAA TEVA and AAAA TEVA possesses the titles. **Exhibit 2**, *Muhammed Murib, Tr. 35:11:-38:16*; **Exhibit 7**, *Affidavit of Investigator LeAnn Lopez*, at ¶91.

193. These vehicles are a potential source of funds to compensate or restore consumers to their original position. The State would request that the Defendants be ordered not to sell the following vehicles:

- 1) White, 2014, Mercedes Sprinter, VIN: WD3PE8DC3E5858652. Colorado license plate number: 761QKN.
- 2) White, 2014, Mercedes Sprinter, VIN: WD3PE8DC9E5870045. Colorado license plate number 333QKR.
- 3) Grey, 2014, Mercedes ML3, VIN: 4JGDA5HB8EA365444. Colorado license plate number 473QMD.
- 4) Yellow, 2006, GMC Van, VIN: 1GDHG31U461902134. Colorado license plate number 841VNU.
- 5) White 2014, Toyota, Utility vehicle, VIN: JTEBU5JR7E5169641. Colorado license plate: 701 QBW.
- 6) Any other vehicles owned by the corporate Defendants.

194. Regarding bank assets, the State is not requesting that the Defendants bank accounts be frozen, but Defendants have been on notice, by virtue of the State’s investigation, that they are subject to all applicable laws regarding fraudulent transfer of assets.

195. Pursuant to Rule 65(c) C.R.C.P., Plaintiff is not required to provide a security bond.

196. Plaintiff respectfully requests that the Court set a date for an evidentiary hearing within 14 calendar days following the Court’s Order regarding Plaintiff’s Motion for Temporary Restraining Order and Preliminary Injunction.

WHEREFORE, Plaintiff requests that this Court enter a Temporary Restraining Order and Preliminary Injunction that:

A. Enjoins all Defendants and their officers, directors, agents, servants, employees, independent contractors and any other persons in active concert or participation with Defendants who receive actual notice of the Court's order including:

1. Engaging in the commercial repair of consumer goods, including, but not limited to, soliciting consumer goods for repair, accepting consumer goods for repair, accepting consumer goods for repair from outside sources, and repairing consumer goods.

2. Advertising any form of consumer goods repair, including, but not limited to "in-home" television repair, television repair, projector repair, audio or stereo repair, vacuum repair, sewing machine repair, and any form of consumer electronic repair.

B. Requires Defendants and their officers, directors, agents, servants, employees, independent contractors and any other persons in active concert or participation with Defendants who receive actual notice of the Court's order to:

1. Deactivate within 48 hours of the Order all internet sites, internet advertising, and third-party internet advertising, related to Defendants' repair business, including, but not limited to:

a) All internet sites and all internet advertising, including advertising through third-parties, related to "in-home" television repair, television repair, projector repair, audio or stereo repair, vacuum repair, sewing machine repair, and any form of consumer electronic repair;

b) aaaateva.com; 303television.com; tvrepairdenvermetro.com; projectorrepairdenver.com; stereorepairdenver.com; sewingmachinerepairdenver.com; and 303vac.com.

2. Provide a status report and certification to the Court four (4) days after the entry of the Order that Defendants have complied and are complying with sections A and B above. Within the status report, Defendants shall provide a complete list of all consumers, who as of the date of the Order have items at AAAA TEVA waiting for repair, being repaired, or items waiting for pickup or delivery. The list shall be completed pursuant to the instructions below:

a) Unrepaired items:

1) Items that were picked up by Defendants:

- i. Within the status report, Defendants shall include the names and contact information of all consumers whose repair items were brought into the AAAA TEVA store by AAAA TEVA, and/ or its mobile technicians, prior to receiving notice of the Order, and whose repair items are currently unrepaired.
- ii. For these consumers, the report shall state the consumers name, their contact information, description of the item that was picked up by AAAA TEVA and/or its mobile technicians for repair, the date that AAAA TEVA and/or its mobile technicians picked up the item, and all charges paid by the consumer to date.
- iii. Defendants shall contact all consumers whose repair items were brought into the store by AAAA TEVA and/or its mobile technicians, and schedule a return of the repair item without charge to the consumer. The status report shall state the date the consumer was contacted, and the date for the scheduled return of the consumers' items.
- iv. The consumer will be informed that their name and contact information is being provided to the Court and the Attorney General and that they may be entitled to a refund of any charges paid at a later time.

2) Items that were brought by the consumer to the AAAA TEVA store:

i. Within the status report, Defendants shall include the names and contact information of all consumers whose repair items were brought into the AAAA TEVA store by the consumer him or herself, prior to receiving notice of the Order, and whose repair items are currently unrepaired.

ii. For these consumers, the report shall state the consumers name, their contact information, description of the item that was brought to the AAAA TEVA store, the date that the consumer brought the item to the store, and all charges paid by the consumer to date.

iii. Defendants shall contact all consumers whose repair items were brought into the AAAA TEVA store by the consumer him or herself, and inform them that they must pick up their repair item. There shall be no additional charges related to the pickup of the repair item. The status report shall state the date the consumer was contacted, and the date for the scheduled return of the consumers' items, or the date that the item was returned.

iv. The consumer will be informed that their name and contact information is being provided to the Court and the Attorney General and that they may be entitled to a refund of any charges paid at a later time.

b) Repaired items:

1) Repaired items that were picked up by Defendants

i. Within the status report, Defendants shall include the names and contact information of all consumers whose repair items were brought into the AAAA TEVA store by AAAA TEVA, and/ or its mobile technicians, prior to receiving notice of the Order, and whose repair items are currently repaired waiting for delivery.

ii. For these consumers the report shall state the consumers name, their contact information, description of the item that was picked up by AAAA TEVA and/or its mobile technicians for repair, the date that AAAA TEVA and/or its mobile technicians picked up the item, all charges paid by the consumer, showing both the diagnostic fee paid and any additional charges.

iii. Defendants shall contact all consumers whose repair items were brought into the store by AAAA TEVA and/or its mobile technicians, and schedule a return of the repair item. The consumer shall not be charged for delivery of the repaired item. The status report shall state the date the consumer was contacted, and the date for the scheduled return of the consumers' items.

2) Repaired items that were brought by the consumer to the AAAA TEVA store

i. Within the status report, Defendants shall include the names and contact information of all consumers whose repair items were brought into the AAAA TEVA store by the consumer him or herself, prior to receiving notice of the Order, and whose repair items are currently repaired waiting for pickup.

ii. For these consumers, the report shall state the consumers name, their contact information, description of the item that was brought to the AAAA TEVA store, the date that the consumer brought the item to the store, all charges paid by the consumer, including the diagnostic fee paid.

iii. Defendants shall contact all consumers whose repair items were brought into the store by AAAA TEVA store by the consumer him or herself, and inform them that they must pick up their repair item. The consumer shall not be charged for picking up the repaired item. The status report shall state the date the consumer was contacted, and the date for the scheduled pickup of the consumers' items, or the date that the item was picked up.

a) Items currently in the process of being repaired

i. Pursuant to the terms of Section A, Defendants shall not, continue with any repairs currently pending, or undertake repairs or delivery prior to the Preliminary Injunction hearing.

ii. For any consumers whose items were being repaired at the time of the Order, yet not completed, the report shall state the consumers name, their contact information, description of the item that was brought to the AAAA TEVA store, whether the item was picked up by AAAA TEVA or brought to the AAAA TEVA store by the consumer, the date the item was picked up by AAAA TEVA or brought to the AAAA TEVA store by the consumer, all charges paid by the consumer, showing both the diagnostic fee paid and any additional charges.

iii. All unfinished repairs shall be left in their present condition as of the time Defendants are served notice of this Order. A determination of how to proceed with items pending repair will be made by the Court at the time of the Preliminary Injunction hearing.

3. Within two business days after the status report has been filed, and prior to the Preliminary Injunction hearing, Defendants shall allow investigators from the Colorado Attorney General's Office to visually inspect and photograph all areas of the AAAA TEVA store, including its basement, to insure compliance with this Order's instructions regarding the return of repair items. Defendants shall direct the investigators to any unfinished repair items and allow the investigators to photograph those items.

ASSET FREEZE REQUEST UNDER C.R.S. § 6-1-110(1)

A. Defendants are ENJOINED from transferring, gifting, assigning, encumbering, selling, dissipating, or otherwise disposing of the following vehicles which are owned by the corporate Defendants:

- 1) White, 2014, Mercedes Sprinter, VIN: WD3PE8DC3E5858652. Colorado license plate number: 761QKN.
- 2) White, 2014, Mercedes Sprinter, VIN: WD3PE8DC9E5870045. Colorado license plate number 333QKR.
- 3) Grey, 2014, Mercedes ML3, VIN: 4JGDA5HB8EA365444. Colorado license plate number 473QMD.
- 4) Yellow, 2006, GMC Van, VIN: 1GDHG31U461902134. Colorado license plate number 841VNU.
- 5) White 2014, Toyota, Utility vehicle, VIN: JTEBU5JR7E5169641. Colorado license plate: 701 QBW.
- 6) Any other vehicles owned by the corporate Defendants.

D. Any further Order as this Court deems necessary and appropriate to further the purposes of the Colorado Consumer Protection Act.

Dated this 4th day of November, 2015.

CYNTHIA H. COFFMAN
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s/ Jeffrey M. Leake

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