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14 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
15 **IN AND FOR THE COUNTY OF MARICOPA**

16 STATE OF ARIZONA, *ex rel.* MARK
17 BRNOVICH, Attorney General,

18 Plaintiff,

19 vs.

20 VALLEY DELIVERY LLC; MY HOME
21 SERVICES LLC; NEXT DAY DELIVERY
22 LLC; NEXT DAY HOLDINGS LLC;
23 MATTHEW WILLES, individually; and
24 MATTHEW AND KRISTINE WILLES, a
25 marital community;

26 Defendant(s).

Case No. **CV2020-002880**

**COMPLAINT FOR INJUNCTIVE AND
OTHER RELIEF**

(Unclassified Civil; Consumer Fraud)

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1 Plaintiff, the State of Arizona, *ex. rel.* Mark Brnovich, Attorney General, alleges as
2 follows:

3 **INTRODUCTION**

4 1. Valley Delivery, LLC (“Valley Delivery”) is a telemarketing company
5 masquerading as a delivery service.

6 2. Valley Delivery collected consumers’ personal information by placing fake delivery
7 slips on new homeowners’ front doors. The slips stated, “Sorry We Missed You,” and directed the
8 homeowners to call a number to reschedule the supposed deliveries.

9 3. In reality, there were no shipped packages to be delivered. Instead, once a
10 homeowner contacted Valley Delivery, a sales representative captured the phone number and
11 combined the homeowner’s address and phone number information to create a valuable consumer
12 profile. These profiles then were shared with business ventures owned by Valley Delivery’s
13 parent company, My Home Services, LLC (“My Home Services”), and other third-party
14 companies. These companies then contacted the new homeowners to sell their house-related
15 goods and services, such as air conditioners, home security systems, and water heaters.

16 4. Valley Delivery also operated a misleading and deceptive website that made a
17 number of material misrepresentations about the nature of its business practices. Rather than
18 disclosing its function as a telemarketing company, for instance, Valley Delivery presented itself
19 as a company that specializes “in local delivery services” with a fleet of 250 delivery drivers in
20 over a hundred metropolitan locations. In reality, the company only operated in Arizona and
21 employed eight “drivers” to place the fake delivery slips on consumers’ doors. These
22 misrepresentations induced homeowners to contact Valley Delivery about the “missed delivery.”

23 5. The owner of My Home Services, Defendant Matthew Willes, also operated another
24 business, Next Day Delivery, LLC (“Next Day Delivery”). Next Day Delivery was intended to be
25 a trade name and replacement for Valley Delivery in anticipation of its eventual expansion to
26 other states.

27 6. Similar to Valley Delivery, Next Day Delivery operated a misleading and deceptive
28 website. Notably, the website represented that Next Day Delivery’s headquarters was located in

1 Nevada and featured a large button with the words “Reschedule your Delivery” on the homepage.
2 Next Day Delivery only operated in Arizona, however, and clicking on the “Reschedule your
3 Delivery” button did nothing, which forced consumers to call the listed number. Like Valley
4 Delivery, the purpose of the website was to induce homeowners to call Next Day Delivery and
5 unwittingly surrender their personal information.

6 7. My Home Services, Valley Delivery, and Next Day Delivery generated millions of
7 dollars in revenue as a result of these deceptive business practices.

8 8. The named Defendants knowingly created, perpetuated, condoned, and profited
9 from the fraudulent acts described in this Complaint, as set forth below. Defendants’ knowledge is
10 demonstrated by a 2013 consent judgment between the State of Arizona and Matthew Willes’
11 previous business, Metro Delivery, LLC (“Metro Delivery”). Under that judgment, the company
12 was ordered to “not represent to consumers that they are attempting or have attempted to deliver a
13 package to the consumer unless that is the sole purpose of [Metro Delivery, LLC’s] contact with
14 the consumer.” Instead of running his business in compliance with the court’s orders, Willes
15 simply started up new businesses and continued the same conduct.

16 9. The State of Arizona brings this action pursuant to the Arizona Consumer Fraud
17 Act, Arizona Revised Statutes (“A.R.S.”) §§ 44-1521 to 44-1534, to obtain declaratory and
18 injunctive relief, civil penalties, disgorgement, attorneys’ fees and costs, investigative expenses,
19 and other relief to prevent the unlawful acts and practices alleged in the Complaint.

20 **JURISDICTION AND VENUE**

21 10. The Superior Court of Maricopa County has subject-matter jurisdiction, and may
22 enter appropriate orders in this action, both prior to and following a determination of liability
23 pursuant to § 44-1528.

24 11. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).

25 12. The Court has personal jurisdiction over Matthew Willes and the marital community
26 of Matthew Willes and Kristine Willes because they reside within and are citizens of this state.
27 The Court has personal jurisdiction over Valley Delivery, Next Day Delivery, Next Day Holdings,
28 LLC (“Next Day Holdings”), and My Home Services because they are incorporated and

1 headquartered within this state.

2 **PARTIES**

3 13. Plaintiff is the State of Arizona *ex rel.* Attorney General Mark Brnovich (“the
4 State”) who is authorized to bring this action under the Consumer Fraud Act, A.R.S. §§ 44-1521
5 to 44-1534.

6 14. Defendant Valley Delivery is an Arizona limited liability company with its principal
7 place of business in Maricopa County.

8 15. Defendant Next Day Delivery is an Arizona limited liability company with its
9 principal place of business in Maricopa County.

10 16. Defendant My Home Services, LLC, (“My Home Services”) is an Arizona limited
11 liability company with its principal place of business in Maricopa County. It is the sole managing
12 member of Valley Delivery.

13 17. Defendant Next Day Holdings is an Arizona limited liability company with its
14 principal place of business in Maricopa County. It is the sole managing member of Next Day
15 Delivery.

16 18. Defendant Matthew Willes is the trustee of the M and K Revocable Trust, the sole
17 managing member of My Home Services. He is also the chief executive officer of Valley Delivery
18 and Next Day Delivery, and the sole managing member of Next Day Holdings. At all relevant
19 times, Willes was a resident of Arizona.

20 19. Defendant Matthew Willes’s actions alleged herein were taken in furtherance of his
21 and Defendant Kristine Willes’s marital community. Defendant Kristine Willes is named solely
22 for any interest she may have in her marital community with Defendant Matthew Willes.

23 20. The State is informed and believes, and thereon alleges, that, at all relevant times,
24 Matthew Willes controlled, managed, operated; had authority to control, manage and operate; and
25 held ownership interests in Valley Delivery, Next Day Delivery, Next Day Holdings, and My
26 Home Services.

27 21. The State is informed and believes, and thereon alleges, that, at all relevant times,
28 Defendants, and each of them, were the alter egos of the other Defendants.

1 22. The State is informed and believes, and thereon alleges, that, at all relevant times,
2 Defendants, and each of them, were legally responsible, jointly and severally, for the events and
3 happenings herein alleged; were the agents, employees, servants, and/or representatives of the
4 other Defendants and each of them; and, in doing the things herein alleged, were acting in the
5 course and scope of their authority as such agents, employees and/or representatives, and with the
6 permission and consent of the other Defendants and each of them.

7 **DEFENDANTS' BUSINESS PRACTICES**

8 23. Valley Delivery began its business operations in January 2017.

9 24. Valley Delivery compiled a list of new home buyers' information from the County
10 Recorder's Office. Valley Delivery then dispatched "delivery drivers" to post marketing materials
11 on the door of each home.

12 25. The marketing material, a true and correct copy of which is included as Exhibit A,
13 was a fake delivery slip, with the caption "Sorry We Missed You," along with the date it was
14 delivered and the name and address of the unwitting homeowner. The delivery slip also featured a
15 confirmation number and phone number, through which the homeowner seemingly would be able
16 to reschedule his or her delivery.

17 26. On the back side of the fake delivery slip, there was a purported disclaimer in much
18 smaller font than the language on the front. That language read, in relevant part, "[A]ny contact
19 information you provide through calling the number listed on the front of this card may be used
20 by Valley Delivery or any of its partners to contact you for marketing of relevant home services
21 and product offers." See Exhibit A at 2.

22 27. Many homeowners did not see the less conspicuous language on the back of the
23 delivery slip because there is no indication on the front of the slip that there is any information on
24 the back.

25 28. When a homeowner contacted Valley Delivery via the phone number on the front of
26 the delivery slip, a sales representative collected his or her information for telemarketing
27 purposes.

28 29. Valley Delivery also utilized the confirmation number on the delivery slip to match

1 the homeowner's phone number to his or her home address. The sales representative then
2 attempted to offer the homeowner gift cards for goods and services offered by Valley Delivery's
3 affiliates.

4 30. After the call was completed, Valley Delivery provided the homeowner's
5 information to its corporate owner, My Home Services.

6 31. My Home Services circulated the homeowner's information to Matthew Willes'
7 other business ventures, including Protection Source, LLC, Aqua Bright, LLC, Nergy, LLC, Latch
8 Windows, LLC, and Jax Home Service, LLC. It also sold the information to two third-party
9 companies, Rescue One Air, LLC, and Pristine Water Solutions, LLC.

10 32. Using the collected information, the companies contacted the homeowners via
11 telephone in order to sell them goods or services.

12 33. Since January 1, 2017, Defendants used these "Valley Delivery" slips to collect
13 phone numbers from approximately 77,000 new homeowners.

14 34. Next Day Delivery began business operations in September 2018.

15 35. Though Next Day Delivery was a separate business entity from Valley Delivery, it
16 was intended to be a trade name for Valley Delivery's eventual expansion into other states. As a
17 result, the company did not function outside of its affiliation with Valley Delivery.

18 36. Next Day Delivery's delivery slip, a true and correct copy of which is included as
19 Exhibit B, also included the "Sorry We Missed You" caption, a confirmation number, and a phone
20 number that consumers could contact.

21 37. On the back side of Next Day Delivery's slip, there was also a purported disclaimer
22 in much smaller font. That language read, in relevant part, "Please be advised that, if you agree,
23 any contact information you provide through calling the number listed on the front of this card
24 may be used by Next Day Delivery or any of its partners to contact you for marketing of relevant
25 home services and product offers. For additional details please go to
26 www.nextdaydeliverycompany.com." See Exhibit B at 2.

27 38. Once Next Day Delivery obtained the personal information of the consumer, it
28 circulated the information to the same companies as Valley Delivery, including Rescue One Air,

1 LLC, Pristene Water Solutions, LLC, and Protection Source, LLC.

2 39. Since September 2018, Defendants used the “Next Day Delivery” slips to collect
3 phone numbers from approximately 73,000 new homeowners.

4 **DEFENDANTS’ WEBSITES**

5 40. Valley Delivery owned and maintained a website: <http://www.valley-delivery.com>.
6 The website contained a number of misrepresentations about the nature of the company’s
7 business.

8 41. For instance, Valley Delivery represented that it was “striving to be the first choice
9 in localized, same-day delivery solutions in metropolitan areas across the country.”

10 42. The website provided that Valley Delivery “specialize[d] in local delivery services
11 . . . inside metropolitan city limits.” The website also provided that Valley Delivery’s drivers,
12 after delivering the package, would leave “a notice on [the recipient’s] door, ensuring [their]
13 intended recipient is aware that they received a package.”

14 43. The only reference to Valley Delivery’s actual business practices on its website was
15 located in the website’s Terms of Use, which provided that consumers, by contacting the
16 company, gave consent to be contacted by My Home Services and its affiliates.

17 44. The website also included a series of images depicting individuals in Valley
18 Delivery uniforms delivering packages, working at the company’s “distribution warehouse,” and
19 answering phones for the operations and dispatch team.

20 45. The State determined that these images were stock images altered to include the
21 Valley Delivery uniform and logo. These images, and their stock image equivalents, are included
22 as Exhibit C.

23 46. Additionally, Valley Delivery represented that it had a fleet of 250 drivers across the
24 United States.

25 47. In response to the State’s Civil Investigative Demand, however, Valley Delivery
26 admitted under oath that it only employed eight drivers.

27 48. Finally, Valley Delivery represented on its website that it served over 100
28 metropolitan areas across the continental United States, including Phoenix, Arizona; Tacoma,

1 Washington; Philadelphia, Pennsylvania; Atlanta, Georgia; and Los Angeles, California.

2 49. In response to the State's Civil Investigative Demand, however, Valley Delivery
3 admitted under oath that it only operated in Arizona.

4 50. The website's misrepresentations gave Valley Delivery the veneer of a legitimate
5 delivery service and thus induced homeowners to contact Valley Delivery about the packages that
6 they supposedly received.

7 51. Similarly, Next Day Delivery owned and maintained a website,
8 nextdaydeliverycompany.com, which contained misrepresentations about the nature of the
9 company's business.

10 52. For instance, the homepage of the website contained the business's phone number
11 and a large button with the words "Reschedule your Delivery" on it. When a consumer attempted
12 to click the button, however, the consumer remained on the homepage with no noticeable changes.
13 In other words, the button served no purpose other than to induce consumers to call the number
14 listed on the delivery slip and on the website.

15 53. Additionally, the website represented that the company was headquartered in
16 Nevada and operated in a significant number of states. Like Valley Delivery, however, Next Day
17 Delivery only operated in Arizona.

18 54. Finally, Next Day Delivery's website represented that the company was an
19 "affordable residential delivery service."

20 55. The State alleges that neither Valley Delivery nor Next Day Delivery ever received
21 any payment from customers shipping packages. Rather, both companies only received payments
22 from My Home Services for collecting homeowners' phone numbers.

23 56. The State alleges that neither Valley Delivery nor Next Day Delivery delivered any
24 shipped packages for consumers since their inception.

25 57. The misrepresentations to the contrary on both websites were calculated to convince
26 consumers that the businesses were legitimate and that they needed to call the number on the
27 delivery slip to obtain their "package."

28 58. As a result of Valley Delivery and Next Day Delivery's misleading and deceptive

1 practices, My Home Services, LLC generated \$2,265,695 in revenue in 2017.

2 59. Despite Valley Delivery and Next Day Delivery's respective claims that they were a
3 "local delivery service" and an "affordable residential delivery service," neither company
4 generated any revenue from 2017 to 2019.

5 **MATTHEW WILLES' HISTORY OF DECEPTIVE AND UNFAIR CONDUCT**

6 60. This is not Defendant Matthew Willes' first interaction with the Arizona Attorney
7 General's Office. In 2012, the State opened a consumer fraud investigation into Metro Delivery,
8 another company owned by Defendant Matthew Willes.

9 61. The company operated using the same business model as Valley Delivery and Next
10 Day Delivery, providing fake and misleading delivery slips to collect and sell consumer
11 information.

12 62. After an investigation, the State entered into a consent judgment in 2013 with Metro
13 Delivery, requiring, among other things, that the company and certain other defendants "not
14 represent to consumers that they are attempting or have attempted to deliver a package to the
15 consumer unless that is the sole purpose of [Metro Delivery's] contact with the consumer." The
16 consent judgment is attached hereto as Exhibit D.

17 63. Rather than operating Metro Delivery in compliance with the consent judgment,
18 Matthew Willes started Valley Delivery and Next Day Delivery, and continued to engage in the
19 same deceptive and unfair conduct.

20 64. In response to the State's Civil Investigative Demand, Valley Delivery represented
21 that it was aware of the prior Consent Judgment and was in full compliance with it. To
22 demonstrate this, Valley Delivery produced what appears to be delivery slips from 2017 with a
23 purported disclaimer on the front page of the slip, stating, "[T]his is not an attempt to make a
24 delivery." This sample is attached as Exhibit E.

25 65. Additionally, in response to a separate Civil Investigative Demand regarding Next
26 Day Delivery, the company produced copies of delivery slips with the same purported disclaimer
27 on the front page of the slip. These samples are attached as Exhibit F.

28 66. However, these advertising materials were not actually provided to consumers.

1 Instead, the actual slips omitted any sort of disclaimer. Photographs of the actual slips delivered to
2 consumers are attached as Exhibit G. This deliberate attempt to deceive the State further
3 demonstrates Defendants' knowledge that their conduct was unlawful.

4 **VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT**

5 67. The State realleges the prior allegations of this Complaint as though fully set forth
6 herein.

7 68. Defendants engaged in deception, deceptive or unfair acts or practices, fraud, false
8 pretenses, false promises, misrepresentations, or concealment, suppression or omission of material
9 facts with intent that others rely on such concealment, suppression or omission, in connection with
10 the sale or advertisement of merchandise in violation of A.R.S. §§ 44-1521 to 44-1534, by
11 engaging in what includes but is not limited to the following conduct:

12 a. misrepresenting to consumers that there was a missed delivery in order to obtain
13 the consumers' personal information.

14 b. creating and maintaining deceptive and misleading websites meant to induce
15 consumers to contact the companies about their "missed delivery;" and

16 c. failing to provide sufficient disclosure to consumers concerning their business
17 practices, both on the companies' websites and on the delivery slips themselves.

18 69. While engaging in the acts and practices alleged in this Complaint, Defendants were
19 at all times acting willfully as provided by A.R.S. § 44-1531(B).

20 **PRAYER FOR RELIEF**

21 WHEREFORE, the State respectfully requests that the Court:

22 70. Pursuant to A.R.S. § 44-1528(A)(1), issue a permanent injunction, enjoining and
23 restraining Defendants and each of them, their officers, agents, servants, employees, and attorneys
24 and all persons in active concert or participation with them, directly or indirectly, from engaging
25 in the course of conduct alleged herein and violating A.R.S. § 44-1522(A);

26 71. Pursuant to A.R.S. § 44-1528(A)(2), order that Defendants restore to all persons in
27 interest any monies or property, real or personal, which may have been acquired by any unlawful
28 act or practice alleged herein;

