1 KRISTIN K. MAYES ATTORNEY GENERAL 2 (Firm State Bar No. 14000) 3 Alyse C. Meislik (Bar No. 024052) Assistant Attorney General 4 OFFICE OF THE ATTORNEY GENERAL 5 2005 North Central Avenue Phoenix, AZ 85004-1592 6 Telephone: (602) 542-7727 7 Facsimile: (602) 542-4377 Email: consumer@azag.gov 8 Attorney for the State of Arizona 9 10 SUPERIOR COURT OF ARIZONA 11 IN MARICOPA COUNTY 12 STATE OF ARIZONA, ex rel. KRISTIN K. | Case No. CV2020-002880 MAYES, Attorney General, 13 **DEFAULT JUDGMENT AS TO** 14 Plaintiff, DEFENDANTS MATTHEW WILLES. v. VALLEY DELIVERY LLC MY HOME 15 SERVICES LLC, NEXT DAY VALLEY DELIVERY LLC; MY HOME 16 DELIVERY LLC AND NEXT DAY SERVICES LLC; NEXT DAY DELIVERY **HOLDINGS LLC** 17 LLC; NEXT DAY HOLDINGS LLC; MATTHEW WILLES, individually; and Ariz. R. Civ. P. 54(c) 18 MATTHEW AND KRISTINE WILLES, a 19 (Assigned to the Hon. Susanna C. Pineda) marital community; 20 (Assigned to Commissioner Mary Cronin)

Defendants.

21

22

23

24

25

26

27

28

This matter is before the Court on the State's Motion for Default Judgment and Request for Hearing, and the Court having reviewed the pleadings of record and having conducted a hearing on June 25, 2024 on the issue of relief to be awarded to the State, and being fully advised, finds that Defendants Matthew Willes, Valley Delivery LLC, My Home Services LLC, Next Day Delivery LLC, and Next Day Holdings LLC (collectively "Defendants") waived service of process, but stopped defending this action; that the Defendants are not infants or

incompetent, that the default of the Defendants was duly entered on February 20, 2024; and that the State is entitled to affirmative relief against the Defendants as specified herein.

The Court therefore makes the following Findings of Fact and Conclusions of Law and enters the following Orders:

FINDINGS OF FACT

- 1. Defendant Valley Delivery, LLC ("Valley Delivery") is an Arizona limited liability company with its principal place of business in Maricopa County.
- 2. Defendant Next Day Delivery, LLC ("Next Day Delivery") is an Arizona limited liability company with its principal place of business in Maricopa County.
- 3. Defendant My Home Services, LLC ("My Home Services") is an Arizona limited liability company with its principal place of business in Maricopa County. It is the sole managing member of Valley Delivery.
- 4. Defendant Next Day Holdings, LLC ("Next Day Holdings") is an Arizona limited liability company with its principal place of business in Maricopa County. It is the sole managing member of Next Day Delivery. (Next Day Holdings and Next Day Delivery collectively will be referred to herein as "Next Day.")
- 5. Defendant Matthew Willes is the trustee of the M and K Revocable Trust, the sole managing member of My Home Services. He is also the chief executive offer of Valley Delivery and Next Day Delivery, and the sole managing member of Next Day Holdings. At all relevant times, Defendant Matthew Willes was a resident of Arizona.
- 6. All events, acts, and practices described in, and relevant to, this Consent Judgment took place in Maricopa County, Arizona.
- 7. This Court has jurisdiction over the Complaint and the parties necessary for the Court to enter this Default Judgment and any orders hereafter appropriate pursuant to A.R.S. § 44-1528 and this Default Judgment.
 - 8. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401(17).
- 9. Defendants, through their businesses Valley Delivery and Next Day, distribute marketing material in the form of a door tag to new homeowners. The door tag contained the

 caption "Sorry We Missed You," along with the date it was delivered and the name and address of the homeowner. The door tag also featured a confirmation number and phone number, which implied that a homeowner could call to reschedule his or her delivery.

- 10. When a homeowner received a door tag and called Defendants, Defendants utilized the number on the slip to match the homeowner's phone number to his or her home address.
- 11. While on the call, Defendants' representatives typically sent the homeowner a text message with a link that they instructed the homeowner to click on in order to verify information. The link took the homeowner to an online form where the homeowner unknowingly consented to receive telephone solicitations.
- 12. Defendants' phone representatives were trained not to disclose the purpose of the door tag until after the homeowner accessed the link and provided consent to receive telephone solicitations. Defendants' phone representatives told homeowners who ask questions about the slip that they are a fulfillment company and that the computer screen did not tell them what the slip is until the consumer gave the consent.
- 13. After the homeowner unknowingly consented to receive telephone solicitations, the sales representative collected the homeowner's information for purposes of telephone solicitations. Defendants then distributed the homeowner's information to Defendants' businesses and affiliates, including Protection Source, LLC; Aqua Bright, LLC; Nergy, LLC; Latch Windows, LLC; and Jax Home Services, LLC. The companies then contacted the homeowners via telephone in order to sell them goods or services.
- Since January 1, 2017, Defendants have distributed approximately 333,283 door tags to new homeowners.
- 15. Approximately 60,681 consumers called Defendants in response to Defendants' door tags.
- 16. Defendants also owned and maintained websites, valleydelivery.com and nextdaydeliverycompany.com, that, from approximately January of 2017 to March 2020, contained a number of misrepresentations about the nature of the business, including that

Defendants were legitimate delivery services. For instance, Defendants misrepresented that Valley Delivery had a fleet of 250 delivery drivers across the United States, and that it operated in over 100 metropolitan areas across the continental United States.

CONCLUSIONS OF LAW

- Day Delivery LLC, and Next Day Holdings LLC, in connection with the sale or advertisement of merchandise, used or employed deception, deceptive or unfair acts or practices, fraud, false pretense, false promises, misrepresentation, or concealment, suppression, or omission of any material fact with the intent that others rely on such concealment, suppression or omission, thereby engaging in unlawful practices as proscribed by the Arizona Consumer Fraud Act, A.R.S. § 44-1521, et seq.
- 18. While engaging in the acts and practice alleged above, Defendants Matthew Willes, Valley Delivery LLC, My Home Services LLC, Next Day Delivery LLC, and Next Day Holdings LLC acted willfully as defined by A.R.S. § 44-1531(B).

<u>ORDER</u>

Based on the foregoing findings, and good cause appearing therefore:

IT IS ORDERED, ADJUDGED AND DECREED:

- 19. Defendants Matthew Willes, Valley Delivery LLC, My Home Services LLC, Next Day Delivery LLC, and Next Day Holdings LLC are permanently enjoined from engaging in, directly or indirectly, any of the following activities:
 - a. distributing any advertisements that appear to be delivery slips, but are not delivery slips;
 - b. distributing advertisements that mislead consumers into believing the advertisements are something other than advertisements;
 - c. distributing any advertisements for the purpose of the collection and sale of consumers' personal information;
 - d. making misrepresentations in order to mislead consumers into providing

consent to receive telephone solicitations;

- e. selling any consumers' personal information that Defendants already have collected through their advertising practices; and
- f. making telephone solicitations for Defendants' goods and services to consumers whose personal information previously was collected through Defendants' door tags.
- 20. Pursuant to A.R.S. § 44-1528(A) Defendants Matthew Willes, Valley Delivery LLC, My Home Services LLC, Next Day Delivery LLC, and Next Day Holdings LLC shall comply with the Arizona Consumer Fraud Act, as it is currently written or as amended in the future, to the extent such Act applies to any of their activities in the State of Arizona.
- 21. Pursuant to A.R.S. § 44-1531, the State is awarded judgment against Defendants Matthew Willes, Valley Delivery LLC, My Home Services LLC, Next Day Delivery LLC, and Next Day Holdings LLC, jointly and severally, in the amount of \$727,247.00, with interest thereon at the statutory rate of 9.50% each year pursuant to A.R.S. § 44-1201(B) until paid, as civil penalties.
- 22. Pursuant to Arizona Rules of Civil Procedure 54(f) and 55(b)(1)(A) and A.R.S. § 12-332, Defendants shall pay Plaintiff's costs in the amount of \$6,222.80, with interest thereon at the statutory rate of 9.50% each year from entry of this Default Judgment until paid.
- 23. Pursuant to Arizona Rules of Civil Procedure 54(g) and 55(b)(1)(B) and A.R.S. § 44-1534, Defendants shall pay Plaintiff's attorney fees in the amount of \$169,033.80, with interest thereon at the statutory rate of 9.50% each year from entry of this Default Judgment until paid.
- 24. No further matters remain pending, and this Default Judgment is entered pursuant to Arizona Rule of Civil Procedure 54(c).

DATED:

Hon. Mary Cronin, Commissioner Maricopa County Superior Court