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8 SUPERIOR COURT OF THE STATE OF ARIZONA
9 MARICOPA COUNTY

11 STATE OF ARIZONA, ex rel. TERRY
12 GODDARD, Attorney General,

13 Plaintiff,
14 vs.

14 THE RESULTS GROUP, LLC; EDWARD
15 LONGORIA and JANE DOE LONGORIA,
16 husband and wife; and AMBER
17 HALVORSON, an unmarried woman,

17 Defendants

Case No.: CV2006-018146

AMENDED VERIFIED COMPLAINT FOR
INJUNCTION, RESTITUTION, CIVIL
PENALTIES AND OTHER RELIEF

(Assigned to the Hon. Ruth H. Hilliard)

18 PLAINTIFF ALLEGES:

19 Jurisdiction and Venue

- 20 1. Plaintiff brings this action pursuant to the Arizona Consumer Fraud Act, A.R.S. §
21 44-1521 *et seq.*, to obtain restitution, injunctive relief, civil penalties, attorneys'
22 fees and costs, investigative expense and other relief to prevent the unlawful acts
23 and practices alleged in this Complaint and to remedy the consequences of such
24 unlawful practices.
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- 1 2. Venue is proper in Maricopa County, Arizona.
- 2 3. The Superior Court has jurisdiction to enter appropriate orders both prior to and
- 3 following a determination of liability pursuant to A.R.S. § 44-1528.

4 Parties

- 5 4. Plaintiff is the State of Arizona, *ex rel.* Terry Goddard, who is authorized to bring
- 6 this action by the Arizona Consumer Fraud Act, A.R.S. § 44-1521 *et seq.*
- 7 5. Defendant The Results Group (“TRG”) is an Arizona limited liability company
- 8 located in Maricopa County, Arizona that markets and sells home-based Internet
- 9 site business opportunities to consumers.
- 10 6. Defendant Edward Longoria is a Manager of TRG.
- 11 7. Defendant Jane Doe Longoria is and at all relevant times was the wife of
- 12 defendant Edward Longoria. Defendant Edward Longoria acted on behalf of
- 13 their marital community with respect to the allegations contained in this
- 14 Complaint.
- 15 8. Defendant Amber Halvorson is a Manager of TRG.
- 16 9. Whenever in this Complaint reference is made to any act of a Defendant, such
- 17 reference shall be deemed to mean the personal acts of the Defendant or acts of
- 18 the Defendant’s officers, shareholders, directors, employees, agents, or other
- 19 representatives, acting within the scope of their employment or authority.
- 20
- 21

22 Violations of the Arizona Consumer Fraud Act

23 First Claim for Relief

- 24 10. Beginning on or around 2004 and continuing to the present date, Defendants, in
- 25 connection with the sale and advertisement of merchandise, used or employed

1 deception, deceptive acts or practices, fraud, false pretenses, false promises,
2 misrepresentations or concealment, suppression or omission of material fact with
3 the intent that others rely on such concealment and/or suppression or omission in
4 violation of A.R.S. § 44-1522(A). These acts include, but are not limited to, those
5 acts described below.

6 11. TRG is a limited liability company. Its Articles of Organization were filed with the
7 Arizona Corporation Commission on August 4, 2004, and amendments to the
8 Articles were filed on September 13, 2005. The Trade Name "TRG The Results
9 Group" was registered with the Arizona Secretary of State on December 21,
10 2001.

11 12. Beginning in 2004, Defendants began contacting consumers who expressed
12 interest in work-at-home opportunities. Most of these consumers responded to a
13 "pop-up" advertisement on the Internet relating to home-based businesses. TRG
14 then obtained the consumers' contact information and telephoned them to sell
15 the TRG business opportunity.

16 13. The purported product being sold by TRG was a website ("portal website"), set
17 up for the purchasing consumer, which would serve as a portal to other
18 commercial websites, such as amazon.com and various casino websites.

19 14. TRG represented to consumers they would earn a commission when website
20 surfers made a purchase from a commercial website as a result of being directed
21 there from the portal website.

22 15. TRG charged anywhere from \$99 to \$597 for the establishment of the portal
23 website.
24
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1 16. TRG represented to numerous consumers that the business opportunity was
2 "risk free."

3 17. TRG represented to numerous consumers that the business opportunity came
4 with a 100% money-back guarantee.

5 18. TRG represented to numerous consumers that they were certain to generate
6 income from the program.

7 19. TRG represented that consumers could generate anywhere from \$1,000 per
8 week to well over \$100,000 per year.

9 20. Hundreds of consumers purchased the program.

10 21. TRG represented that purchasing consumers would be contacted by a "coach /
11 mentor" to assist with their advertising efforts.

12 22. Typically, the primary role of the coach / mentor was to sell the consumer a
13 supplementary advertising package to generate "hits" on the portal website. The
14 cost for the advertising packages ranged from a few thousand dollars to nearly
15 \$10,000 per year.

16 23. TRG represented that a certain number of hits (often 35,000) was guaranteed
17 with the purchase of the supplementary advertising packages.

18 24. TRG represented, through implication and otherwise, that the full refund policy
19 applied to the advertising packages as well as the initial purchases.

20 25. TRG failed to disclose that the full refund policy that applied to the initial
21 purchases did not apply to the advertising packages.
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1 26. TRG made numerous deceptive and misleading claims to consumers regarding
2 the effectiveness of the portal website and the earnings that consumers would
3 realize by its use.

4 27. TRG made numerous deceptive and misleading claims to consumers regarding
5 the effectiveness of the advertising packages and the increased earnings that
6 consumers would realize by its use.

7 28. TRG made numerous deceptive and misleading claims to consumers regarding
8 their ability to obtain full refunds from TRG if they were dissatisfied with TRG's
9 products or services.

10 29. Few, if any, customers realized any income from the websites purchased from
11 TRG.

12 30. Defendants have engaged in a pattern and practice of misrepresentations and
13 deceit in the advertising and sale of goods and services to consumers.

14
15 Violations of the Telephone Solicitations Act

16 Second Claim for Relief

17 31. The State realleges all preceding paragraphs as though fully set forth herein.

18 32. Defendants conducted "telephone solicitation sales" as defined under the
19 Telephone Solicitations Act, A.R.S. § 44-1271, *et seq.* In doing so, Defendants
20 were required to comply with the mandates of the Act.

21
22 33. Defendants conducted telephone solicitations without filing a verified registration
23 statement with the Arizona Secretary of State as set forth in A.R.S. §44-1272.

1 34. Defendants conducted telephone solicitations without first filing a bond in the
2 amount of one hundred thousand dollars (\$100,000.00) with the Arizona State
3 Treasurer as required in A.R.S. §44-1274.

4 35. Defendants conducted telephone solicitations without providing the required
5 disclosures and notices of cancellation to consumers as required by A.R.S. §44-
6 1276. In many instances, Defendants did not honor consumers' right to cancel
7 and request refunds as mandated by A.R.S. §44-1276 (C).

8 36. Defendants' violations of the Telephone Solicitations Statute constitute unlawful
9 practices under the Arizona Consumer Fraud Act, A.R.S. §44-1522 *et seq.*

10
11 Third Claim for Relief

12 37. The State realleges all preceding paragraphs as though fully set forth herein.

13 38. In 2002, Defendant Edward Longoria was the subject of a Consent Judgment
14 entered against him as the result of a Consumer Fraud Act lawsuit filed against
15 him.

16 39. The 2002 Consent Judgment enjoined Defendant Longoria from engaging in
17 activities in violation of the Consumer Fraud Act as well as specific acts and
18 practices relating to the sale and marketing of goods and services.

19 40. While engaging in the acts and practices alleged herein, Defendants were at all
20 times acting willfully as defined by A.R.S. § 44-1521.

21
22 Prayer for Relief

23 WHEREFORE, Plaintiff respectfully requests that the Court:

24 41. Prohibit Defendants from violating the Arizona Consumer Fraud Act, A.R.S. § 44-
25 1521 *et seq.*;

1 42. Prohibit Defendants and all persons in active concert or participation with them
2 from engaging in the course of conduct alleged herein;

3 43. Order Defendants to restore to all persons any money that was acquired by any
4 means or practice alleged herein to be in violation of any of the above-mentioned
5 acts, as deemed proper by the Court pursuant to A.R.S. § 44-1528;

6 44. Order Defendants to pay the State of Arizona a civil penalty of up to ten thousand
7 dollars (\$10,000.00) for each violation of the Consumer Fraud Act pursuant to
8 A.R.S. 44-1531;

9 45. Order Defendants to pay the State of Arizona its investigative and attorneys'
10 costs and fees relating to this lawsuit.
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15 Dated this 7th day of December, 2006

16 TERRY GODDARD,
17 Attorney General

18 By: _____
19 Karen Baerst Treon
20 Assistant Attorney General
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23
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25 CPA06-366/989610

1 STATE OF ARIZONA)
2) ss.
3 County of Maricopa)
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5 The undersigned hereby certifies that he is a Special Agent with the
6 Arizona Attorney General's Office. In that capacity, he is authorized to make this
7 affidavit on behalf of the State; that he has read the foregoing Complaint and
8 knows the contents thereof, and the same are true to the best of his knowledge,
9 information and belief, as set forth therein, based upon review of the documents
10 and information available to the Arizona Attorney General's Office.

11 DATED this ___ day of _____, 2006.

12
13 _____
14 Francisco Arvizu, Special Agent,
Office of the Attorney General

15 SUBSCRIBED AND SWORN to before me this the ___ day of
16 _____, 2006.

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18 _____
19 Notary Public

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21 Commission Expires:
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