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10  
11 **IN THE UNITED STATES DISTRICT COURT**  
12 **FOR THE DISTRICT OF NEVADA**

13  
14 In the Matter of

15 FEDERAL TRADE COMMISSION,  
16 Plaintiff,

17 vs.

18 A AAAAUTO CAR BROKERS, INC.;  
AAA ANYWHERE ANYTIME AUTO  
19 BROKERS, INC.; and

20 KATHERINE ANN CARTER, individually  
and as an officer of said corporations.

21 Defendants.  
22

COMPLAINT FOR  
INJUNCTIVE AND OTHER  
RELIEF

23 Plaintiff, the Federal Trade Commission ("FTC" or "Commission"), for its complaint alleges:

24 1. The Commission brings this action under Section 13(b) of the Federal Trade  
25 Commission Act ("FTC Act"), 15 U.S.C. §§ 53(b), to secure preliminary and permanent injunctive  
26 relief, restitution, rescission or reformation of contracts, disgorgement, and other equitable relief for  
27

1 defendants' unfair or deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C.  
2 § 45(a).

3 **JURISDICTION AND VENUE**

4 2. This Court has subject matter jurisdiction pursuant to 15 U.S.C. §§ 45(a), 53(b), 57b,  
5 6102(c), and 6105(b), and 28 U.S.C. §§ 1331, 1337(a), and 1345.

6 3. Venue in this District is proper under 15 U.S.C. § 6103(a) and 28 U.S.C. § 1391(b)  
7 and (c), and in the Southern Division under L.R. IA 6-1 and L.R. 8-1(a).

8 **PLAINTIFF**

9 4. Plaintiff Federal Trade Commission is an independent agency of the United States  
10 Government created by statute. 15 U.S.C. §§ *et seq.* The Commission enforces Section 5(a) of the  
11 FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting  
12 commerce. The Commission may initiate federal district court proceedings to enjoin violations of the  
13 FTC Act and to secure such equitable relief as may be appropriate in each case, including restitution for  
14 injured consumers. 15 U.S.C. § 53(b).

15 **DEFENDANTS**

16 5. Defendant A AAAAuto Brokers, Inc. ("A AAA") was incorporated in Nevada in  
17 April, 1996. Its principal place of business is at 4495 W. Hacienda, #12, Las Vegas, Nevada. A  
18 AAA is in the business of arranging for the transportation of consumers' automobiles by truck, rail, or  
19 ship throughout the United States. A AAA transacts or has transacted business in this District and  
20 elsewhere.

21 6. Defendant AAA Anywhere Anytime Auto Brokers, Inc. ("AAA Anywhere") was  
22 incorporated in Nevada in November, 1999. Its principal place of business is at 6120 W. Tropicana  
23 A16, Suite 141, Las Vegas, Nevada. AAA Anywhere also is in the business of arranging for  
24 consumers' automobiles to be transported by truck, rail, or ship throughout the United States. AAA  
25 Anywhere transacts or has transacted business in this District and elsewhere.

26 7. Defendant Katherine Ann Carter ("Carter") is an owner, director, officer or manager of  
27 defendant A AAA, and is an owner, director, officer or manager of defendant AAA Anywhere. She

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

5 **COMMERCE**

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

9 **DEFENDANTS' BUSINESS ACTIVITIES**

10 9. Defendants A AAA and AAA Anywhere are automobile transport brokers ("auto  
11 brokers"). These firms, for a fee, offer to arrange for consumers' automobiles to be shipped throughout  
12 the United States and overseas. Unlike motor carriers who haul automobiles with their own equipment,  
13 brokers must "match up" the consumer's requested date and route with available trucking firms. For  
14 auto brokers, the ease of finding transportation for a specific date or range of dates may depend on  
15 such factors as the route; the time of year; whether truckers can quickly fill orders in one location; the  
16 broker's current reputation for timely payment; or whether the broker offers truckers extra money for  
17 immediate pickup of the automobile.

18 10. For many consumers, it is critical that they be able to rely on brokers' claims that they  
19 will have the consumers' automobiles picked up or delivered on specific dates or ranges of dates.  
20 Often, consumers are shipping their only car or a second car needed for business, commuting, or other  
21 use. Consumers also may buy airline tickets in advance, with flights timed to allow them to pick up their  
22 vehicles upon arrival. When the broker falsely claims that the consumer can rely on specific dates for  
23 pickup or delivery, the resulting delays can cause consumers considerable expense. Consumers may  
24 have to use rental cars for days or weeks, pay for lodging, buy expensive replacement airline tickets, or  
25 cancel the first broker contract and hire alternative transport. If they cancel, they may lose the deposit.  
26 Consumers also may experience considerable other business, employment, or personal disruptions.

1           11. Defendants A AAA and AAA Anywhere, since at least November 1999, have  
2 engaged in a campaign to induce consumers to contract with them through false and misleading  
3 representations that A AAA or AAA Anywhere will pick up and deliver consumers' automobiles in a  
4 timely manner.

5           12. Defendants advertise nationwide in the yellow pages. Sometimes the advertisements  
6 make explicit reliability claims with respect to timely delivery – “Fast Reliable Pickup & Delivery” . . .  
7 “Reliable Delivery” . . . “On Time !” . . . “Guaranteed Delivery.” The advertisements often add to this  
8 impression of reliability with such phrases as “I.C.C. Licensed, Bonded, and Insured.”

9           13. The advertisements contain a toll-free number. When consumers call, the defendants'  
10 salesperson, after learning of the requested destination and time frame, (1) advises the consumer of the  
11 applicable transportation price; (2) represents that the company will have the automobile picked up  
12 within a narrow two-day window; and (3) gives a time period after the specified pickup date(s) within  
13 which the company will have the automobile delivered (*e.g.*, “7 - 10 days”). Salespersons in numerous  
14 instances give no warning that those pickup and delivery dates are uncertain or may be impossible,  
15 depending on the availability of transport or other factors.

16           14. Once agreement is reached, the company faxes the consumer a standard contract. The  
17 first page of the contract recites the 2-day window for pickup cited by the salesperson, and the amount  
18 due. If the amount due is just a \$250 deposit, the consumer must pay the trucker the remainder of the  
19 contract upon delivery of the car to the consumer. If the consumer is required to pay the entire  
20 transportation cost up front, then it is the auto broker's responsibility to pay the trucker. The contract  
21 specifies that A AAA or AAA Anywhere, as applicable, must receive a certified check within one or  
22 two days.

23           15. Consumers send the deposit requested to defendants and then either wait for the truck  
24 to arrive or travel to their destinations and leave their automobile with friends or family. Consumers first  
25 learn that defendants' representations were false or without basis when the truck fails to arrive on time  
26 to pick up the automobile. This failure to pick up the automobile within a reasonable time frame, by  
27 itself, causes considerable injury to consumers in numerous instances.

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

5                                 **VIOLATIONS OF SECTION 5 OF THE FTC ACT**

6   **Count One**

7         17. In numerous instances, in connection with the advertising, marketing and sale of  
8 transportation services to consumers, defendants have represented, expressly or by implication, that:

- 9                 a. Defendants will have the consumer's automobile picked up in a timely manner;  
10                 and  
11                 b. Defendants will have the consumer's automobile delivered in a timely manner.

12         18. In truth and in fact, in numerous instances:

- 13                 a. Defendants will not have the consumer's automobile picked up in a timely  
14                 manner; and  
15                 b. Defendants will not have the consumer's automobile delivered in a timely  
16                 manner.

17         19. Therefore, defendants' representations set forth in Paragraph 17 are false and  
18 misleading and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15  
19 U.S.C. § 45(a).

20  
21   **Count Two**

22         20. Defendants have represented, expressly or by implication, that they possessed and  
23 relied upon a reasonable basis that substantiated the representation set forth in Paragraph 17 at the time  
24 those representations were made.

25         21. In truth and fact, defendants did not possess and rely upon a reasonable basis that  
26 substantiated the representations set forth in Paragraph 17 at the time the representations were made.



1           3.       Award such relief as the Court finds necessary to redress injury to consumers resulting  
2 from defendants' violations of the FTC Act, including, but not limited to, rescission or reformation of  
3 contracts, restitution, refund of monies paid, and disgorgement of ill-gotten monies; and

4           4.       Award plaintiff the costs of bringing this action, as well as such other and additional  
5 relief as the Court may determine to be just and proper.

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7  
8 Dated: \_\_\_\_\_ 2001

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Attorneys for Plaintiff  
Federal Trade Commission