

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

XAVIER BECERRA
Attorney General of California
AMY J. WINN
Supervising Deputy Attorney General
W. RICHARD SINTEK
Deputy Attorney General
State Bar No. 134894
600 West Broadway, Suite 1800
San Diego, CA 92101
P.O. Box 85266
San Diego, CA 92186-5266
Telephone: (619) 738-9317
Fax: (619) 645-2271
E-mail: Richard.Sintek@doj.ca.gov
Attorneys for Plaintiff
People of the State of California

ELECTRONICALLY FILED
Superior Court of California,
County of Orange
05/28/2019 at 10:43:39 AM
Clerk of the Superior Court
By Mark Gutierrez, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

Judge Robert J. Moss

THE PEOPLE OF THE STATE OF CALIFORNIA,

v.

**PROPERTY PROTECTION TEAM, LLC;
LACY JAE TREECE; THOMAS S.
WHITE, individually and dba Farrar Time
Share Exit Pros and dba Time Share Exit
Pros; CHRISTOPHER P. ANDERSON;
THOMAS BLAIR MORRIS; and DOES 1 -
100, inclusive,**

Defendants.

Case No. 30-2019-01072930-CU-BT-CJC

**COMPLAINT FOR INJUNCTIVE
RELIEF, CIVIL PENALTIES AND
OTHER ANCILLARY RELIEF**

(Cal. Bus. & Prof. Code §§ 17200, 17500 and 17512)

Verified Answer Required Pursuant to Code of Civil Procedures §446

1 Plaintiff, the People of the State of California, by and through Attorney General Xavier
2 Becerra, alleges as follows:

3 INTRODUCTION

4 1. Defendants prey on vulnerable consumers by cold-calling victims of prior
5 investment schemes and offering, for a fee, to help recoup losses. Defendants also cold-call
6 timeshare owners, offering to help them get rid of unwanted timeshare interests. Defendants'
7 false and misleading claims of expertise and success persuade victims to pay an illegal advance
8 fee of several thousand dollars. Defendants' promised services are illusory and go unperformed.
9 Defendants have collected almost three hundred thousand dollars from approximately 60 victims,
10 selling them false hope.

11 2. The Attorney General brings this civil enforcement action to protect consumers
12 against Defendants conducting business in California violating the Telephonic Seller's Law at
13 Business and Professions Code section 17511, et seq. (TSL), and violating the False Advertising
14 Law at Business and Professions Code section 17500, et seq. (FAL). Defendants' conduct is also
15 an unlawful, unfair, or fraudulent business practice violating the Unfair Competition Law at
16 Business and Professions Code section 17200, et seq. (UCL).

17 JURISDICTION AND VENUE

18 3. This Court has subject matter jurisdiction because this is an action by the California
19 Attorney General to enforce California statutes he is charged with enforcing.

20 4. This Court has personal jurisdiction over each Defendant because the relevant
21 conduct, as alleged below, took place in this County. Alternatively, each Defendant either resides
22 in this County or conducted business in this County.

23 FACTUAL ALLEGATIONS

24 **Overview**

25 5. Defendants are investment recovery marketers preying on victims holding non-
26 performing investments previously sold to them by other telemarketers. Promoters used the
27 telephone to sell high-risk investments to prospective investors, many of whom were elderly.
28 Because many of these risky investments ultimately fail, investors burdened with losses are

1 susceptible to a sales pitch offering to help recover their money. Defendants identify vulnerable
2 investors and then engage telemarketers to aggressively sell recovery assistance services to them.

3 6. Defendants are also timeshare relief marketers preying on consumers desiring to
4 terminate timeshare ownership and its expenses. These timeshare owners want to dispose of an
5 interest that has lost value and has become a liability with ongoing expenses. These owners no
6 longer want their timeshare, can find no willing buyer, and are burdened with mounting timeshare
7 expenses, thus making them susceptible to a sales pitch offering timeshare relief. Defendants
8 identify vulnerable timeshare owners and then engage telemarketers to aggressively sell timeshare
9 relief services to them.

10 7. Defendants pitch their services by overstating their expertise and success, while
11 understating the difficulty of recovering any funds or obtaining relief. Defendants sell false hope.

12 8. Defendants demand and collect advance fees upfront before any services are
13 delivered and thus before any money is recovered or any relief obtained.

14 9. After collecting advance fees from investors, Defendants are supposed to draft
15 demand letters to companies in which investors suffered loss, threatening to send copies to
16 regulators and government agencies if their demands are not met. After receiving customer fees,
17 however, Defendants do not pursue recovery as promised.

18 10. After collecting advance fees from timeshare owners, Defendants are supposed to
19 locate and transfer timeshare interests to willing buyers, or negotiate transfers back to the resorts.
20 After receiving customer fees, however, Defendants do not pursue timeshare relief as promised.

21 11. Defendants are violating the TSL by collecting illegal advance fees from investors.
22 (Bus. & Prof. Code, § 17512.) Defendants are violating the FAL by making false and misleading
23 statements about their services to customers. (Bus. & Prof. Code, § 17500.) Defendants' conduct
24 is also an unlawful, unfair, or fraudulent business practice violating the UCL. (Bus. & Prof.
25 Code, § 17200.)

26 12. Defendants have continuously conducted their investment recovery and timeshare
27 relief marketing schemes from offices in California since on or about August 26, 2016.

28 ///

Defendants

1
2 13. Property Protection Team, LLC (PPT) registered with the California Secretary of
3 State on August 26, 2016, listing its address as 9618 Bart Lane, Santee, California. PPT's most
4 recent filing with the Secretary of State, dated June 16, 2017, lists its address is 575 Anton
5 Boulevard, Suite 300, Costa Mesa, California.

6 14. Lacy Jae Treece (Treece) is offering and selling investment recovery and timeshare
7 relief services from California. At all relevant times, she is an owner and control person of PPT.
8 On information and belief, Treece currently resides in Santee, California, and is married to
9 Thomas S. White.

10 15. Thomas S. White (White) is offering and selling investment recovery and timeshare
11 relief services from California, sometimes using the alias, Brad Stevens. At all relevant times, he
12 is an owner and control person of PPT. White also does business as Time Share Exit Pros or as
13 Farrar Time Share Exit Pros. On information and belief, White currently resides in Santee,
14 California and is married to Lacy Jae Treece.

15 16. Christopher P. Anderson (Anderson) is offering and selling investment recovery and
16 timeshare relief services from California, sometimes using the alias, Paul Maside. At all relevant
17 times, PPT is paying Anderson as a commissioned telemarketer. On information and belief,
18 Anderson currently resides in Orange County.

19 17. Thomas Blair Morris (Morris) is offering and selling investment recovery and
20 timeshare relief services from California. At all relevant times, PPT is paying Morris as a
21 commissioned telemarketer for PPT. On information and belief, Morris may be using the aliases,
22 Jason Peterson and Thomas Moore. His current residence is unknown.

23 18. Unless otherwise alleged, whenever reference is made in this Complaint to any act or
24 transaction of a Defendant, such allegation shall be deemed to mean that Defendant and, if a
25 business, its owners, officers, directors, agents, employees, or representatives, did or authorized
26 such acts while engaged in the management, direction, or control of the affairs of the Defendant
27 and while acting within the scope and course of their duties.

1 19. Unless otherwise alleged, whenever reference is made in this Complaint to any act of
2 Defendants, such allegation shall be deemed to mean the act of each Defendant acting
3 individually and jointly with the other Defendants named in that cause of action.

4 20. At all times mentioned herein, each Defendant knew that the other Defendants were
5 engaging in or planned to engage in the violations of law alleged in this Complaint. Each
6 Defendant nevertheless intended to and did encourage, facilitate, or assist in the commission of
7 the unlawful acts, and thereby aided and abetted the other Defendants in the unlawful conduct.

8 21. The true names and capacities, whether individual, corporate, or otherwise, of
9 Defendants sued herein under the fictitious names of DOES 1 through 100, inclusive, are
10 unknown to plaintiff who therefore sues these Defendants by using fictitious names. Plaintiff will
11 amend this Complaint to show the true names of each when the name has been ascertained.

12 **SPECIFIC FACTUAL ALLEGATIONS**

13 ***Learning the Business of Selling Investment Recovery and Timeshare Relief Services***

14 22. Most Defendants learned the business of marketing investment recovery services at a
15 company called Consumer Advocate Services Enterprises (“CASE”). Defendant Treece worked
16 as a customer service representative for CASE in Long Beach, California from approximately
17 2010 through May of 2015. CASE was marketing investment recovery and timeshare relief
18 services by cold-calling consumers based on information in purchased lists. CASE promised to
19 help recover investment loss or obtain timeshare relief for an advance fee.

20 23. Defendant White worked as a telemarketer for CASE in Long Beach, California
21 beginning in 2012. White worked for Global Transfer in 2016, a telemarketing company offering
22 timeshare relief services from offices in Orange County, California.

23 24. After leaving CASE, Treece and White eventually formed PPT in late 2016, offering
24 services in investment recovery and timeshare relief. PPT has never been registered as a
25 telephonic seller in California.

26 25. Defendant Anderson worked as a telemarketer for CASE in Long Beach, California
27 from approximately 2012 through early 2015. In late 2016, Anderson began working as a
28 commissioned telemarketer for PPT in Costa Mesa, California.

1 26. Morris learned the telemarketing business at PPT from White, his friend and mentor.

2 ***Marketing the Investment Loss Recovery Scheme to Potential Customers***

3 27. To entice consumers to purchase PPT's services for the recovery of investment
4 losses, Defendants market PPT primarily through telephone calls initiated by Defendants from
5 offices in California.

6 28. PPT's investment recovery customers previously invested, via a telemarketing
7 transaction, with an investment promoter other than PPT. Those prior investments are the source
8 of investor monetary loss and thus the subject of PPT's investment recovery services.

9 29. Telemarketers at PPT solicit vulnerable prospects with representations that PPT is
10 experienced and successful with expertise in recovering investment losses.

11 30. Telemarketers at PPT do not disclose the difficulty in recovering investment losses
12 and PPT's lack of recovery success

13 31. Some contracts between customers and PPT identify CASE or Global Transfer as an
14 entity that is a source of recovery for underlying monetary loss. Defendants fail to disclose
15 preexisting relationships with CASE or Global Transfer.

16 ***Marketing the Timeshare Relief Scheme to Potential Customers***

17 32. To entice consumers to purchase PPT's timeshare relief service, Defendants market
18 PPT primarily through telephone calls initiated by Defendants from offices in California.

19 33. Telemarketers at PPT solicit vulnerable prospects with representations that PPT is
20 experienced and successful with expertise in timeshare relief.

21 34. Telemarketers at PPT offer and sell "guaranteed" timeshare relief, but do not disclose
22 the difficulty in divesting timeshare ownership and PPT's lack of timeshare relief success.

23 35. Beginning in or about July of 2017, White began offering timeshare relief service to
24 consumers while doing business as Time Share Exit Pros or as Farrar Time Share Exit Pros.

25 ***Property Protection Team's Public Website***

26 36. Defendants maintain a public website at www.propertyprotectionteam.weebly.com to
27 promote their investment recovery and timeshare relief business.

28

1 37. The website states that PPT was “founded by a group of investigators and legal
2 document preparers who have over 25 years combined experience ... [with] extensive knowledge
3 in all areas of fraud and corporate bullying ... [and] several departments to assist you with all of
4 your legal needs.” At no time were any Defendants licensed investigators or registered legal
5 document assistants or licensed to pursue legal recourse on behalf of customers.

6 38. The website states that PPT has experts specializing in “certified mediation”.
7 Plaintiff is informed and believes that at no time did any Defendant have certification or training
8 in dispute resolution such as mediation.

9 39. The website states that PPT has helped thousands of customers “get out of your
10 timeshare and never pay maintenance fees, special assessment fees, or association dues again.”

11 40. The website states that PPT’s timeshare transfer and liquidation services are 100%
12 guaranteed.

13 41. As owners and control persons, Treece and White are responsible at all times for PPT’s
14 marketing materials, telemarketers’ sales pitches, and for the content on PPT’s website.

15 ***Property Protection Team, LLC Contracts***

16 42. Defendants’ marketing scheme persuades consumers to sign a contract, drafted by
17 PPT, for investment recovery or timeshare relief services. PPT’s contract provisions vary based
18 on Defendants’ promises and obligations owed to individual customers.

19 43. Most versions of PPT’s contract state that by signing its contract the customer
20 acknowledges and agrees that he/she is “not being misled by Property Protection Team LLC.”

21 44. One version of PPT’s contract states that PPT is a legal document assistant registered
22 in San Diego County holding a bond or cash deposit as required by law. At no time were any
23 Defendants registered and bonded as a legal document assistant as required by Business and
24 Professions Code sections 6402 and 6405.

25 45. Another version of PPT’s contract promises to return fees to the customer if PPT does
26 not recover the customer’s investment loss by a date certain. Plaintiff is informed and believes
27 that Defendants have not honored this promise.
28

1 57. Defendants have violated, and continue to violate, Business and Professions Code
 2 section 17500 *et seq.*, by making or disseminating, or causing to be made or disseminated, false
 3 or misleading statements with the intent to induce members of the public to purchase their
 4 services, when Defendants knew, or by exercise of reasonable care should have known, that their
 5 statements were false or misleading. The false or misleading statements include, but are not
 6 limited to, the following:

Statement Made	Where Statement Made	Why Statement Is False Or Misleading
PPT is a legal document assistant registered in San Diego County holding a bond or cash deposit as required by law.	PPT customer contract	At no time was any Defendant registered and bonded as a legal document assistant as required by Business and Professions Code sections 6402 and 6405.
PPT "has several departments to assist you with all your legal needs."	PPT website	At no time was PPT licensed to pursue legal recourse on behalf of its customers, nor did it have any attorneys on staff.
PPT promises to return fees to the customer if PPT does not recover the customer's investment loss by a date certain.	PPT customer contract	Plaintiff is informed and believes that Defendants have not honored this promise. PPT does not pursue any recovery or relief after receiving customer funds.
PPT promises to refund fees to the customer if the case is not settled to the customer's satisfaction by a date certain.	PPT customer contract	Plaintiff is informed and believes that Defendants have not honored this promise. PPT does not pursue recovery or relief after receiving customer funds.
PPT promises to pursue recovery against the investment seller "directly and if they do not pay we will file a civil injunction case against them."	PPT customer contract	Defendants have never been licensed to pursue legal recourse on behalf of customers. PPT does not pursue recovery or relief after receiving customer funds.

1 2 3 4 5	PPT touts its experience and success with expertise in "all areas of fraud and corporate bullying ... PPT is here to walk hand and hand with you through this process.	PPT website	PPT has never been registered under the TSL and has never been licensed to pursue legal recourse on behalf of customers. PPT does not pursue recovery or relief after receiving customer funds.
6 7 8 9 10	PPT promises to help customers recover losses from CASE and Global Transfer.	PPT customer contract	Defendants fail to disclose their preexisting relationships with CASE or Global Transfer, and Defendants' knowledge of the status of these entities. PPT does not pursue recovery or relief after receiving customer funds.
11 12 13 14 15 16	PPT states that its experts specialize in "certified mediation" with "the ability to bring both parties to the table in order to come to a mutual agreement."	PPT website	Defendants have never been certified to pursue dispute resolution such as mediation. Defendants have never been licensed to pursue legal recourse on behalf of customers. PPT does not pursue recovery or relief after receiving customer funds.
17 18 19 20	PPT "guarantees" that timeshare owners will be relieved of all ownership and responsibilities by a date certain or receive a 100% fee refund from PPT.	PPT customer contract and PPT website	Plaintiff is informed and believes that Defendants have not honored this promise. PPT does not pursue recovery or relief after receiving customer funds.

SECOND CAUSE OF ACTION

VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17200 ET SEQ.

(Unfair Business Practices, Against All Defendants)

58. The People reallege and incorporate by reference each of the paragraphs above as though fully set forth herein.

59. Each Defendant has participated in the request or receipt of advance fees from customers without having first recovered any money or relief for them in violation of Business and Professions Code section 17512.

1 60. The advance fee is neither proportional to the amount of prior investment loss nor
2 conditioned on first recovering investment losses.

3 61. No Defendant is licensed as an attorney in this state.

4 62. Because Defendants collect substantial fees from investment recovery customers
5 before recovering any money, they are violating Business and Professions Code section 17512
6 that prohibits such advance payments, regardless of recovery. Business and Professions Code
7 §17512 states:

8 (a) It shall be unlawful for any person to request or receive payment of any fee or
9 consideration from a person for goods or services represented to recover or otherwise
10 assist in the return of money or any other item of value paid for by, or promised to,
that person in a previous telemarketing transaction, until seven business days after
that money or other item is delivered to that person.

11 (b) This section shall not apply to a licensed an attorney licensed practice law in this
12 state and specifically retained for the recovery or money of any other item of value.

13 (c) Notwithstanding Section 17511.9, any person who violates subdivision (a) shall
14 be guilty of a misdemeanor, and shall be punished by imprisonment in a county jail
for up to one year.

15 63. Defendants engaged in and continue to engage in unlawful, fraudulent, or unfair acts
16 or practices, which constitute unfair competition within the meaning of Business and Professions
17 Code section 17200. Defendants' acts or practices include, but are not limited to, the following:

18 a. Defendants have violated and are violating Business and Professions Code
19 section 17500, as alleged above in the First Cause of Action; and

20 b. Defendants have violated and are violating Business and Professions Code
21 section 17512 by requesting and receiving advance fees for services to recover investment loss in
22 a previous telemarketing transaction before recovering and delivering any money to the person
23 solicited.

24 ///

25 ///

26 ///

27 ///

28 ///

1 **PRAYER FOR RELIEF**

2 **WHEREFORE**, Plaintiff, the People, pray for relief against Defendants as follows:

3 1. Pursuant to Business and Professions Code section 17535, that Defendants, their
4 successors, agents, representatives, employees, and all persons who act in concert with
5 Defendants be permanently enjoined from making any false or misleading statements in violation
6 of Business and Professions Code section 17500 as alleged in this Complaint;

7 2. Pursuant to Business and Professions Code section 17535, that the Court enter all
8 orders or judgments as may be necessary to restore any person in interest any money or other
9 property that Defendants may have acquired by their violations of Business and Professions Code
10 section 17500, as proved at trial.

11 3. Pursuant to Business and Professions Code section 17536, that the Court assess a civil
12 penalty of two thousand five hundred dollars (\$2,500) against each Defendant for each violation
13 of Business and Professions Code section 17500, as proved at trial but not less than \$150,000;

14 4. Pursuant to Business and Professions Code section 17203, that Defendants, their
15 successors, agents, representatives, employees, and all persons who act in concert with
16 Defendants be permanently enjoined from engaging in unfair competition in violation of Business
17 and Professions Code section 17200 as alleged in this Complaint;

18 5. Pursuant to Business and Professions Code section 17203, that the Court enter all
19 orders or judgments as may be necessary to restore to any person in interest any money or other
20 property that Defendants may have acquired by their violations of Business and Professions Code
21 section 17200, as proved at trial;

22 6. Pursuant to Business and Professions Code sections 17206, that the Court assess a
23 civil penalty of two thousand five hundred (\$2,500) against each Defendant for each violation of
24 Business and Professions Code section 17200, as proved at trial but not less than \$150,000;

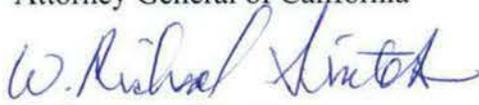
25 7. Pursuant to Business and Professions Code sections 17206.1, subdivision (a), that the
26 Court assess an additional civil penalty of two thousand five hundred (\$2,500) against each
27 Defendant for each violation of Business and Professions Code section 17200 perpetrated against
28 senior citizens or disabled persons, as proved at trial but not less than \$150,000;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 8. For the People's cost of suit incurred herein; and
- 9. Such other and further relief as the Court deems proper.

Dated: May 28, 2019

Respectfully Submitted,

XAVIER BECERRA
Attorney General of California

W. RICHARD SINTEK
Deputy Attorney General
Attorneys for California Department of Justice