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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES

PEOPLE OF THE STATE OF  
CALIFORNIA, ex rel KAMALA D.  
HARRIS, Attorney General of the State of  
California,

Plaintiff

v.

TELEVISION BROADCASTING  
ONLINE, LTD., URBAN INTERFAITH  
NETWORK, WILLIE PERKINS,  
MICHAEL MORRIS, WAYNE WILSON  
AND TANYA WILSON, BALBOA  
CAPITAL CORPORATION, UNITED  
LEASING ASSOCIATES OF AMERICA,  
LTD., and DOES 1 through 15 inclusive,

Defendants.

Case No. **BC456138**

**COMPLAINT FOR RESTITUTION,  
CIVIL PENALTIES, INJUNCTION AND  
OTHER RELIEF FOR VIOLATIONS OF  
BUSINESS AND PROFESSIONS CODE  
SECTIONS 17200 AND 17500 (UNFAIR  
COMPETITION AND FALSE  
ADVERTISING LAWS)**

[EXEMPT FROM FILING FEES  
PURSUANT TO GOVERNMENT CODE  
SECTION 6103]

1. Plaintiff, the People of the State of California, by and through Kamala D. Harris,  
Attorney General of the State of California ("Plaintiff" or "People"), alleges on information and  
belief as follows:

## INTRODUCTION

2. Defendants Television Broadcasting Online, Ltd. ("TVBO"), Urban Interfaith Network ("UIN"), Willie Perkins ("Perkins"), and Michael Morris ("Morris") engaged in a nationwide scam whereby they made untrue or misleading statements when persuading approximately 193 African-American churches in 15 different states to enter into expensive and onerous leases for shoddy computer equipment housed in wooden cabinets ("Kiosks"). To induce the churches to enter into the leases, Perkins and Morris, individually and as agents of TVBO and UIN, promised the churches, among other things, that the Kiosks would be provided free of charge, explaining that advertising sponsors would make the lease payments, and further, that even if those sponsors did not make the lease payments, the churches would not be obligated to make payments on the leases. Contrary to Perkins's and Morris's misrepresentations, the leases the churches signed obligated the churches to pay as much as \$47,000 to various leasing companies for each Kiosk.

3. Ultimately, the scam reached California where, commencing no later than February 24, 2006, defendants TVBO, UIN, Perkins and Morris, as well as two additional TVBO and UIN representatives, defendants Wayne and Tanya Wilson, began to successfully and systematically persuade 33 African-American churches in California to enter into Kiosk leases. Prior to approaching these churches, TVBO had reached separate agreements with defendants Balboa Capital Corporation ("Balboa") and United Leasing Associates of America, LTD. ("United") to provide financing for the Kiosks. Balboa and United agreed that after TVBO had secured a church's signature on the leasing company's form lease and the leasing company approved the lease, the leasing company would purchase a Kiosk from TVBO and then lease the Kiosk back to the church. For purposes of these transactions, Balboa and United authorized TVBO to present the leasing companies' lease forms and related documents to the churches for signature. With few, if any, exceptions, the first time Balboa or United had any contact with any of the churches was after the churches signed the leases. When securing the churches' signatures on Balboa and United's leases, TVBO was acting as an agent for Balboa and United. Moreover, although Balboa and United may not have initially been aware of TVBO's misrepresentations to the

1 churches, Balboa and United ultimately so learned, and chose a systematic course of action to not  
2 inform the churches of what they had discovered and systematically withheld material  
3 information from the churches. Additionally, after learning of TVBO's misrepresentations,  
4 Balboa and United systematically filed civil suits against the churches, failing to reveal to the  
5 churches the material facts they had learned of TVBO's misrepresentations and not revealing that  
6 Balboa and United had, in fact, entered into separate agreements with TVBO to have TVBO help  
7 Balboa and United collect lease payments from the churches.

#### 8 **PARTIES**

9 4. Kamala D. Harris is the duly elected Attorney General of the State of California and  
10 is the chief law officer of the State. The Attorney General is empowered by the California  
11 Constitution to take whatever action is necessary to ensure that the laws of the State are uniformly  
12 and adequately enforced. She is statutorily authorized to bring actions in the name of the People  
13 of the State of California to enforce California's statutes governing unfair competition and untrue  
14 or misleading representations. (Bus. & Prof. Code, §§ 17200 et seq., 17500 et seq.) On or about  
15 April 24, 2009, the Office of the Attorney General first became aware of allegations against  
16 Balboa, United, TVBO, Perkins and Morris concerning the lease of Kiosks to churches in  
17 California.

18 5. Defendant Television Broadcasting Online, Ltd. ("TVBO") was a Maryland  
19 corporation that, at all times relevant, had its principal place of business located at 5921 Shoshone  
20 Drive, Oxon Hills, Maryland 20724. TVBO has since forfeited its Maryland corporate status.  
21 TVBO, at all times relevant, did business in various states, including California. At all times  
22 relevant here, TVBO also had a District of Columbia business location at 2300 M Street NW,  
23 Suite 800, Washington DC 200037

24 6. Defendant Urban Interfaith Network, Inc. ("UIN") was a Maryland corporation, that,  
25 at all times relevant, had its principal place of business located at 5921 Shoshone Drive, Oxon  
26 Hill, Maryland 20724. UIN has since forfeited its Maryland corporate status. UIN, at all times  
27 relevant, did business in various states, including California. At all times relevant here, UIN also  
28 had another Maryland business location at 2770 Tyburn Oaks Court, Waldorf Maryland 20601, a

1 District of Columbia business location at 2300 M Street NW, Suite 800, Washington DC 200037  
2 and a California business address at 8350 Wilshire Blvd., Suite 200, Beverly Hills CA 902118.

3 7. Defendant Willie Perkins, AKA Willie Theartist Perkins ("Perkins") is currently  
4 incarcerated in the Michigan Department of Corrections, Charles Egeler Reception and Guidance  
5 Center, 3855 Cooper Street, Jackson, MI 49201. At all times relevant, Perkins was a principal  
6 and/or employee of TVBO and UIN. Perkins is sued in his individual capacity and as a principal  
7 of TVBO and UIN.

8 8. Defendant Michael Morris ("Morris") is currently incarcerated in the Michigan  
9 Department of Corrections, Charles Egeler Reception and Guidance Center, 3855 Cooper Street,  
10 Jackson, MI 49201. At all times relevant, Morris was a principal and/or employee of TVBO and  
11 UIN. Morris is sued in his individual capacity and as a principal of TVBO and UIN.

12 9. Defendant Wayne Wilson is domiciled in Rancho Cucamonga, California. At all  
13 times relevant, Wayne Wilson was the agent, representative and/or employee of defendants  
14 Perkins, Morris, TVBO and/or UIN and as yet unidentified Doe defendants 1 through 5, and in  
15 doing the acts alleged below, was acting in the scope of such agency and the permission and  
16 consent of said defendants.

17 10. Tanya Wilson is domiciled in Rancho Cucamonga, California. At all times relevant,  
18 Tanya Wilson was the agent, representative and/or employee of defendants Perkins, Morris,  
19 TVBO and/or UIN and as yet unidentified Doe defendants 1 through 5, and in doing the acts  
20 alleged below, was acting in the scope of such agency and the permission and consent of said  
21 defendants.

22 11. Defendant Balboa Capital Corporation ("Balboa") is a California corporation with its  
23 principal place of business at 2010 Main Street, 11th Floor, Irvine, California 92614. At all times  
24 relevant, Balboa was engaged in the business of leasing commercial equipment. At all times  
25 relevant, TVBO, UIN, Perkins, Morris and Wayne and Tanya Wilson were operating under  
26 Balboa's actual and ostensible authority to act and did act as the agents of Balboa with respect to  
27 all actions involving Balboa's Kiosk leases signed by California churches. Additionally, the acts  
28

1 of TVBO, UIN, Perkins, Morris and Wayne and Tanya Wilson with respect to Balboa's Kiosk  
2 leases were ratified by Balboa.

3 12. Defendant United Leasing Associates of America, LTD ("United") is a Wisconsin  
4 corporation, which at all times relevant had its principal place of business located at 3275  
5 Intertech Drive, Suite 100, Brookfield, Wisconsin 53045. At all times relevant, United was  
6 engaged in the business of leasing commercial equipment. At all times relevant, TVBO, UIN,  
7 Perkins, Morris, Wayne Wilson and Tanya Wilson were operating under United's actual and  
8 ostensible authority to act and did act as the agents of United with respect to all actions involving  
9 United's Kiosk leases signed by California churches. Additionally, the acts of TVBO, UIN,  
10 Perkins, Morris, Wayne Wilson and Tanya Wilson with respect to United's Kiosk leases were  
11 ratified by United.

12 13. Plaintiff is not aware of the true names, identities or capacities of the defendants sued  
13 herein as DOES 1 through 15, inclusive, and therefore sues said defendants by such fictitious  
14 names. Plaintiff will amend this complaint to state the true names and capacities of DOES 1  
15 through 15 when the same are ascertained. Plaintiff is informed and believe, and based thereon  
16 alleges, that each of the fictitiously named defendants is responsible in some manner for the  
17 occurrences alleged herein.

#### 18 VENUE

19 14. Venue in this court is proper pursuant to Code of Civil Procedure section 393 because  
20 the violations alleged in this complaint involve 33 California churches, 24 of which are located in  
21 Los Angeles County, five in Riverside County and four in San Bernardino County.

#### 22 DEFENDANTS' BUSINESS PRACTICES

##### 23 TVBO and Balboa

24 15. By approximately February 24, 2006, TVBO, UIN, Perkins, Morris, and Does 1  
25 through 5 (hereinafter referred to collectively as "TVBO," unless otherwise stated) reached an  
26 agreement regarding the leasing of Kiosks with Balboa and Does 6 through 10 (collectively  
27 referred to as "Balboa"). TVBO and Balboa agreed that if TVBO obtained a church's signature  
28 on a Balboa standard lease form, Balboa would pay TVBO a commission for securing each lease

1 and purchase a Kiosk from TVBO to lease back to the church. The Kiosk was only a low-end  
2 desktop computer, monitor, and printer worth between \$1,000 and \$5,000 when it worked, which  
3 it rarely, if ever, did. Balboa, however, agreed to pay TVBO between \$25,000- \$27,500 for each  
4 Kiosk and a \$500 commission for each Kiosk lease TVBO secured. Balboa made no attempt to  
5 determine the fair market value of the Kiosks it eventually purchased sight-unseen from TVBO,  
6 although Balboa would base the lease payment sums due from the churches on the inflated price  
7 it paid TVBO for each Kiosk.

8 16. Balboa provided to TVBO several of its lease documents, including a two-page  
9 boilerplate lease on Balboa's letterhead, and authorized TVBO to present those documents to  
10 churches for signature as part of TVBO's efforts to persuade the churches to lease the Kiosks.  
11 Although each lease varied slightly in price, the lease generally obligated the church to make 48  
12 monthly payments of about \$942 a month and make a two-month deposit of about \$1,884, for a  
13 total of about \$47,100 per Kiosk.

14 17. Each Kiosk lease was in dense legalese in small font and stated that the church's duty  
15 to make its monthly payments was unconditional and that if late with a single payment, Balboa  
16 could declare all payments immediately due with interest. The lease also stated that the lessee's  
17 obligation to make lease payments could not be cancelled for any reason whatsoever.

18 18. For each Kiosk lease, Balboa separately e-mailed to TVBO (1) the above-described  
19 lease and other Balboa documents on which Balboa required specific church signatures, and (2)  
20 detailed instructions as to who on behalf of the churches could sign, whether Balboa would accept  
21 a fax signature or not, and the methods by which TVBO should then deliver these executed lease  
22 documents back to Balboa. Balboa also provided to TVBO questions and answers to a Verbal  
23 Verification phone call that Balboa would later make to the church after TVBO had delivered the  
24 Kiosks. Balboa considers the Verbal Verification to be its prime method to protect against  
25 vendor fraud. Yet, before making the Verbal Verification calls to the churches, Balboa instructed  
26 TVBO to ensure that each church knew the answers to Balboa's Verbal Verification questions,  
27 including whether the Kiosks were operational and working satisfactorily.

28



1           19. No later than February 24, 2006, TVBO and Wayne and Tanya Wilson, individually  
2 and on behalf of TVBO (hereinafter referred to collectively "TVBO" unless otherwise stated)  
3 began approaching African-American churches in California regarding the Kiosks. Wayne and  
4 Tanya Wilson, armed with information and documents provided by TVBO, presented TVBO to  
5 the churches in California as a business/religious entity, national in scope, with strong ties to both  
6 the African-American community and "enlightened corporate sponsors" that wanted to help this  
7 community. To this end, TVBO advised the churches that if the churches signed certain  
8 documents that TVBO provided to the churches, TVBO would install Kiosks on the churches'  
9 premises at no cost to the churches, and that these Kiosks would connect the churches to a  
10 nationwide grid to bring the churches "into the 21st Century." TVBO further advised the  
11 churches that they could use the Kiosks to connect with their parishioners, national advertisers,  
12 government, businesses, and even generate some revenue for themselves.

13           20. One of the documents that TVBO provided the churches was Balboa's form lease  
14 referenced in paragraphs 16 and 17 above that Balboa had authorized TVBO to present to the  
15 churches.

16           21. To induce the churches to sign the Kiosk leases, TVBO made a number of false or  
17 misleading statements to the churches, including but not limited to promising the churches that  
18 TVBO would install the Kiosk at no cost to a church, and that community sponsors would pay for  
19 the Kiosks.

20           22. In addition, before the leases were signed, TVBO provided the churches a written  
21 Lease Addendum or made verbal promises consistent with that document. In large type (size 20  
22 font), this one-page document stated: (1) after 12 months, the church could "transfer all leasing  
23 responsibility" to TVBO; (2) "the Anchor Sponsor pays the monthly lease payments" to the  
24 church, which then "makes the monthly payments to the Leasing Company;" and (3) "if no  
25 payment is received from the sponsor then [the church] will not send a payment to the Leasing  
26 Company." These statements contained in the Lease Addendum were false and/or misleading.

27           23. Balboa was aware that the churches were relying upon TVBO to present, explain and  
28 obtain church signatures on Balboa's finance leases.

1       24. Balboa's Verbal Verification was, almost without exception, the first time in the lease  
2 process that Balboa had any direct contact with a church, and occurred only after TVBO (1) had  
3 delivered to Balboa the church's signature on Balboa's lease and (2) notified Balboa that it had  
4 delivered a Kiosk to a church. At that point, the Verbal Verification phone call would be made  
5 by a Balboa "funder" who would call the church and, following a Balboa script, would  
6 purportedly recite a series of statements and ask a series of questions, answers to which Balboa  
7 had instructed TVBO to provide the churches.

8       25. In at least one instance, TVBO told a church to tell Balboa during the Verbal  
9 Verification that it had received a functioning Kiosk, when in fact the Kiosk was locked and had  
10 no software or printer. TVBO further told this church that only after that Verbal Verification was  
11 completed could TVBO install the software – something TVBO never did.

12       26. Balboa typically signed a Kiosk lease the same day that the Verbal Verification  
13 occurred. Through TVBO's actions and misrepresentations, Balboa entered into 47 Kiosk leases  
14 with churches nationwide, 26 of which were entered into with 19 different California churches  
15 between approximately June 30, 2006 and August 13, 2007. Seven of the 19 California churches  
16 leased two Kiosks.

17       27. After the Balboa leases were fully executed, TVBO began sending checks to the  
18 California churches in furtherance of TVBO's misrepresentation that "sponsors" would provide  
19 funds to the churches for the lease payments. The churches deposited these checks in their  
20 accounts and then used those funds to make lease payments to Balboa for a number of months.  
21 Eventually, however, the checks from TVBO began arriving late and then stopped arriving  
22 altogether.

23       28. By at least July 6, 2007, Balboa was on notice that TVBO had been sending the  
24 churches funds to make lease payments. By that date, at least one California church informed  
25 Balboa that it was not making lease payments to Balboa because TVBO had not yet provided the  
26 money to the church. Several other churches followed suit in so informing Balboa. Balboa  
27 management claims that had it been aware that TVBO had advised the churches it would send  
28 "lease checks" to the churches, it would not have entered into any church lease. Yet, Balboa was



1 systematic in never advising any church that TVBO's actions and representations were irregular  
2 and/or unauthorized by Balboa after it became aware of these facts.

3 29. By September 11, 2007, Balboa upper management had documentary evidence that  
4 confirmed that TVBO was making lease payments for the churches, TVBO was trying to hide  
5 that fact from Balboa, and that TVBO was not to be trusted. Although it was evident that the  
6 churches were confused about their obligations and rights with respect to this matter, Balboa  
7 continued to fail to alert the churches of the impropriety of TVBO's actions or question the  
8 churches as to what TVBO had represented to the churches.

9 30. By July 2007, Balboa was describing its collection procedures to TVBO and asking  
10 TVBO to help secure payments for Balboa from at least one delinquent church. Balboa sent the  
11 delinquent church's payment history to TVBO to facilitate TVBO's collection activities. At the  
12 same time, Balboa was also providing TVBO with a debit authorization form and requesting  
13 TVBO to have the church fill it out and have TVBO fax the form back to Balboa. Once executed,  
14 this form would permit Balboa to withdraw money from the church's bank account without notice.  
15 By September 2007, Balboa sent a list of five delinquent churches to TVBO to help secure  
16 payments, urging TVBO to have these delinquent churches execute the debit authorizations forms  
17 for Balboa. Also in September 2007, Balboa asked TVBO to confirm that TVBO distributed  
18 quarterly payments to the churches and asked TVBO to instruct the churches to immediately send  
19 that money received from TVBO to Balboa for lease payments so the churches could avoid  
20 Balboa's late charges.

21 31. Balboa also failed to inform another leasing company to which Balboa had sold 10  
22 Kiosk leases about TVBO's actions. Nor did Balboa respond to that leasing company's inquiries  
23 in December 2007 for more information after five of those ten leases had become delinquent and  
24 churches were suggesting that TVBO, not the churches, were to make the payments.

25 32. By at least April 16, 2008, Balboa was well-aware that TVBO had provided the  
26 churches the Lease Addendum referenced in paragraph 22 above. Although the Lease Addendum  
27 contained misrepresentations regarding the leases, Balboa failed to advise the churches of this  
28 fact, that TVBO was not to be trusted, and the full extent of Balboa's information on the matter.

1 Rather, whenever a church raised its understanding that it need not make a lease payment since it  
2 had not received a check from TVBO and/or wished to exercise its option per the Lease  
3 Addendum to transfer all lease payment responsibility to TVBO, Balboa would simply advise the  
4 church that the lease obligated the church to pay Balboa and that any agreement the churches  
5 entered into with TVBO did not concern Balboa.

6 33. On April 16, 2008, notwithstanding that Balboa was aware that TVBO had made  
7 untrue or misleading statements to the churches to induce them to enter into the Kiosk leases, and  
8 that 13 California churches and 14 non-California churches were behind in their lease payments,  
9 Balboa agreed with TVBO, orally and in writing, to accept lease payments directly from TVBO  
10 for any of these 27 late-paying churches. Later that month, Balboa accepted three checks directly  
11 from TVBO for three late-paying churches, two of them California churches. Shortly thereafter,  
12 Balboa made untrue or misleading statements regarding this arrangement to at least two of those  
13 three churches. Balboa stated to one of those churches that TVBO was not paying Balboa  
14 directly and that no one from TVBO has made contact with Balboa. Balboa advised another  
15 church that Balboa was not accepting payments from the vendor.

16 34. On June 17, 2008, Balboa filed collection suits against 10 California churches,  
17 including the two for which it had accepted checks from TVBO. Between September 2008 and  
18 January 2009, Balboa sued four more California churches. In all its suits against California  
19 churches, Balboa sought payment in full for the leases with interest, and attorneys' fees and costs.  
20 In those actions, Balboa systematically failed to reveal that TVBO had made untrue or misleading  
21 representations, failed to reveal Balboa's April 16, 2008 agreement with TVBO, failed to reveal  
22 that Balboa had accepted Lease payments directly from TVBO, refused to turn over to any  
23 defendant/church any information about any of the other 46 Balboa Kiosk leases secured by  
24 TVBO, and claimed its lawsuits were "ordinary collection suit[s]."

25 35. Balboa's failure to provide the churches with accurate and timely information about  
26 TVBO's misrepresentations was exacerbated by the fact that TVBO provided the churches an  
27 ever-changing parade of excuses and explanations: (1) TVBO would fix the kiosks; (2) Balboa  
28 did not understand and that TVBO would talk to it; (3) TVBO filed a lawsuit against Balboa; and

1 (4) TVBO hired negotiators to work the matter out with Balboa. At the same time, whenever a  
2 church would contact Balboa, Balboa would only tell the church that the lease payment is the  
3 church's obligation, or words to that effect. In May 2008, approximately one month after Balboa  
4 became aware of the Lease Addendum and had concluded that TVBO had misled the churches, a  
5 Balboa salesman told one church, that posed questions about its non-functioning Kiosk, that  
6 Willie Perkins and TVBO had always been honest and reputable. Further, in June 2008, instead  
7 of advising the churches directly that TVBO could not be trusted, Balboa inexplicably directed a  
8 TVBO representative to inform the churches of that fact. TVBO never conveyed that message to  
9 the churches.

10 36. The churches' confusion as to their rights and obligations was further exacerbated  
11 when, in July 2008, TVBO hired a California law firm to represent four California churches  
12 against Balboa's lawsuits. The firm withdrew from the cases in March 2009.

13 37. Eventually, many of the California churches were intimidated into expensive  
14 settlements with Balboa. In addition, at least one church had a default judgment entered against it  
15 and others contested Balboa's lawsuits.

16 **TVBO and United**

17 38. On or about April 2007, United and Does 11 through 15 (collectively referred to as  
18 "United") agreed to partner with TVBO in order to lease Kiosks to California churches. TVBO,  
19 through Morris and Perkins, and United agreed that for every United Kiosk lease TVBO secured  
20 and that was approved by United, United would pay TVBO \$27,500 for a Kiosk. United made no  
21 attempt to determine the fair market value of the Kiosks it eventually purchased sight-unseen  
22 from TVBO. In turn, it was agreed that United would lease the Kiosk back to the church.  
23 Although some leases varied slightly in price, United's lease generally obligated the church to  
24 pay \$37,200 for each Kiosk, to be paid in 48 monthly payments of \$775, plus a deposit. Pursuant  
25 to this arrangement, by April 27, 2007, United was sending copies of its leases to TVBO to take  
26 to the churches for signature.

27 39. United provided TVBO with several of its lease documents, including its standard  
28 lease form which provided, in part, in small font: "You will unconditionally pay all amounts due,

1 without any right to reduction or set-off. . . . We are not related to the vendor and we cannot get a  
2 refund, nor is the vendor allowed to waive or modify any term of this Lease. Therefore, the Lease  
3 cannot be cancelled by you for any reason, even if the equipment fails or is damaged as it is not  
4 our fault.”

5 40. When TVBO, through Wayne and Tanya Wilson, approached California churches  
6 with the United lease, however, TVBO made the same misrepresentations as those set forth in  
7 paragraphs 19, and 21 of this Complaint, including the misrepresentations that the Kiosks would  
8 be free of charge. TVBO also provided those churches with a written Lease Addendum described  
9 in paragraph 22 of this Complaint or made verbal promises consistent with that document,  
10 including the promise that the churches need not pay for the Kiosks if they did not receive  
11 payments from a sponsor.

12 41. United was aware that the churches were relying upon TVBO to present, explain and  
13 obtain church signatures on United’s finance leases.

14 42. In addition to authorizing TVBO to provide churches with United’s lease form,  
15 United asked TVBO to allow United to customize a Kiosk application form with TVBO’s “logo”  
16 and provided that application to TVBO to present to the churches for signature. Prior to entering  
17 into any lease with a California church, TVBO and United entered into a  
18 Remarketing/Repurchase Agreement by which TVBO was required to remarket the Kiosk of any  
19 defaulting church by locating a new purchaser or assigning the defaulting church’s lease, and if  
20 those efforts failed, to “repurchase” the Kiosk from United. Neither TVBO nor United ever  
21 advised the churches of this Agreement.

22 43. To assist TVBO in locating churches for United’s leases, United provided at least  
23 three leads to TVBO identifying churches to which TVBO should offer the Kiosk lease.

24 44. With few, if any, exceptions, the first direct contact any California church had with  
25 United was after the churches signed the leases, when a United representative called some  
26 churches shortly before United signed the lease to ask if the Kiosk had been delivered.

27 45. Through TVBO’s actions and misrepresentations, United entered into 54 church  
28 leases nationwide, 15 of which were with 14 California churches. One California church signed

1 two leases with United. The fifteen leases with the California churches were entered into  
2 between approximately July, 2007 and March 2008.

3 46. By at least November 8, 2007, United had concerns about the enforceability of the  
4 Kiosk leases, and, further, was on notice that TVBO was purportedly representing that advertising  
5 sponsors would generate funds for the Kiosk lease payments. Notwithstanding this knowledge,  
6 United continued to enter into additional Kiosk leases and failed to notify the churches of its  
7 concerns. Instead, by December 2007, United began asking TVBO to help with United's  
8 collection efforts against delinquent churches.

9 47. By at least March 20, 2008, shortly after United had entered into the last of the 15  
10 California church leases, several churches confirmed to United that TVBO/sponsors were making  
11 the lease payments, not the churches.

12 48. In 2008, when many of the churches were delinquent in their payments or defaulting,  
13 United and TVBO renewed the Remarketing/Repurchase Agreement referenced in paragraph 42  
14 above and entered into a second agreement. This second agreement provided, in part, that TVBO  
15 would explain to the churches the obligations of the churches to United. United wanted TVBO to  
16 do this because TVBO had advised United that the churches did not understand their obligations  
17 to United. The second agreement also, in part, required TVBO to bring in 16 new leases and  
18 provided that United would use the funds from 14 of the new leases to pay for the already-  
19 delinquent churches. United never informed the churches of the existence of this second  
20 agreement nor secured new leases under the agreement.

21 49. By at least June 2008, United learned that TVBO had advised churches that they  
22 would not have to make any lease payments because TVBO would find sponsorship monies for  
23 the churches that would fund the leases. United, however, did not advise the churches that TVBO  
24 had made these representations without United's consent. Instead, United took actions that could  
25 only contribute to the churches' confusion. For example, on June 4, 2008, a church wrote to both  
26 United and TVBO, stating that because TVBO had been making the lease payments from the  
27 inception, but had stopped and that the Kiosk remained inoperable, the church demanded that  
28 United and TVBO take back the Kiosk, remove the church from the program and erase any

1 payment due. Rather than advise the church that TVBO had not been authorized to make the  
2 representations it had made to the church, United simply informed the church that United was not  
3 TVBO, that the lease obligation was outside of any agreements the church had with TVBO, and,  
4 further, requested that TVBO contact the church.

5 50. By at least August 5, 2008, United learned of TVBO's Lease Addendum and  
6 concluded that the document contained misrepresentations and that defendant Perkins had lied to  
7 United about the leasing process.

8 51. United never advised the churches that TVBO's actions were unauthorized or that  
9 TVBO had lied to United. Rather, United simply continued to advise the churches that the  
10 churches were obligated to make lease payments. And United also continued to rely on TVBO in  
11 its collection efforts. For example, in September 2008, United requested that TVBO  
12 communicate with the churches regarding delinquencies and defaults to work out the churches'  
13 obligations to United. That same month, although various churches had already told United that  
14 some of the Kiosks were not functioning and that churches thought that TVBO and United were  
15 the same entity, United began debiting church bank accounts to secure lease payments.

16 52. On October 7, 2008, United sued the first of the 13 California churches it eventually  
17 sued. In one of those suits, United obtained a \$62,000 default judgment. The majority of the  
18 other suits resulted in the churches hiring a Wisconsin attorney who negotiated settlements, and  
19 United voluntarily dismissed the remaining lawsuits. United, however, failed to compensate any  
20 of the churches for any attorney's fees incurred in those cases or financial losses incurred due to  
21 the leases.  
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1 FIRST CAUSE OF ACTION

2 VIOLATIONS OF BUSINESS AND PROFESSIONS

3 CODE SECTION 17500 ET SEQ. (UNTRUE OR MISLEADING STATEMENTS)

4 AGAINST DEFENDANTS TELEVISION BROADCASTING ONLINE, LTD.,

5 URBAN INTERFAITH NETWORK, WILLIE PERKINS, MICHAEL MORRIS,

6 WAYNE WILSON AND TANYA WILSON AND DOES 1 THROUGH 5

7 53. Plaintiff realleges and incorporates the allegations of paragraphs 1 through 52, as if  
8 fully set forth herein.

9 54. TVBO, UIN, Perkins, Morris, Wayne and Tanya Wilson and Does 1 through 5 have  
10 violated Business and Professions Code section 17500 et seq. by making or disseminating, or  
11 causing to be made or disseminated, untrue or misleading statements to churches in California  
12 prior to the churches' entering into leases for Kiosks when TVBO, UIN, Perkins, Morris, Wayne  
13 and Tanya Wilson and Does 1 through 5 knew, or by the exercise of reasonable care should have  
14 known that the statements were untrue or misleading. The untrue or misleading statements  
15 include, but are not limited to, the following:

16 a. untrue or misleading statements that led churches to believe the Lease  
17 Addendum was a bona fide part of the lease.

18 b. untrue or misleading statements that the Kiosks would be free to the churches  
19 and paid for by sponsors.

20 c. untrue or misleading statements that promised that after a year, if dissatisfied,  
21 the churches could transfer all lease responsibility to TVBO.

22 d. untrue or misleading statements regarding the capability of the Kiosks,  
23 including the untrue or misleading statements that the Kiosks would connect the churches to a  
24 nation-wide grid and would connect the churches to their parishioners, national advertisers,  
25 government, and businesses.

26 e. untrue or misleading statements that the Kiosks would generate revenue for the  
27 churches.

1 f. untrue or misleading statements that TVBO would repair Kiosks that were not  
2 operating properly.

3 **SECOND FIRST CAUSE OF ACTION**

4 **VIOLATIONS OF BUSINESS AND PROFESSIONS**

5 **CODE SECTION 17500 ET SEQ. (UNTRUE OR MISLEADING STATEMENTS)**

6 **AGAINST DEFENDANT BALBOA CAPITAL CORPORATION**

7 **AND DOES 6 THROUGH 10**

8 55. Plaintiff realleges and incorporates the allegations of paragraphs 1 through 37 and  
9 paragraph 54, as if fully set forth herein. Balboa and Does 6 through 10 are liable for each and  
10 every violation of Business and Professions Code section 17500 et seq. committed by defendants  
11 TVBO, UIN, Perkins, Morris, Wayne and Tanya Wilson and Does 1 through 5 as set forth in this  
12 complaint, including those set forth in paragraph 54, because when the above-referenced  
13 violations were committed, TVBO, UIN, Perkins, Morris, Wayne and Tanya Wilson and Does 1  
14 through 5 were acting as agents for Balboa and Does 6 through 10 in various aspects of the lease  
15 process including, but not limited to, inducing the churches to execute the leases. This agency  
16 relationship was both actual and ostensible, and, alternatively, arose through ratification by  
17 Balboa after the untrue or misleading statements were made by TVBO.

18 **THIRD FIRST CAUSE OF ACTION**

19 **VIOLATIONS OF BUSINESS AND PROFESSIONS**

20 **CODE SECTION 17500 ET SEQ. (UNTRUE OR MISLEADING STATEMENTS)**

21 **AGAINST DEFENDANT UNITED LEASING ASSOCIATES OF AMERICA, LTD.**

22 **AND DOES 11 THROUGH 15**

23 56. Plaintiff realleges and incorporates the allegations of paragraphs 1-14, and 38 through  
24 54, as if fully set forth herein.

25 57. United and Does 11 through 15 are liable for each and every violation of Business  
26 and Professions Code section 17500 et seq. committed by defendants TVBO, UIN, Perkins,  
27 Morris. Wayne and Tanya Wilson and Does 1 through 5 as set forth in this complaint, including  
28 those set forth in paragraph 54, because when the above-referenced violations were committed,

1 TVBO, UIN, Perkins, Morris, Wayne and Tanya Wilson and Does 1 through 5 were acting as  
2 agents for United and Does 11 through 15 in various aspects of the lease process including, but  
3 not limited to, inducing the churches to execute the leases. This agency relationship was both  
4 actual and ostensible, and, alternatively, arose through ratification by United after the untrue or  
5 misleading statements were made by TVBO.

6 **FOURTH CAUSE OF ACTION**

7 **VIOLATIONS OF BUSINESS AND PROFESSIONS CODE**

8 **SECTION 17200 ET SEQ.**

9 **(UNFAIR COMPETITION LAW)**

10 **AGAINST DEFENDANTS TELEVISION BROADCASTING ONLINE, LTD.,**

11 **URBAN INTERFAITH NETWORK, WILLIE PERKINS, MICHAEL MORRIS,**

12 **WAYNE WILSON AND TANYA WILSON AND DOES 1 THROUGH 5**

13 58. Plaintiff re-alleges and incorporates the allegations of paragraphs 1 through 54 as if  
14 fully set forth herein

15 59. Defendants TVBO, UIN, Perkins, Morris, Wayne and Tanya Wilson and Does 1  
16 through 5 have engaged in unlawful, fraudulent or unfair acts or practices, which constitute unfair  
17 competition within the meaning of Business and Professions Code, section 17200 se seq, by  
18 violating Business and Professions Code section 17500 et seq. as alleged above in the First Cause  
19 of Action.

20 **FIFTH CAUSE OF ACTION**

21 **VIOLATIONS OF BUSINESS AND PROFESSIONS CODE**

22 **SECTION 17200 ET SEQ.**

23 **(UNFAIR COMPETITION LAW)**

24 **AGAINST DEFENDANT BALBOA CAPITAL CORPORATION AND DOES 6**

25 **THROUGH TEN**

26 60. Plaintiff re-alleges and incorporates the allegations of paragraphs 1 through 37 and  
27 paragraph 54 as if fully set forth herein  
28

1           61. Defendants Balboa and Does 6 through 10 have engaged in unlawful, fraudulent or  
2 unfair acts or practices, which constitute unfair competition within the meaning of Business and  
3 Professions Code, section 17200 se seq. The unlawful, fraudulent or unfair practices include, but  
4 are not limited to the following:

5           a. Defendants Balboa and Does 6 through 10 violated Business and Professions Code  
6 section 17500 et seq. as alleged above in the Second Cause of Action.

7           b. Defendants Balboa and Does 6 through 10 engaged in unfair business practices  
8 by continuing to enforce its Kiosk leases, including but not limited to defendants' attempts to  
9 secure automatic debits from the churches' bank accounts and the filing and pursuit of collection  
10 lawsuits against the churches after Balboa and Does 6 through 10 became aware of the untrue or  
11 misleading statements made by their agents to the churches.

12           c. Defendants Balboa and Does 6 though 10 engaged in unfair business practices  
13 by withholding material information from the churches who entered into Balboa's Kiosk leases.  
14 The withholding of information impaired the ability of the churches, who are relatively modest  
15 non-profit religious entities not experienced in the legal arcana of finance leases, to evaluate  
16 and/or understand their rights and to defend themselves with respect to TVBO and Balboa.  
17 Balboa's omissions, include, but are not limited to:

18           i.) failing to fully share with the churches what Balboa and/or Does 6  
19 through 10 knew or suspected of the wrongdoing committed by TVBO, UIN, Perkins, Morris,  
20 Wayne and Tanya Wilson and Does 1 through 5, including the untrue or misleading  
21 representations said defendants had made regarding the churches' obligations under the lease,  
22 including, but not limited to the misrepresentations set forth in the Lease Addendum and related  
23 verbal assurances, including that the sponsors would purportedly pay for the leases.

24           ii.) Failing to advise the churches of the extent of Balboa's and Does 6  
25 through 10's business relationships with TVBO, including Balboa's agreement to accept  
26 payments directly from TVBO.  
27  
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1 SIXTH CAUSE OF ACTION

2 VIOLATIONS OF BUSINESS AND PROFESSIONS CODE

3 SECTION 17200 ET SEQ.

4 (UNFAIR COMPETITION LAW)

5 AGAINST DEFENDANT UNITED LEASING ASSOCIATES OF AMERICA, LTD.

6 AND DOES 11 THROUGH 15

7 62. Plaintiff re-alleges and incorporates the allegations of paragraphs 1-14, 38 through 54  
8 as if fully set forth herein

9 63. Defendants United and Does 11 through 15 have engaged in unlawful, fraudulent or  
10 unfair acts or practices, which constitute unfair competition within the meaning of Business and  
11 Professions Code, section 17200 se seq. The unlawful, fraudulent or unfair practices include, but  
12 are not limited to the following:

13 a. Defendants United and Does 11 through 15 violated Business and Professions  
14 Code section 17500 et seq. as alleged above in the Third Cause of Action.

15 b. Defendants United and Does 11 through 15 engaged in unfair business practices  
16 by continuing to enforce its Kiosk leases, including but not limited to defendants' attempts to  
17 secure automatic debits from the churches' bank accounts and the filing and pursuit of collection  
18 lawsuits against the churches after United and Does 11 through 15 became aware of the untrue or  
19 misleading statements made by their agents to the churches.

20 c. Defendants Balboa and Does 6 though 10 engaged in unfair business practices  
21 by withholding material information from the churches who signed United's Kiosk's leases. The  
22 withholding of this information impaired the ability of the churches, who are relatively modest  
23 non-profit religious entities not experienced in the legal arcana of finance leases, to understand  
24 and/or evaluate their rights and to defend themselves with respect to TVBO and United. United's  
25 omissions include, but are not limited to:

26 i.) failing to fully share with the churches what United and/or Does 11  
27 through 15 knew or suspected of the wrongdoing committed by TVBO, UIN, Perkins, Morris,  
28 Wayne and Tanya Wilson, and Does 1 through 5, including the untrue or misleading

1 representations said defendants had made regarding the churches' obligations under the lease,  
2 including, but not limited to the misrepresentations set forth in the Lease Addendum and related  
3 verbal assurances, including that the sponsors would purportedly pay for the leases.

4 ii.) Failing to advise the churches of the extent of United's and Does 11  
5 through 15's business relationships with TVBO, including United's Remarketing/Repurchase  
6 Agreement and subsequent agreement to allow TVBO to secure additional Kiosk leases in order  
7 to compensate United for churches that were delinquent on their lease payments.

#### 8 PRAYER FOR RELIEF

9 WHEREFORE, Plaintiff prays for judgment as follows:

10 1. Pursuant to Business and Professions Code section 17535 that all defendants, their  
11 employees, agents, representatives, successors, assigns, and all persons who act in concert with  
12 them be permanently enjoined from making any untrue or misleading statements alleged in the  
13 First, Second and Third Causes of Action.

14 2 Pursuant to Business and Professions Code section 17203, that all defendants, their  
15 employees, agents, representatives, successors, assigns, and all persons who act in concert with  
16 them be permanently enjoined from committing any acts of unfair competition, including the  
17 violations alleged against them in the Fourth, Fifth and Sixth Causes of Action.

18 3. Pursuant to Business and Professions Code section 17535, that the Court permanently  
19 enjoin defendants Balboa, United, and Does 6 through 15, their successors, agents,  
20 representatives, employees, and all persons who act in concert with them, from enforcing any  
21 Kiosk lease executed in California or signed by a California church in which TVBO, UIN,  
22 Perkins, Morris, Wayne and/or Tanya Wilson and/or Does 1 through 5 were involved, and further,  
23 that it enjoin said defendants to rescind said leases. Further, that the court order any judgment  
24 that Balboa or United secured against a California church regarding a Kiosk lease be vacated and  
25 that any settlement that Balboa or United reached with any California church regarding a Kiosk  
26 lease be set aside.

27 4. Pursuant to Business and Professions Code section 17203, that the Court permanently  
28 enjoin defendants Balboa, United, and Does 6 through 15, their successors, agents,



1 representatives, employees, and all persons who act in concert with them, from enforcing any  
2 Kiosk lease executed in California or signed by a California church in which TVBO, UIN,  
3 Perkins, Morris, Wayne and/or Tanya Wilson and/or Does 1 through 5 were involved, and enjoin  
4 said defendants to rescind said leases. Further, that the court order any judgment that Balboa or  
5 United secured against a California church regarding a Kiosk lease be vacated and that any  
6 settlement that Balboa or United reached with any California church regarding a Kiosk lease be  
7 set aside.

8 5. That defendants TVBO, UIN, Morris, Perkins, Wayne Wilson, Tanya Wilson, Balboa,  
9 United and Does 1 through 5 be ordered, jointly and severally, to make restitution of any money  
10 or other property that may have been acquired by said defendants' violations of Business and  
11 Professions Code sections 17200 et seq. and/or 17500 et seq., in an amount as proved at trial, but  
12 for an amount not less than three hundred eighty-four thousand and one hundred dollars  
13 (\$384,100.00).

14 6. Pursuant to Business and Professions Code section 17206, that the Court assess a  
15 civil penalty of two thousand five hundred dollars (\$2,500) against defendants TVBO, UIN,  
16 Morris, Perkins, Wayne Wilson, and Tanya Wilson and Does 1 through 5, and each of them, for  
17 each violation of Business and Professions Code section 17200 et seq., in an amount as proved at  
18 trial, but for an amount not less than one hundred five thousand dollars (\$105,000).

19 7. Pursuant to Business and Professions Code section 17536, that the Court assess a  
20 civil penalty of two thousand five hundred dollars (\$2,500) against defendants TVBO, UIN,  
21 Morris, Perkins, Wayne Wilson, and Tanya Wilson and Does 1 through 5, and each of them, for  
22 each violation of Business and Professions Code section 17500 et seq., in an amount as proved at  
23 trial, but for an amount not less than one hundred five thousand dollars (\$105,000).

24 8. That defendants Balboa and Does 6 through 10 be ordered to make restitution of  
25 any money or other property that may have been acquired by said defendants' violations of  
26 Business and Professions Code sections 17200 et seq. and/or 17500 et seq., in an amount as  
27 proved at trial, but for an amount not less than two hundred eighty-three thousand and five  
28 hundred eighty dollars (\$283,580.00).

1           9.       Pursuant to Business and Professions Code section 17206, that the Court assess a  
2 civil penalty of two thousand five hundred dollars (\$2,500) against Balboa and Does 6 through  
3 10, and each of them, for each violation of Business and Professions Code section 17200 et seq.,  
4 in an amount as proved at trial, but for an amount not less than sixty-seven thousand dollars  
5 (\$67,000).

6           10.      Pursuant to Business and Professions Code section 17536, that the Court assess a  
7 civil penalty of two thousand five hundred dollars (\$2,500) against Balboa and Does 6 through  
8 10, and each of them, for each violation of Business and Professions Code section 17500 et seq.,  
9 in an amount as proved at trial, but for an amount not less than sixty-seven thousand dollars  
10 (\$67,000).

11          11.      That defendants United and Does 11 through 15 be ordered to make restitution of  
12 any money or other property that may have been acquired by said defendants' violations of  
13 Business and Professions Code sections 17200 et seq. and/or 17500 et seq., in an amount as  
14 proved at trial, but for an amount not less than one hundred thousand and five hundred dollars  
15 (\$100,500.00).

16          12.      Pursuant to Business and Professions Code section 17206, that the Court assess a  
17 civil penalty of two thousand five hundred dollars (\$2,500) against United and Does 11 through  
18 15, and each of them, for each violation of Business and Professions Code section 17200 et seq.,  
19 in an amount as proved at trial, but for an amount not less than thirty-seven thousand and five  
20 hundred dollars (\$37,500).

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1           13. Pursuant to Business and Professions Code section 17536, that the Court assess a  
2 civil penalty of two thousand five hundred dollars (\$2,500) against United and Does 11 through  
3 15, and each of them, for each violation of Business and Professions Code section 17500 et seq.,  
4 in an amount as proved at trial, but for an amount not less than thirty-seven thousand dollars and  
5 five hundred (\$37,500).

6           14. That the People recover their costs of suit.

7           15. Such other and further of relief that the court deems just and proper.

8  
9 Dated: February 16 2011

Respectfully Submitted,

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