

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE
FILED SUPERIOR COURT DIVISION

WAKE COUNTY

NO. 20 CVS _____

2020 MAY -4 P 3:21

WAKE CO., C.S.C.

STATE OF NORTH CAROLINA *ex rel.*
JOSHUA H. STEIN, Attorney General,

BY)

Co

Plaintiff,

COMPLAINT

v.

**MOTION FOR TEMPORARY
RESTRAINING ORDER**DAVID JEWEL SATTERFIELD,
Individually, and A1 TOWING
SOLUTIONS, INC.,**MOTION FOR PRELIMINARY
INJUNCTION**

Defendants.

INTRODUCTION

This is an action by the State of North Carolina to enforce its laws against unfair and deceptive trade practices, price gouging, and unfair debt collection practices, during a state of emergency rising from the COVID-19 pandemic.

Plaintiff State of North Carolina, *ex rel.* Joshua H. Stein, Attorney General ("the State"), brings this action against defendants David Jewel Satterfield and A1 Towing Solutions, Inc. for predatory towing, price gouging, and related unfair or deceptive acts or practices, and unlawful debt collection practices. The State seeks temporary, preliminary, and permanent injunctive relief against defendants, together with restitution for victims, civil penalties, and other relief.

As shown more fully below, the State alleges that during a declared state of emergency in North Carolina, defendants have engaged in an ongoing pattern or practice of:

- improper and predatory booting or towing of trucks that were deployed for delivering food, water or needed medical supplies during a time of crisis, notwithstanding that the trucks' drivers had obtained the express permission of the property owners or lessors to park their rigs;
- forcing drivers to pay exorbitant amounts – up to \$4,400.00 each– for release of their rigs; and
- engaging in other unfair or deceptive acts or practices, such as double-booting both the tractor and the attached trailer – when a boot on either unit would suffice to immobilize the rig – as a pretext for doubling the price demanded by defendants for removing the obstruction, and threatening to greatly increase the fees or charges for release of the vehicles unless the drivers promptly pay the demanded amounts.

PARTIES

1. The State of North Carolina, acting on the relation of its Attorney General, Joshua H. Stein, brings this action pursuant to authority granted by Chapters 75 and 114 of the North Carolina General Statutes.

2. On information and belief, defendant David Jewell Satterfield resides at 7320 Grier Road, Charlotte NC 28213. On information and belief, defendant Satterfield at all times relevant to this Complaint was the owner and/or manager of defendant A1 Towing Solutions, Inc., and the acts or practices of defendant A1 Towing Solutions, Inc. alleged herein were done by, or under the supervision or control of, defendant Satterfield—who, for example, personally attached boots to vehicles and directly threatened drivers to immediately pay exorbitant ransoms.

3. Defendant A1 Towing Solutions, Inc. is a North Carolina corporation, with its principal place of business at 7425 Orr Rd. Charlotte, NC 28213.

JURISDICTION AND VENUE

4. The Court has subject matter jurisdiction pursuant to N.C. Gen. Stat. §§ 75-1.1 and 75-15 because the acts or practices alleged herein are in or affecting commerce in North Carolina.

5. The Court has personal jurisdiction over defendants because the defendants are located in North Carolina, conducted business in North Carolina, and the acts or practices alleged herein occurred in North Carolina.

6. Venue is proper in Wake County pursuant to the Attorney General's selection under N.C. Gen. Stat. § 75-14.

FACTUAL ALLEGATIONS

7. As set forth below, during a declared state of emergency, defendants booted and towed a number of trucks that had been deployed for delivery of necessities during the COVID-19 coronavirus pandemic, demanded exorbitant payments for release of the vehicles, and threatened to greatly increase the charges if they were not immediately paid. What follows are representative examples of defendants' misconduct.

8. On March 10, 2020, North Carolina Governor Roy Cooper declared a state of emergency in response to the coronavirus pandemic. (Executive Order No. 116, at **Exhibit 1**) This declaration triggered North Carolina's prohibition on price gouging. (Ex. 1, Sec. 9)

The Amar Vehicle Booting

9. During the early morning hours of March 12, 2020, Khadim Amar was driving an 18-wheel truck-trailer rig and making a critical delivery of Clorox bleach, an essential cleaning and disinfecting product needed by consumers during the coronavirus pandemic, to the Amazon

Distribution Center in Charlotte. (The Affidavit of Mr. Amar is at **Exhibit 2.**) Because of the pandemic, Amazon was trying to meet a high demand of orders of Clorox bleach within a short amount of time.

10. Mr. Amar decided go to a truck stop to get some fuel and wait until Amazon was ready to receive him. He pulled into the 7-Eleven truck stop at 2825 Little Rock Road in Charlotte, North Carolina, and noticed that they had over six fuel bays and that all of them were empty. He stopped his 18-wheeler at a bay, went inside the store, passed the clerk, and went to the restroom while on his cellphone attempting to get information from his brother to pay for the fuel with an Electronic Funds Source check. This payment method is commonly used by truck drivers at smaller truck stops like that of the 7-Eleven, and Mr. Amar had never been booted or towed during the payment process. Since it was after midnight, Mr. Amar only reached his brother's voicemail in seeking the electronic check, so he went back to his truck to wait for his call to be returned.

11. Mr. Amar was in the bunk of the truck when he felt something touching the truck. He went to the driver's seat and defendant Satterfield, owner and operator of defendant A1 Towing Solutions, Inc., walked up to his window and warned Mr. Amar that if he tried to drive off it would cause damage to the truck because he had just installed boots on the truck, and that Mr. Amar would have to pay \$3,000.00 for the boots to be removed. Defendant Satterfield had placed one boot on the tractor, and one on the trailer. Mr. Amar's vehicle was not blocking any other vehicles when defendant Satterfield installed the boots.

12. Placing a boot on the tractor alone is sufficient to immobilize the entire tractor-trailer rig. (Wheeler Affidavit, at **Exhibit 3.**)

13. On information and belief, defendants booted Mr. Amar's truck without receiving a written request or instruction from the owner or lessee of the property to tow Mr. Amar's vehicle.

14. Mr. Amar challenged the legitimacy of booting the vehicle because he was in sight of it. In reply, defendant Satterfield said that he had video recorded the truck parking there for 5 hours, that he had uploaded and sent the video to the company, and that the matter was no longer in his hands. Mr. Amar disputed those facts, told Mr. Satterfield that he had only been at the location for an hour, and asked to see the video. Defendant Satterfield became aggressive, threatened to tow the vehicle, and threatened that the bill could go up to \$10,000.00.

15. Mr. Amar then went back into the store and explained the problem to the store clerk, including that he would not be parked in any part of the lot for longer than an hour. The clerk replied that he saw Mr. Amar when he arrived and walked in the store and agreed that it was not fair for his vehicle to have been booted. He told Mr. Amar that he could park there through the night if he just paid \$25.00 for a parking permit. Mr. Amar purchased the permit.

16. When Mr. Amar exited the store and showed the parking permit to defendant Satterfield, he still refused to remove the boots unless Mr. Amar immediately paid him \$3,000.00.

17. Mr. Amar called 911 and reported the problem to the Charlotte Police Department. Three police officers came to the lot, went inside the store, and confirmed that his parking permit was valid and that he had permission to park at the store. After making a call, however, the officers stated that they could not force A1 Towing Solutions to remove the boots because it was a civil matter.

18. Defendant Satterfield presented Mr. Amar two invoices for \$1,500.00 each, one for the boot on the tractor and the other for the boot on the trailer.

19. Mr. Amar paid three thousand dollars \$3,000.00 to A1 Towing in order to get the boots removed and make the critical delivery during the pandemic. As a result of his dealings with A1 Towing, the delivery was delayed.

20. The placement of a boot on a truck can require less than five minutes of labor. (Amar Affidavit, **Exhibit 2**) In this case, defendant Satterfield placed the boots within only a few minutes by simply attaching wire chains fastened by \$10.00 locks.

21. Defendants' fees and charges for removing the boots from the Amar tractor and trailer amount to a rate of at least \$3,000.00 per man-hour, generously assuming that such work took as much as 30 minutes for each boot. (See Wheeler Affidavit, at **Exhibit 3**.) However, a market rate for a service vehicle (including the driver) for booting a vehicle is in the general range of \$100.00 to \$150.00 per man-hour (*Id.*).

22. Further, defendants' double-booting of the Amar rig by separately booting both the tractor and the trailer was unnecessary for immobilizing the vehicle (*Id.*), and was simply a pretext for doubling their already excessive charges of \$1,500.00 per boot.

The Wingo Vehicle Towing

23. After making deliveries on March 26, 2020, Demetrius Wingo parked his semi-trailer truck in the parking lot of the Home Depot store at 9501 Albemarle Road in Charlotte. (The Affidavit of Mr. Wingo is at **Exhibit 4**.) He had been parking overnight in that lot periodically for at least eight months after obtaining permission to park there from a manager at the store. There had never been any signs posted at the lot that gave notice that vehicles were not permitted to park there or that parked vehicles were subject to being towed, and there were no signs posted there when Mr. Wingo parked there. As usual, there were a few other semi-trailer trucks parked in the lot when he parked his truck and went home. Mr. Wingo left his vehicle there for the remainder of the week but returned to the lot and checked on his vehicle each day.

24. On the morning of Monday, March 30, 2020, Mr. Wingo was scheduled to make a delivery of water from Charlotte to the Harris Teeter in Indian Trail, NC. The delivery was critical

because water was in high demand given that consumers were in the earliest stages of preparing for spending lengthy periods of time at home due to the coronavirus pandemic.

25. When he returned to the Home Depot lot that Monday morning, his truck was gone and no other trucks were in the lot. For the first time, there were large newly installed signs, each mounted in fresh soil, at each of three entrances to the lot. The signs identified defendant A1 Towing Solutions, Inc. and gave its address as 7425 Orr Road, Charlotte and its telephone number. They stated that vehicles were not permitted to be parked overnight, that vehicles parked overnight were subject to being towed, that the impound fee is \$180.00 to \$2,000.00 per unit, and that after 10 days of storage there would be a "\$500-\$1,000 DMV filing fee per unit." The signs also displayed Visa and Mastercard logos, and stated "20% card fee applies."

26. Defendants' threatened "DMV filing fees" of "\$500-\$1,000" per unit are far in excess of any fees charged by the North Carolina Division of Motor Vehicles in connection with the titling or registration of towed, stored or abandoned vehicles. Defendants' "DMV filing fees" are simply another pretext for defendants to impose additional excessive charges for releasing vehicles.

27. Defendants' advertised 20 percent credit card fee far exceeds the merchant fees charged by Visa and Mastercard. It also violates those card issuers' merchant rules. It is yet another pretext for defendants to impose additional excessive charges for releasing vehicles.

28. While driving toward the address listed on the sign for defendant A1 Towing to retrieve his truck, Mr. Wingo called the number listed for the company and was told that he would have to pay \$4,200.00 to retrieve the truck. He was told that this charge included \$2,000.00 for the cab and \$2,000.00 for the trailer even though both pieces of equipment were attached, that storage

fees would be \$100.00 a day for each of those units as well, and that after ten days an additional \$2,000.00 in filing fees would be added to the total charges.

29. When Mr. Wingo arrived at A1 Towing Solutions' premises, he was presented with an invoice reflecting the stated price of \$4,200.00, with separate charges of \$2,000.00 each for recovering the tractor and the trailer. He paid the \$4,200.00 to recover his rig.

30. The defendants charged \$4,000.00 for towing the Wingo tractor-trailer rig, even though the high end of the market hourly rate in North Carolina is \$500.00, and the high end of the potential amount of time needed to effectuate towing the vehicle is three hours. (Wheeler Affidavit, **Exhibit 3**).

31. Further, defendants separately charged for releasing the components of Mr. Wingo's tractor-trailer rig even though they should form a single unit for towing purposes. (Wheeler Affidavit, **Exhibit 3**) Imposing a separate charge for each piece of equipment was simply an unwarranted pretext for increasing the charges.

32. As a result of A1 Towing impounding his rig, Mr. Wingo had to cancel the critical delivery of water to Indian Trail.

The Kaba Vehicle Towing

33. With the express permission of the manager of the Home Depot store at 9501 Albemarle Road, Charlotte, North Carolina, Nouhu Kaba has been parking his semi truck at the property periodically for eight or nine months leading up to and including March of 2020. (The Affidavit of Mr. Kaba is at **Exhibit 5**.)

34. There was no signage warning about towing of unauthorized vehicles at the entrance to the parking lot that Mr. Kaba used, and no such signage in the area where he parked.

35. At about 4:00 p.m. on March 29, 2020, Mr. Kaba parked his truck where he usually did at the Home Depot lot, and then went home.

36. On March 30, 2020 Mr. Kaba was scheduled to pick up and deliver a load of medical supplies by 9:00 a.m. He went to the Home Depot lot to retrieve his truck at about 4:45 a.m., but it was gone.

37. On information and belief, defendants towed or caused Mr. Kaba's truck to be towed without receiving a written request or instruction from the owner or lessee of the property to tow Mr. Kaba's vehicle.

38. Defendants towed or caused Mr. Kaba's truck to be towed contrary to the express permission of the owner or lessee of the property at 9501 Albemarle Road in Charlotte.

39. Mr. Kaba called 911 and was informed that A1 Towing Solutions had impounded his truck. When he called defendant A1 Towing Solutions, they informed him that he must pay \$2,000.00 to recover his truck. Mr. Kaba protested the excessive price but was informed that this is A1 Towing Solutions' price.

40. The defendants charged \$2,000.00 for towing the Kaba vehicle, even though the high end of the market hourly rate in North Carolina is \$500.00, and the high end of the potential amount of time needed to effectuate towing the vehicle is three hours (Wheeler Affidavit, **Exhibit 3**).

41. The company that Mr. Kaba leased the truck from paid the \$2,000.00 to recover the truck. That amount was charged to Mr. Kaba, and he paid it back to the leasing company.

42. Because Mr. Kaba could not obtain release of his truck from defendant A1 Towing Solutions until 4:45 p.m. on March 30, he lost an entire day of driving, including the pay he would

have earned. These dealings with A1 Towing Solutions, Inc. also delayed his deliveries of two loads of medical supplies.

The Monroe Vehicle Towing

43. For the past two or three years leading up to and including March, 2020, LaJuan Monroe periodically parked his semi truck at the Home Depot at 9501 Albemarle Road, Charlotte, North Carolina. Before each time he parked there, he telephoned the store manager to confirm that he had permission to do so. (The Affidavit of Mr. Monroe is at **Exhibit 6**.)

44. On the evening of March 13, 2020, Mr. Monroe telephoned the manager of the Home Depot at 9501 Albemarle Road in Charlotte and obtained her express permission to park there. He then parked his truck and trailer there and went home.

45. During the following days, Mr. Monroe checked on the truck daily, and on or about April 1, 2020 he went to retrieve his truck and trailer because he was scheduled to pick up and deliver a load of meat to a grocery store distribution center in upstate New York. However, his truck and trailer were gone.

46. On information and belief, defendants towed or caused Mr. Monroe's truck and trailer to be towed without receiving a written request or instruction from the owner or lessee of the property to tow Mr. Monroe's vehicle.

47. Defendants towed or caused Mr. Monroe's truck and trailer to be towed contrary to the express permission of the owner or lessee of the property at 9501 Albemarle Road in Charlotte.

48. After an unsuccessful effort on the telephone, Mr. Monroe went in person to the Home Depot store to speak with a manager about whether any towing company had authorization to tow from their lot. Ultimately, Mr. Monroe spoke with a Home Depot district manager who happened to be at the store. She confirmed that they had a contract with a towing company, that

they don't call the company to tow vehicles, and that instead the towing contractor just patrols the lot and tows vehicles on its own. She also apologized for someone at Home Depot authorizing him to park there.

49. That day, Mr. Monroe observed a new sign at the back entrance to the Home Depot property that stated, "No Tracto [sic] Trailer Parking at any time," that identified A1 Towing Solutions, Inc., and that stated the "impound" cost is "\$180-\$2000 Per Unit," with a daily storage price of "\$25-\$100 per unit per day," and that after 10 days of storage there would be a "\$500-\$1,000 DMV filing fee per unit." This sign was not there when Mr. Monroe pulled his truck into the property on March 13.

50. Mr. Monroe then telephoned defendant A1 Towing Solutions, Inc. to verify that they had his truck. The person he spoke with would not give his name, and told him that releasing the vehicle from impoundment would cost \$4,000.00, consisting of \$2,000.00 for the cab, and \$2,000.00 for the trailer, even though they were attached as a unit. Mr. Monroe protested that the rate was excessive, but the A1 Towing Solutions representative replied that Mr. Monroe should call other companies because, he stated, that is the going rate, and further that they had towed 17 vehicles from the lot that morning.

51. Mr. Monroe then went to the premises of defendant A1 Towing Solutions, Inc. to verify in person that they had his vehicle. By this time, Mr. Monroe had called three other towing companies, and upon arriving at the premises of defendant A1 Towing Solutions informed the company's representative what he had learned from the three other towing companies: that the \$4,000.00 charge was excessive. However, after some discussion, the A1 Towing Solutions representative simply stated this is their fee.

52. The defendants charged \$4,000.00 for towing the Monroe tractor-trailer rig even though the high end of the market hourly rate in North Carolina is \$500.00, and the high end of the potential amount of time needed to effectuate towing the vehicle is three hours (Wheeler Affidavit, **Exhibit 3**).

53. Further, defendants separately charged for impounding and releasing the separate components of Mr. Monroe's tractor-trailer rig even though they should form a unit for towing purposes. Imposing a separate charge for each piece of equipment was simply an unwarranted pretext for increasing the charges (Affidavit of Gary Wheeler, **Exhibit 3**).

54. Mr. Monroe was unable to immediately raise \$4,000.00 to pay defendant A1 Towing Solutions. Instead, he arranged for the company he leased his vehicle from to pay \$4,400.00 for releasing the vehicle, which included \$400.00 of storage fees. That \$4,400.00 was added to the lease fee that Mr. Monroe in turn paid to the truck lessor.

55. Mr. Monroe arranged for defendant A1 Towing Solutions, Inc. to be paid the \$4,400.00 – and he separately agreed for his vehicle lessor to charge this amount to him – because he had no other choice for retrieving the vehicle.

56. These dealings with A1 Towing Solutions, Inc. delayed Mr. Monroe's delivery of meat to the grocery distribution center in upstate New York.

57. The Amar, Kaba, Wingo, and Monroe trucks were deployed for delivering food, water or medical supplies during a time of national crisis and a declared state of emergency. Further, the trucks were the means of livelihood for each of the drivers. Consequently, each of the aforementioned charges paid by the drivers to defendants for release of their respective vehicles were paid to preserve, protect, or sustain life, health, safety, or economic well-being of persons or their property.

CLAIMS FOR RELIEF

CLAIM FOR RELIEF I UNFAIR OR DECEPTIVE ACTS OR PRACTICES N.C. GEN. STAT. § 75-1.1

58. Plaintiff incorporates by reference the allegations set forth in all of the above paragraphs and alleges that each of defendants' aforesaid acts, practices, representations and omissions violate N.C. Gen. Stat. § 75-1.1.

Towing Without Authorization

59. Under N.C. Gen. Stat. § 20-219.2(a), a vehicle may be removed from a private lot only upon the written request of the lot owner or lessee. As set forth above, defendants booted and/or towed vehicles without receiving such a written request for the tow of the vehicles. Therefore, each act by defendants of booting and/or towing vehicles under these circumstances is a violation of N.C. Gen. Stat. § 20-219.2(a) and an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

60. Under N.C. Gen. Stat. § 20-219.2(a), a vehicle may be removed from a private lot only when there are signs posted at the lot—at least 72 hours in advance—which clearly designate the lot as private. As set forth above, defendants booted and/or towed vehicles when no such signs were posted. Therefore, each act by defendants of booting and/or towing vehicles under these circumstances is a violation of N.C. Gen. Stat. § 20-219.2(a) and an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

61. Under N.C. Gen. Stat. § 20-219.2(a2), the towing company must give the owner of the vehicle written notice that the owner has the right to pay the amount of the lien asserted, request immediate possession of the vehicle, and contest the lien for towing charges pursuant to

the provisions of N.C. Gen. Stat. § 44A-4 when the owner retrieves the vehicle. As set forth above, defendants failed to provide such written notice. Therefore, each failure to provide such notice amounts to a violation of N.C. Gen. Stat. § 20-219.2(a2) and to an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

Booting, Towing, Impoundment, & Storage Charges

62. Each act of defendants of holding vehicles hostage and refusing to release vehicles, unless each such vehicle owner/operator first paid defendants' excessive fees alleged herein, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

67. Each act of defendants' double-booting both tractor and trailer, as an unwarranted pretense for doubling charges, and double-charging for such booting, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

68. Each act of defendants of charging for impounding and storing both tractor and trailer separately, when the tractor-trailer rig was a unit, as an unwarranted pretense for doubling charges, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

69. Each act of defendants of surreptitiously booting vehicles while the driver was in the vehicle, without giving the driver an opportunity to move the vehicle, and then demanding payment for removing the boot, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

70. Each act of defendants of using verbal attacks and threats, including threats of drastically increasing charges, to coerce drivers into paying defendants' already excessive fees, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

71. Each act of defendants of threatening to charge and/or charging a "\$500-\$1000 DMV Filing Fee Per Unit" after ten days of storage, when no such filing fee is required by the

Division of Motor Vehicles (DMV), is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

72. Each act of defendants of displaying the Visa and Mastercard logos, as if defendant A1 Towing Solutions is an authorized merchant in those card issuers' networks, and threatening to charge and/or charging a "20% card fee," when such fee far exceeds the merchant fee charged by Visa and Mastercard, and when such fee violates those card issuers' merchant rules, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

73. Each act of defendants of requiring drivers to schedule an appointment to retrieve their vehicles, while charging for storage fees related to any delay by defendants in making such appointment or otherwise releasing the vehicle (including for any days the defendants at their election are not open for business) and otherwise delaying pickup and release of vehicles in order to increase storage fees, is an unfair or deceptive act or practice in violation of N.C. Gen. Stat. § 75-1.1.

74. As set forth above, defendants also made other various false, deceptive, or misleading statements. For example, defendants made false statements that (1) defendants or their agent or employee possessed videotape of vehicles having been parked for amounts of time, such as five hours, when, in fact, no such videotape existed; and (2) that defendants or their agent or employee had turned over a videotape of this nature over to the property owner, when no such videotape existed. Each such false, deceptive, or misleading statement is an unfair or deceptive trade practice in violation of N.C. Gen. Stat. § 75-1.1.

CLAIM FOR RELIEF II
PRICE GOUGING
N.C. GEN. STAT. §§ 75-38 and 75-1.1

75. Plaintiff incorporates by reference the allegations set forth in all of the above paragraphs and alleges that each of defendants' aforesaid acts, practices, representations and omissions violate N.C. Gen. Stat. §§ 75-38 and 75-1.1.

76. North Carolina's prohibition on price gouging provides:

Upon a triggering event, it is prohibited and shall be a violation of G.S. 75-1.1 for any person to sell or rent or offer to sell or rent any goods or services which are consumed or used as a direct result of an emergency or which are consumed or used to preserve, protect, or sustain life, health, safety, or economic well-being of persons or their property with the knowledge and intent to charge a price that is unreasonably excessive under the circumstances.

77. Each act by defendants of demanding and obtaining payment for releasing a vehicle from booting or impoundment, at the rates alleged herein, was done with the knowledge and intent to charge an unreasonably excessive price under the circumstances, for services used to preserve, protect or sustain life, health, safety or economic well-being of persons or their property, in violation of N.C. Gen. Stat. §§ 75-38 and 75-1.1. The prices charged by defendants were unreasonably excessive under the circumstances because, among other things, defendants took advantage of drivers who, during a time of crisis, were attempting to deliver needed products by holding the drivers' vehicles hostage and demanding an inordinately high price for releasing the vehicle from booting or impoundment; charging prices that were well above market rate; improperly imposing multiple charges on drivers for removing multiple boots from a single vehicle, as an unwarranted pretense for increasing the charge, when a single boot on one piece of equipment would have sufficed to immobilize the vehicle.

CLAIM FOR RELIEF III
UNLAWFUL DEBT COLLECTION PRACTICES
N.C. GEN. STAT. §§ 57-50 *et seq.*

78. Plaintiff incorporates by reference the allegations set forth in all of the above paragraphs and alleges that each of defendants' aforesaid acts, practices, representations and omissions violate N.C. Gen. Stat. §§ 57-50 *et seq.*

79. Each act of defendants of demanding and/or obtaining payment for a debt for booting, towing and related charges that was not owing – because vehicles were parked with the permission of the respective property owners or lessees – is an unfair or deceptive debt collection act or practice in violation of N.C. Gen. Stat. § 75-54(4).

80. Each act of defendants of refusing to release vehicles until those vehicle owners/operators paid a debt for booting, towing and related charges that were not owed – because the vehicles were parked with the permission of the respective property owners, lessees or their agents – is an unfair or deceptive debt collection act or practice in violation of N.C. Gen. Stat. §§ 75-54(4) and 75-55.

81. Each act of defendants of threatening to impose additional, pretextual "DMV filing fees" of \$500 to \$1,000.00 per unit unless the consumer promptly pays defendants' excessive booting, impoundment and/or storage fees, or to impose a 20 percent fee for using a credit card, is an unfair or deceptive debt collection act or practice in violation of N.C. Gen. Stat. § 75-51.

82. As set forth above, defendants also made other various false, deceptive, or misleading statements. For example, defendants made false statements that (1) defendants or their agent or employee possessed videotape of vehicles having been parked for amounts of time, such as five hours, when, in fact, no such videotape existed; and (2) that defendants or their agent or employee had turned over a videotape of this nature over to the property owner, when no such

videotape existed. Each such false, deceptive, or misleading statement is an unfair or deceptive debt collection act or practice in violation of N.C. Gen. Stat. § 75-54.

**REQUEST FOR TEMPORARY RESTRAINING ORDER AND PRELIMINARY
INJUNCTION UNDER N.C. GEN. STAT. § 75-14**

83. In light of the evidence that defendants engaged in predatory towing, price gouging, unfair and deceptive practices, and prohibited collection practices as set forth in this complaint and the attached affidavits, the State requests that defendants, and persons acting under their direction or control or with their approval, be enjoined immediately as set forth in paragraphs 1 and 2 of the below Prayer For Relief.

84. Unless defendants are so restrained and enjoined, they will continue to irreparably harm the State by violating North Carolina law, to the detriment of the State and its citizens.

PRAYER FOR RELIEF

WHEREFORE, THE STATE PRAYS THE COURT for the following relief:

1. That defendants, together with their agents, employees, representatives, subcontractors, successors and assigns, and any persons acting in concert with them, be temporarily restrained, and after hearing on due notice preliminarily enjoined, under N.C. Gen. Stat. § 75-14, from:

- i. charging or receiving payment for goods or services used as a direct result of a declared state of emergency or abnormal market disruption, or used during a declared state of emergency or abnormal market disruption to preserve, protect or sustain life, health, safety or economic well-being of persons or their property, with the knowledge and intent that the charge is an unreasonably

excessive price under the circumstances, in violation of N.C. Gen. Stat. §§ 75-38 and 75-1.1;

- ii. booting, otherwise immobilizing, preventing the departure or removal of, securing to a tow truck or flat bed, towing, or otherwise removing any vehicle (including but not limited to a tractor or truck cab, trailer, or any passenger vehicle) without having first obtained, for each such vehicle, written permission or authorization to do so from the owner or lessee of the property on which the vehicle was found, which written permission or authorization shall identify by the vehicle make, model and license number (if any), and the date on which it is given.
- iii. demanding or receiving payment for release of any vehicle booted, otherwise immobilized, prevented from departing being removed, secured to a tow truck or flat bed, towed or otherwise removed, unless defendants first obtained, from the owner or lessee of the property where the vehicle was found, written permission or authorization to boot, immobilize, restrain, secure, tow or otherwise remove each such vehicle, which written permission or authorization shall identify by the vehicle make, model and license number (if any), and the date on which it is given.
- iv. towing or booting vehicles in private lots without the lot being clearly designated as such by legible signs no smaller than 24 inches by 24 inches prominently displayed at all entrances thereto and displaying the current name and current phone number of the towing and storage company at least 72 hours prior to the tow or booting;

- v. failing to inform the owner of the vehicle in writing, at the time of retrieval of the vehicle, that the owner has a right to pay the amount of the lien asserted, request immediate possession, and contest the lien for towing charges pursuant to the provisions of N.C. Gen. Stat. § 44A-4;
- vi. engaging in unfair or deceptive acts or practices in violation of N.C. Gen. Stat. § 75-1.1, including but not limited to (1) separately booting or otherwise immobilizing both pieces of a tractor-trailer rig; (2) demanding or obtaining payment for release of a double-booted tractor-trailer rig or other such combination of a drive vehicle and a towed trailer; (3) charging for impounding and storing the tractor and trailer units separately, when the tractor-trailer components are attached as one unit; (4) booting vehicles while the driver is in the vehicle without first informing the driver or requesting that the driver move the vehicle; (5) using verbal attacks and threats, including threats of increasing charges to coerce consumers into paying excessive fees; (6) threatening to charge and/or charging a DMV filing fee when no filing fee of such amount is required by the Division of Motor Vehicles; (7) threatening to charge and/or charging a credit card fee, and (8) requiring consumers to schedule an appointment to retrieve their vehicles while charging the consumer for storage fees related to any delay by defendants in making such appointment, including but not limited to during weekends when defendants are not open for business, or in otherwise releasing the vehicle;
- vii. engaging in any prohibited debt collection practices, including (1) falsely representing the character or amount of the debt, including the implied

representation that the towing or booting of the vehicle was lawful, as well as the representation that the vehicle owner would be subject to paying an excessive DMV filing fee when the North Carolina Division of Motor Vehicles charges no such fee, and (2) communicating any threat in connection with an effort to collect, in violation of N.C. Gen. Stat. §§ 75-50 *et seq.*;

- viii. directly or indirectly attempting to collect on any claimed debt for booting, otherwise immobilizing, preventing the departure or removal of, securing to a tow truck or flat bed, towing, otherwise removing or storing any vehicle (including but not limited to a tractor or truck cab, trailer, or any passenger vehicle) performed in North Carolina on and after March 10, 2020;
- ix. advertising, offering, soliciting, entering into contract for, or receiving payment for any booting, otherwise immobilizing, preventing the departure or removal of, securing to a tow truck or flat bed, towing, otherwise removing or storing any vehicle (including but not limited to a tractor or truck cab, trailer, or any passenger vehicle) or related services in North Carolina;
- x. performing or providing any booting, otherwise immobilizing, preventing the departure or removal of, securing to a tow truck or flat bed, towing, otherwise removing or storing any vehicle (including but not limited to a tractor or truck cab, trailer, or any passenger vehicle) or related services in North Carolina;
- xi. destroying, removing, transferring, erasing, or otherwise disposing of any business or financial records relating to defendants' business, including but not limited to any business or financial records relating to monies obtained from any North Carolina consumer on or after January 1, 2020; and

- xii. transferring, withdrawing, concealing, disposing, or encumbering any of defendants' assets without permission of the Court or written permission of the Attorney General.

2. That defendants be required, under N.C. Gen. Stat. § 75-14, to produce the following records no later than three days prior to the preliminary injunction hearing or within ten days of entry of a temporary restraining order, whichever is sooner:

- i. (a) A verified list of the names and addresses of all persons to whom defendants, or those acting under their direction or control or with their approval, have provided vehicle towing, removal, storage and/or booting or other immobilization services in North Carolina since January 1, 2020, together with (b) all related invoices, bills, estimates, and/or bids sent to those consumers, (c) and an individualized accounting of all payments received from each such consumer.
- ii. The name and address of every bank or financial institution at which defendants maintain deposit, checking, or other accounts, along with the account number for each such account, a statement of the current balance in each such account, and a copy of the bank statement(s) for each such account that covers the period January 1, 2020 through May 4, 2020.
- iii. A current balance sheet and the most recent profit and loss statement for defendant A1 Towing Solutions, Inc.

3. That upon final adjudication of this cause, the terms of the Preliminary Injunction continue in the form of a Permanent Injunction, pursuant to N.C. Gen. Stat. § 75-14;

4. That upon final adjudication defendants be ordered, pursuant to N.C. Gen. Stat. § 75-15.1 to pay restitution to all consumers and insurers who suffered injury due to defendants' unlawful acts and practices set forth above;

5. That upon final adjudication defendants be ordered to disgorge all amounts they or their agents, employees, representatives, subcontractors, successors and assigns have received, or in the future do receive, in connection with the vehicle immobilization, removal, storage and related work set forth above, under N.C. Gen. Stat. § 75-14;

6. That upon final adjudication the Court, pursuant to N.C. Gen. Stat. § 75-15.1, cancel all express, implied or constructive contracts between defendants, acting as contractors or subcontractors, and the owners of any properties, for booting, otherwise immobilizing, preventing the departure or removal of, securing to a tow truck or flat bed, towing, otherwise removing, impounding or storing any vehicle (including but not limited to a tractor or truck cab, trailer, or any passenger vehicle), and related work by defendants;

7. That upon final adjudication the defendants be ordered to pay civil penalties of \$5,000.00 for each instance of predatory towing or booting, price gouging, unfair and deceptive trade practices found by the Court, pursuant to N.C. Gen. Stat. § 75-15.2;

8. That upon final adjudication the defendants be ordered to pay civil penalties of \$4,000.00 for each prohibited debt collection act, pursuant to N.C. Gen. Stat. § 75-56(b), (d);

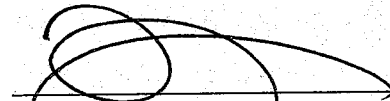
9. That upon final adjudication defendants be ordered to reimburse the State for attorneys' fees and litigation expenses in this action, pursuant to N.C. Gen. Stat. § 75-16.1;

10. That upon final adjudication the costs of this action be taxed to defendants; and

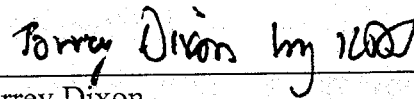
11. That upon final adjudication the State be granted such other and further relief as to the Court seems just and appropriate.

This the 4th day of May, 2020.

JOSHUA H. STEIN
ATTORNEY GENERAL



K. D. Sturgis
Special Deputy Attorney General
State Bar No. 9486
ksturgis@ncdoj.gov



Torrey Dixon
Assistant Attorney General
N.C. State Bar No. 36176
tdixon@ncdoj.gov
N.C. Department of Justice
Post Office Box 629
Raleigh, North Carolina 27602
Phone: (919) 716-6000
Facsimile: (919) 716-6050