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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

INTERNET ADVANCEMENT, INC.,
d/b/a 4GREATBUYS.COM, a
Washington for-profit corporation;
TODD WICKHAM, Chief Executive
Officer of INTERNET
ADVANCEMENT, INC., individually
and on behalf of his marital community;
KEN COMMITTEE, President of
INTERNET ADVANCEMENT, INC.,
individually and on behalf of his marital
community; and ERNESTO
VILLAMOR, Secretary and Treasurer
of INTERNET ADVANCEMENT,
INC., individually and on behalf of his
marital community,

Defendants.

NO.

COMPLAINT FOR INJUNCTIVE
AND OTHER RELIEF

COMES NOW, plaintiff, State of Washington, by and through its attorneys Christine O. Gregoire, Attorney General; and Paula Selis, Senior Counsel, and brings this action against defendants named herein. The state alleges the following on information and belief:

I. JURISDICTION AND VENUE

1.1 This Complaint is filed and these proceedings are instituted under the provisions

1 of RCW 19.86, the Unfair Business Practices--Consumer Protection Act, and RCW 19.190, the
2 Unsolicited Electronic Mail Act.

3 **1.2** Jurisdiction of the Attorney General to commence this action is conferred by
4 RCW 19.86.080 and RCW 19.190.030(2).

5 **1.3** The violations alleged herein have been and are being committed in whole or in
6 part in King County, in the State of Washington by defendants named herein or their agents.

7 **II. DEFENDANTS**

8 **2.1** Defendant Internet Advancement, Inc., also doing business as 4GreatBuys.com,
9 is a Washington for-profit corporation located at 7901 168th Avenue NE, Suite 101, Redmond,
10 Washington 98052.

11 **2.2** Defendant Todd Wickham is the Chief Executive Officer of defendant Internet
12 Advancement, Inc., and as such, controls its policies, activities, and practices, including those
13 alleged in the Complaint herein. Defendant Wickham resides at 200 2nd Avenue S., Kirkland,
14 Washington 98033. Defendant Wickham is married to Jane Doe Wickham, and together they
15 constitute a marital community. All actions taken by defendant Wickham as alleged in the
16 Complaint herein are for the benefit of his marital community.

17 **2.3** Defendant Ken Committee is the President of defendant Internet Advancement,
18 Inc., and as such, controls its policies, activities, and practices, including those alleged in the
19 Complaint herein. Defendant Committee resides at 13896 N.E. 66th Street, #588, Redmond,
20 Washington 98052. Defendant Committee is married to Jane Doe Committee, and together
21 they constitute a marital community. All actions taken by defendant Committee as alleged in
22 the Complaint herein are for the benefit of his marital community.

23 **2.4** Defendant Ernesto Villamor is the Secretary and Treasurer of defendant Internet
24 Advancement, Inc., and as such, controls its policies, activities, and practices, including those
25 alleged in the Complaint herein. Defendant Villamor resides at 18516 N.E. 25th Way, #D-6,
26 Redmond, Washington 98052. Defendant Villamor is married to Jane Doe Villamor, and

1 together they constitute a marital community. All actions taken by defendant Villamor as
2 alleged in the Complaint herein are for the benefit of his marital community.

3 **III. NATURE OF TRADE OR COMMERCE**

4 **3.1** Defendants advertise and sell a variety of marketing services to Internet-based
5 businesses across the United States. They advertise their services on their website,
6 www.internetadvancements.com, and also through unsolicited email and telemarketing.

7 **3.2** Businesses which market and sell their products over the Internet often rely on
8 search engines to lead potential customers to their websites. Defendants offer a “search engine
9 optimization” service which purports to guarantee top 10-to-20 rankings on major search
10 engines such as Yahoo, Google, and AOL. Defendants claim that “90% of all Internet users
11 never view sites listed under #20 on the search engine rankings,” and “the higher (a) search
12 engine ranking, the more traffic (a business) will generate.”

13 <http://www.internetadvancements.com/index.shtml>, March 4, 2004. In return for payments
14 varying from \$980.00 to \$1,500.00 in “set-up” fees, in addition to monthly fees varying from
15 \$79.80 to \$89.95, they offer a variety of search engine optimization packages for their clients.
16 These packages include but are not limited to the following services: researching changes in
17 search engine submission requirements; researching clients’ products, markets, and
18 competition; researching and advising clients about the use and relevance of keywords;
19 providing ranking reports to clients; and offering multiple “directory information pages” to
20 direct Internet traffic to clients’ websites.

21 **3.3** Defendants are in competition with others in the State of Washington engaged
22 in similar business.

23 **IV. FIRST CAUSE OF ACTION – MISREPRESENTATIONS**

24 **4.1.** Plaintiff realleges Paragraphs 2.1 through 3.3 and incorporates them herein as if
25 set forth in full.

1 **4.2** In the context of defendants’ marketing and sale of search engine optimization
2 services, defendants make numerous misrepresentations, including but not limited to the
3 following:

4 **1.** Defendants represent they will be able to secure top 10 search engine
5 rankings for their customers. In fact, in many instances, they are unable to do so.

6 **2.** Defendants represent that they are able to significantly increase traffic
7 to their customers’ websites. In fact, in many instances, they are unable to do so.

8 **3.** Defendants represent that their customers will obtain increased sales by
9 obtaining defendants’ services. They have told customers to expect a “flood of
10 traffic,” have promised thousands of “hits” a day, and have said the customers’ “only
11 concern will be having extra employees to fill the orders.” In fact, in many instances,
12 defendants’ services do not result in increased sales.

13 **4.** Defendants represent that they have a “96% success rate” with their
14 “over 47,000 clients.” In fact, they do not.

15 **5.** Defendants represent that 81 percent of their clients are repeat
16 customers. In fact, they are not.

17 **6.** Clients who are hesitant to enter into a contract with defendants are in
18 some instances pressured to do so through misrepresentations made by defendants.
19 For example, one customer told defendants she wanted to talk with her business
20 partner before agreeing to sign a contract. Defendants told her if she “clicked” on an
21 emailed version of the contract, she would not be obligated to defendants. After
22 “clicking” on the contract, defendants billed the customer and insisted she had agreed
23 to the contract terms. In another instance, defendants told the customer that the
24 monthly fee would be waived for the first six months as an incentive to purchase; in
25 fact, he was charged.
26

1 **4.3** The procedure by which defendants contract with consumer fosters their ability
2 to make misrepresentations. After the consumer has spoken with defendants' telemarketer and
3 has expressed an interest in obtaining services, defendants send an email to the consumer
4 containing instructions on activating defendants' "guarantee." By clicking on the link that
5 activates the "guarantee," the consumer, according to the terms of the email, authorizes
6 defendants to charge the consumer the "set-up" fee. It is only after the consumer has
7 authorized the charge and clicked on the "Activate Your Guarantee" link, that he or she
8 receives a copy of the contract. In some instances, the consumer discovers that the terms of the
9 contract are at variance with the misrepresentations made by the telemarketer. By that point,
10 however, the consumer has already been charged.

11 **4.4** The conduct described above constitutes unfair or deceptive acts or practices in
12 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

13 **V. SECOND CAUSE OF ACTION – FAILURE TO HONOR GUARANTEE AND**
14 **REFUND AS PROMISED**

15 **5.1.** Plaintiff realleges paragraphs 2.1 through 4.4 and incorporates them as if set
16 forth herein in full.

17 **5.2** Defendants offer a "written money-back guarantee" to purchasers of their
18 search engine optimization services. www.internetadvancements.com/seo/services.shtml,
19 April 6, 2004. According to the terms of their contract with purchasers, defendants guarantee
20 that their clients will "obtain at least a top 10 placement on one or more of (the client's) 'key
21 words' or key word phrases' ...on at least 6 of the major search engines" for the 6 month term
22 of the contract. The contract goes on to state that if defendants fail to fulfill the terms of their
23 "Warranty and Guarantee," the client is entitled to a refund.

24 **5.3** In many instances, consumers who have contracted and paid for defendants'
25 services have failed to obtain top placement on major search engines. In some instances, these
26 consumers have contacted defendants and requested a refund.

1 **5.4** In fact, defendants, in many instances, fail to honor their guarantee. Consumers
2 who attempt to cancel their contracts and obtain a refund from defendants are unable to do so
3 as a result of defendants' unfair practices which include, but are not limited to, the following:

4 **1.** The terms of defendants' contract provide a window of time during
5 which customers may request a refund, which is "60 days after the company's initial
6 optimization of keywords" and "within 30 days prior to the end of the 6 month term" of
7 the contract. When consumers call during this period and request a refund, they are
8 told that defendants will deliver the promised results if they are given more time to do
9 so. Consumers who are given this option often wait the prescribed period of time and
10 continue to be unsatisfied. They then contact defendants to cancel yet again, and are
11 told they are outside the window of time permitted for cancellation, and are therefore
12 not entitled to a refund.

13 **2.** Consumers who attempt to contact defendants to cancel their contracts
14 and request refunds are unable to obtain a response from defendants, even after leaving
15 repeated emails and voicemails. In such cases, the consumers have continued to be
16 billed.

17 **3.** Consumers who attempt to contact defendants to cancel within 30 days
18 prior to the end of the 6-month term of the contract are told that cancellation must be
19 made "prior to" the 30-day period before the end of the contract, in contravention of the
20 plain terms of the contract itself. In such cases, defendants refuse to make refunds.

21 **4.** Defendants claim that consumers are not entitled to refunds because they
22 violate a provision of their contract which states, "Client shall not perform or allow any
23 changes to Company's optimized source code once it has been inserted into Client's
24 web page specified herein." In fact, many consumers who have been refused refunds
25 on this basis have not changed their source codes, nor do they have the technical skills
26 or knowledge to do so.

1 **5.** Defendants on occasion promise refunds to consumers who cancel. In
2 some instances, defendants fail to make refunds despite their promises.

3 **6.** Consumers attempt to cancel based on defendants' failure to obtain top
4 10 search engine placement using keywords or search terms specified by the
5 consumers. In one instance, a consumer specifically requested that defendants obtain
6 placement for the search terms "above ground swimming pools." Defendants did not
7 obtain the placement promised for the specified search terms, yet refused the
8 consumer's request for a refund. In other instances, defendants have refused refunds,
9 claiming that despite representations to the contrary, their contract only specifies top
10 placement for a single keyword, rather than the group of keywords selected by the
11 consumer.

12 **5.5** The conduct described above constitutes unfair or deceptive acts or practices in
13 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

14 **VI. THIRD CAUSE OF ACTION – UNAUTHORIZED CHARGES**

15 **6.1.** Plaintiff realleges paragraphs 2.1 through 5.5 and incorporates them as if set
16 forth herein in full.

17 **6.2** Defendants' payment program provides for automatic monthly charges to
18 customers' credit cards for the duration of their contracts. Defendants make unauthorized
19 charges to these credit cards in a number of contexts, including but not limited to the
20 following:

21 **1.** When consumers contact defendants and attempt to cancel, they indicate
22 explicitly they no longer wish to pay for or receive defendants' services. Despite
23 conveying their intent to cancel, either directly to defendants' representatives, or
24 through an email address specifically designated by defendants to receive cancellation
25 requests, the consumers continue to receive unauthorized charges on their credit cards.
26 For example, in at least one instance, a consumer emailed his cancellation to defendants

1 and received an automated response indicating that he would hear back from them
2 within seven days. He received no further response, but continued to be charged for
3 additional monthly fees.

4 2. In one instance, a consumer continued to be charged on his credit card
5 when monthly fees had supposedly been “waived” by defendants.

6 3. In one instance, a consumer was charged when she had been told she
7 would not be charged until she had first obtained agreement from her business partner
8 to enter into a contract with defendants.

9 4. One consumer was charged after he was told he could get his money
10 back if his website wasn’t highly ranked “by the holidays.” Despite attempting to
11 obtain a refund because of defendants’ failure to perform, his credit card continued to
12 be charged.

13 5. One consumer was charged during the first six months even though he
14 was explicitly told he would be charged monthly fees only at the seven-month point of
15 his contract with defendants.

16 6.3 In many instances where consumers have disputed defendants’ unauthorized
17 charges or refused to pay them, defendants have continued to place charges on consumer’
18 credit cards or submitted the alleged debts to collection agencies which continued to bill the
19 consumers.

20 6.4 The conduct described above constitutes unfair or deceptive acts or practices in
21 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

22 **VII. FOURTH CAUSE OF ACTION – FAILING TO PROVIDE RANKING**
23 **REPORTS**

24 7.1 Plaintiff realleges paragraphs 2.1 through 6.4 and incorporates them as if set
25 forth herein in full.
26

1 **7.2** As part of the search engine optimization services provided by defendants, their
2 service agreement promises “quarterly reports listing the six major search engines on which the
3 clients’ web page domain or URL...is ranked the highest.” In fact, in many instances
4 defendants fail to provide the reports, either on a quarterly basis, or at all.

5 **7.3** The conduct described above constitutes unfair or deceptive acts or practices in
6 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

7 **VIII. FIFTH CAUSE OF ACTION – UNFAIR TERMS OF CANCELLATION**

8 **8.1** Plaintiff realleges paragraphs 2.1 through 7.3 and incorporates them as if set
9 forth herein in full.

10 **8.2** Defendants’ contract with consumers specifies that it “will remain in effect for
11 six months,” and continue on a month-to-month basis until terminated. The contract goes on to
12 specify that the consumer may cancel the contract after the six-month term upon thirty days
13 written notice to defendants, “which notice shall be effective at the end of the next calendar
14 month after the month in which the notice is received.” In effect, defendants retain the right to
15 bill the consumer the monthly fee during the month in which the notice of cancellation is
16 given. Accordingly, even if the consumer cancels on the day after the expiration of the six-
17 month term, he will be obligated to pay for the seventh month. By structuring their terms of
18 cancellation unfairly, defendants misrepresent the true duration of the contract to consumer,
19 obligating them to a longer period of payment than represented.

20 **8.3** The conduct described above constitutes unfair or deceptive acts or practices in
21 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

22 **IX. SIXTH CAUSE OF ACTION – POOR CUSTOMER SERVICE**

23 **9.1** Plaintiff realleges paragraphs 2.1 through 8.3 and incorporates them as if set
24 forth herein in full.

25 **9.2** In many instances, consumers attempt to contact defendants to complain about
26 various issues, including cancellation, poor service, billings, or other matters. Defendants in

1 some instances, intimidate, harass, or fail to respond to consumers who complain. For
2 example, one consumer was told he would prejudice his ability to get a refund if he didn't
3 "back off his complaint to the Attorney General." In another case, defendants' representative
4 simply hung up on a consumer. In many instances, defendants promise to "get back" to the
5 consumer, and fail to do so. In other instances, despite leaving repeated voicemails and emails,
6 defendants fail to respond to consumers.

7 **9.3** The conduct described above constitutes unfair or deceptive acts or practices in
8 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

9 **XI. SEVENTH CAUSE OF ACTION – VIOLATIONS OF THE UNSOLICITED**
10 **COMMERCIAL ELECTRONIC MAIL ACT – MISLEADING SUBJECT LINES.**

11 **10.1** Plaintiff realleges paragraphs 2.1 through 9.3 and incorporates them as if set
12 forth herein in full.

13 **10.2** Computer users are alerted to the existence of electronic mail messages
14 intended for their receipt by an "inbox" display appearing on their computer monitors. The
15 inbox will list each message by its purported sender and a brief subject which generally
16 describes the body of the message. In order to read the actual content of the entire message,
17 the recipient usually must first select the message (by clicking with a mouse) at which point the
18 message text, or body of the email, is displayed.

19 **10.3** The purpose of an electronic mail message subject line is to briefly describe or
20 summarize the content of the message. This enables a recipient to exercise discretion over
21 whether and when to read the entire text of the message and to determine the importance of the
22 message. Emergency or personal messages, for example, may take precedence over
23 commercial messages. Similarly, work-related messages may take precedence over
24 commercial messages.

25 **10.4** In addition to contacting potential consumers through telemarketing, defendants
26 market their services by sending unsolicited commercial electronic mail. The emails sent by

1 defendants contain various subject lines, including “Final Attempt!” Defendants’ subject line
2 misleads the recipient as to the true nature of the message. “Final Attempt!” misleads the
3 recipient into thinking that the email may relate to an already-ignored obligation, which if not
4 attended to, will result in some consequence. It creates a false sense of urgency. In reality, the
5 subject line is simply an attempt to entice the recipient into opening a commercial solicitation.

6 **10.5** The use of false or misleading information in the subject line of a commercial
7 electronic mail message violates RCW 19.190.030(1)(b). Pursuant to RCW 19.190.030(2),
8 defendant’s violation of RCW 19.190.030(1)(b) constitutes a *per se* violation of the Consumer
9 Protection Act, RCW 19.86.

10 **10.6** The conduct described above constitutes unfair or deceptive acts or practices in
11 trade or commerce and unfair methods of competition in violation of RCW 19.86.020.

12 **XII. PRAYER FOR RELIEF**

13 **WHEREFORE**, plaintiff, **STATE OF WASHINGTON**, prays for relief as follows:

14 **12.1** That the Court adjudge and decree that defendants have engaged in the conduct
15 complained of herein.

16 **12.2** That the Court adjudge and decree that the conduct complained of in Paragraphs
17 9.4 and 10.3 constitutes violations of the Unsolicited Electronic Mail Act, RCW 19.190, and
18 pursuant to RCW 19.190.030(2) constitutes *per se* violations of the Consumer Protection Act,
19 RCW 19.86.

20 **12.3** That the Court adjudge and decree that the conduct complained of in Paragraphs
21 4.2(1)-(6), 5.4(1)-(6), 6.2(1)-(5), 6.3, 7.2, 8.2, 9.2 and 10.4 constitutes unfair or deceptive acts or
22 practices and unfair methods of competition in violation of the Consumer Protection Act, Chapter
23 19.86 RCW.

24 **12.4** That the Court issue a permanent injunction enjoining and restraining defendants
25 and their representatives, successors, assigns, officers, agents, servants, employees, and all other
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1 persons acting or claiming to act for, on behalf of, or in active concert or participation with
2 defendants from continuing or engaging in the unlawful conduct complained of herein.

3 **12.5** That the Court assess civil penalties, pursuant to RCW 19.86.140, of up to two
4 thousand dollars (\$2,000) per violation against the defendants for each and every violation of
5 RCW 19.86.020 caused by the conduct complained of herein.

6 **12.6** That the Court make such orders pursuant to RCW 19.86.080 as it deems
7 appropriate to provide for restitution to consumers of money or property acquired by defendants
8 as a result of the conduct complained of herein.

9 **12.7** That the Court make such orders pursuant to RCW 19.86.080 to provide that
10 plaintiff, State of Washington, have and recover from defendants the costs of this action, including
11 reasonable attorney's fees.

12 **12.8** That the Court order such other relief as it may deem just and proper to fully and
13 effectively dissipate the effects of the conduct complained of herein, or which may otherwise
14 seem proper to the Court.

15 DATED this _____ day of April, 2008.

16 CHRISTINE O. GREGOIRE
17 Attorney General

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20 _____
21 PAULA SELIS, WSBA #12823
22 Senior Counsel
23 Attorneys for Plaintiff
24 State of Washington
25
26