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**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
IN AND FOR THE COUNTY OF PIERCE**

STATE OF WASHINGTON,

Plaintiff,

v.

BIG IDEAS DIRECT, LLC, a Nevada  
limited liability corporation, dba Big Ideas  
Direct, Nealy Direct, Nealy Inc., Super Auto  
Events, and Traffic Boosters; JEFFREY  
WATTS, individually and his marital  
community; and MICHAEL NEALY,  
individually and his marital community,

Defendants.

NO.

COMPLAINT FOR INJUNCTIVE AND  
OTHER RELIEF

Plaintiff, State of Washington, Office of the Attorney General, Consumer Protection  
Division, by and through its attorneys, Robert M. McKenna, Attorney General, and Mary C.  
Lobdell, Assistant Attorney General, brings this action against Big Ideas Direct, LLC, Jeffrey  
Watts and Michael Nealy named herein, alleging as follows:

**I. JURISDICTION AND VENUE**

1.1. The state of Washington ("State") files this Complaint and these proceedings  
under the provisions of Chapter 19.86 RCW, Unfair Business Practices -- Consumer Protection

1 Act; chapter 19.170.010 RCW, Promotional Advertising of Prizes Act, and chapter 46.70 RCW,  
2 Unfair Business Practices – Dealers’ Licenses Act.

3 1.2. The Defendant Big Ideas Direct, LLC does business in the State of Washington.

4 1.3. The Defendant Big Ideas Direct, LLC is principally located in Woodinville,  
5 Washington in King County.

6 1.4. The Defendant Michael Nealy resides in Snohomish County.

7 1.5. The Defendant Jeffrey Watts resides in Snohomish County.

8 1.6. The violations alleged in this Complaint have been and are being committed in  
9 whole or in part in the state of Washington.

10 1.7. This Court has subject matter jurisdiction over this Complaint under the laws of  
11 the state of Washington.

12 1.8. This Court has personal jurisdiction over Defendants pursuant to the laws of the  
13 state of Washington including RCW 19.86, RCW 46.70.250, RCW 4.28.180 and RCW 4.28.185.

14 1.9. Venue is proper in Pierce County pursuant to RCW 4.12.020.

15  
16  
17 **II. PLAINTIFF**

18 2.1. The Plaintiff is the state of Washington.

19 2.2. The Attorney General is authorized to commence this action pursuant to RCW  
20 19.86.080 and RCW 19.86.140.

21  
22 **III. DEFENDANTS**

23 3.1. Big Ideas Direct, LLC, is a Nevada Limited Liability Corporation organized under  
24 the laws of the state of Nevada and is registered as a foreign corporation in the state of  
25 Washington and whose headquarters is located at 17270 Woodinville NE, Suite 777, in  
26

1 Woodinville, Washington. It does business under the trade names of dba Big Ideas Direct, Nealy  
2 Direct, Nealy Inc., Super Auto Events, and Traffic Boosters.

3 3.2. The Defendant Michael Nealy is now and has been at all times relevant to this  
4 action, President and fifty percent owner of Big Ideas Direct, LLC and has individually  
5 controlled, directed, participated in, and formulated the policies relating to the acts, practices, and  
6 activities of said corporation that are the subject matter of this Complaint. On information and  
7 belief, Defendant Michael Nealy is married and all acts were done on behalf of the marital  
8 community.  
9

10 3.3. The Defendant Jeffrey Watts is now and has been at all times relevant to this  
11 action, Chief Executive Officer and fifty percent owner of Big Ideas Direct, LLC and has  
12 individually controlled, directed, participated in, and formulated the policies relating to the acts,  
13 practices, and activities of said corporation that are the subject matter of this Complaint. On  
14 information and belief, Defendant Jeffrey Watts is married and all acts done by him were done on  
15 behalf of the marital community.  
16

17 3.4. For purposes of this Complaint, the term "Defendants," unless otherwise specified,  
18 shall refer to all Defendants; and when used in conjunction with allegations of unlawful conduct,  
19 shall mean that each Defendant committed such act and/or is legally accountable for such act.  
20

#### 21 IV. NATURE OF TRADE OR COMMERCE

22 4.1. Defendants are now and have been at all times relevant to this action, engaged in a  
23 trade or commerce within the meaning of RCW 19.86.020, specializing in creating and selling  
24 promotional materials and direct mailings to Washington automobile dealerships.

25 4.2. Defendants are engaged in a trade or commerce within the meaning of RCW  
26

1 19.86.020 by creating and providing promotional advertising services, consultations, prizes as that  
2 term is defined in RCW 19.170.020, and materials to automobile dealers of new and used motor  
3 vehicles in the state of Washington.

4 4.3. Defendants are engaged in a business that must comply with the provisions of  
5 RCW 46.70.180, the rules for advertising promulgated by the Department of Licensing in WAC  
6 308-66-152, the provisions of the Unfair Business Practices of the Consumer Protection Act,  
7 Chapter 19.86, and the provisions of the Prizes and Promotions Act, Chapter 19.170 RCW.  
8

9 4.4. A violation of RCW 46.70.180 and chapter 19.170 are *per se* violations of the  
10 Unfair Business Practices—Consumer Protection Act 19.86 RCW.

11 4.5. Defendants have been at all times relevant to this action in competition with others  
12 engaged in similar business in the State of Washington.  
13

#### 14 V. FIRST CAUSE OF ACTION AGAINST DEFENDANTS

##### 15 (Advertising Rule Violations)

16 5.1. Plaintiff realleges paragraphs 1.1 through 1.9 and 4.1 through 4.5 and  
17 incorporates them as if set fully herein.

18 5.2. From January 2005 to the present time, the Defendants have materially  
19 misrepresented on numerous occasions the nature of certain “sales events” and failed to adhere to  
20 state and federal laws, regulations and guidelines, including but not limited to, RCW  
21 46.70.180(1); WAC 308-66-152; and Regulation Z of the Truth in Lending Act, 15 U.S.C. § 1601  
22 *et seq.*, 12 C.F.R. § 226.  
23

24 5.3. Defendants caused to be advertised offers to sell vehicles that created a false  
25 premise for advertised sales by representing or implying that the vehicles included in a sale are  
26 from some source other than a dealer’s regular used vehicle inventory by using terms including

1 but not limited to "Bank Reprocessed Vehicles," "Bank Repo SuperSale," "Bank Surplus,"  
2 "Vehicles From Across the Region Have Been Consolidated At One Huge Location," "Due to the  
3 National Buying Power of the National Automobile Clearance House," and "An Unprecedented  
4 Event Will Take Place at Only One Location."

5  
6 **5.4.** Defendants caused to be advertised offers to sell vehicles by local dealers that  
7 represented that the vehicles being sold were from "The National Automobile Clearance House,"  
8 "Department of Vehicle Acquisition" and other fictional entities.

9  
10 **5.5.** Defendants caused to be advertised offers to sell vehicles that created a false sense  
11 of urgency by use of the terms such as "Urgent Dated Information Enclosed" or "DESPARATE  
12 DISPOSAL" [sic] when, in fact, the sales often recurred at certain dealer locations. Such  
13 statements created a false sense of urgency and are false, misleading or deceptive practices in  
14 violation of RCW 46.170.180(1).

15  
16 **5.6.** The Defendants caused to be advertised offers to sell vehicles without disclosing  
17 all material limitations, including limitations related to credit, prizes and fees, used or new  
18 vehicles, time limit and trade-in. Advertising any offer in connection with the sale of a vehicle or  
19 model or type of vehicle without disclosing material limitations is a violation of RCW 46.70.180  
20 and WAC 308-66-152(4)(c).

21  
22 **5.7.** Defendants caused to be advertised specific prices for specific models or types of  
23 vehicles without designating the number of vehicles at that price and without clearly identifying  
24 vehicles available by vehicle identification number or license plate number as required by RCW  
25 46.70.180 and WAC 308-66-152(4)(i).

26  
**5.8.** Defendants caused "advertised price" to be expressed as a combination of dollar

1 figures and words without providing all component figures and the total dollar figure expressed as  
2 required by WAC 308-66-152(l).

3           **5.9.** Defendants caused the advertisement of financing terms without any disclosures or  
4 all disclosures required by the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.*, Regulation Z and  
5 12 C.F.R. § 226.24 or RCW 46.70.180(1)(a)-(e).  
6

7           **5.10.** Defendants caused the dissemination of an advertisement containing a false  
8 reference price or false savings that represents a discount that does not in fact exist such as  
9 advertising 75% off the MSRP on used vehicles when the industry pricing standard for used  
10 vehicles is not the MSRP.

11           **5.11.** Defendants advertised vehicle prices that failed to include all mandatory charges  
12 for nongovernmental fees, including a documentary fee. Defendants knew or should have known  
13 that dealers customarily and routinely charge vehicle documentary fees and Defendants failed to  
14 include language in the advertisement that “a vehicle documentary service fee in an amount up to  
15 fifty dollars may be added to the sale price of the vehicle” as required by RCW 46.70.180(2) and  
16 WAC 308-66-152(4)(j).  
17

18           **5.12.** Defendants falsely advertised a vehicle documentary fee in an amount greater than  
19 that allowed by law.  
20

21           **5.13.** Defendants caused the advertisement of “\$0 DOWN DELIVERS!,” “\$4 DOWN  
22 DELIVERS ANY VEHICLE IN STOCK\*,” “\$49\* Delivers Brand New Cars, Trucks, Vans &  
23 SUV’s,” and other similar statements in which Defendants knew or should have known that such  
24 representations are false or misleading and the dealer cannot clearly show through records of the  
25 dealership the truth of these statements. Such conduct violates WAC 308-66-152(4)(p).  
26

1           **5.14.** Defendants caused the advertisement of words, phrases and initials that were not  
2 in a clear and conspicuous manner and in a type size sufficiently large to be read with reasonable  
3 ease and in relative close proximity to each of the terms that require disclosure and in such color  
4 and contrast so as not to be obscured.

5  
6           **5.15.** Defendants caused the advertisement of “STRINGENT TERMS AND  
7 APPROVAL REQUIREMENTS HAVE BEEN WAIVED TO MAKE IT EASY FOR  
8 VIRTUALLY ANYONE TO QUALIFY” and other similar statements. On information and  
9 belief, Defendants Big Ideas Direct, LLC cannot clearly show through records of the dealership  
10 that consumers, regardless of credit worthiness, received offers of credit. Such conduct violates  
11 WAC 308-66-152(4)(p).

12  
13           **5.16.** The practices described in paragraphs 5.1 to 5.15 constitute *per se* violations of  
14 RCW 46.70.180(1) and WAC 308-66-152.

15           **5.17.** The practices described in paragraphs 5.1 to 5.15 constitute *per se* violations of the  
16 Consumer Protection Act, RCW 19.86.020, under RCW 46.70.310.

17                   **VI. SECOND CAUSE OF ACTION AGAINST DEFENDANTS**  
18                               **(Prizes and Promotions Act Violations)**

19           **6.1.** Plaintiff realleges paragraphs 1.1 through 1.9 and 4.1 through 4.5 and  
20 incorporates them as if set fully herein.

21           **6.2.** RCW 19.170.010, the Promotional Advertising of Prizes Act, provides that  
22 deceptive promotional advertising of prizes is a matter vitally affecting the public interest and  
23 is not reasonable in relation to the development and preservation of a business.  
24  
25  
26

1           **6.3.** A violation of chapter 19.170 RCW is an unfair or deceptive act in trade or  
2 commerce under the Consumer Protection Act, chapter 19.86 RCW, and constitutes an act of  
3 deceptive promotional advertising.

4           **6.4.** From January 2005 to present, Defendants caused dissemination of promotional  
5 advertising of prizes on numerous occasions as that term is defined in RCW 19.170.020(2).  
6

7           **6.5.** Defendants caused materials to be directed to specific named consumers that  
8 included the award of or chance to be awarded a prize in which the recipient did not have the  
9 right to review the merchandise offered for sale without obligation for at least seven days and  
10 had a right to obtain a full refund in thirty days.

11           **6.6.** Defendants caused materials to be sent to consumers that failed to disclose  
12 material restrictions in the immediate proximity and on the same page with the first listing of  
13 the prize in type at least as large as the typeface used in the standard text of the offer as  
14 required by RCW 19.170.030, including but not limited to the following:  
15

16           **6.6.1.** Restrictions that required participants to present a notification letter in  
17 order to enter or be eligible to receive the offer.

18           **6.6.2.** Restrictions that required participants to have a valid driver's license and  
19 social security card.

20           **6.6.3.** Restrictions that required participants to register to be eligible for the  
21 contest.  
22

23           **6.6.4.** Restrictions that required recipients of a "Cordless Rotary Tool with 60  
24 Piece Accessory Set, Mini Digital Camera or Citizen Electronic Organizer" to  
25  
26

1 be responsible for shipping and handling charges to redeem the "free"  
2 merchandise.

3 **6.6.5.** Restrictions that required participants of prize promotional offers to be  
4 present during sale dates to redeem the prize or requested participants to attend  
5 a sale presentation to redeem the prize.  
6

7 **6.6.6.** Restrictions that limited the supply of the prize offered.

8 **6.6.7.** Restrictions that required winners of prize promotional offers to provide  
9 verification of documentation.

10 **6.6.8.** Restrictions that the prizes offered would be awarded within 30 days of  
11 receipt.

12 **6.6.9.** Restrictions or qualifications such as the availability of the prize, travel  
13 dates, travel times, airlines, or accommodations.

14 **6.6.10.** Restrictions related to a \$1,000 On-Line Shopping Spree, including but  
15 not limited to, shipping fees that exceed \$250.  
16

17 **6.7.** Prize promotional offers disseminated by Defendants did not contain  
18 conspicuous disclosures in bold-face type at least as large as the typeface used in the standard  
19 text of the offer that the person is required to view, hear or attend a sales presentation in order  
20 to claim a prize.  
21

22 **6.8.** Prize promotional offers disseminated by Defendants did not contain the  
23 statutorily required alternate phrase "Details and qualifications for participation in this  
24 promotion may apply," followed by a disclosure in the same type size where any restrictions  
25 may be found.  
26

1           **6.9.** Defendants caused materials to be sent to consumers that advertised  
2 promotional offers that failed to comply with requirements of RCW 19.170.030(1)-(4),  
3 including but not limited to the following:

4                   **6.9.1.** Identifying the name and address of the sponsor of the promotion.

5                   **6.9.2.** Failing to state the verifiable retail value of the prizes offered.

6                   **6.9.3.** Failing to state the odds the participant has of being awarded the prize  
7 being offered.  
8

9           **6.10.** On information and belief, Defendants did not comply with the provisions of  
10 RCW 19.170.030, including:

11                   **6.10.1.** Advertising a prize, gift, award, premium or similar term that implied  
12 that the item was free when in fact the recipient must spend an amount of  
13 money, including but not limited to, shipping fees, deposits, handling fees,  
14 payment for one item in order to receive another item or the expenditure of  
15 funds in order to obtain or make meaningful use of the item awarded in the  
16 promotion.  
17

18                   **6.10.2.** Advertising a prize, gift or award that is contingent upon a material  
19 restriction, such as offering a DVD Player when in fact the offer was for a  
20 certificate for a DVD Player that required the recipient to pay shipping and  
21 handling fees.  
22

23                   **6.10.3.** Advertising a prize, gift or award that requires a “small shipping &  
24 handling fee” without disclosing the amount of the shipping and handling fee.  
25  
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1           6.11. From January 2005 to present, the acts and practices of Defendants as described  
2 in paragraphs 6.3 through 6.10 constitute violations of RCW 19.170.030(7).

3                           **VII. THIRD CAUSE OF ACTION AGAINST DEFENDANTS**  
4                           **(Violations of RCW 19.170.050 – Simulated Checks)**

5           7.1. Plaintiff realleges paragraph 1.1 through 1.9 and 4.1 through 4.5 and  
6 incorporates them as if set fully herein.

7           7.2. From January 2005 to present, Defendants on numerous occasions caused to be  
8 advertised, distributed or otherwise transferred a document that is not currency or a check or  
9 other negotiable instrument but has the visual characteristics of such. Hereinafter referred to as  
10 “simulated check.”

11           7.3. The simulated check included a dollar amount in both Arabic numerals and  
12 written text.

13           7.4. The simulated check included a signature line in the lower right corner for  
14 approval.

15           7.5. The simulated check included an amount payable in Arabic numerals in the  
16 upper right corner of the document.

17           7.6. The simulated check included the words “TO THE ORDER OF” written before  
18 the recipient’s name and “FOR ONE THOUSAND NINE HUNDRED FIFTEEN AND 00/100  
19 DOLLARS.”

20           7.7. The simulated check included the words “TO THE ORDER OF” written before  
21 the recipient’s name and “PAY TO THE SUM OF.”

