

**ENDORSED FILED
SAN MATEO COUNTY**

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Clerk of the Superior Court
By E. Boffi
DEPUTY CLERK

1 BILL LOCKYER
Attorney General of California
2 ALBERT NORMAN SHELDEN
Senior Assistant Attorney General
3 MARGARET REITER
Supervising Deputy Attorney General
4 SETH E. MERMIN
Deputy Attorney General
5 State Bar No. 189194
455 Golden Gate Avenue, Eleventh Floor
6 San Francisco, CA 94102
Telephone: (415) 703-5601
7 Fax: (415) 703-5480

8 JAMES P. FOX
District Attorney, County of San Mateo
9 State Bar No. 45169
CHUCK FINNEY
10 Deputy District Attorney
400 County Center, Third Floor
11 Redwood City, CA 94063
Telephone: (650) 363-4097
12 Fax: (650) 363-4873

13 Attorneys for Plaintiff,
The People of the State of California
14

15 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**
16 **FOR THE COUNTY OF SAN MATEO**
17

18 **THE PEOPLE OF THE STATE OF**
19 **CALIFORNIA,**

20 **Plaintiff,**

21 **v.**

22 **FOX RENT A CAR, INC., a California**
corporation; PAY LOW RENT A CAR, INC., a
23 **California corporation; MAM, HOLDING, LLC, a**
Nevada company; CERTIFIED AUTO BODY,
24 **INC., a California corporation; BAYPORT CAR**
RENTAL, INC., a California corporation; MARK
25 **(MASOUD) MIRTORABI, an individual; MIKE**
(MANSOUR) JABERI, an individual; and ALLEN
26 **(ALI) REZAPOUR, an individual,**

27 **Defendants.**
28

CASE NO.: CIV 458851

**COMPLAINT FOR
INJUNCTION, CIVIL
PENALTIES, AND OTHER
RELIEF**

Date: November 8, 2006

1 Plaintiff, the People of the State of California, by Bill Lockyer, Attorney General of the State
2 of California, and James P. Fox, District Attorney of the County of San Mateo, allege the following
3 on information and belief:

4 **PARTIES**

5 1. Defendant Fox Rent A Car, Inc. is a California corporation.

6 2. Defendant Pay Low Rent A Car, Inc. is a California corporation. Pay Low is a franchisee
7 of Payless Car Rental System, Inc.

8 3. Defendant MAM Holding, LLC is a Nevada limited liability company.

9 4. Defendant Certified Auto Body, Inc. is a California corporation.

10 5. Defendant Bayport Car Rental, Inc. is a California corporation.

11 6. The corporate defendants listed in paragraphs 1 through 6 may be referred to collectively
12 in this complaint as "Fox."

13 7. Defendant Mark (Masoud) Mirtorabi is an individual. Mr. Mirtorabi is the president of
14 Fox Rent A Car, Inc., and an officer of the other corporate defendants, and has controlled, managed,
15 and directed the activities of the corporate defendants.

16 8. Defendant Mike (Mansour) Jaber is an individual. Mr. Jaber is vice-president and
17 secretary of Fox Rent A Car, Inc., and an officer of the other corporate defendants, and has
18 controlled, managed, and directed the activities of the corporate defendants.

19 9. Defendant Allen (Ali) Rezapour is an individual. Mr. Rezapour is vice-president and
20 treasurer of Fox Rent A Car, Inc., and an officer of the other corporate defendants, and has
21 controlled, managed, and directed the activities of the corporate defendants.

22 10. All references in this Complaint to any of the defendants include all of them, unless
23 otherwise specified. Whenever reference is made in this Complaint to any act of defendants, such
24 allegation means that each defendant acted individually and jointly with the other defendants.

25 11. At all relevant times, each defendant committed the act(s), caused others to commit the
26 act(s), or permitted others to commit the act(s) alleged in this Complaint.

27 12. Any allegation about any acts of any corporate or other business defendant shall mean that
28 the corporation or other business did the acts alleged through its officers, directors, employees,

1 agents and/or representatives while they were acting within the actual or ostensible scope of their
2 authority.

3 13. The violations of law alleged in this Complaint occurred, in relevant part, in the counties
4 of San Mateo, Los Angeles and Orange as well as elsewhere in California.

5 **BACKGROUND**

6 14. Defendants Fox, Mirtorabi, Jaberri and Rezapour (collectively "Defendants") are engaged
7 in the business of renting cars to the public. Fox operates multiple offices in California, located in
8 both the southern and northern sections of the state.

9 **Use of Global Positioning System Technology to Assess Penalties**

10 15. Beginning in 2004, Defendants installed global positioning system (GPS) tracking devices
11 in certain of their vehicles offered for rental, and instituted a policy according to which renters who
12 left the area comprising California and two neighboring states were surcharged a \$50 "fee" and a
13 \$.35 penalty per mile traveled (over 100 per day) for the entirety of the rental period.

14 16. At least between March 2004 and December 2004, Defendants regularly assessed the \$50
15 "fee" and \$.35 per-mile penalty. These fees and penalties averaged \$400 per affected customer and
16 ranged as high as \$1,875.

17 **Forced Purchase of Insurance Coverage**

18 17. At least until the end of August 2005, Defendants sold their customers Renter's Liability
19 Protection (RLP) coverage, assertedly to cover damage done by the renter to third parties and their
20 vehicles. For much of the period at issue, Defendants required each customer to purchase RLP in
21 order to rent a car unless the renter could present written proof of his or her own liability insurance.

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2 **CAUSE OF ACTION**

3 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**
4 **(UNLAWFUL BUSINESS ACTS OR PRACTICES)**

5 18. The People reallege and incorporate by reference paragraphs 1 through 18 of this
6 Complaint.

7 19. Defendants have engaged in unfair competition as defined by California Business and
8 Professions Code section 17200 by engaging in the following acts or practices:

9 a. By charging renters \$50 plus \$.35 per mile traveled (over 100 miles per day) for the
10 entire rental period for driving beyond the asserted geographical restriction, in violation of Civil
11 Code section 1671, which forbids the assessment of such liquidated damages penalties;

12 b. By representing or implying that consumers were required to purchase RLP coverage
13 unless they could produce physical proof of their own liability coverage, in violation of section
14 1936(n) of the Civil Code, which forbids a rental company from charging any fee (beyond those
15 enumerated in that provision) that must be paid by the renter as a condition of renting the vehicle,
16 and further specifies that a rental company must make the purchase of any insurance or similar
17 product optional.

18 c. By assessing renters for vehicle damage months after those renters returned the
19 vehicles, when at the time the renters returned the vehicles Defendants made no mention of any
20 damage having been done.

21
22 WHEREFORE, Plaintiff prays for judgment as follows:

23 1. Pursuant to Business and Professions Code section 17203, that all Defendants, their
24 agents, employees, officers, representatives, successors, partners, assigns, and all persons acting in
25 concert or participating with them, be permanently enjoined from violating Business and Professions
26 Code section 17200, in connection with the violations alleged in this Complaint;

27 2. Pursuant to Business and Professions Code section 17206, that the Court assess a civil
28 penalty against each Defendant for each violation of Business and Professions Code section 17200

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alleged in the Complaint, as proved at trial;

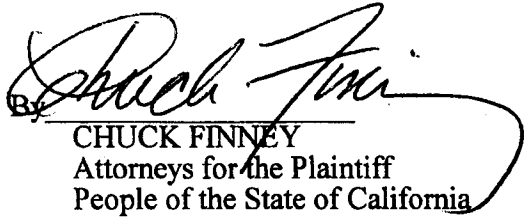
3. That the People recover their costs of suit; and


4. That the Court grant such other and further relief as it may deem just and proper.

Dated: October 3, 2006

JAMES P. FOX
District Attorney, San Mateo County
CHUCK FINNEY
Deputy District Attorney

BILL LOCKYER,
Attorney General
ALBERT NORMAN SHELDEN,
Senior Assistant Attorney General
MARGARET REITER,
Supervising Deputy Attorney General
SETH E. MERMIN,
Deputy Attorney General


By _____
CHUCK FINNEY
Attorneys for the Plaintiff
People of the State of California

By 

SETH E. MERMIN
Attorneys for the Plaintiff
People of the State of California