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11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
12 **COUNTY OF SAN DIEGO**

14 THE PEOPLE OF THE STATE OF CALIFORNIA,  
15 Plaintiff,

16 v.

17 MARIA JONES;  
18 JAMES JONES;  
CORPORATE FILINGS DIVISION; and  
19 DOES 1-20 inclusive,

20 Defendants.

Case No.:

**COMPLAINT FOR CIVIL  
PENALTIES, INJUNCTION,  
OTHER EQUITABLE  
REMEDIES AND COSTS**

**VERIFIED ANSWER  
REQUIRED  
(Code Civ. Proc., § 446, subd.  
(a))**

22  
23 The PEOPLE OF THE STATE OF CALIFORNIA, by and through Edmund G. Brown Jr.,  
24 Attorney General of the State of California, allege the following on information and belief.

25 **DEFENDANTS**

26 1. Defendant MARIA JONES is an individual who is the Chief Financial Officer,  
27 Secretary, and a Director of Corporate Filings Division. As such, she has controlled, managed  
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1 and operated the business and, at the time of the violations alleged, was a resident of California.  
2 She has also operated and done business under the unregistered fictitious name of “Corporate  
3 Compliance Filings.”

4           2. Defendant JAMES JONES is an individual who is the Chief Executive Officer,  
5 Director, and Agent for Service of Process of Corporate Filings Division. As such he has  
6 controlled, managed and operated the business and, at the time of the violations alleged, was a  
7 resident of California.

8           3. Defendant CORPORATE FILINGS DIVISION is a suspended California  
9 corporation that does business in, among other places, the County of San Diego, State of  
10 California.

11           4. Plaintiff is not aware of the true names and capacities of the Defendants sued as  
12 DOES 1 through 20, inclusive, and therefore sues these Defendants by fictitious names. Each of  
13 the fictitiously named Defendants is responsible in some manner for the violations of law alleged.  
14 Plaintiff will amend this Complaint to add the true names of the fictitiously named Defendants  
15 once they are discovered. Whenever reference is made in this Complaint to Defendants, the  
16 reference shall include DOES 1 through 20, inclusive.

17           5. At all times mentioned herein, each of the Defendants acted as the principal,  
18 agent or representative of each of the other Defendants, and in doing the acts herein alleged, each  
19 Defendant was acting within the course and scope of the agency relationship with each of the  
20 other Defendants, and with the permission and ratification of each of the other Defendants.

21           6. At all times mentioned herein, each of the Defendants knew or realized that the  
22 other Defendants were engaging in or planned to engage in the violations of law alleged in this  
23 Complaint. Knowing or realizing that other Defendants were engaging in such unlawful conduct,  
24 each of the Defendants nevertheless facilitated the commission of those unlawful acts. Each of  
25 the Defendants intended to and did encourage, facilitate or assist in the commission of the  
26 unlawful acts alleged in this Complaint, and thereby aided and abetted the other Defendants in the  
27 unlawful conduct.

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1           7. Defendants have engaged in a conspiracy, common enterprise and common  
2 course of conduct, the purpose of which is and was to engage in the violations of law alleged in  
3 this Complaint. The conspiracy, common enterprise, and common course of conduct continue to  
4 the present.

5           8. Whenever reference is made in this Complaint to any act of Defendants, such  
6 allegation shall mean that each of the Defendants acted individually and jointly with the other  
7 Defendants named in that course of action.

8           9. The violations of law alleged herein have been and are being carried out within  
9 San Diego County and elsewhere in California.

10                           **BUSINESS PRACTICES OF DEFENDANTS**

11           10. In conducting their business, Defendants, under the name “Corporate Filings  
12 Division,” mail illegal and untrue or misleading solicitations to California corporations.  
13 Defendants cause to be sent to corporations throughout California official-looking forms entitled  
14 “ANNUAL MINUTES DISCLOSURE STATEMENT” that imply the recipient business has to  
15 complete the form and return it to Defendants with the payment of an “ANNUAL FEE” of \$175,  
16 or else risk loss of its corporate status. Defendants further imply payment is mandatory, and that  
17 their form is official and originates with a governmental entity, by setting out on the front page of  
18 the form the following:

- 19           A. An official-looking seal that uses the name “CALIFORNIA FILINGS  
20           DIVISION”;
- 21           B. Payment denominated as an “ANNUAL FEE”;
- 22           C. A “Notice Date”;
- 23           D. A “Reply No Later Than” date;
- 24           E. A statement, which appears in the top part of the form that: “Failure to  
25           comply with certain requirements could cause your corporation to lose its  
26           limited liability status “Pierced Veil” [sic]. If so, personal liability or  
27           exposure to tax agencies, or creditors, could possibly be put on directors  
28           and shareholders for failing to document formalities.”

1 F. A representation that “to ensure prompt processing and compliance,” the  
2 form should be returned with payment to the Defendants.

3 G. Citations to provisions of the California Corporations Code; and

4 H. A form number.

5 (A sample of this solicitation and the envelope in which it was mailed is attached to this  
6 Complaint as Exhibit 1, and is incorporated by reference as though set forth in full.)

7 11. On the second page of the form, Defendants further imply that the form is  
8 official and originates with a governmental entity by setting out instructions that parallel the  
9 instructions on the Secretary of State’s “Statement of Information” form. Defendants further  
10 assert that payment is required for “proper processing and fulfillment of the Annual Minutes for  
11 your corporation.” (Exhibit 1.)

12 12. Only at the bottom of the first page of some of their solicitations, located below  
13 references to the Corporations Code, in a font that is the smallest printing on the page, is a  
14 disclaimer that “This product or service has not been approved or endorsed by any government  
15 agency and this office [sic] is not being made by an agency of the government.” This is followed,  
16 in similarly small font, by the disclaimer “This is a solicitation for the order of services, and not a  
17 bill, invoice or statement of account due. You are under no obligation to make any payments on  
18 account of this office [sic] unless you accept this offer. . . .” (Exhibit 1.) These disclaimers fail  
19 to comply with the disclosure requirements of Business and Professions Code section 17533.6,  
20 subdivision (a)(2)(A) and Civil Code section 1716.

21 13. The envelopes in which Defendants mail their solicitations do not set out in  
22 capital letters in conspicuous and legible type the notice “THIS IS NOT A GOVERNMENT  
23 DOCUMENT,” as required by Business and Professions Code section 17533.6, subdivision  
24 (a)(2)(B). Instead, the envelope states: “BUSINESS MAIL - IMPORTANT NOTICE  
25 ENCLOSED.” (Exhibit 1.)

26 14. To further mislead recipients into believing the solicitation is a form from the  
27 state government Defendants utilize a return address of a location in Sacramento. (Exhibit 1.) In  
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1 fact, the individual defendants reside in Southern California and the return address appears to be a  
2 mail drop.

3 15. Defendants represent that in exchange for payment they will prepare corporate  
4 minutes. In fact, the information sought on Defendants' forms is not adequate to prepare minutes.  
5 (Exhibit 1.) Instead, Defendants provide fictitious generic minutes that reflect meetings that  
6 never took place, at dates and places unrelated to any actual meeting, and set forth actions that  
7 were not taken.

8 16. Defendants replicate the conduct set out in paragraphs 10 through 15, inclusive,  
9 under the unregistered fictitious name "Corporate Compliance Filings." Their conduct under that  
10 name differs only in that (a) the official-looking seal uses the name "CORPORATE  
11 COMPLIANCE FILINGS"; (b) Defendants use a different mail box as their business address in  
12 Sacramento; and (c) Defendants' envelopes set out in microscopic print, below a banner  
13 statement "IMPORTANT BUSINESS MAILING OPEN IMMEDIATELY," the statement "This  
14 is not a government agency." This statement does not comply with the requirement of Business  
15 and Professions Code section 17533.6, subdivision (a)(2)(B) that Defendants set out in capital  
16 letters in conspicuous type "THIS IS NOT A GOVERNMENT DOCUMENT." (A sample of this  
17 solicitation and envelope in which it was mailed is attached to this Complaint as Exhibit 2, and is  
18 incorporated by reference as though set forth in full.)

19 **FIRST CAUSE OF ACTION**

20 **VIOLATION OF CALIFORNIA BUSINESS AND**

21 **PROFESSIONS CODE SECTION 17533.6**

22 17. Paragraphs 1 through 16 of this Complaint are incorporated herein as though set  
23 forth in full.

24 18. Beginning at an exact time unknown to Plaintiff, but within three years  
25 preceding the filing of this Complaint, Defendants engaged in and continue to engage in  
26 violations of Business and Professions Code section 17533.6 in that, even though they are not a  
27 governmental agency, they have sent the mailings described above that solicit payments and  
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1 utilize a term or symbol that reasonably could be construed as implying a governmental  
2 connection without complying with the provisions of section 17533.6:

- 3 A. The forms contain an official-looking seal;
- 4 B. The forms use the phrase "Notice Date";
- 5 C. The forms use a "Reply No Later Than" date;
- 6 D. The forms denominate the payment required as an "ANNUAL FEE";
- 7 E. The forms represent that the "FEE" should be submitted for  
8 processing and fulfillment of the Annual Minutes of the recipient  
9 corporation;
- 10 F. The forms represent that payment should be made to "ensure prompt  
11 processing and compliance";
- 12 G. The forms do not bear on their face, in conspicuous type, in contrast by  
13 typography, layout or color with other printing on its face, the notice:  
14 "THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR  
15 ENDORSED BY ANY GOVERNMENT AGENCY, AND THIS OFFER  
16 IS NOT BEING MADE BY AN AGENCY OF THE GOVERNMENT,"  
17 as required by section 17533.6, subdivision (a)(2)(A).
- 18 H. The envelopes in which the forms are mailed do not set out in capital  
19 letters in conspicuous and legible type the notice "THIS IS NOT A  
20 GOVERNMENT DOCUMENT," as required by Business and  
21 Professions Code section 17533.6, subdivision (a)(2)(B).

22 **SECOND CAUSE OF ACTION**

23 **VIOLATION OF CIVIL CODE SECTION 1716**

24 19. Paragraphs 1 through 16 of this Complaint are incorporated herein as though set  
25 forth in full.

26 20. Beginning at an exact time unknown to Plaintiff, but within three years  
27 preceding the filing of this Complaint, Defendants solicited the payment of money from another  
28 by means of a written statement or invoice or writing that reasonably could be considered a bill,

1 invoice or statement of account due, but was in fact a solicitation for an order, without complying  
2 with the provisions of Civil Code section 1716, subdivisions (b) through (f), inclusive.

3 **THIRD CAUSE OF ACTION**  
4 **UNTRUE OR MISLEADING REPRESENTATIONS IN**  
5 **VIOLATION OF BUSINESS AND PROFESSIONS CODE**  
6 **SECTION 17500**

7 21. Paragraphs 1 through 16 of this Complaint are incorporated herein as though set  
8 forth in full.

9 22. Beginning at an exact time unknown to Plaintiff, but within three years  
10 preceding the filing of this Complaint, Defendants, with the intent to induce members of the  
11 public to purchase their services, made or caused to be made untrue or misleading representations  
12 before the public in California, in violation of Business and Professions Code section 17500.  
13 Such misrepresentations include, but are not limited to, the following:

- 14 A. Representing, directly or indirectly, that payment to Defendants is  
15 mandatory for corporations to retain their corporate status.
- 16 B. Representing, directly or indirectly, that Defendants' solicitations are  
17 from a governmental entity.
- 18 C. Representing, directly or indirectly, that the minutes Defendants promise  
19 to prepare will bring a corporation into compliance with law and prevent  
20 either the piercing of the corporate veil or the loss of the protection  
21 against individual liability.

22 **FOURTH CAUSE OF ACTION**  
23 **VIOLATION OF CALIFORNIA BUSINESS**  
24 **AND PROFESSIONS CODE SECTION 17200**

25 23. Paragraphs 1 through 22 of this Complaint are incorporated herein as though set  
26 forth in full.

27 24. Beginning at an exact time unknown to Plaintiff, but within four years  
28 preceding the filing of this Complaint, Defendants have engaged in and continue to engage in the

1 following, among other, acts of unfair competition as defined in Business and Professions Code  
2 section 17200:

3 A. Defendants have violated Business and Professions Code section  
4 17533.6, as set forth in paragraph 18.

5 B. Defendants have violated Civil Code section 1716, as set forth in  
6 paragraph 20.

7 C. Defendants have violated Business and Professions Code section 17500,  
8 as set forth in paragraph 22.

9 WHEREFORE, Plaintiff prays for judgment as follows:

10 1. For an order, under the authority of Business and Professions Code section  
11 17535, permanently restraining and enjoining all Defendants, personally and through their  
12 successors, agents, representatives, employees, and all persons who act in concert with them from  
13 making any untrue or misleading statements in violation of Business and Professions Code  
14 section 17500, including the untrue or misleading statements alleged in the Third Cause of  
15 Action.

16 2. For an order, under the authority of Business and Professions Code section  
17 17203, permanently restraining and enjoining all Defendants personally and through their  
18 successors, agents, representatives, employees, and all persons who act in concert with them from  
19 any acts of unfair competition, including the violations alleged in the Fourth Cause of Action.

20 3. For an order, under the authority of Business and Professions Code sections  
21 17203 and 17535, permanently restraining and enjoining all Defendants personally and through  
22 their successors, agents, representatives, employees, and any and all other persons who act under,  
23 by, through, or on behalf of Defendants, from:

24 A. Violating Business and Professions Code section 17533.6.

25 B. Soliciting the purchase of or payment for any product or service and  
26 utilizing a term or symbol that reasonably could be construed as implying  
27 a governmental connection by, but not limited to:

28 (1) using a form that resembles an official state or federal form;



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- (2) using an official-looking seal;
- (3) using an official-sounding name such as, but not limited to “Annual Minutes Disclosure Statement,” “Corporate Filings Division,” “California Filings Division,” “Corporate Compliance Filings,” or “Minutes Division”;
- (4) implying that payment is mandatory, such as, but not limited to, using a “notice date” or “reply no later than” date by which payment is due, or describing the payment as a “Fee”;
- (5) implying that the recipient of a solicitation is required to fill out a form in order to retain corporate status or to remain in compliance with the law such as, but not limited to, stating that the recipient must return the form and payment for “processing and fulfillment of the Annual Minutes for your corporation” or “to ensure prompt processing and compliance.”

C. Making any written solicitation for the purchase of or payment for any product or service that could reasonably be construed as implying a governmental connection without including on the front side of any such paper, in conspicuous and legible type of not less than 12-point type and twice the point-type of the next largest printing on the page, in boldface capital letters, in contrast by typography, layout or color with other printing on its face, the notice “THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY ANY GOVERNMENT AGENCY, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE GOVERNMENT.” This notice shall be displayed conspicuously apart from other print on the page, and shall not be preceded, followed, or surrounded by words, symbols or other matter, including matter that introduces, modifies, qualifies or explains the required text, such as, but not limited to, “legal notice required by law.”

1 D. Representing that Defendants' product or service will serve to meet the  
2 statutory requirement for the maintenance of corporate minutes or will, in  
3 any way, protect or tend to protect individuals from liability that may  
4 arise from failing to maintain such minutes, unless the minutes are  
5 accurate and actually will protect the individuals from liability that may  
6 arise from failing to maintain corporate minutes.

7 E. Soliciting payment of money by means of any writing that reasonably  
8 could be considered a bill, invoice or statement of account due, which is  
9 in fact a solicitation for an order, without complying with the  
10 requirements of Civil Code section 1716, subdivisions (b) through (f),  
11 including the requirement that the statutory notice or disclaimer be  
12 displayed in conspicuous boldface capital letters and shall be at least as  
13 large, bold and conspicuous as any other print on the face of the  
14 solicitation and in no smaller than 30-point type.

15 4. For an order, under the authority of Business and Professions Code section  
16 17206, that Defendants, jointly and severally, be assessed a civil penalty of \$2,500 for each  
17 violation of Business and Professions Code section 17200 as proven at trial, but in an amount not  
18 less than \$250,000.

19 5. For an order, under the authority of Business and Professions Code section  
20 17536, that Defendants, jointly and severally, be assessed a civil penalty of \$2,500 for each  
21 violation of Business and Professions Code section 17500 as proven at trial, but in an amount not  
22 less than \$250,000.

23 6. For an order, under the authority of Civil Code section 1716, subdivision (h),  
24 that Defendants, jointly and severally, be assessed a civil penalty of \$10,000 for each violation of  
25 Civil Code section 1716 as proven at trial, but in an amount not less than \$500,000.

26 7. That Plaintiff have such other and further relief as the nature of the case may  
27 require and the Court deems proper, including an order that Defendants make full restitution of all  
28 money or other property that they may have acquired by their violations of Business and

1 Professions Code sections 17200, et seq., and 17500, et seq., as proven at trial, but in an amount  
2 not less than \$250,000.

3 8. That Plaintiff recover its costs.

4 Dated:

Respectfully Submitted,

5 EDMUND G. BROWN JR.  
6 Attorney General of California  
7 FRANCIS T. GRUNDER  
8 Senior Assistant Attorney General  
9 CATHERINE Z. YSRAEL  
10 Supervising Deputy Attorney General

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