

**IN THE CIRCUIT COURT OF THE EIGHTEENTH JUDICIAL CIRCUIT  
SEMINOLE COUNTY, FLORIDA  
CIVIL ACTION**

STATE OF FLORIDA,  
DEPARTMENT OF LEGAL AFFAIRS,  
OFFICE OF THE ATTORNEY GENERAL,

CASE NO. \_\_\_\_\_

Plaintiff,

v.

PBS GLOBAL, INC.,  
a/k/a PRUDENTIAL BUSINESS SERVICES,  
a Florida Corporation;  
and RICHARD A. HAGAN, an individual,

Defendants.

\_\_\_\_\_ /

**COMPLAINT**

PLAINTIFF, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS, OFFICE OF THE ATTORNEY GENERAL (“The State”), sues Defendant PBS GLOBAL, INC. (“PBS”), a Florida Corporation; and RICHARD A. HAGAN (“HAGAN”), an individual; and alleges:

**JURISDICTION AND VENUE**

1. This is an action for damages, injunctive relief, and other statutory relief pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2006); the Florida Anti-Fencing Act, Chapter 812, Florida Statutes (2006); the Florida Communications Fraud Act, Section 817.034, Florida Statutes; Section 817.41, Florida Statutes (2006); and Chapter 2-18, Florida Administrative Code (2006).

2. The State is an enforcing authority of Chapter 501, Part II, Florida Statutes (2006), and is authorized to bring this action and seek penalties and injunctive and other statutory

relief pursuant thereto, and may also seek injunctive relief pursuant to Section 812.035, Florida Statutes.

3. The State has conducted an investigation of the matters alleged herein and Attorney General Bill McCollum has determined that this enforcement action serves the public interest, as required by Section 501.207(2), Florida Statutes (2006).

4. Defendant PBS is a Florida corporation which maintains offices at 1499 S. Harbor City Blvd., Suite 202, Melbourne, Florida, 32901.

5. Defendant HAGAN is a natural person and President of PBS Global, Inc. HAGAN is a resident of the State of Florida and resides in Brevard County. As President of PBS, Defendant HAGAN, presently and at all times material to the allegations of this Complaint, participates in, controls, or possesses the authority to control PBS's acts and practices, and possesses actual or constructive knowledge of all material acts and practices complained of herein.

6. This court has jurisdiction pursuant to the provisions of Chapter 501, Part II, Florida Statutes. The acts or practices alleged herein occurred in the conduct of "trade or commerce" as defined in Section 501.203(8), Florida Statutes.

7. The statutory violations alleged herein occur in or affect more than one judicial circuit in the State of Florida, including Seminole County, and the Eighteenth Judicial Circuit.

8. All actions material to the complaint have occurred within four (4) years of the filing of this Action.

**STATEMENT OF FACTS AND  
DEFENDANTS' COURSE OF CONDUCT**

*Generally*

9. PBS claims to be the “nation’s leading match-maker of small to medium-sized businesses looking to sell timely to qualified buyers.” PBS makes “matches” initiating contact with owners of businesses through the use of unsolicited mass facsimiles (“fax-blasting”). These facsimiles target small-to-medium sized business owners (“Sellers”) and purport to have buyers (“Buyers”) ready to buy the Seller’s particular business. These faxes further offer a free financial analysis of Seller’s business for the purpose of determining its worth and asking price to sell to the interested Buyer.

10. Sellers who respond have generally been small business owners who either are retiring or who seek benefits of an immediate sale of their business. In response to the solicitations, and in anticipation of selling their business to the prospective Buyer as advertised in the faxes, Sellers contact the number listed on the fax either by faxing back a response or by calling.

11. PBS then sends “Consultants” to the business location to conduct a free analysis of the Seller’s business and to offer their services for the sale of Seller’s business.

*Deceptive Sales Tactics*

12. PBS’s Consultants work entirely on commission and receive about 40% of all sales made. These commissions are configured as a percentage of the up-front fees paid once the contract is signed. These fees, in turn, are based as a percentage of the market value of the

Seller's business, determined by the Consultant. As the Consultants perform the free valuation, they use deceptive tactics to inflate the outcome of the valuations, in order to increase their commissions. These inflated values also serve to further tempt the Seller into agreeing to use PBS's services, since Sellers generally know the market value of their business and are convinced by the Consultants that PBS can have it sold at the much higher value determined by the Consultant.

13. PBS's Consultants use many deceptive and misleading statements to initiate sales and lure the Sellers. Such statements include:

A. That PBS already has buyers for their business (or gives the impression that they have already been in contact with buyers for their specific business), when in fact, no specific buyer has been identified;

B. That PBS guarantees Seller's business will sell within a certain time or Seller will receive a full refund, when in fact, the business will not honor such promises;

C. That the cost for the "independent third party" valuation is strictly to pay for the evaluation, without disclosing that PBS receives part of, if not most, of the payment, without having sold the business.

D. That Sellers would have a Buyer visit their business or they would receive full money back, when in fact, PBS does not offer refunds if Buyers do not visit their business.

14. PBS's Consultants suggest to Sellers that only viable businesses will be "accepted" by PBS's Board for services. However, these statements are false and the State has

reason to believe that such a board does not exist, and PBS accepts all businesses who pay the required fees.

15. PBS encourages their Consultants to use pressure tactics and misleading statements. Although Sellers have made both oral and written complaints to PBS about Consultants' statements and promises made, PBS consistently fails to police or otherwise discipline Consultants. In fact, PBS actually fails to provide refunds to the Sellers complaining of misleading and deceptive tactics, although patterns of these misleading practices exist. In avoidance of refunds, PBS uses certain language in the contract which purports to absolve PBS of any liability for statements made by their Consultants. An example of such language is:

**I hereby state that the Business Consultant did not make any promises or guarantees with regard to the actual sale of the business.**

PBS's Consultants are trained, however, to make general guarantees and promises to Sellers notwithstanding the limiting terms of the contract. Therefore, this clause attempts to trick Sellers and remove any responsibility from PBS for the false and misleading statements of its sales agents.

16. Additionally, although PBS requires the Seller to sign and initial the contracts, most Sellers have complained that they were not given the opportunity to read the contract or the individual clauses prior to signing. In fact, Sellers complain that they spent many hours listening to their Consultant's presentation, but when they finally received a written contract, the Consultant deliberately rushed them to signature.

*PBS's Intentionally Vague and Misleading Contracts*

17. PBS's contracts require a Seller to pay an up-front fee which is split to cover PBS's marketing services and the independent business valuation. These contracts are structured to separately price PBS's marketing services and the independent valuation (conducted by firms chosen by PBS). The Seller's cost for the valuation is between Four Thousand Dollars (\$4,000.00) and Twenty-two Thousand Dollars (\$22,000.000). PBS actually retains 95% of the fees for the "independent" valuation, although it is never disclosed to the Seller. The Seller is actually told by the Consultant and through PBS's advertisements, that PBS only receives payment upon the sale of the business. For example, the following is an excerpt from PBS's "commonly Asked Questions" literature (provided either before or during the free analysis):

**“How does PBS get paid?** PBS earns profit only on the successful completion of the buy/sell transaction. Because of our high volume of successful deals the fees are a fraction of other alternatives. PBS's success rate is by far the highest in the industry, which has allowed the transaction fees to remain low.”

**“Will there be any Cost to me prior to my business being sold if my Business Qualifies?** Perhaps. PBS will make a small fee at the time of the sale of your business (2-6%). However, sometimes a business will need tools such a business valuation or other business services to produce a sale. These tools are discretionary to the Seller and are applied only when a great benefit is to be gained. **Remember all of our buyers have been assured that the seller has had a recent (in the last 12 month period) third party valuation document prepared, as is required by financial lending institutions. Should PBS recommend the use of these tools and the seller incur costs prior to the sale, PBS will guarantee a refund if they are not successful at introducing you to their qualified buyers within the 12 month period.”**

**“Why the Valuation and Marketing Fee?** The valuation fee is allocated for a professional valuation of your business by a fully accredited third-party company. The unbiased valuation of your business is complete with all research necessary to provide the true value of the business. This fee is covered for reimbursement should PBS fail to provide at least one qualified buyer for the business sale.”

18. In contrast to the statements above, PBS is structured to operate on the fees developed from the business valuations. Since PBS retains 95% of the fees specifically earmarked in the contract for the independent valuation, it can receive about Twenty Thousand Dollars (\$20,000.00) from contracts with Sellers who purchase a valuation for Twenty-two Thousand Dollars (\$22,000.000).

19. In one particular instance, a business contracted with PBS for marketing and valuation services. The Seller's business was valued by the PBS Consultant at approximately Three Million Dollars (\$3,000,000.00), and was charged Twenty Thousand Dollars (\$20,000.00) by PBS Global for the valuation only (the contract provided that all fees for PBS's "role as an intermediary with all PBS's existing and future buyers, for marketing expenses incurred to obtain previous and future buyers, and business services as set forth in this agreement" would be waived). However, PBS was invoiced by the third party valuation company for approximately Five Hundred Dollars (\$500.00) of the Twenty Thousand and the remaining Nineteen Thousand Five Hundred Dollars (\$19,500.00) was retained by PBS.

20. By failing to disclose the fact that PBS profits from the valuation itself, the Seller is led to believe that PBS works hard to get their commission fees, thereby increasing the likelihood that the business will sell.

21. The terms of the contract are intentionally kept vague enough to deceive the Seller. For example, PBS defines a "qualified buyer" as "those who represent to PBS that they are interested in the general type of business, terms, general location and price category of Owner's Business." During the sales pitch, Consultants falsely represent that they have ready and financially sound buyers already interested in the Seller's business. Only after a significant

financial investment by the Seller does the Seller learn that there is no specific Buyer. Instead, PBS merely provides names from a database, of persons who either inquired about a business in a certain area, or who fit general criteria in a business search engine. These databases are developed mostly through Buyer inquiries through business search engines available to the public. PBS, armed with the vague language in the contract, avoids refunds to those who later discover the limited nature of PBS's true efforts to identify a Buyer.

22. PBS's money back guarantee is valid only when PBS fails to make an introduction; but the contract fails to define the term "introduction." Consumers are led to believe, both through PBS's on-site Consultants and through PBS literature that that an "introduction" is a meeting in person, or specifically by phone, with a fully financially screened Buyer that is ready to make an offer. However, PBS and HAGAN, in letters to Consumers denying refund requests, define an "introduction" as a Buyer's review of the Seller's business profile. Therefore, even though it is known to both PBS and HAGAN that Sellers expect an "introduction" to the qualified and interested Buyer, Defendants PBS and HAGAN trick Consumers with a much more limited definition of "introduction" and fails to honor their commitment to issue refunds.

*PBS Deceptive Advertising Practices*

23. PBS advertises that it uses "Waterhouse" and "Price-Coopers" companies to conduct the independent business valuations. PBS specifically established relationships with these two businesses which have assumed names similar to a national auditing firm, in order to provide a sense of legitimacy to the company and to justify the high-priced valuations. However, neither "Waterhouse" nor "Price-Coopers" is related to PriceWaterhouseCoopers

auditing firm, although consumers have been led to believe that their independent third-party valuation will be conducted by the top accounting firm. The actual valuations are conducted generally by three small companies, one of which is linked to either one or two of relatives of the Chief Financial Officer of PBS.

24. PBS advertises that it has the highest success rate in the industry. However, statements from both former and present employees of PBS indicate that PBS's successful buy/sell transaction rates are very low, contrary to their literature. It is believed that PBS has actually caused about 10 businesses to sell as a result of their services over the last 3 years.

25. PBS actually employs about Eighteen (18) employees and about Thirty-five (35) Consultants, and distributes at least One Hundred Thousand Dollars (\$100,000.00) in quarterly dividends at least one known investor. PBS's business is established to operate on the fees paid for the valuation services, contrary to the representations made in their advertisement literature, their contracts, and their Consultants.

26. In order to further facilitate sales, PBS's consultants have distributed to potential customers, altered Better Business Bureau ("BBB") reports which included language bolstering PBS's credibility by suggesting that PBS was "complaint-free" with the BBB. BBB did not create that report and in fact had received complaints about PBS.

27. PBS Consultants have been known to misrepresent to Consumers that PBS is associated with Prudential Insurance or Prudential Financial; when in fact PBS has no affiliation with either, and PBS has been instructed by those companies to discontinue any practices which may lead Consumers to believe that PBS is affiliated with Prudential. Sellers have relied on this false information, and agreed to PBS's services solely because of this association.

PBS's Actual Services

28. According to certain former employees of PBS, PBS recycles Buyers if no Buyer has expressed interest in that specific business before contract deadline, in order to fulfill the contract and void the refund clause. For example, a Buyer might contact PBS through a “business for sale” website, asking for information about a certain company. PBS then generates letters to Sellers when they have found such a “match.” Many times, however, these Buyers are recycled by PBS (unbeknownst to both the Buyer and the Seller) and are later categorized as a “qualified” Buyer for another Seller’s business, even though the Buyer was never interested in the business.

29. These letters mentioned in Paragraph 28 above, indicate that a match has been made and the Buyer is reviewing the Seller’s business “financial history.” It is also used to notify Seller that he/she will be contacted when it becomes necessary for the Seller to speak with a “potential” buyer. The letter states specifically:

**“We have recently been in contact with the qualified buyer/investor listed below. He/she has expressed interest in your business and is in the process of reviewing your financial history. Although, he/she has signed a non-disclosure/non-circumvent agreement, your exact identity has not yet been released. As it is possible to go through many qualified buyers before a successful deal can be put together, we have found that it is better to wait until the buyer expresses full interest in moving forward with a potential offer before disclosing your personal information. Please note, however, that if a deal is not consummated we are actively introducing your business to as many qualified buyers as possible within our network, as well as marketing your business through several internet buyer mediums.”**

Sellers have contacted the Buyers named in these letters and have encountered Buyers who have denied any knowledge or interest in that certain business, industry, or location. This is a result of their names being “recycled” and used for another business. Nevertheless, PBS fails to issue

refunds upon complaints from Sellers that Buyers were never interested in their business or location.

30. Buyers who do actually receive information about a certain Seller's business most often decline interest after receiving the financial history of the Seller's business. Because PBS maintains the confidentiality of the sale of Seller's business, Buyers do not receive the financial history of Seller's business until after they express interest to PBS and sign a confidentiality agreement. It is at this time, that PBS considers the Buyer to be qualified. However, even though Buyers decline interest in the business for reasons including an incorrect geographic location of the business, or the financial history did not support the asking price, PBS considers these to be "qualified" for purposes of fulfilling the contract and therefore declines refunds to requesting Sellers.

31. PBS further fails to "qualify" their Buyers contrary to their advertisements. PBS's advertisements state that buyers must be screened and "submit a comprehensive profile that include bank references, credit lines, cash on hand, and other qualifying information." PBS however, doesn't receive this information as advertised. The State interviewed known potential Buyers who PBS claimed to have been "qualified." These specific Buyers indicated that they did not provide their financial information to PBS, nor have they given PBS permission to conduct credit checks. In fact, many Buyers indicated that they responded to an ad on a "businesses for sale" website asking for information about a business advertised to be in a certain geographical location, and were given information about companies in other geographical locations in which the Buyer was not interested. PBS, however, considered these Buyers to be qualified and denied refunds to the Sellers, who complained that PBS failed to introduce qualified Buyers.

*PBS's Failure to Honor 3-day Rescissions*

32. PBS fails to honor cancellations within three days of transactions, as required under Florida's future services contract law. For example, in a sales presentation to a certain Seller, PBS's Consultant described the 3-day rescission afforded under Florida law. The Consultant presented the Seller with an altered Better Business Report, falsely indicating that PBS was complaint-free. Upon the Seller's research on PBS later, Seller determined that the BBB was "investigating" PBS. As such, Seller e-mailed PBS two days after they had signed the contract and prior to PBS receiving the copy signed by the Seller. The email address in which the Seller used to cancel was provided by the Consultant in the literature he presented to the Seller. PBS purposefully failed to honor the cancellation and continued to process their information.

33. PBS also has requested third-party valuations to be expedited, in cases which consumers have requested refunds within the 3-day time frame, thereby using "completed service" as an excuse to reject the cancellation.

*Officer/Employee Participation*

34. HAGAN is the president of PBS. In his capacity as president, and with full authority over PBS's business, HAGAN has willfully failed to implement appropriate changes to PBS's business practices and has continued to engage in deceptive practices despite continuous consumer complaints and governmental inquiries. Defendant HAGAN participated in the unlawful practices by issuing refund/cancellation denial letters and otherwise refusing to cease the unlawful practices conducted by PBS and its Consultants.

35. Defendant HAGAN also knew or should have known or intentionally avoided direct knowledge that PBS's advertisements to Sellers and Buyers promoting that valuations were

conducted by an independent firm were false. HAGAN knew or should have known that PBS's Chief Financial Officer, Brian Renneisen, was related to the persons conducting valuations by Price-Coopers and Waterhouse. These companies were owned and operated by Lauren Renneisen and Michelle Brennan, both relatives of PBS's CFO.

36. Defendant HAGAN has also directly participated in the deceptive acts or practices by acting in a Consultant capacity, issuing refund denial letters or otherwise directing employees to deny refunds in instances where either the Consultant and/or PBS has engaged in misleading or deceptive acts.

### **COUNT I**

#### **VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES** **DECEPTIVE AND UNFAIR TRADE PRACTICES** **(DEFENDANT PBS)**

37. Plaintiff adopts, incorporates and realleges herein by reference paragraphs 1 through 36 and all exhibits referred to, as if fully set forth herein, and further alleges:

38. Section 501.202(2), Florida Statutes, establishes the policy of "protect[ing] the consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive or unfair acts or practices in the conduct of any trade or commerce."

39. Section 501.204(1), Florida Statutes, provides that "[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful."

40. At all times material hereto, PBS engaged in "trade or commerce" as defined in Section 501.203(8), Florida Statutes.

41. By undertaking the activities set forth in Paragraphs 1 through 36, PBS has committed acts or practices in trade or commerce which offend established public policy and are immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers, or that cause or are likely to cause consumer injury which is substantial, not be outweighed by any countervailing benefits to consumers or competition that the acts or practices produced, and not an injury that consumers themselves could have reasonably avoided. Thus, PBS has engaged in unfair acts or practices within the meaning of Section 501.204(1), Florida Statutes.

42. By undertaking the activities set forth in Paragraphs 1 through 36, PBS engaged in representations, acts, practices or omissions which are material and likely to mislead, and in fact did mislead, consumers acting reasonably under the circumstances. Thus, Defendant PBS has engaged in deceptive acts or practices in violation of Section 501.204(1), Florida Statutes.

43. By undertaking the activities described in Paragraphs 1 through 36, PBS has engaged in unconscionable acts or practices in trade or commerce, in violation of Section 501.204(1), Florida Statutes.

44. PBS knew or should have known that the methods, acts and practices set forth in Paragraphs 1 through 36 were unfair, deceptive, unconscionable, or otherwise prohibited by statute.

45. PBS's acts and practices alleged herein have and continue to injure and prejudice consumers.

46. Unless PBS is permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of PBS will result in irreparable injury to the public, in violation of Section 501, Part II, Florida Statutes.

**COUNT II**

**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**  
**(DEFENDANT HAGAN ONLY)**

47. Plaintiff adopts, incorporates and realleges herein by reference paragraphs 1 through 36 and all exhibits referred to, as if fully set forth herein, and further alleges:

48. Defendant HAGAN, at all times relevant to the complaint herein, directly participated in the conduct alleged herein, or directed or controlled the practices and policies of PBS complained of herein and had authority to control them, and had actual or constructive knowledge of the acts and practices complained of herein.

49. Section 501.204(1), Florida Statutes provides that “[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.” Section 501.202(2), Florida Statutes, establishes the policy of “protect[ing] the consuming public and legitimate business enterprises from those who engage in unfair methods of competition, or unconscionable, deceptive, or unfair acts or practices in the conduct of any trade or commerce.”

50. By undertaking the activities set forth in Paragraphs 1 through 36, Defendant HAGAN, has committed acts or practices in trade or commerce which offend established public policy and are immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers, or that cause or are likely to cause consumer injury which is substantial, not be outweighed by any countervailing benefits to consumers or competition that the acts or practices produced, and not an injury that consumers themselves could have reasonably avoided. Thus,

Defendant HAGAN has engaged in unfair acts or practices within the meaning of Section 501.204(1), Florida Statutes.

51. By undertaking the activities set forth in Paragraphs 1 through 36, Defendant HAGAN has engaged in representations, acts, practices or omissions which are material and likely to mislead, and in fact did mislead, consumers acting reasonably under the circumstances. Thus, Defendant HAGAN has engaged in deceptive acts or practices within the meaning of Section 501.204(1), Florida Statutes.

52. By undertaking the activities described in Paragraphs 1 through 36, Defendant HAGAN, has engaged in unconscionable acts or practices in trade or commerce, in violation of Section 501.204(1), Florida Statutes.

53. Defendant HAGAN knew or should have known that the methods, acts and practices set forth in Paragraphs 1 through 36 were unfair, deceptive, unconscionable, or otherwise prohibited by statute.

54. Defendant's acts and practices alleged herein have and continue to injure and prejudice Florida consumers.

55. Unless HAGAN is permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of Defendants will result in irreparable injury to the public, in violation of Section 501, Part II, Florida Statutes.

**COUNT III**

**VIOLATIONS OF FLORIDA ANTI-FENCING ACT**  
**SECTION 812.014, FLORIDA STATUTES**  
**CIVIL THEFT**  
**(DEFENDANT PBS ONLY)**

56. Plaintiff adopts, incorporates and realleges herein by reference paragraphs 1 through 36 and all exhibits referred to, as if fully set forth herein, and further alleges:

57. Beginning at an exact date unknown to the State, but at least within five (5) years prior to the filing of the complaint and continuing to the present, PBS in the course of engaging in the business of matching business buyers to business sellers, violated Section 812.014, Florida Statutes.

58. PBS caused the dissemination of or aided in the dissemination of advertisements and literature, which contained the false and deceptive statements, omissions, and ruses as set forth in paragraphs 1 through 36, with knowledge at the time of the solicitations, advertisements, and literature, that the representations were false or misleading, or made the representations without knowledge as to the truth or falsity.

59. PBS participated in or caused the dissemination of the false and deceptive, or misleading solicitation, advertisements, literature, and statements by Consultants, in order to induce Consumers, under false pretenses, into contracting with PBS and supplying U.S. Currency, credit card numbers, or negotiable instruments, for the purpose of retaining at least 50% of those funds.

60. Based upon the false, deceptive, and misleading: practices, solicitations, literature, and statements disseminated by PBS or others acting as agents for or in concert with PBS, Consumers purchased valuations under false pretenses.

61. PBS further participated in or aided in false, deceptive, and misleading: practices, solicitations, literature, and statements, by intentionally failing to properly investigate or police those acting on PBS's behalf. Such agents of PBS had the ability to and did receive fees for valuations under false pretenses, and PBS, having the capacity to know of such activity, knew,

intentionally avoided knowing, concealed knowing, and/or aided and abetted in the concealment of such activity.

62. PBS knowingly obtained and retained consumer credit and/or currency under false pretenses, and with the intent to either temporarily or permanently deprive consumers of the rights and benefits thereto, to appropriate such property for PBS's own use without the knowledge or consent of the consumer.

63. By undertaking such activities set forth in paragraphs 1 through 36 and 57 through 62, PBS has violated Sections 812.014 and 812.035, Florida Statutes.

64. PBS's acts and practices alleged herein have and continue to injure and prejudice consumers.

65. Unless PBS is permanently enjoined from engaging further in the acts and practices alleged herein, PBS's continued activities will result in irreparable injury to the public, in violation of Section 812.014, Florida Statutes.

#### **COUNT IV**

**VIOLATIONS OF FLORIDA COMMUNICATIONS FRAUD ACT**  
**SECTION 817.034 FLORIDA STATUTES**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**  
**ORGANIZED SCHEME TO DEFRAUD**  
**(DEFENDANT PBS ONLY)**

66. Plaintiff adopts, incorporates and realleges herein by reference paragraphs 1 through 36, 57 through 62, and all exhibits referred to, as if fully set forth herein, and further alleges:

67. Beginning at an exact date unknown to the Plaintiff, but at least within four (4) years prior to the filing of the complaint and continuing to the present, PBS in the course

engaging in the business of matching business buyers to business sellers, violated Section 817.034(4)(a), Florida Statutes.

68. PBS has engaged in, caused, benefited from, or otherwise aided and abetted a systematic and ongoing course of conduct with the intent to obtain and did obtain, the property of others by false or fraudulent pretenses, willful misrepresentations, false promises, and willful avoidance.

69. Statements made in PBS's literature, advertisements, and solicitations were known by PBS to be misleading, untrue, or made with reckless indifference as to their truth or falsity with the intent to defraud. Such statements were made through communications, as described in Section 817.034(2)(a), Florida Statutes, and in violation of Section 817.034(4)(b), Florida Statutes.

70. False and misleading statements made by PBS's Consultants, literature, and advertisements were made with the intent to obtain money from Consumers by, including but not limited to: tricking or intentionally misleading them into believing that there was a specific Buyer for their business; that PBS was associated with and/or owned by Prudential Financial/Prudential Insurance; that the valuation would be completed by an independent company; that the Seller's business would sell within a certain time frame; that Buyers were qualified and financially screened; and that PBS would not receive money until the business sells.

71. PBS's intentional use of fraudulent and misleading solicitations, literature, and advertisements, intentional association with businesses with misleading names, intentional creation and continued use of vague, misleading, unconscionable, and ambiguous contracts, continued use of Consultants conducting a pattern of unlawful practices, and PBS's continued use

of misleading practices, overall composed a systematic ongoing course of conduct with the intent to obtain, and did obtain, the property of Consumers by false or fraudulent pretenses.

72. As part of the scheme to defraud, PBS intentionally concealed and/or misrepresented their advertisements, contracts, and practices to complaining Consumers, government agencies, and other inquiring entities in order to further the use of deceptive and misleading practices.

73. PBS knew or intentionally avoided knowing that methods described in paragraphs 1 through 36, 57 through 62, and 67 through 72, would result and did result in consumer deception.

74. By undertaking the acts and practices described 1 through 36, 57 through 62, and 67 through 72, PBS has participated in, facilitated, and furthered a scheme to defraud in violation of Section 817.034(4)(a), Florida Statutes. By undertaking the acts and practices described in 1 through 36, 57 through 62, and 67 through 72, and thereby violating Section 817.034(4)(a),

PBS has engaged in deceptive and unfair acts and practices in trade or commerce, in violation of Section 501.204, Florida Statutes.

75. Unless PBS is permanently enjoined from engaging further in the acts and practices alleged herein, the continued activities of PBS will result in irreparable injury to the public, in violation of Section 817.034(4)(a), Florida Statutes.

**COUNT V**

**VIOLATIONS OF SECTIONS 817.06 and 817.41, FLORIDA STATUTES**  
**PROHIBITING MISLEADING ADVERTISING**  
**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**  
**(DEFENDANT PBS ONLY)**

76. The State realleges and incorporates herein by reference paragraphs 1 through 36, 57 through 62, and 67 through 72 and all exhibits referred to as if fully set forth herein.

77. Beginning at an exact date unknown to the State, but at least within four (4) years prior to the filing of the complaint and continuing to the present, PBS in the course engaging in the business of matching business buyers to business sellers, violated Section 817.41, Florida Statutes.

78. Section 817.41(1), Florida Statutes, provides:

It shall be unlawful for any person to make or disseminate or cause to be made or disseminated before the general public of the state, or any portion thereof, any misleading advertisement. Such making or dissemination of misleading advertising shall constitute and is hereby declared to be fraudulent and unlawful, designed and intended for obtaining money or property under false pretenses.

79. Section 817.06, Florida Statutes states:

(1) No person, persons, association, copartnership, or institution shall, with intent to offer or sell or in any way dispose of merchandise, securities, certificates, diplomas, documents, or other credentials purporting to reflect proficiency in any trade, skill, profession, credits for academic achievement, service or anything offered by such person, persons, association, copartnership, corporation, or institution directly or indirectly, to the public, for sale or distribution or issuance, or with intent to increase the consumption or use thereof, or with intent to induce the public in any manner to enter into any obligation relating thereto, or to acquire title thereto, or any interest therein, or ownership thereof, knowingly or intentionally make, publish, disseminate, circulate or place before the public, or cause, directly or indirectly, to be made, published, disseminated or circulated or placed before the public in this state in a newspaper or other publication or in the form of a book, notice, handbill, poster, bill, circular, pamphlet or letter or in any other way, an advertisement of any sort regarding such certificate, diploma, document, credential, academic credits, merchandise, security, service or anything so offered to the public, which advertisement contains any assertion, representation or statement which is untrue, deceptive, or misleading.

80. Section 817.40(5), Florida Statutes, describes misleading advertising as:

any statements made, or disseminated, in oral, written, or printed form or otherwise, to or before the public, or any portion thereof, which are known, or through the exercise of reasonable care or investigation could or might have been

ascertained, to be untrue or misleading, and which are or were so made or disseminated with the intent or purpose, either directly or indirectly, of selling or disposing of real or personal property, services of any nature whatever, professional or otherwise, or to induce the public to enter into any obligation relating to such property or services.

81. PBS has made or disseminated, or caused to be made or disseminated, before the general public, misleading advertising in violation of Sections 817.41(1) and 817.06, Florida Statutes.

82. PBS, in the course engaging in the business of matching business buyers to business sellers, has advertised through false or misleading statements that: there was a specific Buyer for their business; that PBS was associated with and/or owned by Prudential Financial/Prudential Insurance; that valuations are completed by independent companies; that the Seller's business would sell within a certain time frame; that Buyers were qualified and financially screened; and that PBS would not receive money until the business sells.

83. Section 501.203(3)(c), Florida Statutes, states that a violation of Florida's Deceptive and Unfair Trade Practices Act may be based on a violation of any law which proscribes a deceptive act or practice.

84. By violating Sections 817.41 and 817.06, Florida Statutes, PBS has engaged in deceptive and unfair trade practices in violation of Section 501.204, Florida Statutes.

85. PBS knew or should have known that the methods, acts or practices alleged herein were deceptive or unfair.

86. Unless PBS is permanently enjoined from engaging further in the acts and practices alleged herein, continued activities of PBS will result in irreparable injury to the public, in violation of Sections 817.41 and 817.06, Florida Statutes.

**COUNT VI**

**VIOLATIONS OF CHAPTER 2-18, FLORIDA ADMINISTRATIVE CODE**  
**VIOLATIONS OF CHAPTER 501, PART II, FLORIDA STATUTES**  
**DECEPTIVE AND UNFAIR TRADE PRACTICES**  
**(DEFENDANT PBS ONLY)**

87. The State realleges and incorporates herein by reference paragraphs 1 through 36, 57 through 62, and 67 through 72 and all exhibits referred to as if fully set forth herein.

88. Beginning at an exact date unknown to the State, but at least within four (4) years prior to the filing of the complaint and continuing to the present, PBS in the course engaging in the business of matching business buyers to business sellers, violated Chapter 2-18, Florida Administrative Code.

Chapter 2-18.002(2) states:

It shall be an unfair or deceptive act or practice for the seller of future consumer services to fail to furnish the buyer with a fully completed copy of any contract pertaining to such sale at the time of its execution, and which shows the date of the transaction and contains the name and address of the seller, and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used, and in bold-face type of a size of 10 points the following statements:

**CONSUMER'S RIGHT OF CANCELLATION**

**YOU MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR OBLIGATION WITHIN 3 BUSINESS DAYS FROM THE ABOVE DATE, AND RECEIVE A FULL REFUND OF ALL PAYMENTS MADE TO THE SELLER.**

**YOU MAY ALSO CANCEL THIS CONTRACT IF UPON A DOCTOR'S ORDER YOU CANNOT PHYSICALLY RECEIVE THE SERVICES, OR YOU MAY CANCEL THE CONTRACT IF THE SERVICES CEASE TO BE OFFERED AS STATED IN THE CONTRACT. IF YOU CANCEL THE CONTRACT FOR EITHER OF THESE REASONS, THE SELLER, (NAME OF SELLER), MAY KEEP ONLY A PORTION OF THE CONTRACT PRICE EQUAL TO A PRO RATA PORTION OF THE TOTAL PRICE**

REPRESENTING THE PROPORTION OF SERVICES YOU USED OR COMPLETED, PLUS THE COST TO THE SELLER OF ANY RELATED GOODS WHICH YOU HAVE CONSUMED OR RETAINED.

89. Chapter 2-18.002(1) defines a “contract for future consumer services as, “...any contract which includes a provision for consumer services to be rendered in the future on a continuing basis.”

90. Defendant PBS’s services to the Sellers are offered in the future and on a continuing basis. PBS’s contracts not only fail to contain language as required pursuant to Chapter 2-18, Florida Administrative Code, but PBS intentionally avoids knowledge of any cancellations attempted by Consumers within three days of the contract date.

91. Chapter 2-18, Florida Administrative Code, states that a violation of Florida’s Deceptive and Unfair Trade Practices Act may be based on a violation of any law which proscribes a deceptive act or practice.

92. By violating Chapter 2-18, Florida Administrative Code, PBS has engaged in deceptive and unfair trade practices in violation of Section 501.204, Florida Statutes.

93. PBS knew or should have known that the methods, acts or practices alleged herein were deceptive or unfair.

94. Unless PBS is permanently enjoined from engaging further in the acts and practices alleged herein, continued activities of PBS will result in irreparable injury to the public, in violation of Chapter 2-18, Florida Administrative Code.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff, State of Florida, Department of Legal Affairs, Office of the Attorney General, respectfully requests that this Court:

- A. Permanently enjoin the Defendants from violating Chapter 501, Part II, Florida Statutes, and engaging in conduct in violation thereof;
- B. Temporarily and permanently enjoin the Defendants from violating Sections 812.014, and 812.035, Florida Statutes;
- C. Temporarily and permanently enjoin the Defendants from violating Sections 817.41, Florida Statutes, and conducting any marketing practices in violation thereof;
- D. Temporarily and permanently enjoin the Defendants from violating Section 817.034, Florida Statutes, and conducting any marketing, advertisements or other practices considered as part of the scheme to defraud consumers in violation thereof;
- E. Assess civil penalties against Defendant PBS, in the amount of \$10,000 for each violation of Chapter 501, Part II, Florida Statutes, pursuant to Section 501.2075, Florida Statutes, and \$15,000 for each violation thereof involving a handicapped person or senior citizen pursuant to Section 501.2077, Florida Statutes;
- F. Assess civil penalties against Defendant HAGAN, individually, in the amount of \$10,000 for each violation of Chapter 501, Part II, Florida Statutes, pursuant to Section 501.2075, Florida Statutes, and \$15,000 for each violation thereof involving a handicapped person or senior citizen pursuant to Section 501.2077, Florida Statutes;

- G. Award the State attorneys fees and costs pursuant to the provisions of Chapter 501, Part II, Florida Statutes, and as otherwise may be allowable by applicable statutes;
- H. Require disgorgement of profits and award restitution and refunds to Florida consumers for each violation of Florida law;
- I. Award such other relief as the interests of justice shall require and that this Honorable Court may deem just and proper;

**DEMAND FOR JURY TRIAL**

Plaintiff demands a trial by jury for all issues so triable.

Respectfully submitted,

BILL MCCOLLUM

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KATHERINE E. TIMON  
ASSISTANT ATTORNEY GENERAL  
Department of Legal Affairs  
Office of the Attorney General  
Economic Crimes Division  
Century Plaza  
135 W. Central Blvd., Suite 1000  
Orlando, FL 32801  
(407) 245-0833 (Telephone)  
(407) 245-0365 (Facsimile)  
Email: Katherine.timon@myfloridalegal.com  
Florida Bar # 0872555

