

VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF ARLINGTON

COMMONWEALTH OF VIRGINIA,
EX REL. MARK R. HERRING,
ATTORNEY GENERAL,

Plaintiff,

v.

US BUSINESS SERVICES, LLC,
a Florida limited liability company,

SERVE: Office of the Clerk
Virginia State Corporation Commission
Tyler Building, 1st floor
1300 E. Main St.
Richmond, Virginia 23219

and

US BUSINESS SERVICES, LLC,
a Virginia limited liability company,

SERVE: Ronald L. Graham
Registered Agent
2776 S. Arlington Mill Dr. Ste. 196
Arlington, Virginia 22206

Defendants.

CIVIL ACTION NO. ____

COMPLAINT

The Plaintiff, Commonwealth of Virginia, by, through, and at the relation of its Attorney General, Mark R. Herring (the "Plaintiff" or the "Commonwealth"), petitions this Court to declare that the activities in which the Defendants US Business Services, LLC, a Florida limited liability company (the "Florida Defendant"), and US Business Services, LLC, a Virginia limited liability company (the "Virginia Defendant") (collectively referred to as "USBS" or the

“Defendants”), have engaged constitute violations of Virginia Code § 18.2-216, and that the activities in which the Florida Defendant has engaged constitute violations of Virginia Code § 13.1-1051. The Plaintiff prays that this Court grant the relief requested in this Complaint and states the following in support thereof:

JURISDICTION AND VENUE

1. The Commonwealth brings this action pursuant to the authority set forth in Virginia Code §§ 59.1-68.2 and 13.1-1058, which authorize the Attorney General to seek injunctive relief for violations of §§ 18.2-216 and 13.1-1051, respectively.

2. The Circuit Court of Arlington County has authority to entertain this action and to grant the relief requested herein pursuant to Virginia Code §§ 8.01-620 and 17.1-513.

3. Venue is permissible in this Court pursuant to Virginia Code § 8.01-262 (2), (3), and (4) because the Virginia Defendant has a registered office in Arlington County, fact witnesses or other evidence to the action are located in Arlington County, the Defendants regularly conduct substantial business activity in Arlington County, and part of the cause of action arose in Arlington County. Venue is preferred in this Court pursuant to Virginia Code § 8.01-261(15)(c) because some or all of the acts to be enjoined are, or were, being done in Arlington County.

PARTIES

4. The Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of Mark R. Herring, Attorney General of Virginia.

5. The Florida Defendant is a Florida limited liability company having its principal address at 8410 4th St. N., Ste. F, St. Petersburg, Florida 33702, and a mailing address at 4713 Cattail Lagoon Way, Ponte Vedra Beach, Florida 32082. It is listed as inactive with the Florida

Department of State as having been administratively dissolved on September 28, 2018 for failure to timely file an annual report. It has not obtained a certificate of registration to transact business in the Commonwealth from the Virginia State Corporation Commission (the “SCC”).

6. The Virginia Defendant is a Virginia limited liability company having its principal address at 4713 Cattail Lagoon Way, Ponte Vedra Beach, Florida 32082. The SCC listed the Virginia Defendant’s status as cancelled on July 31, 2018 for failure to pay the required annual fee.

FACTS

7. USBS is a Florida business that purports to provide record preparation services for businesses, including the preparation of corporate annual minutes. USBS solicits potential customers through targeted mailings.

8. While legally distinct entities, the Commonwealth has reason to believe the Virginia Defendant and the Florida Defendant are operationally the same. The Virginia Defendant’s registered principal address is the same as the Florida Defendant’s mailing address on file with the Florida Department of State. The registered agent for the Virginia Defendant, Ronald L. Graham, also is a manager for the Florida Defendant. Additionally, the entities share the same website and name, and mailers sent by the organization inside and outside of Virginia do not appear to differentiate between the two entities.

9. The Florida Defendant has not obtained a certificate of registration to transact business in the Commonwealth from the SCC, as required by Virginia Code § 13.1-1051.

10. Based on two complaints the Office of the Attorney General of Virginia received regarding USBS, as well as through information obtained through its investigation, the Commonwealth has reason to believe that USBS has engaged in deceptive or misleading

practices with regard to the advertisement of its record preparation services.

11. In March and April of 2017, USBS sent targeted mailings to at least four Virginia limited liability companies located in Arlington, Newport News, Richmond, and Virginia Beach.

12. The mailings were sent with an Arlington, Virginia return address that matches the address of the Virginia Defendant's registered office on file with the SCC.

13. The mailings contained a form entitled "2017 – Annual Minutes Statement," which advertises the preparation of "corporate consent records in lieu of meeting minutes that fulfill the following requirements of Virginia Law: CODE OF VIRGINIA – §13.1-654[,] . . . §13.1-657[, and] . . . §13.1-770"—statutory requirements only applicable to Virginia stock corporations. The form requests payment of \$150.00 as a fee for the Defendants' preparation of the records.

14. The form is directed toward shareholders, corporate officers, and directors and is formatted similarly to the Annual Report form that the SCC provides to Virginia corporations. A copy of the form and the envelope in which it was mailed are attached hereto as Exhibit A.

15. Despite its similar appearance to the SCC's Annual Report form, USBS's form was sent in an envelope that fails to clearly disclose that it is not an official government mailing.

16. The Defendants' mailed form implies that Virginia limited liability companies are subject to provisions of the Virginia Stock Corporation Act, Virginia Code §§ 13.1-601 through 13.1-792, requiring the holding of an annual meeting and preparation of meeting minutes, when they are not.

17. Virginia limited liability companies are governed by the Virginia Limited Liability Company Act, Virginia Code §§ 13.1-1000 through 13.1-1087, which includes no annual meeting or preparation of meeting minutes requirements.

18. USBS has accepted payment of fees for the preparation of annual meeting minutes from Virginia limited liability companies. At least one of the limited liability companies referenced in Paragraph 11 above, completed the Defendants' mailed form and paid fees to USBS.

19. On information and belief, the complaints the Office of the Attorney General of Virginia has received to date may represent only a fraction of those harmed by USBS.

CAUSES OF ACTION

COUNT I: Virginia Code § 18.2-216

20. The Plaintiff re-alleges and incorporates by reference the allegations of Paragraphs 1 through 19 above.

21. Virginia Code § 18.2-216(A) provides, in part, that:

Any person, firm, corporation or association who, with intent to sell or in anywise dispose of merchandise, securities, service or anything offered by such person, firm, corporation or association, directly or indirectly, to the public for sale or distribution or with intent to increase the consumption thereof, or to induce the public in any manner to enter into any obligation relating thereto, [. . .] makes, publishes, disseminates, circulates or places before the public, or causes, directly or indirectly to be made, published, disseminated, circulated or placed before the public, in a newspaper or other publications [. . .] or in any other way, an advertisement of any sort regarding merchandise, securities, service, land, lot or anything so offered to the public, which advertisement contains any promise, assertion, representation or statement of fact which is untrue, deceptive or misleading, or uses any other method, device or practice which is fraudulent, deceptive or misleading to induce the public to enter into any obligation, shall be guilty of a Class 1 misdemeanor.

22. By mailing a document that appears to come from a government source and that misapplies provisions of the Virginia Stock Corporation Act to limited liability companies in an effort to induce such companies to provide payment for the offered service, USBS has engaged in "deceptive or misleading" practices with regard to the advertisement of its document preparation services in violation of Virginia Code § 18.2-216.

23. The Attorney General may seek injunctive relief for violations of Virginia Code § 18.2-216 under § 59.1-68.2.

COUNT II: Virginia Code § 13.1-1051

24. The Commonwealth re-alleges and incorporates by reference the allegations of Paragraphs 1 through 23 above.

25. Virginia Code § 13.1-1051 requires foreign limited liability companies to obtain a certificate of registration from the SCC prior to transacting any business in the Commonwealth.

26. By soliciting potential Virginia customers through direct mail to provide document preparation services, with a return address in Virginia, the Florida Defendant has transacted business within the Commonwealth.

27. The Florida Defendant has not obtained a certificate of registration from the SCC to transact business within the Commonwealth in violation of Virginia Code § 13.1-1051.

28. Virginia Code § 13.1-1058 authorizes the Attorney General to seek injunctive relief for any violation of § 13.1-1051.

PRAYER FOR RELIEF

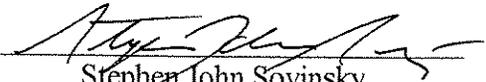
WHEREFORE, the Plaintiff, Commonwealth of Virginia, prays that this Court:

A. Permanently enjoin USBS from any future violations of Virginia Code § 18.2-216 pursuant to § 59.1-68.2;

B. Permanently enjoin the Florida Defendant from any future violations of Virginia Code § 13.1-1051 pursuant to § 13.1-1058; and

C. Order such other and further relief as may be deemed proper and just.

COMMONWEALTH OF VIRGINIA,
EX REL. MARK R. HERRING,
ATTORNEY GENERAL

By: 
Stephen John Sovinsky

Mark R. Herring
Attorney General

Cynthia E. Hudson
Chief Deputy Attorney General

Samuel T. Towell
Deputy Attorney General

Richard S. Schweiker, Jr.
Senior Assistant Attorney General and Chief

Mark S. Kubiak
Assistant Attorney General and Unit Manager

Stephen J. Sovinsky (VSB No. 85637)
Assistant Attorney General

Consumer Protection Section
202 North Ninth Street
Richmond, Virginia 23219
Phone: (804) 823-6341
Fax: (804) 786-0122
Email: ssovinsky@oag.state.va.us



U.S. BUSINESS SERVICES
 2776 S ARLINGTON HILL DRIVE
 SUITE 196
 ARLINGTON, VA. 22206

IMPORTANT--OPEN IMMEDIATELY
2017 ANNUAL MINUTES STATEMENT
 BUSINESS MAIL-TIME SENSITIVE



2017