

VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF ARLINGTON

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

Plaintiff,)

v.)

CIVIL ACTION NO. 18-3444

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

and)

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

Defendants.)

PERMANENT INJUNCTION AND FINAL ORDER

On February 8, 2019, the Plaintiff, Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General (the "Plaintiff" or the "Commonwealth"), by counsel, brought for hearing its Motion for Entry of Judgment by Default Against US Business Services, LLC and US Business Services, LLC. Based on the Commonwealth's Complaint, argument of counsel for the Commonwealth, and no answer or other response having been filed to the Complaint by 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, the "Defendants" or "US Business Services"),

The Court finds as follows:

1. The Commonwealth filed its Complaint instituting this matter on November 21, 2018, alleging that the Defendants have violated Virginia Code § 18.2-216, and that the Florida Defendant has violated Virginia Code § 13.1-1051.

2. The Commonwealth attempted to serve a copy of the Summons and Complaint upon Ronald L. Graham in his capacity as Registered Agent of the Virginia Defendant on December 5, 2018. Mr. Graham could not with reasonable diligence be found at the registered office as the business located at the registered office's address is a UPS Store. The Commonwealth served two separate copies of the Summons and Complaint upon the Virginia State Corporation Commission (the "SCC") in its capacity as statutory agent of the Virginia Defendant pursuant to Virginia Code §§ 12.1-19.1 and 13.1-1018(B) on December 18, 2018. At the Commonwealth's request, the SCC mailed one copy of the Summons and Complaint to the Registered Agent of the Virginia Defendant and another copy to the principal office of the business on record with the SCC and latest known mailing address of the Virginia Defendant. Certificates of Compliance from the SCC were received by the Court on December 26, 2018.

3. The Commonwealth served a copy of the Summons and Complaint upon the SCC in its capacity as statutory agent of the Florida Defendant pursuant to Virginia Code §§ 12.1-19.1 and 13.1-1057(E) on December 6, 2018. At the Commonwealth's request, the SCC mailed one copy of the Summons and Complaint to the latest known mailing address of the Florida Defendant, a foreign limited liability company transacting business in the Commonwealth without a certificate of registration from the SCC. A Certificate of Compliance from the SCC was received by the Court on December 17, 2018.

4. The applicable time limit for responding has expired. Under Rule 3:8 of the Rules of the Supreme Court of Virginia and Virginia Code § 8.01-326.1, the Defendants had no more than 21 days after the date Certificates of Compliance were filed with the clerk of the

Court, until January 16, 2019 for the Virginia Defendant and January 7, 2019 for the Florida Defendant, to file their answer or other responsive pleadings. To date, the Defendants have not filed their answer or other responsive pleadings.

5. 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. The Florida Defendant has a 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. The Florida Defendant 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.

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

7. US Business Services, a Florida business that purports to provide record preparation services for businesses, including the preparation of corporate annual minutes which solicits potential customers through targeted mailings, is operating through two legal entities. The two entities, the Virginia Defendant and the Florida Defendant, are operationally the same sharing the same Florida address, website, name, and mailers.

8. US Business Services has engaged in deceptive or misleading practices with regard to the advertisement of its record preparation services.

9. 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. 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 and 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 and is directed toward shareholders, corporate officers, and directors and is formatted similarly to the Annual Report form that the SCC provides to Virginia corporations.

10. US Business Services’ form was sent in an envelope that failed to clearly disclose that it is not an official government mailing despite its similar appearance to the SCC’s Annual Report form.

11. US Business Services’ 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.

12. US Business Services has accepted payment of fees for the preparation of annual meeting minutes from Virginia limited liability companies.

13. At least one limited liability company completed the Defendants’ mailed form and paid fees to US Business Services.

WHEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that:

1. The Defendants and anyone acting in concert with them with knowledge of the injunction are hereby permanently enjoined from engaging in any future violations of Virginia Code § 18.2-216 pursuant to § 59.1-68.2, including, but not limited to, engaging in deceptive or misleading practices by mailing a document that appears to come from a government source and that misrepresents that provisions of the Virginia Stock Corporation Act apply to limited liability companies in an effort to induce such companies to provide payment for the offered service.

2. The Florida Defendant and anyone acting in concert with US Business Services with knowledge of the injunction are hereby permanently enjoined from engaging in any future violations of Virginia Code § 13.1-1051 pursuant to § 13.1-1058, including, but not limited to, transacting business in the Commonwealth and soliciting potential Virginia customers through direct mail without first having obtained a certificate of registration from the SCC.

3. This is a final order.

Enter: *February 8, 2019*

[Signature]
Judge, Circuit Court of the City of Arlington

I ASK FOR THIS:

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

By: *[Signature]*

Stephen John Sovinsky

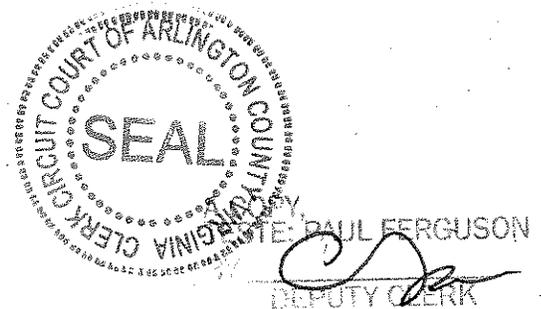
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