1		THE HONORABLE PALMER ROBINSON	
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6	CTATE OF	WASHINGTON	
7	STATE OF WASHINGTON KING COUNTY SUPERIOR COURT		
8	STATE OF WASHINGTON,	NO. 15-2-05918-1 SEA	
10	Plaintiff, v.	AMENDED COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF	
11 12	SBTICKETS.COM LLC AND PAUL JONES,		
13	Defendants.	*	
14	COMES NOW, Plaintiff, State of Washington (hereinafter "the State"), by and		
15	through its attorneys Robert W. Ferguson, Attorney General, and Jeffrey G. Rupert, Assistant		
16	Attorney General, and brings this action against Defendants SBTickets.com LLC and Paul		
17 18	Jones. The State alleges the following on information and belief:		
	I. INTRODUCTION		
19 20	1.1 The Seattle Seahawks footbal	ll team advanced to the National Football League	
21	2015 Super Bowl after a thrilling win over the Green Bay Packers. While the Super Bowl had		
22	a heartbreaking ending for Seahawks' fans, the heartbreak started before the game for some		
23	Washington residents.		
24	1.2 After the win over the Packers in the NFC Championship, numerous Washington		
25	residents began a search for Super Bowl tickets as well as travel and hotel accommodations.		
26	Some Washington residents had begun their	search for tickets even earlier. For many, it would	

be the trip of a lifetime. One trip was being planned by a Washington resident specifically for her 88-year-old mother, who is an avid Seahawks fan, to see her team play in the Super Bowl. Another Washington resident planned to take his little brother in the hope of creating a lifelong memory. As he aptly put it, the memory that was created was a nightmare.

- 1.3 Numerous Washington residents reviewed an interactive website, Facebook page, Google+ page and/or Twitter account from Defendant SBTickets.com LLC ("SBTickets"). Defendant Paul Jones is the owner of SBTickets and formulated, directed, executed, controlled, had the authority to control or participate in, and had knowledge of the acts and practices set forth in this Complaint. Defendant SBTickets.com LLC and Defendant Paul Jones shall collectively be referred to as "Defendants."
- 1.4 Defendants are in the business of selling sporting tickets, including those to the Super Bowl, and SBTickets markets itself as "The leading Big Game Ticket Hospitality Company." Defendant SBTickets further stated on its website that "As Always Our Orders are 100% Guaranteed, No tricks or gimmicks, For the unforeseen circumstances, you will get your tickets one way or another, Guaranteed!" This was a ruse.
- 1.5 Based on numerous unfair and deceptive acts by Defendants via the Internet, email, telephone, and text messages directed to Washington residents, numerous Washington residents purchased at least 92 Super Bowl tickets from SBTickets at prices ranging from approximately \$1,875 to \$3,600 per ticket. The total amount paid by Washington residents to Defendant SBTickets was at least \$236,000, and likely much more. The Washington residents also arranged and paid for travel and accommodations to Phoenix, Arizona and the surrounding area at a significant cost. These consumers then traveled to Phoenix for the Super Bowl festivities.
- 1.6 While not disclosing it to Washington consumers, Defendant SBTickets was a short seller of Super Bowl tickets. A short seller is one who sells an item that the short seller does not own at the time of sale; before delivery of the item is required to the buyer, the short seller purchases the item from a third party. Defendant SBTickets sold Super Bowl tickets to Washington residents that it

did not possess at the time of sale. Defendants apparently then hoped to purchase the Super Bowl tickets they had already sold by purchasing the tickets from third parties at a later date for a lower price, and then providing these tickets to its Washington customers while profiting on the price difference. However, Defendants apparently could not purchase tickets at a lower price than for which SBTickets had already "sold" them. Instead of going down as game time neared, the price for Super Bowl tickets skyrocketed and reached a price of over \$10,000 per ticket. For distributing the few tickets that it did obtain, it appears that Defendants prioritized those customers that had paid Defendant SBTickets the highest price for the tickets.

- 1.7 Rather than honoring its contracts and its 100% guarantee, Defendants failed to acquire sufficient tickets for its purchasers. Defendants notified numerous Washington consumers hours before the Super Bowl that they would not be receiving a ticket.
- 1.8 For those Washington customers who did not receive their guaranteed tickets, Defendant SBTickets stated that, by February 2, 2015, it would refund the price paid by the consumers. This did not occur. Defendant SBTickets eventually did refund some Washington residents the amount the consumer had paid to Defendant SBTickets approximately two weeks after the Super Bowl. Other Washington residents disputed the charge from Defendant SBTickets with their credit card companies, and their claims are still pending. Defendants did not pay Washington consumers the fair market value of the Super Bowl tickets that they purported to sell them. Further, Defendants did not pay for any of the travel and lodging costs incurred by Washington residents due to Defendants' unfair and deceptive acts.
- 1.9 Defendants engaged in an unfair and deceptive scheme of acts and practices in trade or commerce that are contrary to the public interest and are not in reasonable relation to the development or preservation of business in violation of RCW 19.86.020. Defendants engaged in numerous unfair and deceptive acts in the course of its dealing with Washington consumers, some of which are continuing. Notably, it is an unfair and deceptive practice to misrepresent that persons are guaranteed to get a ticket when that was

not true. It is an unfair and deceptive act or practice to sell a futures contract without clearly and conspicuously disclosing that the tickets or other items purchased may not be available. Further, it is an unfair and deceptive act or practice by a seller to only offer to fulfill the futures contract if it benefits the seller. Defendants engaged in numerous other unfair and deceptive acts as detailed throughout this Complaint.

#### II. JURISDICTION AND VENUE

- 2.1 This Complaint is filed and these proceedings are instituted under the provisions of the Consumer Protection Act ("CPA"), RCW 19.86.
- 2.2 Jurisdiction of the Attorney General to commence this action is conferred by RCW 19.86.080 and RCW 19.86.160. This Court has personal jurisdiction over Defendants pursuant to RCW 19.86.160 and RCW 4.28.185, insofar as Defendants' transactions with numerous Washington consumers demonstrate that it purposely availed itself of the privilege of conducting activities in this forum; the claims asserted in the Complaint herein arise from those activities; and the Court's exercise of jurisdiction over Defendants is reasonable.
- 2.3 Venue is proper in King County pursuant to RCW 4.12.020 and 4.12.025. The violations alleged herein have been committed in part in King County, Washington by Defendants or their agents. Further, some of the agreements at issue were entered into in King County.

#### III. DEFENDANTS

- 3.1 Defendant SBTickets was at all times relevant to this action a for-profit limited liability company located in New York State. Defendant SBTickets has a virtual office located in Melville, New York.
- 3.2 Defendant Paul Jones refers to himself as the "owner" of SBTickets in many communications with consumers. Upon information and belief, Defendant Paul Jones is a member of SBTickets. Defendant Jones formulated, directed, executed, controlled, had the

(206) 464-7745

authority to control or participate in, and had knowledge of the acts and practices set forth in this Complaint. Defendant Jones participated in and approved of the wrongful conduct and had many of the phone calls and emails with Washington residents described herein. Defendant Jones resides in Commack, New York.

#### IV. NATURE OF TRADE OR COMMERCE

4.1 Defendants were at all times relevant to this lawsuit engaged in trade or commerce within the meaning of RCW 19.86.020 through the sale of ticket futures, game and event tickets, hotel and house rentals, private jet charters, limo transportation, suite rentals, security services, shopping excursions, spa treatments, event management, "V.I.P. services," and related services through an online website as well as Facebook, Google+, and Twitter sites and accounts. Defendant SBTickets' website is interactive and provides a means to purchase tickets and other services and also permits and encourages the submission of questions to Defendant SBTickets from potential or actual customers.

#### V. FACTS

- 5.1 According to its Facebook page, SBTickets was founded in 2007. However, the New York Secretary of State lists the filing date of its limited liability documents as February 12, 2013. Beginning in at least 2013, Defendants began marketing and selling the sale of ticket futures, game and event tickets, hotel and house rentals, private jet charters, limo transportation, suite rentals, security services, shopping excursions, spa treatments, event management, "V.I.P. services," and related services through an active online website, Facebook, Google+, and Twitter account. Upon information and belief, Defendant SBTickets paid for and used Google AdWords associated with the Super Bowl and the Seattle Seahawks to draw visitors to its website.
- **5.2** For the 2015 Super Bowl, Defendant SBTickets guaranteed that purchasers would receive Super Bowl tickets "one way or another, Guaranteed!" as indicated by the following information on Defendant SBTickets' website:

Trust SBTickets.com when placing your next order.

-We offer the highest levels of customer service and support.

-We offer an extensive inventory of premium to lower end tickets to satisfy all clientele.

-This is our specialty and unlike other ticket agencies, we focus on only the biggest game of the year which allows us to offer unparalleled service and reliability.

-As Always Our Orders are 100% Guaranteed, No tricks or gimmicks, For the unforeseen circumstances, you will get your tickets one way or another, Guaranteed!

5.3 SBTickets' website also included a 100% Buyer Protection pledge:

### 100% Buyer Protection

Our inventory for University of Phoenix Stadium is extensive. Feel free to browse our tickets and purchase directly from this page using our secure online ordering process. Your order is fully protected with our 100% Buyer Guarantee.

# 100% BUYER GUARANTEE GIVING YOU PEACE OF MIND, SAFTEY & SECURITY SAFE & SECURE PAYMENT EXCELLENT CUSTOMER SERVICE FULLY AUTHENTIC TICKETS REFUND FOR EVENT CANCELLATION

We can provide you full hospitality services for all your event requests.

#### Please Email us Ticket Questions

5.4 Defendant SBTickets' website contained and continues to contain numerous misrepresentations and omissions. Defendant SBTickets misrepresented that it was selling guaranteed Super Bowl tickets and that purchasers would get a ticket "one way or another."

Further, nowhere on the website did Defendant SBTickets disclose that it was selling tickets that it did not possess. Defendants did not disclose that that they were truly selling a futures contract.

- 5.5 Based on complaints received by the Attorney General's Office, Washington consumers paid SBTickets at least \$236,000 for Super Bowl tickets. Upon information and belief, additional Washington consumers purchased Super Bowl tickets and other items from Defendant SBTickets.
- 5.6 As part of the purchase process and aftermath, the Washington consumers provided Defendant SBTickets their address and payment information via the website and also via email. Each Washington consumer was charged on their credit card shortly after their purchase from Defendant SBTickets. For purchases via its website, Defendant SBTickets does not require purchasers to agree via a click-through presentation whereby the purchaser clicks knowing that the purchaser is agreeing to the applicable terms by doing so. Therefore, any Terms and Conditions listed on Defendant SBTickets' website were not part of any contract formed between Defendant SBTickets and the Washington consumers unless the Washington consumer affirmatively agreed by other means. It is unfair and deceptive practice to represent on a website that certain Terms and Conditions designed to suppress claims, limit liability, and require arbitration in New York are part of an agreement when, in fact, they are not.
- 5.7 Defendants' misrepresentations and omissions continued after the supposed purchase of the Super Bowl tickets that Defendant SBTickets did not have. Defendants directed a number of emails to the Washington consumers. Further, a number of the consumers also spoke with Defendants via the telephone. Other Washington consumers sent text messages. When specifically asked if SBTickets physically had the Super Bowl tickets in hand, Defendant SBTickets told Washington residents that the Super Bowl tickets were in the possession of Defendant SBTickets. This was a lie.
- 5.8 After Washington consumers purchased tickets from Defendant SBTickets, they were told by Defendants that the tickets would be available for pickup at a room that

Defendant SBTickets had reserved at the Renaissance Glendale. This was a lie. Defendant SBTickets never had a room reserved at the Renaissance Glendale. In fact, the Renaissance Glendale had an exclusive agreement with Stub Hub, a competitor of Defendant SBTickets, for this time period.

- 5.9 Late on the evening of Thursday, January 29, 2015, Defendants sent an email to the Washington consumers claiming that the pickup location at the Renaissance Glendale would have to be changed to "appease the NFL who required the use of our previously disclosed pick-up location." Email attached as **Exhibit A**. This was a lie as well. As Defendant SBTickets never had reserved a room at the Renaissance Glendale in the first place, the NFL could not have required the use of a room that Defendant SBTickets did not have. Further, SBTickets had no connection to the NFL.
- 5.10 After the sudden loss of the designated pickup location, Washington consumers, some of whom by now were in the Phoenix area, began to be concerned, and telephone calls, emails, and text message from them to Defendants as well as social media posts began in earnest regarding when and where they could pick up their guaranteed Super Bowl tickets. In response, the Washington residents were told they were still guaranteed to receive tickets.
- 5.11 On the morning of Saturday, January 31, 2015 the day before the Super Bowl Defendants sent an email to its customers stating that "Despite our best efforts, we do not have a new pick-up location at this time and, while we are working to fulfill all ticket orders, it has become evident that not all orders will be fulfilled. Please bear with us as we have not received our full allotment of tickets from our suppliers, but expect a limited amount to be provided through Sunday." Email attached as **Exhibit B**. The same email also stated that "In the unfortunate event that your order is not fulfilled, SBTickets will issue a full refund. Refunds will be submitted directly through your credit card provider and shall appear on your statement on or before February 2, 2015. There is no action required of you to process your refund."

**5.12** The January 31, 2015, email caused the Washington consumers to repeatedly call, email, and use social media to attempt to contact Defendants. The consumers wanted the Super Bowl tickets they had been promised. For distributing the few tickets that it had, it appears that Defendants prioritized those customers that had paid Defendant SBTickets the highest price for the tickets.

- 5.13 Despite Defendants' representation in their January 31, 2015, email that some orders would be fulfilled on Sunday, it does not appear that this occurred. At approximately noon on the day of the Super Bowl, Sunday, February 1, 2015, Defendant SBTickets sent an email to its customers stating, "We have made every effort to fulfill your orders, unfortunately, we are sorry to have to inform you there are no more tickets. We will begin issuing refunds in full immediately, and the full refund will post to your account this week." Email attached as **Exhibit C**. The Super Bowl was set to occur several hours after this email was sent, and ticket prices for the Super Bowl were in excess of \$10,000 per ticket at this time.
- 5.14 Despite its representation that it would begin issuing refunds immediately, Defendant SBTickets did not in fact due so. Eventually, approximately two weeks after the Super Bowl, Defendant SBTickets did pay some Washington residents the amount that they had paid Defendant SBTickets. Other Washington residents disputed the charge from Defendant SBTickets with their credit card companies. Defendants did not pay Washington consumers the fair market value of the Super Bowl tickets that they purported to sell them. Further, Defendants did not pay for any of the travel and lodging costs incurred by Washington residents due to Defendants' unfair and deceptive acts.
- **5.15** Defendant SBTickets continues to advertise via their website, Facebook, Google+, and Twitter for upcoming events using many of the same misrepresentations and omissions.

### VI. FIRST CAUSE OF ACTION – VIOLATIONS OF THE CONSUMER PROTECTION ACT

- 6.1 Plaintiff realleges and incorporates by reference the allegations set forth in each of the preceding paragraphs of this Complaint.
- As detailed throughout this Complaint, Defendants engaged in, and continue to engage in, a pattern of practices and acts related to the sale of Super Bowl tickets and other tickets and related services, the net impression of which was deceptive. Further, Defendants actions were procedurally and substantively unfair. Defendants failed to provide consumers with the items they had ordered, despite receiving payment in full at the time of the consumers' orders. It is an unfair and deceptive practice to misrepresent that persons are guaranteed to get a ticket when that is not true. It is an unfair and deceptive act or practice to sell a futures contract without clearly and conspicuously disclosing that the tickets or other items purchased may not be available. Further, it is an unfair and deceptive act or practice by a seller to only offer to fulfill the futures contract if it benefits the seller.
- 6.3 Given the totality of circumstance described throughout this complaint, Defendants' acts and practices affect the public interest, have the capacity to deceive a substantial number of consumers, and are an unfair or deceptive act or practice in trade or commerce and unfair method of competition in violation of RCW 19.86.020. Defendants violated the CPA.

#### VIII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, State of Washington, prays for relief as follows:

- 7.1 A Declaration that Defendants SBTickets and Paul Jones have engaged in the conduct complained of herein.
- 7.2 A Declaration that Defendants SBTickets and Paul Jones' acts described above are unfair or deceptive acts or practices in trade or commerce, affecting the public interest, and in violation of the Consumer Protection Act, RCW 19.86.

- 7.3 That the Court issue a permanent injunction enjoining and restraining Defendants SBTickets, Paul Jones, and their representatives, successors, assigns, officers, agents, servants, employees, and all other persons acting or claiming to act for, on behalf of, or in active concert or participation with Defendants from continuing or engaging in the unlawful conduct complained of herein.
- 7.4 That the Court assess civil penalties, pursuant to RCW 19.86.140, of up to two thousand dollars (\$2,000) per violation against Defendants SBTickets and Paul Jones for each and every violation of RCW 19.86.020 caused by the conduct complained of herein.
- 7.5 That the Court make such orders pursuant to RCW 19.86.080 as it deems appropriate to provide for equitable relief to Washington consumers as a result of the conduct complained of, including but not limited to restitution.
- 7.6 That the Court make such orders pursuant to RCW 19.86.080 to provide that Plaintiff, State of Washington, recover from Defendants the costs of this action, including reasonable attorney's fees.
- 7.7 That the Court order such other relief as it may deem just and proper to fully and effectively dissipate the effects of the conduct complained of herein, or which may otherwise seem proper to the Court.

DATED this day of March, 2015.

ROBERT W. FERGUSON

Attorney General

JEFFREY G. RUPERT, WSBA #45037

Assistant Attorney General Attorneys for Plaintiff

State of Washington

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## **EXHIBIT A**

From:

SBTickets <sales@mail128-14.atl41.mandrillapp.com> on behalf of

SBTickets <sales@sbtickets.com>

Sent:

Thursday, January 29, 2015 9:58 PM

To:

Subject:

Please Read: SBTickets Super Bowl Pick Up Change

Dear Customers,

On behalf of everyone at SBTickets, I can tell you that we are looking forward to seeing you here in Arizona and delivering your ticket(s) to Super Bowl XLIX.

Towards that end, please note that in an effort to maximize the efficient distribution of tickets, assuage the concerns of our customers arriving closer to game day, and appease the NFL who required the use of our previously disclosed pick-up location, we have changed the date and location of your ticket pick-up. I personally apologize for any inconvenience or worry this may cause, and I ask for your patience as we reorganize.

We will begin distributing all tickets on Saturday. We will continue distribution throughout the day and until 11 p.m. on Saturday evening. We will send a follow up email tomorrow afternoon containing the new pick-up location's address.

If for any reason, you cannot appear in person to collect your ticket(s) on Saturday, please note that we will hold your ticket(s) for pick-up on game day. Game day pick-up will open at 9 a.m., and will remain so through kick-off at 6:30 p.m.

Please rest assured that by having chosen SBTickets as your SuperBowl ticket provider, your ticket(s) are guaranteed and waiting to get you into the Big Game.

I have had the pleasure of speaking to many of you personally over the last few months, and I want to thank you again for your business. SBTickets values its customers and your feedback, and so I apologize for any inconvenience this change may cause, and I will personally be onsite Saturday should you have any questions or comments.

My team here at SBTickets hopes that you are all either already here, enjoying the pre-game festivities, or that you will be joining us soon. Should you have any other pre-game needs such as information about parties, parking, bars, or restaurants, please feel free to send an email to sales@sbtickets.com, or call us at 1-888-410-1430, so that we may be of further assistance.

Sincerely, Paul Jones President, SBTickets.com

### **EXHIBIT B**

From: SBTickets

SBTickets <sales@mail128-14.atl41.mandrillapp.com> on behalf of

SBTickets <sales@sbtickets.com>

Important Ticket Update

Sent:

Subject:

Saturday, January 31, 2015 8:29 AM

To:

**)**:

Dear Loyal Customers,

We want to apologize for any delay in our communication regarding your Super Bowl Tickets order.

Despite our best efforts, we do not have a new pick-up location at this time and, while we are working to fulfill all ticket orders, it has become evident that not all orders will be fulfilled. Please bear with us as we have not received our full allotment of tickets from our suppliers, but expect a limited amount to be provided through Sunday.

With that said, for those customers whose orders can be fulfilled, you will receive a direct call from our staff before 3 p.m. this afternoon with your pick-up information.

For all other orders, we will continue to attempt to fulfill your order through the afternoon of game day.

Although we are expecting another delivery of tickets on game day, we want to be realistic and advise you that this new delivery will not be sufficient to fulfill all pending orders. Upon receipt of delivery of tickets, we will continue to fulfill orders in the order in which they were received. Should we be able to fulfill your order on game day, you can expect a call before 2 p.m. with pick-up information in Glendale.

In the unfortunate event that your order is not fulfilled, SBTickets will issue a full refund. Refunds will be submitted directly through your credit card provider and shall appear on your statement on or before February 2, 2015. There is no action required of you to process your refund.

As a result of this situation, we will be offering you a discount towards any ticket purchase of an upcoming event in 2015. The site will be updated following the Super Bowl and, at that time, you will be able to use reference Code: SB2015 at checkout to redeem the discount.

On behalf of the entire company, I apologize for the change and confusion as we have never encountered such a ticket market in our years of supporting the Super Bowl. As you know, this issue has affected everyone in the market, without prejudice. As a company that thrives on its customer satisfaction we are deeply troubled to have to provide this news and are already strategizing to avoid a reoccurrence in the future.

Should you have any question or concern not addressed in this email, please feel free to contact us.

1-888-410-1430

www.SBTickets.com

Best regards,

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Paul Jones

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# **EXHIBIT C**

From:

SBTickets <sales@mail124.us4.mandrillapp.com> on behalf of

SBTickets <sales@sbtickets.com>

Sent:

Sunday, February 01, 2015 11:43 AM

To:

Subject:

Super Bowl Refund

Dear Customers,

We have made every effort to fulfill your orders, unfortunately, we are sorry to have to inform you there are no more tickets. We will begin issuing refunds in full immediately, and the full refund will post to your account this week..