

**IN THE UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
MIAMI DIVISION**

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

**Plaintiff,** )

**-vs-** )

**US MOVING SERVICES INC,** d/b/a Safeway )  
Moving & Storage, Apex Moving, Number One )  
Van Lines, Moving Services, Proud American )  
Vanlines, Up Line Moving, Spartan Moving )  
and/or Spartan Van Lines, a Florida corporation, )

**MOVING & STORAGE SF INC,** f/k/a Safeway )  
Moving & Storage Inc, d/b/a Apex Moving )  
& Storage, Moving and Storage Inc and/or )  
Upline Moving, a Florida corporation, )

**MOVING SYSTEMS INC,** f/k/a Spartan Moving )  
System Inc, d/b/a Spartan Van Lines, )  
a Florida corporation, and )

**YEHOSHUA VAKNIN,** Individually and as )  
Owner, Officer and/or Principal of US MOVING )  
SERVICES INC, MOVING & STORAGE SF INC, )  
and MOVING SYSTEMS INC, )

**Defendants.** )

**CASE NO.**

**COMPLAINT FOR INJUNCTIVE RELIEF, EQUITABLE RESTITUTION,  
CIVIL PENALTIES AND OTHER STATUTORY RELIEF**

The Plaintiff, OFFICE OF THE ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS (“Attorney General” and/or “Plaintiff”), by and through the undersigned Assistant Attorney General, hereby sues the Defendants, US MOVING SERVICES INC, d/b/a Safeway Moving & Storage, Apex Moving, Number One Van Lines, Moving Services, Proud American Vanlines, Up Line Moving, Spartan Moving and/or Spartan

Van Lines (“US MOVING”), a Florida corporation, MOVING & STORAGE SF INC, f/k/a Safeway Moving & Storage Inc, d/b/a Apex Moving & Storage, Moving and Storage Inc and/or Upline Moving, (“M&S” or “SAFEWAY”), a Florida corporation, MOVING SYSTEMS INC, f/k/a Spartan Moving System Inc, d/b/a Spartan Van Lines (“MSI” or “SPARTAN MOVING”), a Florida corporation, and YEHOOSHUA VAKNIN (“VAKNIN”), Individually and as Owner, Officer and/or Principal of US MOVING SERVICES INC, MOVING & STORAGE SF INC, and MOVING SYSTEMS INC (collectively referred to as “Defendants”).

### **SUMMARY OF COMPLAINT**

1. Since at least in or about January 2014, Defendants have advertised themselves as being professional movers staffed by well-trained employees who use the utmost care with consumers’ belongings and are scrupulous in preparing and following estimates. The reality is far different. Defendants regularly use unskilled, untrained laborers who often damage or steal property, and routinely provide deceptive, low ball estimates then extort higher fees by holding consumers’ property hostage. Defendants have harmed hundreds of consumers and Plaintiff respectfully asks this Court to impose civil penalties, grant restitution and permanently enjoin further abuses.<sup>1</sup>

2. This action is brought by the Attorney General: (1) under Section 14711 of Title 49 U.S.C., Subtitle IV, Part B (hereinafter the “Interstate Transportation Code” or “I.T.C.”) on behalf of Florida residents based on violations of the consumer protection provisions of that title, including the regulations promulgated by the Federal Motor Carrier Safety Administration (“FMCSA”) contained in Title 49 C.F.R., Chapter III, Subchapter B, Sections 350-399 (hereinafter

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<sup>1</sup> For purposes of this Complaint, all consumers referenced herein are either actual or prospective shippers or individual shippers, as those terms are further defined herein.

“FMCSA Regulations” or “the Regulations”);<sup>2</sup> (2) based on direct violations of Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (hereinafter “FDUTPA”); and (3) based on violations of Florida Household Moving Services Act, Chapter 507, Sections 507.01-507.13, *Florida Statutes* (hereinafter “Florida Moving Act” or F.M.A.), the I.T.C. and FMCSA Regulations, which constitute *per se* violations of FDUTPA.

3. At all times material hereto, the Defendants have engaged in deceptive acts and practices in connection with the transportation of household goods by consumers either solely within the State of Florida (intrastate moves) or crossing state boundaries or involving more than one state (interstate moves).<sup>3</sup> In connection with these activities, the Defendants have acted as “movers or “household goods motor carriers,” as those terms are defined by Florida and federal law.

4. Defendant VAKNIN controls the acts and practices of Defendants US MOVING, SAFEWAY and SPARTAN MOVING (collectively referred to as “Corporate Defendants”). Defendant VAKNIN has operated the Corporate Defendants as part of a common enterprise (hereinafter the “Enterprise” or “Moving Enterprise”).

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<sup>2</sup> FMCSA was established within the U.S. Department of Transportation on January 1, 2000, pursuant to the Motor Carrier Safety Improvement Act of 1999 (Title 49 U.S.C., Subtitle I, §113).

<sup>3</sup> As used in this Complaint, the term “household goods” or “goods” shall have the same meaning as contained within Section 13102 of the I.T.C. and Section 507.01(7) of the F.M.A., and shall include personal effects and other personal property used, to be used or commonly found in a home, personal residence, or other dwelling, including, but not limited to, household furniture. The term “motor carrier” or “carrier” shall mean any “person” (including an individual) who provides “motor vehicle” “transportation” for compensation as those terms are defined in Section 13102 of the I.T.C. (See also, Title 49 U.S.C. 13102 (14) and Title 1 U.S.C. 1). The term “shipper” shall mean a person who uses the services of a “mover” to transport or ship household goods as part of a “household move,” as those terms are defined within Section 507.01 of the F.M.A.

5. While engaged in trade or commerce as movers or household goods motor carriers, the Defendants have utilized unfair and deceptive trade practices in connection with advertising, soliciting, providing, offering, selling or distributing services relating to the moving, transportation, arranging for the transportation or the physical movement and/or storage of household goods (hereinafter “Moving Services”) for consumers residing in Florida and elsewhere throughout the United States.

6. The Defendants often misrepresent to consumers the price, nature, extent, qualities, timing or characteristics of the Moving Services offered by the Enterprise. Essentially, the Defendants often quote consumers an artificially low estimate for providing their Moving Services. Thereafter, in numerous instances, the Defendants’ Moving Enterprise then fails to honor that “low ball” estimate, but instead, substantially increases the price charged at the time the move occurs. In fact, oftentimes, the new higher price is not disclosed to the consumer until after loading of the consumer’s household goods has been partially or fully completed.

7. In numerous instances, the Defendants’ agents provide estimates for the transportation and other [accessorial] charges to be incurred in connection with the move, that do not comply with applicable Florida law and/or FMCSA Regulations.<sup>4</sup> For example, in numerous instances, the Defendants fail to: (1) provide the estimate to the consumer in writing; (2) base the estimate on a physical survey of the household goods when otherwise required to do so; (3) include

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<sup>4</sup> As used in this Complaint, “accessorial services” means any service performed by a mover which results in a charge to the shipper and is incidental to the transportation or shipment of household goods, as described in Section 507.01(1) of the F.M.A., including, but not limited to, valuation coverage; preparation of written inventory; equipment, including dollies, hand trucks, pads, blankets, and straps; storage, packing, unpacking, or crating of articles; hoisting or lowering; waiting time; carrying articles excessive distances to or from the mover’s vehicle, which may be cited as “long carry”; overtime loading and unloading; reweighing; disassembly or reassembly; elevator or stair carrying; boxing or servicing of appliances; and furnishing of packing or crating materials.

in the estimate all of the charges for transportation and related (accessorial) services to be provided; and/or (4) clearly indicate whether a “binding” or a “non-binding” estimate is being provided.

8. The Defendants and their agents provide consumers with these deceptive, low ball estimates to induce the consumers to enter into a service agreement with the Enterprise relating to their household move, and often to induce the consumer to pay the Enterprise a portion of the anticipated fees as an up-front “deposit.”

9. In numerous instances, after the Defendants’ agents arrive and begin loading the consumers’ household goods onto their trucks, the consumers are then confronted with a significantly higher monetary demand than previously quoted to them, in order to obtain a release of their property from the Moving Enterprise or their affiliates. In numerous instances, the new price demanded at the time of delivery is significantly more than the amount of the “binding estimate,” or more than 110% of the “non-binding” estimate that the Enterprise previously provided to the consumer, in violation of FMCSA Regulations and Florida law.

10. The Defendants and their affiliates often refuse to deliver the consumer’s household goods notwithstanding the consumer’s attempts to tender the amount specified in the service agreement or estimate they were previously provided. Instead, in numerous instances, the Defendants and their agents refuse to relinquish the consumer’s household goods until the consumer pays in full the new, higher amount (which the Enterprise often demands to be paid only in cash). If a consumer refuses to pay the new higher amount, the Defendants and their affiliates often threaten to retain the consumers’ household goods and to add “storage” or other “redelivery” fees to the amount they are demanding from the consumer. In other words, the consumers’ goods are held hostage until they pay the higher fees.

11. In addition, the Defendants misrepresent or deceptively represent to consumers (in their marketing materials and otherwise) that their agents are highly trained, experts and will provide exceptional care for the consumers' household goods during the move. In fact, however, the Defendants and their affiliates regularly employ unskilled and untrained laborers, who often deliver the consumers' goods in a completely broken or severely damaged condition, or with various items missing. The Defendants generally provide only *de minimis* compensation to the consumers (if anything at all) for the damage or loss resulting from the often intentional or reckless misconduct of their agents.

12. Likewise, the Defendants and their agents often misrepresent or deceptively represent the timeframe or schedule for pickup, delivery and/or storage of the household goods estimated. In numerous instances, the Moving Enterprise agents have arrived late to pick up the consumers' goods or have delivered the consumers' goods well beyond (sometimes many weeks beyond) the promised delivery dates, with insufficient notice and little or no recompense provided to the consumer.

13. Numerous consumers have filed complaints with the Attorney General and/or other consumer protection agencies regarding the Defendants' deceptive and unfair business practices.

14. The Attorney General brings this action to halt the Defendants' unlawful acts and practices; to prevent consumers from suffering irreparable harm from such unlawful acts and practices; to hold the Defendants accountable; and to provide equitable relief to consumers that the Defendants have victimized.

#### **JURISDICTION AND VENUE**

15. This Court has subject matter jurisdiction pursuant to Section 14711(a) of the Interstate Transportation Code.

16. This Court has supplemental jurisdiction over the state of Florida's claims pursuant to 28 U.S.C. Section 1367 and FDUTPA.

17. Venue is proper in this district under Section 14711(e) of the Interstate Transportation Code as the Defendants operated either as a broker or motor carrier in Dade County Florida, within the Southern District of Florida.

### **THE PLAINTIFF**

18. The Attorney General is an "enforcing authority" of FDUTPA and is authorized to bring this action and to seek injunctive relief and all other available equitable or statutory relief.

19. Pursuant to Section 14711 of the Interstate Transportation Code, the Plaintiff may bring a civil action on behalf of the residents of the State of Florida in an appropriate district court of the United States to enforce the consumer protection provisions of the Interstate Transportation Code that apply to individual shippers and are related to the delivery and transportation of household goods by a household goods motor carrier subject to jurisdiction under subchapter I of Chapter 135 of the I.T.C.<sup>5</sup>

20. Section 14711 also enables the Plaintiff to seek civil penalties authorized under the Interstate Transportation Code whenever the Plaintiff has reason to believe that the interests of the residents of the State of Florida have been or are being threatened or adversely affected by a carrier providing transportation.<sup>6</sup>

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<sup>5</sup> As used in this Complaint, the term "individual shipper" shall have the same meaning as contained within Section 13102(13) of the I.T.C., and shall mean any person who— (A) is the shipper, consignor, or consignee of a household goods shipment; (B) is identified as the shipper, consignor, or consignee on the face of the bill of lading; (C) owns the goods being transported; and (D) pays his or her own tariff transportation charges.

<sup>6</sup> Under the I.T.C., the term "carrier" is defined to include a "motor carrier," which is further defined to mean any "person" who provides motor vehicle transportation for compensation. (See §§13102 (3) and (14) of the I.T.C.). As used within the I.T.C., the words "person" and "whoever"

21. The Attorney General has conducted an investigation of the matters alleged herein, and Attorney General Pamela Jo Bondi has determined that this enforcement action serves the public interest, as set forth in Section 501.207(2), Florida Statutes.

22. The Attorney General has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by the Defendants, who are motor carriers or brokers providing transportation subject to jurisdiction under subchapters I or III of Chapter 135 of the Interstate Transportation Code and are engaged in household goods transportation that violates the I.T.C. and/or the FMCSA Regulations issued thereunder. The Plaintiff has complied with the notice and consent requirements set forth in Section 14711(b) of the I.T.C.

#### **THE DEFENDANTS**

23. Defendant US MOVING is an active, for profit corporation that was formed by Defendant VAKNIN on or about August 6, 2008, with its principal office located at 18350 NW 2<sup>nd</sup> Avenue, #318, N Miami, Florida 33169. Since inception, Defendant VAKNIN has been the only registered officer (president) of US MOVING.

24. Defendant SAFEWAY is an active, for profit corporation that was formed on or about June 25, 2015, with its principal office located at 18350 NW 2<sup>nd</sup> Avenue, #318, N Miami, Florida 33169. Since at least May 11, 2016, Defendant VAKNIN has been registered with the Florida Department of State, Division of Corporations (“FDOS”) as the sole officer (president) of SAFEWAY.

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include corporations, companies, associations, firms, partnerships, societies, and joint stock companies, as well as individuals. (See §13102(18) of the I.T.C. and Title 1 U.S.C. §1). Accordingly, Defendant VAKNIN and each of the Corporate Defendants are “carriers” under the I.T.C., and subject to the civil penalty provisions contained within Chapter 149, thereunder.

25. Defendant SPARTAN MOVING is an active, for profit corporation that was formed on or about March 3, 2016, with its principal office located at 18350 NW 2<sup>nd</sup> Avenue, #318, N Miami, Florida 33169. Since at least on or about August 30, 2016, Defendant VAKNIN has been the only registered officer (president) of SPARTAN MOVING.

26. Defendant VAKNIN is a natural person and is registered with the FDOS, as the only officer (president) of the Corporate Defendants.

27. As an owner, officer and/or principal of Defendants US MOVING, SAFEWAY and SPARTAN MOVING, Defendant VAKNIN, at all times material to the allegations in this Complaint, participated in, controlled and/or possessed the authority to control the acts and practices of the Corporate Defendants, and possessed actual and/or constructive knowledge of all material acts and practices complained of herein.

28. The Defendants, at various times material hereto, have acted in numerous instances as interstate “household goods motor carriers,” as defined by Section 13102 (12) of the I.T.C. and Section 375.103 of the Regulations (see paragraphs 39-52, below). In numerous other instances, the Defendants have acted as intrastate “movers” as defined in Section 507.01(9) of the F.M.A. (see paragraph 53-60, below).

29. At all times while acting as an intrastate “mover” in connection with the transportation or shipment of household goods originating and terminating in the State of Florida, the Defendants were required to comply with the Florida Moving Act.

30. At all times while acting as “household goods motor carriers” in connection with the transportation or shipment of household goods that cross state boundaries or involve more than one state, the Defendants were “carriers” subject to jurisdiction under subchapter I of Chapter 135 of the I.T.C. and FMCSA Regulations, and were required (under Section 375.101 of the

Regulations) to follow all FMCSA Regulations as set forth in Title 49 C.F.R., Subtitle B, Chapter III, Subchapter B, Part 375.

31. The Defendants, at all times material hereto, have solicited “consumers” within the definition of Section 501.203(7) of FDUTPA. Those persons who used the Defendants’ Moving Services as part of a household move were “shippers” or “individual shippers” within the meaning of the Florida Moving Act (Section 507.01(12)) and/or the I.T.C. (Section 13102(13)), as well as being “consumers” under FDUTPA.

32. The Defendants, at all times material hereto, have engaged in a “trade or commerce” within the definition of Section 501.203(8), Florida Statutes.

33. The Defendants, at all times material hereto, have advertised, offered, solicited or provided Moving Services to consumers, which constitute “goods, services or property” within the meaning of Section 501.203(8), Florida Statutes, in Florida and elsewhere throughout the United States.

#### **ROLE OF CORPORATE DEFENDANTS AS A COMMON ENTERPRISE**

34. At all times material hereto, Defendant VAKNIN has operated the Corporate Defendants as a “common enterprise” while engaging in the unlawful and deceptive acts and practices alleged herein. This common enterprise constitutes an ongoing organization which functions as a continuing unit for the principal purpose of generating proceeds to unjustly enrich Defendant VAKNIN at the expense of consumers seeking assistance with their household moves.

35. Defendant VAKNIN operates the Moving Enterprise through these interrelated companies that have common ownership, officers, employees, business functions, marketing activities and office locations. Indeed, the Corporate Defendants exist to participate in the same deceptive practices, offering the same purported Moving Services to consumers in Florida and

elsewhere throughout the United States. These entities have the same business model, provide the same purported services to consumers, commingle funds and share other resources such as office space, corporate systems, email extensions, mailing addresses, employees, advertising and marketing methods and materials.

36. For example, the Enterprise solicits consumers using numerous websites that are substantially similar in content and design. In some cases, identical pictures and substantially similar (paraphrased) content appear on the websites for Defendants US MOVING, M&S and MSI, and their related fictitious entity, Apex Moving. In addition, the Corporate Defendants operate using the same or substantially similar fictitious names (or names derived therefrom). For example:

- Defendants US MOVING and M&S have operated under the names “Safeway Moving & Storage” and “Safeway Moving & Storage Inc.”;
- Defendants US MOVING and M&S have operated under the names “Apex Moving” and “Apex Moving & Storage”;
- Defendant US MOVING had operated under the names “Spartan Moving” and “Spartan Van Lines,” while Defendant MSI has used the names “Spartan Moving Systems, Inc.,” and “Spartan Van Lines;”
- Defendant VAKNIN recently (on January 5, 2018) filed applications on behalf of Defendants US MOVING and M&S, respectively, to register under the fictitious names “Up Line Moving” and “Upline Moving.”

37. The Defendants have also commingled consumers’ monies between several of the Corporate Defendants’ accounts. For example, consumers’ funds deposited into at least two separate accounts opened by Defendant SPARTAN, were subsequently transferred to Defendant US MOVING. Defendant VAKNIN also opened at least one bank account for US MOVING under the name of the corporation and its various overlapping fictitious names, thereby enabling

consumers' funds received by virtually any of the Corporate Defendants (under their similar fictitious names) to be deposited therein.

38. As members of a common enterprise, each of the Corporate Defendants is jointly and severally liable for the acts and practices of the common enterprise alleged herein.

### **INTERSTATE TRANSPORTATION OF HOUSEHOLD GOODS**

#### **A. Transportation of Household Goods (Part 375)**

39. Title 49 C.F.R., Subtitle B, Chapter III, Subchapter B, Part 375 sets for the FMCSA Regulations relating to the Transportation of Household Goods in Interstate Commerce by household goods motor carriers, and related consumer protection regulations. Section 375.101 specifically provides that a household goods motor carrier engaged in the interstate transportation of household goods must follow all of the regulations set forth in Part 375.<sup>7</sup>

40. Section 375.103 of the Regulations (and Section 13102 (12) of the I.T.C.) generally define a "household goods motor carrier" as a motor carrier that, in the ordinary course of its business of providing transportation of household goods, offers some or all of the following additional services: (1) binding and nonbinding estimates; (2) inventorying; (3) protective packing and unpacking of individual items at personal residences; (4) loading and unloading at personal residences.

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<sup>7</sup> The term "transportation" is defined in §13102 (23) of the I.T.C. to include:

- (A) a motor vehicle, vessel, warehouse, wharf, pier, dock, yard, property, facility, instrumentality, or equipment of any kind related to the movement of passengers or property, or both, regardless of ownership or an agreement concerning use; and
- (B) services related to that movement, including arranging for, receipt, delivery, elevation, transfer in transit, refrigeration, icing, ventilation, storage, handling, packing, unpacking, and interchange of passengers and property.

41. Section 375.207 permits a household goods motor carrier to publish and use advertisements, but requires that any such advertisements be “truthful, straightforward, and honest.”<sup>8</sup>

42. Pursuant to Section 375.217 the household goods motor carrier is required to specify the form of payment required when the estimate is prepared, and that same form of payment must be specified in the order for service and bill of lading. Thereafter, the household goods motor carrier and its agents must honor that form of payment at delivery, except when a shipper agrees to a change in writing.

43. Section 375.401(a) of the Regulations (and Section 14104(b) of the I.T.C.) requires that the household motor carrier conduct a physical survey of the household goods to be transported and provide the prospective individual shipper with a written estimate, based on the physical survey, of the charges for the transportation of the household goods and all related services. This Section provides the following two exceptions to the requirement to conduct a physical survey:

- (1) If the household goods are located beyond a 50-mile radius of the location of the household goods motor carrier's agent preparing the estimate, the requirement to base the estimate on a physical survey does not apply.
- (2) An individual shipper may elect to waive the physical survey, provided that the waiver agreement is in writing; it is signed by the shipper before the shipment is loaded; and the household goods motor carrier retains a copy of the waiver agreement as an addendum to the bill of lading.

44. Before executing an order for service for a shipment of household goods for an individual shipper, Section 375.401(b) of the Regulations (and Section 14104(b)(1)(C) of the

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<sup>8</sup> Section 375.103 defines the term “advertisement” to mean, “any communication to the public in connection with an offer or sale of any interstate household goods transportation service.” This includes written or electronic database listings [other than in a telephone directory or similar publication] of your name, address, and telephone number in an on-line database or displayed on an Internet web site.

I.T.C.) requires that the household goods motor carrier provide the shipper with a written estimate of the total charges for the transportation and all related services (including accessorial services such as elevators, long carries, etc.) and indicate whether it is a binding or a non-binding estimate. Both the household goods motor carrier and the shipper must sign the estimate of charges, and a dated copy of the estimate of charges must be provided to the shipper at the time it is signed. Thereafter, Section 375.401(i) provides that the estimate of charges may only be amended upon mutual agreement of the parties before loading a household goods shipment.

### **Use of Binding Estimates**

45. Section 375.403 of the Regulations requires that a “binding estimate” clearly indicate on its face that the estimate is binding upon the household goods motor carrier and the individual shipper, and that the charges shown apply only to those services specifically identified in the estimate.

46. If it appears an individual shipper has tendered additional household goods or requires additional services not identified in the binding estimate, and an agreement as to those additional goods or services cannot be reached, Section 375.403(6) provides that the motor carrier is not required to service the shipment. However, if the motor carrier does service the shipment, before loading the shipment the motor carrier must either: (1) do one of the following three things: (i) reaffirm the prior binding estimate; (ii) negotiate a revised written binding estimate accurately listing, in detail, the additional household goods or services; or (iii) agree with the individual shipper, in writing, that they will both consider the original binding estimate as a non-binding estimate subject to Section 375.405 of the Regulations. *Id.*<sup>9</sup>

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<sup>9</sup> Once the motor carrier loads a shipment, failure to execute a new binding estimate or a non-binding estimate signifies they have reaffirmed the original binding estimate, and the motor

47. A household goods motor carrier is required to relinquish possession of a shipment of household goods upon the individual shipper's offer to pay the binding estimate amount (plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for “impracticable operations” not to exceed 15 percent of all other charges due at delivery).<sup>10</sup> Id. The failure to relinquish such household goods under these circumstances constitutes a failure to transport with “reasonable dispatch” under 375.403(a)(10), and a violation of the I.T.C. (Section 13707(b)(3))<sup>11</sup> and FMCSA Regulations (Sections 375.403(7) and/or 375.703(a))<sup>12</sup>

### **Use of Non-Binding Estimates**

48. If a “binding” written estimate is not provided to an individual shipper, Section 375.405(a) of the Regulations requires that the household goods motor carrier provide the shipper with a “non-binding” written estimate. The “non-binding” estimate must be “reasonably

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carrier may not collect more than the amount of the original binding estimate, except as specifically provided in Section 375.403(a)(8) and (9). (§375.403(7)).

<sup>10</sup> “Impracticable operations” are defined within the carrier’s tariff and generally refer to services required when operating conditions make it physically impossible for the carrier to perform pickup or delivery with its normally assigned road-haul equipment.

<sup>11</sup> Section 13707(b)(3) of the I.T.C. provides, in pertinent part, that: “**(A)In general.**—A carrier providing transportation of a shipment of household goods shall give up possession of the household goods being transported at the destination upon payment of— **(i)** 100 percent of the charges contained in a binding estimate provided by the carrier; [or] **(ii)** not more than 110 percent of the charges contained in a nonbinding estimate provided by the carrier; ...” Pursuant to Section 13707(b)(3)(D), the carrier may also collect at delivery charges for “impracticable operations” not to exceed 15 percent of all other charges due at delivery.

<sup>12</sup> Section 375.703(a) of the FMCSA Regulations provides that, with respect to a binding estimate, the maximum amount that a household goods motor carrier may collect-on-delivery is “the exact estimate of the charges, plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for impracticable operations as defined in [the carrier’s] tariff. The maximum amount of charges for impracticable operations [the carrier] may collect on delivery is an amount equal to 15 percent of all other charges due at delivery.”

accurate,” provided without charge, based on the estimated weight or volume of the shipment and services required (and the physical survey of the household goods if required), and clearly describe the entire shipment and all services being provided. *Id.*, at Section 375.405(b).

49. Section 375.405(b)(5) further provides that the “non-binding” estimate must clearly indicate on its face that the estimate is not binding on the household goods motor carrier, that the charges shown are the approximate charges to be assessed for the service identified in the estimate, and that the shipper will not be required to pay more than 110 percent of the “non-binding” estimate at the time of delivery.

50. Once a shipment of household goods is loaded, Section 375.405(8) provides that a household goods motor carrier may not collect at delivery more than 110 percent of the amount of the original non-binding estimate at destination, except as provided in Section 375.405(b)(9) and (10), relating to “impracticable operations” not to exceed 15 percent of all other charges due at delivery.<sup>13</sup> The failure of a household goods motor carrier to relinquish possession of a shipment upon the individual shipper's payment (or offer to pay) up to 110 percent of the approximate costs of a non-binding estimate (plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for “impracticable operations” not to exceed 15 percent of all other charges due at delivery) constitutes a failure to transport with

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<sup>13</sup> As with a binding estimate, Section 375.405(8) provides that, once a motor carrier loads a shipment, failure to execute a new non-binding estimate (when an individual shipper tenders additional household goods or requires additional services not identified in the original non-binding estimate), signifies the motor carrier have reaffirmed the original non-binding estimate; the motor carrier may not collect more than 110 percent of the amount of the original non-binding estimate at destination, except as provided in Sections 375.405 (b)(9) and (10).

“reasonable dispatch” under Section 375.407(b), and a violation of the I.T.C. (Section 13707(b)(3)) and FMCSA Regulations (Sections 375.405(8), 375.407(a) and/or 375.703(b)).<sup>14</sup>

51. Section 375.603 of the Regulations provides that the household goods motor carrier must tender a shipment for delivery for an individual consumer on the agreed delivery date or within the period specified on the bill of lading. When a carrier is unable to perform either the pickup or delivery of a shipment on the dates or during the periods specified in the order for service, as soon as the delay becomes apparent, the carrier must notify the individual shipper of the delay, at the carrier’s expense, and advise the individual shipper of the dates or periods when the carrier expects to be able to pick up and/or deliver the shipment, as set forth in Section 375.605.

52. Pursuant to Section 375.901, the penalty provisions of 49 U.S.C. Chapter 149 apply to this part. Section 14911 of the I.T.C. further provides that: "An act or omission that would be a violation of this part if committed by a director, officer, receiver, trustee, lessee, agent, or employee of a carrier providing transportation or service subject to jurisdiction under chapter 135 that is a corporation is also a violation of this part by that corporation. The penalties of this chapter apply to that violation. When acting in the scope of their employment, the actions and omissions of individuals acting for or employed by that carrier are considered to be the actions and omissions of that carrier as well as that individual."<sup>15</sup>

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<sup>14</sup> Section 375.703(b) of the FMCSA Regulations provides that, with respect to a non-binding estimate, the maximum amount that a household goods motor carrier may collect-on-delivery is “110 percent of the non-binding estimate of the charges, plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for impracticable operations as defined in [the carrier’s] tariff. The maximum amount of charges for impracticable operations [the carrier] may collect on delivery is an amount equal to 15 percent of all other charges due at delivery.”

<sup>15</sup> Likewise, Section 13907 of the I.T.C. provides that: “Each motor carrier providing transportation of household goods shall be responsible for all acts or omissions of any of its agents which relate to the performance of household goods transportation services (including accessorial

**FLORIDA HOUSEHOLD MOVING SERVICES ACT**

53. The Florida Moving Act sets forth the law in Florida governing the loading, transportation or shipment, unloading, and affiliated storage of household goods as part of household moves.<sup>16</sup>

54. Section 507.01(9) of the F.M.A. defines a “mover” as a person who, for compensation, contracts for or engages in the loading, transportation or shipment, or unloading of household goods as part of a household move.

55. Section 507.01(10) of the F.M.A. defines a “moving broker” or “broker” as a person who, for compensation, arranges for another person to load, transport or ship, or unload household goods as part of a household move or who, for compensation, refers a shipper to a mover by telephone, postal or electronic mail, Internet website, or other means.

56. The Florida Moving Act also requires that before providing any moving or accessorial services, a contract and estimate must be provided to a prospective shipper in writing, must be signed and dated by the shipper and the mover, and must include, among other things, “an itemized breakdown and description and total of all costs and services for loading,

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or terminal services) and which are within the actual or apparent authority of the agent from the carrier or which are ratified by the carrier.”

<sup>16</sup> The term “household move” or “move” is defined in Section 507.01(8) of the Florida Moving Act as “the loading of household goods into a vehicle, moving container, or other mode of transportation or shipment; the transportation or shipment of those household goods; and the unloading of those household goods, when the transportation or shipment originates and terminates at one of the following ultimate locations... :

- (a) From one dwelling to another dwelling;
- (b) From a dwelling to a storehouse or warehouse that is owned or rented by the shipper or the shipper’s agents; or
- (c) From a storehouse or warehouse that is owned or rented by the shipper or the shipper’s agent to a dwelling.”

transportation or shipment, unloading and accessorial services to be provided during a household move or storage of household goods.” (See §507.05(5) of the F.M.A.)

57. Section 507.05(5) of the F.M.A. further requires that the contract and estimate must clearly and conspicuously disclose to the shipper the acceptable forms of payment, and requires that a mover accept a minimum of two of the three following forms of payment: (a) cash, cashier’s check, money order, or traveler’s check; (b) valid personal check, showing upon its face the name and address of the shipper or authorized representative; or (c) valid credit card, which shall include, but not be limited to, Visa or MasterCard.

58. Pursuant to Section 507.06 (1), “[a] mover must relinquish household goods to a shipper and place the goods inside a shipper’s dwelling...., unless the shipper has not tendered payment in the amount specified in a written contract or estimate signed and dated by the shipper.” Nor may a mover refuse to relinquish prescription medicines and goods for use by children, including children’s furniture, clothing, or toys, under any circumstances. [Id.].

59. Likewise, pursuant to Section 507.06(2), “[a] mover may not refuse to relinquish household goods to a shipper or fail to place the goods inside a shipper’s dwelling...., based on the mover’s refusal to accept an acceptable form of payment.”

60. The Florida Moving Act, Section 507.07, expressly provides, among other things, that:

“**Violations.**-- It is a violation of this chapter to: ...

- (3) Misrepresent or deceptively represent:
  - a. The contract for services, bill of lading, or inventory of household goods for the move estimated.
  - b. The timeframe or schedule for delivery or storage of household good estimated.
  - c. The price, size, nature, extent, qualities, or characteristic of accessorial or moving services offered.
  - d. The nature or extent of other goods, services, or amenities offered.

- e. A shipper's rights, privileges, or benefits.
- (4) Fail to honor and comply with all provisions of the contract for services or bill of lading regarding the purchaser's rights, benefits, and privileges thereunder.
- (5) Withhold delivery of household goods or in any way hold goods in storage against the express wishes of the shipper if payment has been made as delineated in the estimate or contract for services.

\* \* \* \* \*

- (6) a. Include in any contract any provision purporting to waive or limit any right or benefit provided to shoppers under this chapter.
- b. Seek or solicit a waiver or acceptance of limitation from a shipper concerning rights or benefits provided under this chapter.

\* \* \* \* \*

- d. Commit any other act of fraud, misrepresentation, or failure to disclose a material fact.

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

**Deceptive Marketing Activities**

61. As set forth above, Defendants have deceptively solicited, and are continuing to deceptively solicit consumers to purchase their Moving Services, by making materially false or misleading representations to these shippers and potential shippers. In that regard, the Defendants have utilized various marketing methods to advertise their Moving Services to consumers, including but not limited to, Internet websites, social media and telemarketing. In connection with these solicitations, the Defendants have, among other things, deceptively promised (expressly and implicitly) to provide honest, reliable and professional moving services to consumers in Florida and elsewhere throughout the United States.

62. For example, the Defendants' marketing materials repeatedly represent to consumers that Defendants' moving services will be provided by highly trained, professional movers who will transport the consumers' household goods with the utmost care. In reality, the Defendants often employ unskilled and untrained laborers who regularly damage, destroy and/or steal the consumers' property.<sup>17</sup>

63. The Defendants have utilized several, purportedly independent, websites (and various forms of social media, including Facebook and Twitter) to induce consumers to purchase their Moving Services, including the following:

- [www.usmovingsvc.com](http://www.usmovingsvc.com);
- [www.safewaymovingandstorage.net](http://www.safewaymovingandstorage.net);
- [www.apexmoving.org](http://www.apexmoving.org);
- [www.apexmovingandstorage.info](http://www.apexmovingandstorage.info);
- [www.spartanvanline.com](http://www.spartanvanline.com); and
- [www.spartanmovingsystem.com](http://www.spartanmovingsystem.com)

64. In numerous instances, the Defendants' websites (and other advertisements) fail to disclose the actual physical location of the Enterprise's operations. In fact, several of these websites do not provide any address whatsoever for the entity being promoted. Likewise, in numerous instances the contracts and/or estimates provided to consumers by the Defendants do not contain an actual physical address where the Defendants' employees are available during

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<sup>17</sup> Section 375.207 of the FMCSA Regulations permits a household goods motor carrier to publish and use advertisements, but requires that any such advertisements be "truthful, straightforward, and honest." The term "advertisement" is defined in Section 375.103 to mean, "any communication to the public in connection with an offer or sale of any interstate household goods transportation service." This includes written or electronic database listings [other than in a telephone directory or similar publication] of your name, address, and telephone number in an on-line database or displayed on an Internet web site. *Id.*

normal business hours (as required under Section 507.05(a) of the F.M.A.); instead, the Defendants' paperwork and other communications provided to consumers often only reflect an address associated with a mail drop or virtual office.

65. Likewise, although several of the Defendants' websites claim that the underlying entity owns (or possesses) a large, "climate-controlled" storage facility, the location of that purported facility (where consumers' goods are held hostage) is not revealed; nor do the Defendants disclose this information on their contract(s) and estimate(s) provided to consumers in connection with their moves (as required under Section 507.05(4) of the F.M.A.).<sup>18</sup>

66. In addition, several of the Defendants' websites (listed above) do not disclose the entities' assigned DOT number(s), which information is required to be displayed on all advertisements under FMCSA Regulations. (§375.207(b)). The Defendants also promote their Moving Services using various fictitious (trade) names that are substantially similar to the names used by other, long established interstate motor carriers, such as Upline Moving (located in Hayward, California), Spartan Moving Systems, Inc. (located in Santa Clara, California), and Apex Moving & Storage (located in Puyallup, Washington).

67. Likewise, several of the Defendants' websites contain misleading information regarding the structure and size of the Enterprise's operations, including the number of trucks

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<sup>18</sup> For example, the websites associated with Defendant US MOVING ([www.usmovingsvc.com](http://www.usmovingsvc.com)) and its d/b/a, Apex Moving ([www.apexmoving.org](http://www.apexmoving.org)), each claim their company owns a 10,000 square foot, "climate-controlled" facility; but neither website contains any street address, whatsoever, that is associated with these purportedly independent companies. Likewise, the website for Defendant SAFEWAY ([www.safewaymovingandstorage.net](http://www.safewaymovingandstorage.net)) indicates the company utilizes a 20,000 square foot (climate-controlled) storage facility, but again, no specific address is disclosed. In fact, there is no warehouse or other large storage facility located at any address reflected in any of the Defendants' above-listed websites, public filings, contracts for services or estimates provided to consumers. As a result, consumers are unable to determine the location of their household goods while their property is held hostage by the Defendants.

purportedly owned by the Corporate Defendants.<sup>19</sup> In many instances, consumers are led to believe that their household goods will be loaded onto trucks owned by the Defendants and immediately transported to the consumers' new dwelling by the Defendants' highly trained, professional staff. In fact, however, the Defendants regularly sub-contract the consumers' moves to other, third-party carriers who are not trained and/or supervised by the Defendants, and who often carelessly damage or fail to deliver the consumer's property.

68. In numerous instances, after the Defendants or their agents load the consumer's household goods onto a moving truck, those goods are not then immediately transported to the consumer's new dwelling. Instead, the Defendants or their agents often unload the consumer's goods at an undisclosed storage facility, and then store those goods until they can be combined (for the carrier's convenience) with the household goods of other consumers who are moving to the same geographic region or vicinity. These practices, which often cause substantial delays in transporting and delivering the consumers' household goods, are not disclosed to consumers on Defendants' websites or otherwise.

69. In addition, each of the Corporate Defendants' websites contain false and/or misleading representations and promises regarding the nature of the Moving Services being provided and the risks associated with using their services. For example, the Defendants' websites stress the extraordinary care and quality of the Moving Services their agents will provide but fail to disclose the substantial risk of loss and damage to property that the consumer will likely face

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<sup>19</sup> For example, the website for Defendant US MOVING ([www.usmovingsvc.com](http://www.usmovingsvc.com)), as well as the website for SAFEWAY's d/b/a, Apex Moving and Storage ([www.apexmovingandstorage.info](http://www.apexmovingandstorage.info)) each represent that their company has a "fleet of 20 trucks." In fact, the Corporate Defendants did not own such a "fleet of trucks," but instead, rents trucks (under term or trip leases) as needed. In fact, on numerous occasions, the Defendants or their agents have arrived to pick up and/or deliver the consumer's household goods using unmarked or obviously rented vehicles (such as from U-Haul or Budget rental).

by utilizing the Defendants' services. For example, the website associated with Defendant US Moving ([www.usmovingsvc.com](http://www.usmovingsvc.com)), states:

a. Welcome to US Moving Services – FL Movers

“...With over 10 years of experience in the moving industry, **knowledgeable staff, affordable rates**, and a variety of moving services available, US Moving Services is the obvious choice for you move. **Trying to find reliable and trustworthy movers can be hard. Luckily, US Moving Services has both of those qualities.**

\* \* \* \* \*

**We treat our customers like they are a part of our family.** With 15 dedicated and **knowledgeable staff**, you can rest assure (sic) that your items will be in good hands.” (emphasis added);

b. About Us

“Established in 2005 and **with over 20 trucks in their fleet**, US Moving Services is your top choice for moving services in Florida. ...US Moving Services offers a variety of **professional moving services** which is performed by our **skilled and knowledgeable staff**. They are **trained** to take out the hassle of moving. ...” (sic) (emphasis added);<sup>20</sup>

c. Local Moves

“If you (sic) moving within Florida, US Moving Services will pack, load, and ship your goods to your new home with ease. **You can have peace of mind know (sic) your items will arrive safely.** ...” (emphasis added);

d. Packing Services

“The staff here are **trained** to know how to pack items properly. From boxes to moving blankets, we have it all.” (emphasis added);

e. Special Moving Services

“If you have **artwork or delicate antiques**, we can help you with that as well. These items need **special care and handling**. **We have the skills to take care of your delicate items** and get them to your new home with ease.” (emphasis added);

f. Moving Estimate

“Preparing for a move can be stressful. But we can help lessen your stress! We can **pack your items with care** and **make sure that they arrive** to their new destination **in pristine condition**....” (sic) (emphasis added).

g. Services

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<sup>20</sup> In truth and in fact, as Defendants well knew, neither US MOVING, nor any of the other Corporate Defendants was in existence in 2005.

“Local Moves... We have **affordable rates and will be timely with both pick-up and delivery**.... We have 15 full-time employees. They have been **trained to handle your items with care**. We also have **over 20 trucks in our fleet**, so you won’t have to worry about us not having enough trucks for your items....

Packing Services... We will **carefully wrap and pack** each of your belongings **with care and precision, ensuring that they arrive at your new home without any damage**...” (emphasis added).

70. Likewise, the website associated with Defendant SAFEWAY (at [www.safewaymovingandstorage.net](http://www.safewaymovingandstorage.net)) contained similar representations and promises, including, among others:

- a. “...At Safeway Moving, we handle each of your precious possessions as if they were our own. Our experience moving **crew has the training and the know-how to expertly wrap and protect** fragile items and furniture, efficiently load the truck to maximize space and **prevent damage**, and expediently transport and deliver your shipment for **a prompt and timely arrival**....” (emphasis added);
- b. “Safeway Moving & Storage is a family owned and operated company located in Orlando, Florida with **over 25 years experience** in the moving industry. Officially **established in 2001**, our team is comprised of a full time crew of professionals who work around the clock to ensure your move is completed in a timely and safe manner.” (emphasis added);<sup>21</sup>
- c. “When you entrust your move with our team, we treat you like you’re family.”
- d. “...look no further than Safeway Moving and Storage Inc. to provide you with an **accurate** moving estimate.” (emphasis added); and
- e. “**Our moving professionals can custom wrap and crate any item to make sure it get to your destination without a scratch**.” (emphasis added).<sup>22</sup>

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<sup>21</sup> In truth and in fact as Defendants well knew, Defendant SAFEWAY was formed on or about June 25, 2015, and had not been established and/or operating since 2001.

<sup>22</sup> Similarly, the website for Defendant SAFEWAY’s d/b/a, Apex Moving and Storage, falsely claims the company was established in 2005, and deceptively represents that: “ABOUT US... Apex **promises to efficiently and expediently pack and ship your personal effects without damage or loss – no matter the distance!**” (emphasis added).

71. In addition, a website associated with Defendant SPARTAN MOVING ([www.spartanmovingsystem.com](http://www.spartanmovingsystem.com)) contains the same (virtually identical) misleading representations regarding the Enterprise's Moving Services as does the website for "Spartan Van Lines" ([www.spartanvanline.com](http://www.spartanvanline.com)) (the d/b/a used by both Defendants US MOVING and MSI). For example, each of these websites states, among other things:

a. Who We Are

"Customer satisfaction is the main focus at [Spartan Moving System / Spartan Vanlines]. Let our **professional and experienced staff** handle every aspect of your relocation—from packing your delicate items, to **safely transporting** them to your new home, and finally delivering your shipment **in a timely manner**. You won't be disappointed with our affordable and **high-quality moving services!**" (emphasis added)

b. Our Services

"Are you looking for a **reliable and professional** moving company in [Hallendale Beach, Florida/Pennsylvania]? [Spartan Moving System Inc. / Spartan Vanlines] offers a variety of affordable moving services to make sure your relocation is simple and **stress-free**. ...

Local Moves... We **carefully load** your belongings and **quickly transport** them to your new home...

Long Distance Moves... Moving long distance is stressful and complicated (sic) at [Spartan Moving System Inc. / Spartan Vanlines] we will make your long distance relocation as smooth and easy as possible. **We efficiently load the truck to prevent damage to your items** during the long trip to your new home, and deliver your shipment expediently to ease your transition...." (emphasis added)

c. About US

"**Established in 2008**, [Spartan Moving System / Spartan Vanlines] is a family owned business dedicated to making your move a breeze. Located in [Hallendale Beach, Florida / Pennsylvania], we provide a variety of **professional** moving services designed to fit your needs. (emphasis added)<sup>23</sup>

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<sup>23</sup> In truth and in fact as Defendants well knew, Defendant SPARTAN MOVING was formed on or about March 3, 2016, and had not been established and/or operating since 2008. However, Spartan Moving Systems, Inc., an unrelated motor carrier operating out of Santa Clara, California was in fact established and began operating on or about April 23, 2008.

72. The Defendants' websites each contain a separate, toll-free telephone number for consumers to call for information regarding their Moving Services. The Defendants' Enterprise also utilizes third party marketers or lead generators to solicit consumers and/or refer consumers to Defendants' sales representatives. Consumers who contact the Enterprise's agents over the telephone are again reassured that their household goods will be moved with the utmost care by the Defendants' "professional," "highly trained" and/or "expert" movers.

73. In reality, many consumers who hired the Defendants to move their household goods (either intrastate within Florida or interstate) were often confronted with unskilled, day laborers who loaded and unloaded the consumers' belongings with little regard for their property. Consumers who complain about damage to their property during the moves are regularly met with rude, aggressive, threatening and even abusive language from the movers and/or office personnel.

74. Although the Defendants and their agents promise consumers that they will take exceptionally good care of the consumers' household goods during the (intrastate or interstate) move, they routinely do not provide such care. Moreover, the Defendants do not compensate consumers for the damage and/or loss of their property (through theft or otherwise) that occurs during the move, often due to the intentional or reckless conduct of the Defendants' agents.

75. The Defendants repeatedly make these false promises and deceptive representations to consumers despite knowing that their agents routinely damage, lose and/or steal consumers' valuable property during the moves. Nevertheless, the Defendants fail to disclose these material facts to customers.

76. The Defendants, implicitly or explicitly, condone their agent's misbehavior in connection with providing their Moving Services. To allay consumers' fears regarding the damage or loss of property, the Defendants often advise consumers that they will receive, at no additional

charge, insurance coverage required by law (totaling up to 60 cents per pound). However, the Defendants do not disclose (on their websites or otherwise) that their customers will likely need to purchase additional, supplemental insurance to protect themselves from a known and likely loss resulting from the Defendants' use of untrained, day laborers who often engage in intentional or reckless malfeasance during the move.

77. In numerous instances, the consumers' expensive household goods (such as computers, flat screen televisions, electronics, appliances, artwork or tools) are simply not delivered or are delivered in a severely damaged or unusable condition. The Defendants, however, often provide either no recompense or only a *de minimis* amount of compensation. In essence, the Defendants and their agents often deceptively use the statutory insurance cap provided under Florida law (limiting liability for missing or damaged items to 60 cents per pound), as a "license to steal."

**Additional Deceptive Activities as "Mover" or "Household Goods Motor Carrier"**

78. In numerous instances, while acting as an intrastate "mover" or as an interstate "household goods motor carrier," the Defendants have made various misrepresentations and deceptive representations to their consumer customers. Among other things, the Defendants often misrepresent or fail to properly disclose material facts concerning the true price, nature, extent, qualities, or characteristics of the Moving Services (including accessorial services) being offered or provided.

79. For example, although Defendants typically provide consumers with a written estimate for their Moving Services, the estimates often do not comply with Florida law or federal (FMCSA) regulations. For example, the estimates are not always dated; they often do not reflect the proposed date of the move; nor do they identify the physical address of the location where the

goods will be held pending further transportation. In many instances, the estimates are not signed by the Defendants' representative and the individual shipper, nor is a dated copy of the estimate provided to the individual shipper at the time it is executed by the Defendants. Likewise, in some instances, the written estimate does not clearly indicate to the consumer whether it is a "binding" or a "non-binding" estimate.

80. In numerous instances, the Defendants have provided consumers with written estimates (either "binding" or "non-binding") that are false and/or misleading. In many cases, for example, the estimates materially understated the total charges that were likely to be generated in connection with the household goods move. More specifically, in numerous instances, the Defendants' written estimates are deceptive, in that they, among other things:

- a. fail to reflect all of the Moving Services and other related services (including for loading, transportation or shipment, unloading and accessorial services) the Defendants know will be charged for the move;
- b. are not properly based on a physical survey of the consumer's household goods;
- c. do not contain a reasonably accurate estimate of the approximate costs the individual shipper should expect to pay for the transportation and other services to be provided;
- d. are falsely denoted as being "binding estimates," with total costs not to exceed the estimated amount, in order to induce consumers to waive their right to an estimate based on a physical survey of the household goods;
- e. are routinely ignored by the Defendants and their agents at the time of the move, and are not honored for purposes of relinquishing possession of the consumer's household goods;
- f. do not clearly and conspicuously disclose the form of payment the Defendants or their agents will actually honor at delivery;
- g. contain dates or date ranges for the pickup or delivery of the consumer's household goods that the Defendants routinely ignore; and/or
- h. are amended by the Defendants or their agents after loading the shipment.

81. As noted above, although the Defendants generally provide consumers with either a “binding” or “non-binding” estimate, they often do not honor those estimates at the time of the move. Instead, in numerous instances, after the Defendants’ agents arrive and begin loading the consumers’ household goods onto a moving truck, the consumers are then confronted with a significantly higher monetary demand than previously quoted to them to obtain release of their property from the Defendants and/or their affiliates. In some instances, the Defendants demand payment from consumers for services and fees that the consumer had not previously requested nor had they previously been informed about.

82. Often, the Defendants and/or their agents demand that the new, higher amount be paid by the consumer in cash, although this form of payment had not previously been clearly and conspicuously specified as being required in the original estimate or in other documents agreed to by the consumer. In other instances, the Defendants refuse to relinquish the consumers’ household goods notwithstanding that an acceptable form of payment under the estimate or service agreement was tendered. If the consumer refuses to pay the new, higher amount demanded for the move (or refused to submit to their demand for cash), the Defendants and their affiliates will often threaten to retain the consumers’ household goods and to add “storage” or other “redelivery” fees to the amount they were demanding be paid.

83. In numerous instances, the Defendants provide consumers with a document purporting to be a “binding” estimate. The consumers are led to believe that these “binding” estimates will lock-in the rate the consumer will be required to pay to complete their household move. Notwithstanding the issuance of a “binding” estimate, the Defendants and their agents often refuse to relinquish possession of the consumer’s goods at the time of delivery, despite attempts

by the consumer to tender the full amount of the binding estimate (plus other statutorily authorized charges).

84. Likewise, in other instances, the Defendants provide consumers with “non-binding” estimates that, upon information and belief, are not reasonably accurate and materially underestimated the total cost of the move; notwithstanding that estimate, the Defendants or their agents have failed to relinquish possession of a consumer’s goods until after the consumer pays substantially more than 110 percent of the non-binding estimate (plus other statutorily authorized charges, including for “impracticable operations”) at the time of delivery.

85. The Defendants continue to provide consumers with these supposed “binding” or “non-binding” estimates despite knowing that the estimates are unfair and deceptive. In numerous instance, the estimates are artificially low; they are illusory; and they are routinely ignored by the Defendants’ agents during the moves.

86. In addition, Defendants have often misrepresented or deceptively represented the timeframe or schedule for pickup or delivery or storage of household goods estimated. In numerous instances, the Defendants or their affiliates have arrived late to pick up the consumers’ goods or have delivered the consumers’ goods well beyond (sometimes weeks beyond) the promised delivery dates/ranges. Nevertheless, the Defendants have failed to provide these consumers with reasonable notice of those delays, and/or failed to provide appropriate recompense to those consumers.

87. In some instances, the Defendants or their agents have refused to relinquish a consumer’s household goods that included prescription medicines and/or goods for use by children, including children’s furniture, clothing and toys.

88. Numerous consumers have filed complaints with the Attorney General and/or other consumer protection agencies regarding the Defendants' deceptive and unfair business practices as it related to their intrastate and/or interstate Moving Services. Consumer complaints against the Defendants have included, but are not limited to, the following deceptive and unfair practices:

- a. the Defendants use "bait-and-switch" tactics by providing consumers with one moving quote **prior** to collecting consumers' household goods and thereafter increasing the moving quote **after** the movers arrive and begin loading the consumers' household goods onto the Defendants' moving trucks;
- b. the Defendants hold consumers' household goods hostage **after** all or a portion of the household goods are loaded onto the moving truck and thereafter refused to release the household goods unless consumers make additional payments (often required to be paid in cash);
- c. the Defendants deliver consumers' household goods in broken or damaged condition and fail or refuse to provide recompense to the consumers;
- d. the Defendants deliver consumers' household goods with various items missing and fail or refuse to provide recompense to the consumers;
- e. the Defendants collect consumers' household goods on the contracted date (or date range), but thereafter fail to deliver the consumers' household goods and fail or refuse to provide recompense to the consumers;
- f. the Defendants collect consumers' household goods on the contracted date/date range, but thereafter deliver the household goods to the contracted final destination **after** the contracted date/date range and fail or refuse to provide recompense to the consumers;
- g. the Defendants collect consumers' household goods **after** the contracted date/date range and thereafter fail or refuse to provide recompense to the consumers;
- h. The Defendants fail to promptly notify consumers about pickup or delivery delays; and
- i. The Defendants fail or refuse to disclose to consumers the physical address of the location where the consumers' household goods are being held or were to be held.

89. As indicated above, Defendant VAKNIN is the sole officer (president) for Defendants US MOVING, SAFEWAY and SPARTAN MOVING and is actively involved in the

Enterprise's ongoing operations. VAKNIN is an authorized signatory (and often the only authorized signatory) on numerous bank accounts that were opened in the name of the Corporate Defendants, which accounts have been used by the Enterprise to receive funds from consumers. VAKNIN has also communicated directly with consumers seeking moving estimates through the Enterprise websites. Among other things, VAKNIN has utilized the same email addresses that were provided to consumers for the purpose of obtaining estimates and/or making any other inquiries regarding the Defendants' Moving Services.

90. Defendant VAKNIN also opened several merchant processing accounts that have been used by the Enterprise for receiving payments from consumers who purchased Moving Services via their credit card(s). For example, VAKNIN opened several such accounts through Paymentech, LLC and JP Morgan Chase Bank, N.A. on behalf of Defendants US MOVING, SAFEWAY and SPARTAN MOVING, and listed himself on the applications as being the "primary contact" for the account. Thus, VAKNIN would have received notice from these institutions that numerous chargebacks have been requested from consumers who complained, among other things, that their Moving Services have not been rendered or provided as described.

#### **NEED FOR INJUNCTIVE RELIEF**

91. Defendants' acts and practices are likely to mislead consumers acting reasonably under the circumstances, and in fact have misled consumers throughout the State of Florida and elsewhere in direct and indirect (per se) violation of FDUTPA. The above-described acts and practices of Defendants have injured and will likely continue to injure and prejudice the public.

92. Unless Defendants are permanently enjoined from engaging further in the acts and practices complained of herein in direct and indirect violation of FDUTPA, the continued activities

of Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

### COUNT 1

#### **Advertising Violations by Household Goods Motor Carrier (Title 49 C.F.R. Part 375 (§375.207))**

93. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

94. Section 375.207 of the Regulations permits a household goods motor carrier to publish and use advertisements, but requires that any such advertisements be “truthful, straightforward, and honest.”

95. The Defendants, while operating as carriers (and specifically, household goods motor carriers), have engaged in advertising, as defined in Section 375.103 of the Regulations, including on its Internet web site, which advertising includes false, dishonest and misleading representations as described in paragraphs 61 through 77, above. Among other things, the Defendants have repeatedly advertised that their Moving Services were performed by “highly trained”, “professional”, or “expert” movers, when in truth and in fact, and as the Defendants well knew, in numerous instances their Moving Services were performed by unskilled and untrained laborers who regularly damaged, destroyed or stole the consumers’ property.

96. Accordingly, the Defendants have committed violations of Section 375.207 of the Regulations, and (pursuant to Section 375.901 of the Regulations) are subject to the penalty provisions of Title 49 U.S.C. Chapter 149.

97. Section 14901 (General civil penalties) provides, in pertinent part: “...(d) Protection of Household Goods Shippers.— (1) In general.— If a carrier providing transportation of household goods subject to jurisdiction under subchapter I or III of chapter 135 or a receiver or

trustee of such carrier fails or refuses to comply with any regulation issued by the Secretary or the Board relating to protection of individual shippers, such carrier, receiver, or trustee is liable to the United States for a civil penalty of not less than \$1,000 for each violation and for each additional day during which the violation continues.” Pursuant to the Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Appendix B to Title 49 C.F.R. Part 386), a motor carrier of household goods that does not comply with any regulation relating to the protection of individual shippers, is liable for a minimum penalty of \$1,572 per violation.

98. Based on the violations set forth above, Defendant VAKNIN, and the Corporate Defendants operating in the Enterprise, are liable, jointly and severally, for civil penalties under Section 14901 of the I.T.C., as adjusted for inflation pursuant to Appendix B to Title 49 C.F.R. Part 386.

## COUNT 2

### **Failure to Provide Proper Written Estimates by Household Goods Motor Carrier (Title 49 U.S.C. §14104(b) and C.F.R. Part 375 (§375.401))**

99. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

100. Before executing an order for service for a shipment of household goods for an individual shipper, Section 14104(b)(1)(C) of the I.T.C., and Section 375.401 of the Regulations require a household goods motor carrier to provide the shipper with a written estimate of the total charges for the transportation and all related services (including accessorial services such as elevators, long carries, etc.). These provisions further require that the written estimate indicate whether it is a binding or a non-binding estimate, and that it be based on a physical survey of the household goods to be transported, unless: (1) the household goods are located beyond a 50-mile

radius of the location of the household goods motor carrier's agent preparing the estimate; or (2) the individual shipper elects to waive the physical survey, in writing and signed by the shipper before the shipment is loaded.

101. During various time periods material hereto, the Defendants, while operating as carriers (and specifically, household goods motor carriers), have executed orders for service for a shipment of household goods for individual shippers without providing the shipper(s) with a proper, written estimate in compliance with Section 14104(b)(1)(C) of the I.T.C., and Section 375.401 of the Regulations. As more fully described in paragraphs 78 through 90, above, in numerous instances, the Defendants have violated these provisions by, among other things, providing estimates to shippers that:

- a. were not made in a writing that was dated, signed by the Defendants' agents and the individual shipper, and copied and supplied to the individual shipper;
- b. did not include the total amount for all charges for the transportation and related (accessorial) services to be provided;
- c. did not properly indicate whether it was a binding or a non-binding estimate;
- d. were not made based on a physical survey of the household goods to be transported and without a valid exemption from the requirement that such estimates be based on said physical survey;
- e. did not specify the form of payment the Defendants' or their agents would honor at delivery;
- f. when "non-binding," did not contain a reasonably accurate estimate of the approximate costs the individual shipper should expect to pay for the transportation and services of such shipments; and/or
- g. were amended by the Defendants or their agents after loading the shipment.

102. Accordingly, Defendant VAKNIN and the Corporate Defendants operating in the Enterprise have committed numerous violations of Section 14104(b)(1)(C) of the I.T.C., and Section 375.401 of the Regulations, and (pursuant to Section 375.901 of the Regulations) are

liable, jointly and severally, for civil penalties under Chapter 149 of the I.T.C., including, but not limited to Section 14901 (General civil penalties), thereunder, as adjusted for inflation pursuant to Appendix B to Title 49 C.F.R. Part 386.

### COUNT 3

**Failure to Relinquish Goods (Binding Estimate)  
by Household Goods Motor Carrier  
(Title 49 U.S.C. §13707(b)(3) and C.F.R. Part 375 (§§375.403(7) and 375.703(a))**

103. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

104. In numerous instances, while operating as carriers (and specifically, household goods motor carriers), the Defendants have provided individual shippers with “binding” written estimates pursuant to Section 14104(b)(1)(C) of the I.T.C. and Section 375.401(b) of the Regulations.

105. Section 13707(b)(3) of the I.T.C. and Sections 375.403(7) and 375.703(a) of the Regulations require a household goods motor carrier to relinquish possession of a shipment of household goods upon the individual shipper's offer to pay the binding estimate amount (plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for “impracticable operations” not to exceed 15 percent of all other charges due at delivery).

106. As more fully described in paragraphs 78 through 90, above, in numerous instances, the Defendants have failed to relinquish possession of a shipment of household goods to an individual shipper who offered to pay (and in some instances had paid) the binding estimate amount plus applicable charges for additional services requested by the shipper after the bill of

loading has been issued and applicable charges for “impracticable operations” totaling up to 15 percent of all other charges due at delivery.

107. Accordingly, the Defendants have committed numerous violations of 13707(b)(3) of the I.T.C. and Sections 375.403(7) and 375.703(a) of the Regulations, and (pursuant to Section 375.901 of the Regulations) are subject to the penalty provisions of Chapter 149 of the I.T.C., including, but not limited to Section 14901 (General civil penalties) and/or Section 14915 (Penalties for failure to give up possession of household goods) set forth therein.

108. Section 14915(a)(1) of the I.T.C. provides that whoever is found holding a household goods shipment hostage is liable to the United States for a civil penalty of not less than \$10,000 for each violation. Pursuant to Appendix B to Title 49 C.F.R. Part 386, the inflation adjusted amount for such a knowing and willful violation is not less than \$15,727 for each violation.

109. Each day a carrier is found to have failed to give up possession of household goods may constitute a separate violation under Section 14915(a)(2). For purposes of this section, the term “failed to give up possession of household goods” means the knowing and willful failure, in violation of a contract, to deliver to, or unload at, the destination of a shipment of household goods that is subject to jurisdiction under subchapter I or III of chapter 135 of this title, for which charges have been estimated by the motor carrier providing transportation of such goods, and for which the shipper has tendered a payment described in clause (i), (ii), or (iii) of section 13707(b)(3)(A). (See §14915(c) of the I.T.C.).

110. Based on the violations set forth above, Defendant VAKNIN, and the Corporate Defendants operating in the Enterprise are liable, jointly and severally, for civil penalties under

Sections 14901 and/or 14915 of the I.T.C., as adjusted for inflation pursuant to Appendix B to Title 49 C.F.R. Part 386.

**COUNT 4**

**Failure to Pick Up/Tender Shipment and Provide Notification  
by Household Goods Motor Carrier  
(Title 49 C.F.R. Part 375 (§§375.603 and 375.605))**

111. Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

112. Section 375.603 of the Regulations requires that a household goods motor carrier tender a shipment for delivery for an individual consumer on the agreed delivery date or within the period specified on the bill of lading. Section 375.605 provides that, when a motor carrier is unable to perform either the pickup or delivery of a shipment on the dates or during the periods specified in the order for service, as soon as the delay becomes apparent, the carrier must notify the individual shipper of the delay, at the carrier's expense, and advise the individual shipper of the dates or periods when the carrier expects to be able to pick up and/or deliver the shipment, in one of the following six ways: (1) By telephone; (2) In person; (3) Fax transmission; (4) E-mail; (5) Overnight courier; or (6) Certified mail, receipt requested.

113. During various time periods material hereto, the Defendants, while operating as carriers (and specifically, household goods motor carriers), have in numerous instances failed to tender a shipment of household goods for delivery for an individual consumer on the agreed delivery date or within the period specified on the bill of lading in violation of Section 375.603 of the Regulations. In many of these instances, the Defendants knowingly and willfully failed to tender the shipment.

114. Similarly, during various time periods material hereto, the Defendants have failed to timely pick up a shipment of household goods from an individual shipper on the agreed delivery date or within the period specified in the order for service.

115. In many instances, when the Defendants were unable to perform either the pickup or delivery of a shipment on the dates or during the periods specified in the order for service, they failed to promptly notify the individual shipper as soon as the delay had become apparent, and/or advise the individual shipper of the dates or periods when they expected to be able to pick up or deliver the shipment, as set forth in Section 375.605.

116. Accordingly, as more fully described in paragraphs 78 through 90, above, the Defendants have committed numerous violations of Sections 375.603 and 375.605 of the Regulations, and (pursuant to Section 375.901 of the Regulations) are subject to the penalty provisions of Chapter 149 of the I.T.C., including, but not limited to Section 14901 (General civil penalties) and Section 14915 (Penalties for failure to give up possession of household goods), thereunder.

117. Based on the violations set forth above, Defendant VAKNIN, and the Corporate Defendants operating in the Enterprise are liable, jointly and severally, for civil penalties under Sections 14901 and 14915 of the I.T.C., as adjusted for inflation pursuant to Appendix B to Title 49 C.F.R. Part 386.

#### **COUNT 5**

**Deceptive and Unfair Trade Practices  
By Mover/Household Goods Motor Carrier  
(DIRECT VIOLATION OF FDUTPA)**

118. The Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

119. Chapter 501.204(1) of FDUTPA (or “the Act”), declares 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.” Misrepresentations, false statements or omissions of material fact constitute deceptive acts or practices prohibited by FDUTPA.

120. The provisions of the Act are to be “construed liberally” to promote the protection of 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.” §501.202, *Fla. Stat.*

121. Section 501.203(3) of FDUTPA defines a violation as any violation of the Act or the rules adopted under the Act and may be based upon, among other things, “...[a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.”

122. Any person, firm, corporation, association, or entity, or any agent or employee thereof, who willfully engages in a deceptive or unfair act or practice is liable for a civil penalty of \$10,000 for each such violation, or a civil penalty of \$15,000 for each such violation if the deceptive or unfair act or practice victimizes or attempts to victimize a senior citizen; willful violations occur when the person knew or should have known that the conduct in question was deceptive or unfair or prohibited by rule. §§501.2075 and 501.2077 *Fla. Stat.*

123. In numerous instances, while engaged in trade or commerce, the Defendants have violated, and/or will continue to violate, Section 501.204 of FDUTPA by, among other things, using deceptive and unfair acts and practices in the advertising, marketing, soliciting, selling or providing of Moving Services to consumers in Florida and elsewhere, as more fully described in

paragraphs 61 through 90, above. Among other things, the Defendants' unfair and deceptive acts and practices have included:

- a. Misrepresenting to consumers, in Defendants' advertising materials and other solicitations, expressly and by implication, the true nature, quality or extent of Moving Services to be provided by the Defendants and their agents;
- b. Misrepresenting to consumers, in Defendants' advertising materials and other solicitations, expressly and by implication, that Defendants' Moving Services would be provided by "highly trained," "professional" or "expert" movers who would transport the consumers' household goods with the utmost care;
- c. using "bait-and-switch" tactics by providing consumers with one moving quote **prior** to collecting the consumer's household goods and thereafter materially increasing the price for the mover **after** the Defendants' agents have arrived at the consumer's dwelling and began loading the consumers' household goods onto the Defendants' moving trucks;
- d. holding consumers' household goods hostage **after** all or a portion of the consumer's household goods have been loaded onto moving trucks, by refusing thereafter to release the household goods unless consumers paid additional material amounts above their prior estimates to the Defendants' agents (often required to be paid only in cash);
- e. failing to disclose that Defendants' Moving Services are regularly performed by untrained and unskilled laborers who act in a careless or reckless manner that often results in substantial, unrecompensed damage to (or loss of) the consumers' household goods;
- f. failing to disclose that Defendants' Moving Services are regularly performed by inept, corrupt and/or dishonest agents who often damage, lose or misappropriate consumers' valuable property during the move;
- g. regularly failing or refusing to provide recompense to consumers whose shipment of household goods is delivered by Defendants' or their agents with various property items missing or damaged;
- h. regularly failing to deliver the consumers' household goods on the promised or agreed upon date/date range and thereafter failing or refusing to provide recompense to the consumers; and
- i. regularly failing to pick up the consumers' household goods after the promised or agreed upon date/date range and thereafter failing or refusing to provide recompense to the consumers.

124. The Defendants' acts and practices, as set forth herein are false, misleading or otherwise deceptive, and likely to mislead a consumer acting reasonably under the circumstances. Numerous consumers within the State of Florida and elsewhere were misled by the acts and practices of Defendants alleged herein. The above-described acts and practices of the Defendants have injured and will likely continue to injure and prejudice the consuming public.

125. The Defendants have violated, and will continue to violate, Section 501.204 of the FDUTPA, by using deceptive and unfair practices in the marketing and selling of Moving Services, as described above. The Defendants willfully engaged in the acts and practices described herein when they knew or should have known that such acts and practices are unfair or deceptive or otherwise prohibited by law.

126. The Defendants are liable for injunctive and other equitable relief (including restitution). Defendant VAKNIN is liable, individually, as he participated in, controlled and/or possessed the authority to control the acts and practices of the Corporate Defendants, and he possessed actual and/or constructive knowledge of all material acts and practices complained of herein.

127. Defendant VAKNIN, and the Corporate Defendants operating in the Enterprise, are also liable, jointly and severally, for civil penalties (as prescribed by Sections 501.2075 and 501.2077, Florida Statutes) for each deceptive or unfair act or practice they willfully engaged in, as set forth above, found to be in violation of FDUTPA.

## COUNT 6

### **Violations of the Florida Moving Act by Intrastate Mover (Constituting A Per Se FDUTPA Violation)**

128. The Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

129. Section 501.204(1) of FDUTPA establishes that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

130. Section 501.203(3)(c) of FDUTPA further establishes that a violation of “any law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices” is a violation of FDUTPA.

131. Section 507.08 of the Florida Moving Act proscribes deceptive and unfair trade practices in connection with intrastate household moves. Specifically, this section provides that: “Acts, conduct, practices, omissions, failings, misrepresentations, or nondisclosures committed in violation of [the F.M.A.] are deceptive and unfair trade practices under [FDUTPA], and administrative rules adopted in accordance with the act.”

132. The Defendants, at various times material hereto, have operated in numerous instances as intrastate “movers” as defined by Section 507.01(9) of the F.M.A. At all times while acting as a mover in connection with the transportation or shipment of household goods originating and terminating in the State of Florida, the Defendants were required to comply with the F.M.A. As more fully described in paragraphs 61 through 90, above, the Defendants violated one or more provisions of the F.M.A. during various periods relevant hereto, which constitute per se FDUTPA violations.

133. In numerous instances, the Defendants violated Section 507.07(3) of the F.M.A. by misrepresenting or deceptively representing:

- a. The contract for services, bill of lading, or inventory of household goods for the move estimated.
- b. The timeframe or schedule for delivery or storage of the household good estimated.
- c. The price, size, nature, extent, qualities, or characteristic of accessorial or moving services offered.

- d. The nature or extent of other goods, services, or amenities offered.
- e. A shipper's rights, privileges, or benefits.

134. The Defendants also violated Section 507.07(4) of the F.M.A. by failing to honor and comply with all provisions of the contract for services or bill of lading regarding the purchaser's rights, benefits, and privileges thereunder. As described above, in numerous instances, the Defendants improperly increased the price charged for the purported Moving Services provided after loading of the consumers' household goods had commenced, they failed to relinquish the goods as required despite a proper tender of payment by the consumer, and they failed to honor the pick-up and delivery dates/date ranges that had been agreed upon with the consumer.

135. The Defendants also violated Section 507.07(5) of the F.M.A. by withholding delivery of household goods or otherwise holding goods in storage against the express wishes of the consumer notwithstanding that payment had been made by the consumer as delineated in the estimate or contract for services. The Defendants also violated Section 507.07(6)(b) of the F.M.A. by committing numerous acts of fraud, misrepresentation, or failure to disclose a material fact, as detailed above.

136. Accordingly, the Defendants' acts and practices described above violate various provisions of a statute (the Florida Moving Act) designed to protect consumers from unfair and deceptive acts or practices, which constitutes a per se violation of FDUTPA, and subject the Defendants to the penalties and remedies provided therein for such violations. Numerous consumers within the State of Florida and elsewhere have been injured by the acts and practices of Defendants alleged herein, which will likely continue to injure and prejudice the consuming public.

137. The Defendants have violated, and will continue to violate the F.M.A., in connection with the marketing, selling or providing of Moving Services, as described above. The Defendants willfully engaged in the acts and practices described herein when they knew or should have known that such acts and practices are unfair or deceptive or otherwise prohibited by law.

138. The Defendants are liable for injunctive and other equitable relief (including restitution). Defendant VAKNIN is liable, individually, as he participated in, controlled and/or possessed the authority to control the acts and practices of the Corporate Defendants, and he possessed actual and/or constructive knowledge of all material acts and practices complained of herein.

139. Defendant VAKNIN, and the Corporate Defendants operating in the Enterprise, are also liable, jointly and severally, for civil penalties (as prescribed by Sections 501.2075 and 501.2077, Florida Statutes) for each deceptive or unfair act or practice in connection with intrastate household moves that they willfully engaged in, as set forth above, that are found to be in violation of the F.M.A., a *per se* violation of FDUTPA.

#### COUNT 7

**Violations of the I.T.C. and FMCSA Regulations  
by Interstate Household Goods Motor Carrier  
(Constituting A Per Se FDUTPA Violation)**

140. The Plaintiff adopts, incorporates herein and re-alleges paragraphs 1 through 92 as if fully set forth hereinafter.

141. Section 501.204(1) of FDUTPA establishes that unfair or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

142. Section 501.203(3)(c) of FDUTPA further establishes that a violation of “any law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices” is a violation of FDUTPA.

143. The I.T.C. and FMCSA Regulations were intended to promote competitive and efficient transportation services in order to, among other things, “encourage fair competition, and reasonable rates for transportation by motor carriers of property” and “meet the needs of shippers, receivers, passengers, and consumers.” (See §13101(a)(2)(A) and (C) of the I.T.C.). Likewise, Title 49 C.F.R. Part 375 (Transportation of Household Goods in Interstate Commerce; Consumer Protection Regulations) sets forth the specific consumer protection regulations governing the transportation of household goods in interstate commerce.

144. The Defendants, at various times material hereto, have operated in numerous instances as interstate “household goods motor carriers,” and were required to follow all of the regulations set forth in Part 375 of the FMCSA Regulations. (See §375.101 of the Regulations). As described above, the Defendants violated one or more provisions of the I.T.C. and/or FMCSA Regulations during various periods relevant hereto, which constitute per se FDUTPA violations.

145. To protect consumers, the I.T.C. and/or FMCSA Regulations require, among other things, that:

- a. All advertisements published and used by a household goods motor carrier be “truthful, straightforward, and honest” (§375.207);
- b. The carrier must specify the form of payment that will be required at delivery when the estimate is prepared; include that same form of payment in the order for service and bill of lading; and accept that same form of payment at delivery unless the shipper agrees to a change in writing (§375.217);
- c. The carrier provide the shipper with a written (binding or reasonably accurate non-binding) estimate of the transportation and other related charges before executing an order for service for shipment of household goods (§§375.401 and 375.405(b));

- d. The carrier relinquish possession of a shipment of household goods upon the individual shipper's offer to pay the binding estimate amount (plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for "impracticable operations" not to exceed 15 percent of all other charges due at delivery) (I.T.C. §13707(b)(3) and §§375.403(7) and 375.703(a));
- e. The carrier relinquish possession of a shipment of household goods upon the individual shipper's offer to pay 110 percent of the non-binding estimate amount (plus charges for any additional services requested by the shipper after the bill of lading has been issued and charges, if applicable, for "impracticable operations" not to exceed 15 percent of all other charges due at delivery) (I.T.C. §13707(b)(3) and §§375.405(8), 375.407(a) and 375.703(b));
- f. The carrier tender a shipment for delivery for an individual consumer on the agreed delivery date or within the period specified on the bill of lading (§375.603); and
- g. The carrier notify the individual shipper by certain specified means as soon as a delay in the pick up or delivery of household goods becomes apparent to the carrier (§375.605).

146. As more fully described in paragraphs 61 through 90, above, in numerous instances during periods material to this Complaint, the Defendants violated the I.T.C. and FMCSA Regulations (including those set forth above) by, among other things:

- a. Publishing and using advertisements that were materially false and misleading;
- b. Providing binding or non-binding estimates to consumer that were materially false and misleading, including as to the services to be provided and charges to be incurred;
- c. Requiring consumer to use a different form of payment at the time of delivery that specified when the estimate was prepared;
- d. Failing to relinquish possession of a shipment of household goods upon the proper payment or proper tender of payment of the amount required on a binding or non-binding estimate by an individual shipper;
- e. Failing to tender a shipment for delivery to an individual consumer on the agreed delivery date or within the period specified on the bill of lading; and
- f. Failing to provide required notice to the individual shipper when a delay in the pick up or delivery of household goods was apparent.

147. Accordingly, the Defendants' acts and practices described above violate various provisions of a statute (the I.T.C. and related FMCSA Regulations) designed to protect consumers from unfair and deceptive acts or practices, which constitute *per se* violations of FDUTPA, and subject the Defendants to the penalties and remedies provided therein for such violations. Numerous consumers within the State of Florida and elsewhere have been injured by the acts and practices of Defendants alleged herein, which will likely continue to injure and prejudice the consuming public.

148. The Defendants have violated, and will continue to violate the I.T.C. and related FMCSA Regulations in connection with the marketing, selling and/or providing of Moving Services, as described above. The Defendants willfully engaged in the acts and practices described herein when they knew or should have known that such acts and practices are unfair or deceptive or otherwise prohibited by law.

149. The Defendants are liable for injunctive and other equitable relief (including restitution). Defendant VAKNIN is liable, individually, as he participated in, controlled and/or possessed the authority to control the acts and practices of the Corporate Defendants, and he possessed actual and/or constructive knowledge of all material acts and practices complained of herein.

150. Defendant VAKNIN, and the Corporate Defendants operating in the Enterprise, are also liable, jointly and severally, for civil penalties (as prescribed by Sections 501.2075 and 501.2077, Florida Statutes) for each deceptive or unfair act or practice in connection with interstate household moves that they willfully engaged in, as set forth above, that are found to be in violation of the F.M.A., a *per se* violation of FDUTPA.

**PRAYER FOR RELIEF**

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

A. ENTER judgment in favor of Plaintiffs and against the Defendants for each Count alleged in this Complaint.

B. ASSESS civil penalties against the Defendants, jointly and severally, in the inflation adjusted amount of Fifteen Thousand Seven Hundred Twenty-seven Dollars (\$15,727.00) for each household goods shipment Defendants are found to have knowingly and willfully held hostage, pursuant to Section 14915(a)(1) of the I.T.C. and Appendix B to Title 49 C.F.R. Part 386, and for each day the Defendants are found to have failed to give up possession of such a hostage household goods shipment, pursuant to Section 14915(a)(2) of the I.T.C.

C. ASSESS civil penalties against the Defendants, jointly and severally, in the inflation adjusted amount of One Thousand Five Hundred Seventy-Two Dollars (\$1,572.00) for each additional (non-hostage) violation of the I.T.C. and/or FMCSA Regulation, pursuant to Section 14901 of the I.T.C., and Appendix B to Title 49 C.F.R. Part 386.

D. Permanently ENJOIN the Defendants, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with the Defendants who receive actual notice of this injunction, prohibiting and enjoining such persons from, directly or indirectly:

1. Committing future violations of FDUTPA, including, but not limited to making false and/or misleading representations to consumers in advertisements or otherwise regarding the nature, quality, extent, price timing and/or characteristics of the Moving Services being offered or provided;
2. Committing future violations of the Florida Moving Act, constituting a *per se* violation of FDUTPA, including, but not limited to:
  - a. Violating Section 507.07(3) of the F.M.A. (misrepresentations or deceptive representations);

- b. Violating Section 507.07(4) of the F.M.A. (failing to honor contract for services or bill of lading);
  - c. Violating Section 507.07(5) of the F.M.A. (withholding delivery of household goods); and
  - d. Violating Section 507.07(6)(b) of the F.M.A. (fraud, misrepresentation or failure to disclose material facts);
3. Committing future violations of the I.T.C. and/or FMCSA Regulations, constituting a *per se* violation of FDUTPA, including, but not limited to:
- a. Violating Section 375.207 of the Regulations (false and misleading advertising);
  - b. Violating Section 375.217 of the Regulations (form of payment);
  - c. Violating Section 375.401 of the Regulations (written estimates);
  - d. Violating Section 13707(b)(3) of the I.T.C. and Sections 375.403(7) and 375.703(a) of the Regulations (release of goods on binding estimates);
  - e. Violating Section 375.603 of the Regulations (failure to tender shipment); and
  - f. Violating Section 375.405 of the Regulations (failure to notify);

E. AWARD consumer restitution and such equitable or other relief as the Court finds appropriate, pursuant to Section 501.207, Florida Statutes;

F. ASSESS civil penalties in the amount of Ten Thousand Dollars (\$10,000.00) as prescribed by Section 501.2075, Florida Statutes, or Fifteen Thousand Dollars (\$15,000.00) for victimized senior citizens as prescribed by Section 501.2077, Florida Statutes, for each act or practice found to be in violation of FDUTPA;

G. AWARD attorneys' fees and costs against the Defendants, jointly and severally, pursuant to Section 501.2075, Florida Statutes, or as otherwise authorized by law.

H. ORDER the rescission or reformation of contracts where necessary to redress injury to consumers.

I. ORDER disgorgement of ill-gotten proceeds against the Defendants

J. GRANT such other equitable relief as this Honorable Court deems just and proper.

Dated this 27th day of December, 2018.

Respectfully Submitted,

PAMELA JO BONDI  
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