IN THE COURT OF COMMON PLEAS DELAWARE COUNTY, OHIO

STATE OF OHIO, ex rel.) CASE NO. 14-CVH-010	574
ATTORNEY GENERAL)	
MICHAEL DEWINE) JUDGE MCINTOSH	
PLAINTIFF,))) FINAL JUDGMENT	
v.) ENTRY AND ORDER	
ADD SOURCE, LLC, et al.)	
DEFENDANTS.)	

This cause came to be heard upon Plaintiff State of Ohio, ex rel. Attorney General Michael DeWine's Motion for Default Judgment against Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and Yossi Assaraf. The Court finds the motion well taken and hereby grants and sustains Plaintiff's Motion for Default Judgment against Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and Yossi Assaraf. The Court, based upon that motion, Plaintiff's Complaint, and Plaintiff's Memorandum in Support of Requested Relief hereby renders the following Default Judgment Entry.

FINDINGS OF FACT

- The actions of Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and Yossi Assaraf ("Defendants"), hereinafter described, have occurred in Franklin County and other counties in Ohio.
- Defendants Add Source, LLC ("Add Source") and AdSource, LLC ("AdSource") are limited liability companies registered in the State of Oregon with the same mailing address: PO Box

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- 701, Portland, OR 92239. Defendants Add Source and AdSource occasionally do business as "AddSource."
- 3. Defendant 24/7 Locksmith Advertising, LLC ("24/7 Locksmith") is a limited liability company registered in the State of Oregon with a principal place of business at 4505 SW Corbett Ave, Portland, OR 97239.
- 4. Defendant Yossi Assaraf ("Assaraf") is an individual and resident of the State of Oregon with an address at 4123 SW Corbett Ave, Portland, OR 97239.
- 5. Defendants create and operate numerous websites advertising locksmithing services. Some of these websites include:
 - a. 247-locksmithcolumbus.com
 - b. 247-locksmithcincinnati.com
 - c. 247-locksmithcleveland.com
 - d. dublin-locksmith.com
 - e. ketteringlocksmith.org
 - f. daytonlocksmith.org
 - g. fivestarclevelandlocksmith.com
 - h. worthingtonlocksmith.org
- 6. The websites identified in paragraph 5 above are designed by Defendants to look like they are for locksmithing companies based in the cities they mention.
- 7. Defendants advertise on internet search engines, such as Google. The advertisements are designed to appear when an individual enters searches such as "locksmith in [City]" or "[City] locksmith."

- 8. Despite appearing to be local companies, the websites identified are not Ohio companies, and are not business entities. When a consumer calls the phone number listed on the website, the call is transferred to a call center outside of Ohio which is operated by Defendants. The same call center is used for all of the websites.
- 9. When a consumer calls, Defendants' call center sends a referral to a contracted locksmith in the consumer's area. The call center does not identify itself by using Defendants' names, and does not disclose that it does not employ the locksmith it sends to the consumer.
- 10. Some of Defendants' websites advertise a price, often of \$19. When the contracted locksmith shows up to assist the consumer, the locksmith charges amounts significantly in excess of the advertised price. Some of Defendants' websites do disclose that there may be prices in addition the \$19 charge, and list minimum prices for certain services. When the locksmith shows up, however, the locksmith charges significantly more than the minimum prices. Defendants know that the prices listed on their websites are unrealistic. The listed prices induce consumers into using Defendants' services.
- 11. The consumer pays the contracted locksmith directly and does not pay Defendants. The contracted locksmith provides a receipt under its name to the consumer, and the consumer is not given any record that mentions Defendants. The contracted locksmith then pays Defendants a portion of the amount the consumer paid the contracted locksmith.
- Defendants AdSource, LLC, Add Source, LLC, 24/7 Locksmith Advertising, LLC are not registered business names in Ohio.
- 13. Defendants' websites contain many statements about the quality and characteristics of their services that are not true. Examples of these statements include, but are not limited to:

 "Dayton Locksmith is located in downtown Dayton," "We're staffed 24 hours a day with the

best locksmiths in town," "We've opened thousands of car doors safely," "Kettering Locksmith is located in downtown Kettering," "We've got the best staff of licensed, bonded and insured locksmiths out there," "Great residential services by bonded and insured technicians," "Whenever you need a reliable, local locksmith service – you can rest assured that there is a technician nearby," and "Our locksmiths are licensed and bonded technicians."

CONCLUSIONS OF LAW

- 14. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the Consumer Sales Practices Act ("CSPA").
- 15. This Court has venue to hear this case pursuant to Civ. R. 3(B)(3), in that Defendants conducted some of the transactions complained of in Franklin County.
- 16. The Ohio Attorney General is the proper party to commence these proceedings under the authority provided him under the CSPA, R.C. 1345.07.
- 17. Defendants are "suppliers" as the term is defined in the CSPA, R.C. 1345.01(C), as Defendants were, at all times relevant herein, engaged in the business of effecting consumer transactions by selling and advertising locksmithing services to consumers for purposes that were primarily for personal, family, or household use, within the meaning specified in R.C. 1345.01(A) and (D).
- 18. Defendants committed unfair, deceptive, and unconscionable acts or practices in connection with their solicitation and provision of locksmithing services in violation of R.C. 1345.02, 1345.03, and the Substantive Rules, including O.A.C. 109:4-3-03(B) and 109:4-3-10(A), by:
 - a. Advertising in ways that induced consumers to believe that Defendants were companies located in the consumer's city when Defendants were not, by listing on

- their websites words and phrases that induced the consumer to believe the Defendants were located in that city, in violation of R.C. 1345.02 and 1345.03.
- b. Stating that Defendants' services had sponsorship, approval, performance characteristics, accessories, uses, or benefits that they did not have, in violation of R.C. 1345.02(B)(1) and O.A.C. 109:4-3-10(A), including that:
 - i. Defendants employed licensed, bonded, and insured locksmiths,
 - ii. Defendants have opened thousands of car doors safely, and
 - iii. Defendants are located in cities that they are not located in.
- c. Stating that a specific price advantage for Defendants' transactions existed when it did not, including by listing estimated minimum prices that were unrealistic, in violation of R.C. 1345.02(B)(8).
- d. Securing the first contact with the consumer through deception, by listing a fake name and location on Defendants' websites, in violation of R.C. 1345.02 and O.A.C. 109:4-3-03(B)(2).
- e. Failing to register as a foreign corporation or trade name with the Ohio Secretary of State, in violation of R.C. 1345.02.
- 19. The acts and practices listed in Paragraphs 18 of this Order have been previously determined by Ohio courts or rules to violate the CSPA. Defendants committed said violations after such court decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

<u>ORDER</u>

THEREFORE IT IS ORDERED, ADJUDGED, AND DECREED THAT:

A. Plaintiff's request for Declaratory Judgment is GRANTED, and it is therefore

DECLARED that the acts and practices set forth above violate the CSPA, R.C. 1345.01 et seq.,

and the Substantive Rules, O.A.C. 109:4-3-03 and 109:4-3-10, in the manner set forth therein.

B. Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and

Yossi Assaraf, their partners, agents, servants, representatives, salespersons, employees,

successors or assigns, and all persons acting in concert and participation with them directly or

indirectly through any corporate device, partnership or association, in connection with any

consumer transaction, are hereby PERMANENTLY ENJOINED from engaging in any unfair,

deceptive, and unconscionable acts and practices that violate the CSPA, R.C. 1345.01 et seq.

C. Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and

Yossi Assaraf are ordered to change the websites listed in Paragraph 5 to make the websites

comply with the CSPA as described in this Order, or in the alternative are ordered to take down

the websites. Defendants shall make these changes or take down the websites within fourteen

(14) days of this Order.

D. Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and

Yossi Assaraf are ordered, jointly and severally, to pay civil penalties to the Ohio Attorney

General in the total amount of Fifty Thousand Dollars (\$50,000). Payment shall be made

payable to the "Ohio Attorney General" and sent within seven (7) days of this order to:

Financial Assistant

Office of Ohio Attorney General Mike DeWine

30 E. Broad St., 14th Floor

Columbus, Ohio 43215.

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E.	Defendants Add Source, LLC, AdSource, LLC, 24/7 Locksmith Advertising, LLC, and	
Yossi	Assaraf are ORDERED, jointly and severally, to pay all court costs associated with this	
matter		
F.	This is a final appealable order; there is no just reason for delay. The Clerk is	
hereby instructed to serve the parties in accordance with Civ. R. 58(B) as set forth above.		
IT IS	SO ORDERED.	

JUDGE STEPHEN MCINTOSH

DATE

Franklin County Court of Common Pleas

Date:

02-11-2015

Case Title:

OHIO STATE ATTORNEY GENERAL MICHAEL DEWI -VS- ADD

SOURCE LLC ET AL

Case Number:

14CV010574

Type:

DEFAULT JUDGMENT FOR CASE

It Is So Ordered.

/s/ Judge Stephen L. McIntosh

Electronically signed on 2015-Feb-11 page 8 of 8