

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COUR DIVISION

STATE OF NORTH CAROLINA, *ex rel.*
ROY COOPER, Attorney General,

Plaintiff,

v.

FUQUAY COMPUTERS PROTECH
COMPUTERS, LLC d/b/a RALEIGH GEEKS;
TIMOTHY J. STAIE, JR. as manager of
RALEIGH GEEKS and d/b/a CAVEMAN
COMPUTERS; GARRETT J. FOSTER as
manager and member of FOSTERS
COMPUTERS, LLC d/b/a FUQUAY
COMPUTER CENTER and PROTECH
COMPUTERS; STEVEN A. LEO as owner
and president of S&L TECH SYSTEMS,

Defendants.

**COMPLAINT
AND
REQUEST FOR TEMPORARY
RESTRAINING ORDER**

INTRODUCTION

1. The State of North Carolina, by and through Attorney General Roy Cooper (“State”), brings this action against Fuquay Computers Protech Computers, LLC d/b/a Raleigh Geeks; Foster Computers, LLC d/b/a ProTech Computers and Fuquay Computer Center; S&L Computers, Inc. and their managers, owners, and members, including Timothy J. Staie, Jr., Garrett J. Foster, and Steven A. Leo alleging violations of the Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. § 75-1.1, *et seq.*, for deliberately deceiving and misleading consumers seeking computer repair. The State seeks a Temporary Restraining Order and other injunctive relief against defendants, civil penalties, restitution for victims, attorneys’ fees, and other costs.

PARTIES

2. Plaintiff is the State of North Carolina, by and through its Attorney General, Roy Cooper, who brings this action pursuant to authority granted by Chapters 75 and 114 of the North Carolina General Statutes.

3. Defendant Fuquay Computers Protech Computers, LLC is a privately-owned, limited-liability corporation formed under the laws of North Carolina, created in September 2012, and doing business at 1311 North Main Street, Fuquay-Varina, North Carolina 27526. On November 7, 2013, Fuquay Computers Protech Computer LLC filed a certificate with the Wake County Register of Deeds to conduct business as “Raleigh Geeks.” On information and belief, Fuquay Computers Protech Computers LLC continues to operate despite being administratively dissolved by the North Carolina Secretary of State in February 2014.

4. Defendant Foster Computers, LLC is a privately-owned limited-liability corporation formed under the laws of North Carolina, created in May 2010. On July 8, 2010, Foster Computers, LLC filed certificates with the Wake County Register of Deeds to conduct business as “ProTech Computers” at its 546 East Williams Street, Apex, North Carolina 27502 location and as “Fuquay Computer Center” at its 1311 North Main Street, Fuquay-Varina, North Carolina 27526 location. On information and belief, Foster Computers, LLC continues to operate despite being administratively dissolved by the North Carolina Secretary of State in May 2013.

5. Defendant S&L Tech Systems, Inc. is a privately-owned for-profit corporation formed under the laws of North Carolina, created in March 2010. Defendant Steven A. Leo (“defendant Leo”) is the president and, on information belief, owner of S&L Tech Systems, Inc. As such, defendant Leo formulated and controlled the business practices, representations, acts,

and/or omissions of some or all of the businesses which are enumerated in this Complaint. On information and belief, S&L Tech Systems, Inc. continues to operate despite being administratively dissolved by the North Carolina Secretary of State in January 2014.

6. Defendant Timothy J. Staie, Jr. (“defendant Staie”) is a North Carolina resident. On May 7, 2009 defendant Staie filed a certificate with the Wake County Register of Deeds to conduct business as “Caveman Computers.” Defendant Staie has also listed himself as manager of Fuquay Computers Protech Computers LLC. Defendant Staie formulated and controlled the business practices, representations, acts, and/or omissions of some or all of the businesses which are enumerated in this Complaint.

7. Defendant Garrett J. Foster (“defendant Foster”) is a North Carolina resident. Defendant Foster is a member and manager of Foster Computers, LLC and all related businesses. Defendant Foster formulated and controlled the business practices, representations, acts, and/or omissions of some or all of the businesses which are enumerated in this Complaint.

8. On information and belief, defendants collectively have functioned and represented themselves to North Carolina consumers as a single commercial enterprise (hereinafter referred to as “Raleigh Geeks”).

9. At all times relevant to this action, Raleigh Geeks has operated from four locations: (1) 1020 Glenwood Avenue, Raleigh, North Carolina 27605; (2) 546 East Williams Street, Apex, North Carolina 27502; (3) 1311 North Main Street, Fuquay-Varina, North Carolina 27526; and (4) 5572 North Carolina Highway 42 West, Garner, North Carolina 27529. Although located in different cities, on information and belief, defendants’ different locations operate in concert and are not functionally separate entities.

FACTUAL ALLEGATIONS

10. Defendants collectively have offered, and continue to offer, computer and/or other information technology repair services at their locations in Raleigh, Fuquay-Varina, Garner, and Apex. At all times relevant to this action, defendants have purported to do business from premises located in Wake and Johnston counties.

11. Since 2009, numerous North Carolina consumers have reported being misled when they took their computers to Raleigh Geeks for repair. Raleigh Geeks has asked consumers to pay for repairs up front, only to then string the consumer along for weeks or months. During that time, Raleigh Geeks promises phone calls to keep consumers updated, but rarely makes these calls. When a consumer complains about how long a repair is taking, Raleigh Geeks has mollified them with recurring excuses and hollow promises that the issues will be fixed in the near future. Other times, consumers are offered no explanation for the delay.

12. Consumers have reported that when Raleigh Geeks returns a machine entrusted to it for repair, the machine is often in worse shape than when the consumer brought it in. Raleigh Geeks has also given consumers completely different machines, claiming it was the consumer's original one. Other times, Raleigh Geeks has outright refused to return consumers' machines at all. When consumers request a refund, they are rarely given one.

13. On information and belief, the consumer experiences detailed herein are not isolated incidents. Instead, Raleigh Geeks's actions are so pervasive that they represent recurring and on-going violations of the North Carolina Unfair and Deceptive Trade Practices Act, N.C. Gen. Stat. § 75-1.1, *et seq.* ("UDTPA").

14. The experiences of the following consumers exemplify some of Raleigh Geeks's abusive business practices and how those practices, as explained immediately thereafter, constitute violations of the UDTPA.

Experiences of Affiant Caitlin Boyce

15. On February 13, 2013, Affiant Caitlin Boyce took her water-damaged MacBook computer to Raleigh Geeks's Glenwood Avenue location for repair. *See* Boyce Aff., attached as Exhibit A. The Raleigh Geeks employee told Ms. Boyce that he would have her computer diagnosed within twenty-four (24) hours, after which time he would give her a call. Raleigh Geeks never called Ms. Boyce. Instead, over the next six (6) days, Ms. Boyce had to call Raleigh Geeks repeatedly to inquire about her repair.

16. Finally, on February 19, 2013, when Ms. Boyce called Raleigh Geeks she was told her repair would be done that evening at a cost of around \$250. That evening, Ms. Boyce retrieved her computer and paid \$258.94 for the repair. According to Ms. Boyce, the receipt she signed included a 60-day guaranteed refund for unsatisfactory parts and repairs.

17. When Ms. Boyce got her computer home that evening it would not turn on. She immediately called Raleigh Geeks and arranged to bring her computer back in the next morning, which she did.

18. Two days after she had dropped off her computer with Raleigh Geeks a second time, they called and told Ms. Boyce that her motherboard needed to be replaced. Ms. Boyce consented to the repair, and that night she went to Raleigh Geeks and paid an additional \$64.05. When she picked up the computer, Ms. Boyce tested it in the store and noticed that the date on the home screen was inaccurate, that the keyboard had been replaced, that the computer's aluminum casing now felt plastic, and that the computer seemed to be running slowly and making an unusual sound. A Raleigh Geeks employee assured Ms. Boyce that her computer was indeed fixed and had been running all day. Based on those assurances, Ms. Boyce took her computer home.

19. When Ms. Boyce got her computer home, it again failed to boot up. Since the lack of a computer was hurting her school performance, Ms. Boyce decided to seek a refund so she could buy another laptop.

20. On February 23, 2013, Ms. Boyce took her computer and her receipts into Raleigh Geeks and requested a refund. Ms. Boyce also requested that all of her original parts be replaced (including her hard drive). The Raleigh Geeks employee said he could do that if she gave him both the computer and her receipts, so he could get approval for the refund. That was the last time Ms. Boyce saw her computer.

21. Over the next several months, Ms. Boyce tried repeatedly to get her refund and her property back. She has called and visited the Raleigh Geeks store. She reports being put on hold multiple times for over forty minutes – only to eventually be hung up on. Raleigh Geeks repeatedly promised to call her back and then never did. Ms. Boyce was left waiting in the Raleigh Geeks lobby for over an hour, only to be sent home expecting a call from them that never came. In May 2013, Ms. Boyce was told her computer was at the warehouse, but that the employee did not know where that warehouse was located. In June 2013, Ms. Boyce twice reached a regional manager named “Jeff,” who promised to personally go look in the warehouse for her computer and mail her a refund. Having received neither her computer nor her refund, Ms. Boyce later called Raleigh Geeks back only to be told that no one named “Jeff” worked there.

22. Though Ms. Boyce finally convinced her bank to reverse the \$64.05 charge, she still has neither been able to receive a refund of the original \$258.94 that she paid Raleigh Geeks nor retrieve her computer.

23. On August 1, 2013, Ms. Boyce filed a consumer complaint form with the North Carolina Department of Justice. The State forwarded Ms. Boyce's complaint to Raleigh Geeks, who has not responded.

Experiences of Affiant Erin Monteleone

24. In October 2013, Affiant Erin Monteleone took her laptop into the Raleigh Geeks's Fuquay-Varina store to fix her LCD display. *See* Monteleone Aff., attached as Exhibit B. During the seven to ten (7-10) days that she was told it would take to order and install the replacement screen, Ms. Monteleone went into the Raleigh Geeks store to check on her repair and was told she needed to pay \$202.81 for the repair, which she did.

25. After two (2) weeks without hearing from Raleigh Geeks, Ms. Monteleone called to check on her repair and was told by defendant Staie that the LCD screen they had ordered did not work. On that call, defendant Staie also said that Ms. Monteleone's laptop was smoking. Raleigh Geeks told Ms. Monteleone that they would need to order and install a different LCD screen, which would take an additional seven to ten (7-10) days.

26. After going another two (2) weeks without hearing from Raleigh Geeks, Ms. Monteleone called Raleigh Geeks and defendant Staie told her that her computer would be ready the following Monday. Defendant Staie told Ms. Monteleone that if there was a problem, he would call her that Saturday, which he did not.

27. Ms. Monteleone showed up at Raleigh Geeks at 9am that Monday morning to pick up her computer. An agitated defendant Staie told her that he did not have her computer ready and that he didn't "want to deal with this on a Monday!" After arguing with Ms. Monteleone, defendant Staie told her that he would have her laptop repaired in twenty (20) minutes. Defendant Staie went in the back room and brought out a laptop and offered it to Ms. Monteleone as a loaner.

28. Ms. Monteleone refused to accept the replacement laptop and, now completely frustrated with the constant delay, she asked for her computer and money back. Defendant Staie refused to return either her computer or her money. Ms. Monteleone threatened to call the police to get her property back. Defendant Staie became irate and the two argued until Ms. Monteleone's husband intervened via phone. After her husband spoke with defendant Staie on the phone, Ms. Monteleone left the store assured that Raleigh Geeks would call her when the new part had come in.

29. After she went another couple of weeks without hearing from Raleigh Geeks, Ms. Monteleone again called to check on her repair. It was now December 2013, almost two months since she originally brought her computer in for repair. On the phone, Ms. Monteleone was told that her LCD screen had been installed, but that in the process her motherboard had caught fire – “damaging the computer beyond repair.” Ms. Monteleone was offered a replacement laptop, which she refused in favor of a refund. Raleigh Geeks denied her refund request, claiming that they had performed the service, upon which they contracted. Frustrated, Ms. Monteleone hung up the phone and called another Raleigh Geeks location for help.

30. Ms. Monteleone reached Garrett at the Garner store, who said he was the general manager. After thirty (30) minutes of looking into the matter, Garrett told Ms. Monteleone that her computer was not damaged beyond repair, as she had just been told, and that he could have it fixed for her to pick up by 4:30 pm that afternoon.

31. That same day, Ms. Monteleone showed up at the Fuquay-Varina store to pick up her computer. When defendant Staie gave her the computer, he noted to Ms. Monteleone that she basically had a brand new computer because most of hers had been replaced. Raleigh Geeks also gave Ms. Monteleone a new AC adapter because they had misplaced her original one.

32. When Ms. Monteleone got her computer home, she noticed that it was in significantly worse condition than when she had given it to Raleigh Geeks almost two months earlier. The DC jack was loose and non-functioning, and when they plugged the computer into the wall it would spark.

33. Ms. Monteleone again called Garrett at Raleigh Geeks's Garner location to complain, and he said that they would fix the problems free of charge. Apparently aware that Ms. Monteleone had a contentious interaction with defendant Staie, Garrett told her she could take her computer to the Fuquay-Varina location, if she wanted, because Mr. Staie had been fired.

34. Based on her relationship with Garrett, Ms. Monteleone decided to take her computer to the Garner Store. On December 5, 2013, Ms. Monteleone dropped off the computer at the Garner location. Ms. Monteleone let Garrett know that she needed her computer back before she left for vacation on December 17th. Garrett told her that the repair would be easy and that it should be "no problem."

35. Though Ms. Monteleone was, yet again, promised a call after the part came in, she did not receive one. When Ms. Monteleone called Raleigh Geeks a couple of days before she was leaving, an employee told her that the part was not in, but that they would call when it was in.

36. Then on December 16th, the day before Ms. Monteleone had told Raleigh Geeks she needed her computer, she again had to call Raleigh Geeks. She was told that the part was in, but that Raleigh Geeks had not gotten to fixing her computer yet. After Ms. Monteleone expressed her frustration, she was told that the computer would be ready when she returned from vacation.

37. After over ten (10) days on vacation, Ms. Monteleone called Raleigh Geeks to check on the repair that they had promised would be completed. The employee she spoke with said that the computer was still not fixed – claiming that the DC jack Raleigh Geeks had ordered did not work and that they would need at least another seven to ten (7-10) business days to complete work.

38. After another two (2) or three (3) weeks, Ms. Monteleone called Raleigh Geeks to check on her repair again. A Raleigh Geeks employee told her that her DC jack was fixed, but now her speakers were not working and that fixing them would take more time.

39. Frustrated that her repair had now taken over three (3) months, Ms. Monteleone went to the Garner Raleigh Geeks location to speak with Garrett. After some inquiry, Garrett told Ms. Monteleone that the Raleigh Geeks employee who had worked on her computer had duct taped her speaker wires together to make it work; and that fixing it would require ordering new parts and an additional three to six (3-6) days.

40. Finally, on January 13, 2014, Ms. Monteleone went and retrieved her still unrepaired computer and told the Raleigh Geeks employee to call her when the replacement parts came in. The employee told Ms. Monteleone that those parts would be in on January 20, 2014, but she has yet to receive a call from Raleigh Geeks.

41. After retrieving her computer from Raleigh Geeks, Ms. Monteleone took it to another computer repair company, Absolute Computers, for assessment. Absolute Computers told Ms. Monteleone that her computer had a number of problems, including: the DC jack had been rigged to stay in place with wads of manila envelope, wires had been ripped from their sockets and melted, plastic had been melted, and screws that were missing or stripped. Absolute

Computers told Ms. Monteleone that, though her LCD screen had in fact been replaced, her computer was not worth fixing.

42. On January 24, 2014, Ms. Monteleone filed a consumer complaint form with the North Carolina Department of Justice. The State forwarded Ms. Monteleone's complaint to Raleigh Geeks who has not responded.

Experience of Affiant Ashley Watkins

43. On April 3, 2013, Affiant Watkins took her iPad to the Raleigh Geeks location on Glenwood Avenue to repair her cracked screen. *See* Watkins Aff., attached as Exhibit C. Ms. Watkins paid \$160.11 for the repair, and was told it would be ready within an hour, but it ended up taking two hours to complete.

44. When Ms. Watkins picked up her supposedly repaired iPad from Raleigh Geeks she noticed that the bezel, or plastic frame surrounding the iPad's screen, was damaged.

45. When Ms. Watkins went back to the Raleigh Geeks store to complain, the manager told her there was nothing he could do except put some adhesive on it. Ms. Watkins told the Raleigh Geeks employee that she wanted her iPad restored to its original condition. The employee then told Ms. Watkins that he could order another bezel, which would take two weeks. Ms. Watkins agreed and took her iPad home in the interim.

46. The very next day, April 4th, Ms. Watkins' iPad screen cracked again. Believing the crack occurred due to the bezel damaged by Raleigh Geeks during repair, Ms. Watkins took the iPad back to the Raleigh Geeks store. At the store, she was told the crack was her fault and that she would have to pay full price to replace it.

47. Believing that she should not have to pay for a repair that she attributed to Raleigh Geeks's faulty repair, Ms. Watkins protested until the Raleigh Geeks reduced the price to \$80.00. Ms. Watkins finally agreed to the repair because she needed a functional iPad.

48. A Raleigh Geeks employee, who identified himself to Ms. Watkins as the general manager, told her that the repair would take a week. The repair actually took three and a half weeks.

49. When Ms. Watkins picked up her supposedly-repaired iPad, she found that the metal casing and screen had been damaged. Ms. Watkins found that the screen was not set back into its original position, and was in fact so far out of the casing that she could see the internal workings of the iPad. When Ms. Watkins pointed out the screen problem to the Raleigh Geeks employee, he said that “they all come back a little distorted” and that she was “the only one who complained.”

50. Frustrated, Ms. Watkins refused to pay for the defective repairs. Several Raleigh Geeks employees insisted that Ms. Watkins would have to pay and threatened to call the police if she would not leave the store. When Ms. Watkins’ mother tried to speak with the Raleigh Geeks employee he screamed at her to “shut the ‘F’ up” and proceeded to call 911. While on the phone, the employee told Ms. Watkins to take her iPad and get out, which she did.

51. When Ms. Watkins got her iPad home she noticed further damage, including that the iPad could not connect to the Wi-Fi signal. Ms. Watkins took her iPad to another computer repair person to diagnose the problems. The repair person reportedly told Ms. Watkins that most of her internal components had been either damaged or replaced with old or used parts.

52. Ms. Watkins reportedly called Raleigh Geeks several times to complain about the new problems, but she was either put on hold or had her calls refused completely.

53. On April 12, 2013, Ms. Watkins filed an online consumer complaint form with the North Carolina Department of Justice. The State forwarded Ms. Watkins’ complaint to Raleigh Geeks, but it has not responded.

Experience of Affiant Leebester Cox

54. On July 22, 2013, Affiant Leebester Cox took his computer, which he could not get to display anything other than a blue screen, to the Raleigh Geeks's Garner location. *See* Cox Aff., attached as Exhibit D.

55. A Raleigh Geeks employee named Henry told Mr. Cox that his computer could be fixed for \$213.49, which would be due up front. Mr. Cox was told that if he was not satisfied with the repair, he could receive a full refund. Mr. Cox agreed to the repair, which Henry told him would take ten (10) days to complete. He was promised a call when the computer was ready.

56. After twenty-three (23) days without hearing from Raleigh Geeks, Mr. Cox stopped by Raleigh Geeks on August 15, 2013 to inquire about his computer. Henry told Mr. Cox his computer was not repaired, but that he would call Mr. Cox the next day when the computer was ready.

57. After two (2) days without a call, Mr. Cox again checked in with Henry who now claimed that the replacement part Raleigh Geeks had ordered was faulty. Mr. Cox asked for a refund and his computer back. Henry promised Mr. Cox that he would have another part expedited and the computer would be ready about nine (9) days later on August 26, 2013. Henry again promised Mr. Cox that, if the computer was not fixed, he could have a refund and his computer back.

58. When Mr. Cox went back to the Raleigh Geeks store on August 26th, Henry told him that they had received another faulty part and that his computer was not fixed. Mr. Cox requested a refund, but Henry refused. Henry referred Mr. Cox to Jeff, the manager at the Fuquay-Varina location. Jeff also denied Mr. Cox's refund request, but assured him that the computer would be fixed that day.

59. That evening Mr. Cox picked up his computer, which Henry assured him was the same one that he had brought in for repair over a month beforehand.

60. When Mr. Cox got the computer home he noticed cosmetic damage to the computer and that the serial and model numbers did not match his original computer. Mr. Cox immediately called Raleigh Geeks to protest. Henry told Mr. Cox it was not a big deal because he now had a functioning computer – explaining that when a part would not fit in Mr. Cox’s computer he just used a different computer. When Mr. Cox complained that he did not want to essentially buy a used computer, Henry told him to visit the store to switch out the parts.

61. When Mr. Cox went into the Raleigh Geeks store on August 27, 2013, Henry told Mr. Cox that that he could not fix his original computer because the part would not fit. Mr. Cox expressed to Henry that he was unhappy that his serial and model numbers did not match his original machine. Mr. Cox was not able to retrieve his computer, but only the stickers with his original serial and model numbers on them.

62. Later that evening, Mr. Cox called Jeff at the Fuquay-Varina Raleigh Geeks store to complain. Jeff again refused Mr. Cox’s request for a refund. When Mr. Cox complained that he took his computer to Raleigh Geeks to get it fixed, not swapped out, Jeff responded that there was nothing he could do because Mr. Cox had a working computer.

63. On September 3, 2014, Mr. Cox filed an online consumer complaint form with the North Carolina Department of Justice. The State forwarded Mr. Cox’s complaint to Raleigh Geeks, but it has not responded.

RALEIGH GEEKS’S UNFAIR AND DECEPTIVE TRADE PRACTICES

64. As exemplified above, and further alleged below, Raleigh Geeks has regularly taken advantage of consumers’ lack of technical knowledge to deceive them in a number of ways, including, but not limited to misleading consumers about the amount of time it will take to

repair their machines; failing to keep consumers informed about the status of their property; failing to issue promised refunds to consumers; misleading consumers by returning different computers; providing consumers with false or misleading information about Raleigh Geeks's business and employees; failing to respond to complaints from consumers. Furthermore, Raleigh Geeks has failed to respond to the State's inquiries on these issues in a timely manner.

I. Raleigh Geeks Misleads Consumers About the Amount of Time It Will Take to Repair Their Machines

65. Consumers complain that Raleigh Geeks regularly misled them about how long it would take to complete repairs. Consumers report originally being told that a repair would be simple and take only a few days to complete, and that they would receive a call when the repair is done. After paying up front and contracting with Raleigh Geeks for repairs, consumers are strung along by Raleigh Geeks for weeks, and often months, longer than originally quoted.

66. Raleigh Geeks, on its website, advertises its ability to diagnose problems quickly: "We can take a look at your computer problem usually the same day and let you know what the computer problem actually is." <http://raleighgeeks.com/raleigh-computer-repair/>.

67. Raleigh Geeks told Affiant Boyce that her MacBook computer would be diagnosed within twenty-four (24) hours, but it ended up taking six (6) days. Boyce Aff. ¶¶ 3-4. During that time, Raleigh Geeks never tried to contact her to substantiate the additional time. Boyce Aff. ¶ 4.

68. Beyond diagnosing problems, Raleigh Geeks has taken far more time to repair items than they quote to consumers. Raleigh Geeks rarely reaches out to consumers to justify the additional time.

69. For example, Raleigh Geeks told Affiant Cox that it would take ten (10) days to fix his computer, and that they would call him when it was ready. Cox Aff. ¶ 6 (attached as

Exhibit D). Mr. Cox waited twenty-three (23) days – over twice as long as Raleigh Geeks had promised – before he stopped by the shop to inquire about the status of his repairs. Cox Aff. ¶ 7. At that time, Mr. Cox was told that his computer was not ready, but would be ready the next day. *Id.* After waiting two (2) more days, his computer still was not ready. *Id.* Raleigh Geeks then promised Mr. Cox that his repair would be completed within nine (9) days, but when he again came in after nine (9) days, it was not ready. Cox Aff. ¶ 7. Mr. Cox ended up waiting thirty-four (34) days – over three times as long as Raleigh Geeks had quote him – for his repair.

70. In another example, Raleigh Geeks told Affiant Monteleone it would take seven to ten (7-10) days to repair her computer screen, when it in fact took over a month. Monteleone Aff. ¶ 4. When she took the computer back to Raleigh Geeks to correct their own faulty repair, they told her it would be “no problem” to fix her computer within the twelve (12) days before she went on vacation. Monteleone Aff. ¶ 15. After waiting almost three times that long, Ms. Monteleone decided to retrieve her still unfixed computer. Monteleone Aff. ¶ 19. Even when she retrieved the computer, Raleigh Geeks told Ms. Monteleone they would call in seven (7) days when the replacement part came in. *Id.* Raleigh Geeks has yet to call her. *Id.*

71. Raleigh Geeks told Affiant Watkins that her iPad screen would be repaired in one week, when it in fact took Raleigh Geeks three and a half weeks to complete. Watkins Aff. ¶ 7.

72. Raleigh Geeks knew or should have known that the repairs would take them longer than they have promised consumers. Raleigh Geeks affirmatively chose not to call consumers to explain and justify the additional time.

73. Raleigh Geeks’s misrepresentations about the time to complete repairs, and failure to even contact consumers to explain and justify the additional time, were potentially

material in that consumers considered them when deciding whether or not to contract with Raleigh Geeks for the repair.

74. Raleigh Geeks's misrepresentations harmed consumers and the marketplace by giving them inaccurate information upon which to base their repair decision, as well as interfering with the enjoyment of their property should they have used a different company.

II. Raleigh Geeks Misleads Customers About the Status of Their Property

75. Raleigh Geeks misleads consumers about the status of their repairs. Raleigh Geeks regularly tells consumers that they received a faulty part and that a new one is on order. Consumers have been told that their computer is completely dead, only to later be told it can be fixed.

76. Raleigh Geeks also has misled consumers about the location of their property. When consumers have inquired about their repair, Raleigh Geeks employees have sometimes told consumers that they cannot find the machines. Several consumers were told that Raleigh Geeks could not, or would not, locate their hard drives that contained the consumers' personal information.

77. For example, Affiant Monteleone, was told that her computer was smoking, "damaged beyond repair," and "unfixable." Monteleone Aff. ¶¶ 10. But after she complained further, she was told that the computer could be fixed with less than a day's work. *Id.* ¶ 11.

78. Affiant Monteleone, and several other consumers, were told that their repairs were delayed because Raleigh Geeks had received a bad part and needed to order a new one. Monteleone Aff. ¶ 16. Affiant Cox was told this multiple times. Cox Aff. ¶¶ 5-6. Yet several of these consumers do not believe those parts were ever replaced at all. *See, e.g.,* Monteleone Aff. ¶ 20 (reporting her DC jack had likely not been replaced, as promised).

79. A separate consumer, Affiant Boyce entrusted Raleigh Geeks with her laptop computer in February 2013. Boyce Aff. ¶ 3. After tiring of dealing with Raleigh Geeks, Ms. Boyce asked them to merely return the original defective parts and laptop to her. Boyce Aff. ¶ 9. That was the last time she saw her computer. Boyce Aff. ¶ 9. In the intervening months she has contacted Raleigh Geeks numerous times to locate her computer without result. Boyce Aff. ¶¶ 10-13. In May 2013, Ms. Boyce was told by a Raleigh Geeks employee that her computer was in their warehouse, but that he did not know where their warehouse was located. Boyce Aff. ¶ 11. In June 2013, someone at Raleigh Geeks told Ms. Boyce he would go search for her computer in the warehouse, but then never called her again. Boyce Aff. ¶ 12.

80. Raleigh Geeks knew or should have known the status of the property entrusted to them by consumers for repair.

81. Raleigh Geeks's misrepresentations about consumers' property, were potentially material in that consumers considered them when deciding whether or not to continue to contract with Raleigh Geeks for the repair.

82. Raleigh Geeks's misrepresentations harmed consumers and the marketplace by interfering with the consumers' enjoyment and control over their property.

83. Raleigh Geeks has misled consumers about what they have done with the computers entrusted to them for repair in violation of the UDTPA.

III. Raleigh Geeks Fails to Actually Repair Problems and, in Many Cases, Actually Makes Them Worse

84. Many consumers leave Raleigh Geeks with their technology in worse shape than when they brought it in. In this respect, Raleigh Geeks misleads consumers in two ways. First, Raleigh Geeks fails to fix problems as promised. Secondly, Raleigh Geeks misleads customers by claiming that they have fixed the customers' problems when, in fact, they have not.

85. Raleigh Geeks touts its repair abilities on its website; “We’ve been doing this for over 15 years, and if there’s a problem with your computer, we will find it. If you want us to take care of your computer repair after talking to us and getting a free estimate, we’ve got your Raleigh computer covered!” <http://raleighgeeks.com/raleigh-computer-repair/> (accessed March 26, 2014).

86. Affiant Monteleone took her computer in to have the LCD screen replaced. Monteleone Aff. ¶ 2. Though her screen was eventually replaced, Raleigh Geeks told Ms. Monteleone that while fixing her laptop the motherboard had caught fire and the speaker system wiring had been damaged. Monteleone Aff. ¶¶ 10, 18. Having grown tired of waiting for Raleigh Geeks to fix her laptop, she retrieved her computer and took it to another computer repair company to assess the damage, which included:

The DC jack had not been replaced, as Raleigh Geeks had told me, but rather rigged by using wads of manila envelope paper to hold it in place. Absolute Computers found wires that had been ripped out from their sockets, melted wires, melted plastic which they said was from soldering, missing screws, screws too small for the holes they were in, and stripped screw holes.

Monteleone Aff. ¶ 20.

87. Raleigh Geeks specifically promotes its ability to fix Macs, promising, “we know Macs and we will solve your problem.” <http://raleighgeeks.com/apple-mac-repair/> (accessed March 26, 2014).

88. Affiant Boyce took her MacBook Pro computer to Raleigh Geeks in February 2013 to fix water damage. Boyce Aff. ¶ 3. Despite paying Raleigh Geeks over \$300, and twice being told her computer was fixed, Ms. Boyce’s MacBook never worked for her again. Boyce Aff. ¶¶ 6, 8.

89. Raleigh Geeks devotes an entire page on its website to its ability to repair iPads, claiming:

[w]e repair screens on all iPad models from the first generation through the current 3rd gen iPad. Raleigh Geeks can also replace all other parts on any of your iPads including volume buttons, main buttons, body switches as well as cracked cases.

<http://raleighgeeks.com/apple-mac-repair/ipad-repair/> (accessed March 26, 2014). Raleigh Geeks offers little limitation on its ability to repair iPads, noting “everything on your iPad can be replaced or repaired in our 2 convenient locations.” *Id.*

90. When Affiant Watkins took her iPad to Raleigh Geeks to have the screen fixed they damaged the bezel. Watkins Aff. ¶ 3. Ms. Watkins believes the damaged bezel caused her screen to crack again the very next day. Watkins Aff ¶ 6. When Raleigh Geeks again purported to have fixed Ms. Watkins’ iPad, the screen and metal casing were damaged to the point that the internal workings of the machine were visible. Watkins Aff ¶¶ 8, 9, 12, 13. Ms. Watkins also reported that her Wi-Fi did not work. Watkins Aff. ¶ 12.

91. Raleigh Geeks knew or should have known that they could not properly provide the repairs they have promised consumers.

92. Raleigh Geeks’s misrepresentations about its ability to complete the repairs were potentially material in that consumers considered them when deciding whether or not to contract with Raleigh Geeks for the repair.

93. Raleigh Geeks’s misrepresentations harmed consumers and the marketplace by giving them inaccurate information upon which to base their repair decision, as well as interfering with the enjoyment of their property should they have used a different company.

94. Raleigh Geeks fails to deliver the repair services advertised on their website and directly to consumers in their store, in violation of the UDTPA.

IV. Raleigh Geeks Fails to Issue Promised Refunds to Consumers

95. Raleigh Geeks promises refunds if consumers are unsatisfied with their repairs. On information and belief, that refund promise is touted to consumers by Raleigh Geeks's employees and is included on receipts issued to consumers.

96. In reality, consumers do not receive refunds from Raleigh Geeks when they seek them. Instead of getting their money back, consumers are ignored, berated, plied with inferior replacement machines, and generally misled.

97. By way of example, when Affiant Boyce asked for a refund for unsatisfactory work performed on her laptop, a Raleigh Geeks employee took both her laptop and her receipts under the guise of seeking approval for a refund. Boyce Aff. ¶ 9. Ms. Boyce has never seen her laptop or receipts again. *Id.* Ms. Boyce also did not receive the promised refund. *Id.*

98. In another example, in July 2013, Affiant Cox took his computer to Raleigh Geeks and was promised that it could be repaired or he would receive a refund. Cox Aff. ¶ 2. A month later in August 2013, when Mr. Cox inquired about his computer, he was again assured that it would be repaired expediently or that he would get a refund and his computer back. Cox Aff. ¶ 5. After Mr. Cox was given a different computer, rather than a repair, Raleigh Geeks completely denied him a refund. Cox Aff. ¶¶ 10, 15.

99. In September 2013, when Affiant Pierce asked for a refund after Raleigh Geeks was unable to rid his computer of the popups, malware, and viruses that caused him to seek Raleigh Geeks's services, Mr. Pierce and his wife requested a refund. Pierce Aff. ¶ 7, attached as Exhibit E. Raleigh Geeks refused to give him a refund, and instead offered him what he believed to be a used computer. Pierce Aff. ¶ 7. That used computer not only had other people's data on its hard drive, but also significant problems that required him to go back into the Raleigh Geeks store for repair. Pierce Aff. ¶¶ 9, 13.

100. Raleigh Geeks knew or should have known that some consumers would request refunds for unsatisfactory work.

101. Raleigh Geeks's misrepresentations about the availability of a full refund in the event of unsatisfactory repairs were potentially material in that consumers relied on them when deciding whether or not to contract with Raleigh Geeks for the repair.

102. Raleigh Geeks's misrepresentations harmed consumers and the marketplace by giving them inaccurate information upon which to base their repair decision.

103. Raleigh Geeks fails to deliver refunds they promise dissatisfied consumers in their store and on their receipts, in violation of the UDTPA.

V. Raleigh Geeks Has Misled Consumers By Returning Different Computers

104. Raleigh Geeks purposefully deceives consumers by returning the wrong computer to them. According to those consumers, Raleigh Geeks claims that they were returning the computer the consumer originally entrusted to them for repair when in fact it is a completely different machine.

105. For example, when Affiant Cox asked for his computer back after Raleigh Geeks took an unreasonably long time to fix it, he was given a different computer. *See Cox Aff.* Mr. Cox noticed that when he got the computer home, it was cosmetically damaged and the serial and model numbers on the computer were incorrect. *Cox Aff.* ¶ 11. When Mr. Cox called Raleigh Geeks to complain, a Raleigh Geeks employee admitted that they had given Mr. Cox a different computer – but that it was not a big deal because Mr. Cox was given a functioning computer. *Cox Aff.* ¶¶ 12-13. When Mr. Cox asked for his old machine back, Raleigh Geeks refused, instead only giving him the stickers with the serial and model numbers off of his old machine. *Cox Aff.* ¶ 13.

106. Another consumer, Affiant Pierce, reported being given a computer that Raleigh Geeks claimed was the one that he originally brought to be cleaned of malware. Pierce Aff. ¶ 7. When a friend examined the computer Raleigh Geeks had returned to Mr. Pierce, he found that the hard drive in the computer was not Mr. Pierce's, instead containing a stranger's files – including photographs. Pierce Aff. ¶¶ 8-9.

107. In another example, Raleigh Geeks gave complainant, Naeem Sayad, the wrong model computer when he picked it up from the Apex Location after rejecting Raleigh Geeks's repair quote. Little Aff., attached as Exhibit F (attaching Sayad complaint). When Mr. Savad pointed out the difference to Raleigh Geeks, they refused to return his original machine, which Sayad valued at \$329. *Id.*

108. Raleigh Geeks knew or should have known that they were providing consumers with different machines. Raleigh Geeks affirmatively chose give consumers those different machines, and mislead the consumers to think it was their original property.

109. Raleigh Geeks's deceptions harmed consumers and the marketplace by depriving consumers of their property and interfering with the consumer's continued enjoyment of it.

110. Raleigh Geeks has violated the UDTPA by telling consumers they were returning their computers when in fact Raleigh Geeks was giving them a different computer.

VI. Raleigh Geeks Has Provided Consumers with False or Misleading Information About Their Business and Employees

111. Raleigh Geeks has given consumers false information about their business and employees. On information and belief, this is an intentional misinformation campaign meant to frustrate and confuse the consumer to the point that the consumer quits complaining.

112. Many consumers report being given false or misleading information about employees. For example, in December 2013, a Raleigh Geeks employee, Garrett, at the Garner

location, told Affiant Monteleone that defendant Staie, with whom she had been working, had been fired. Monteleone Aff. ¶ 14. Defendant Staie in fact was employed, and continues to be employed, by Raleigh Geeks.

113. Similarly, consumers report being given fake names by employees. For example, in June 2013, Affiant Boyce twice called Raleigh Geeks to receive a refund and spoke to a man named Jeff, who claimed to be a regional manager. Boyce Aff. ¶ 12. When Ms. Boyce called back later she was told that no one named Jeff worked for Raleigh Geeks. *Id.*

114. Raleigh Geeks knew or should have known that they were misleading consumers about their business. Raleigh Geeks affirmatively chose to give consumers false or misleading information.

115. Raleigh Geeks's misrepresentations about their business were potentially material in that consumers considered them when deciding whether or not to continue working with Raleigh Geeks.

116. Raleigh Geeks's misrepresentations harmed consumers and the marketplace by giving them inaccurate information upon which to base their repair decision.

117. Raleigh Geeks's misinformation has confused and frustrated consumers.

118. Raleigh Geeks has violated the UDTPA by providing consumers with false or misleading information about their business and/or employees.

VII. Raleigh Geeks's Failure to Respond to Consumers' Complaints and the State's Civil Investigative Demands

119. Since 2009, the North Carolina Department of Justice has received twenty-three (24) consumer complaints against the defendants. Little Aff. ¶ 4. The State has notified defendants of each of the complaints against them, but they have only responded to six (6) of them. *Id.*

120. In the past three years, thirty-three consumers have filed complaints against defendants with the Better Business Bureau (“BBB”). Defendants have failed to respond to any of them. As a result of the complaints and defendants’ failure to respond to them, the BBB has given Raleigh Geeks a rating of “F,” the lowest possible score.

121. On December 13, 2013, the State issued a civil investigative demand (“CID”) to Raleigh Geeks, pursuant to N.C. Gen. Stat. § 75-10, seeking certain information about their business practices. *See* Exhibit G. On that same date, Raleigh Geeks received a signed copy of that demand at its Glenwood Avenue location via certified mail – signed for by a Martin King. *Id.* Raleigh Geeks’ response to the CID was due on January 9, 2014.

122. Having not heard from Raleigh Geeks, on January 15, 2014, Special Deputy Attorney General Ward Zimmerman called Raleigh Geeks and spoke with Defendant Staie, who identified himself as the general manager. Defendant Staie claimed that he had not received the State’s first CID. The State promised to reissue the CID to him directly at the Fuquay-Varina location.

123. On January 15, 2014, the State reissued the CID and gave defendants until February 14, 2014 to respond. *See* Exhibit H. On January 17, 2014, that re-issued demand was delivered to Raleigh Geeks via certified mail and signed for by “Timothy J. Staie, Jr.” *Id.*

124. Raleigh Geeks did not respond to the investigative demand, approach the State about an extension, or in any way indicate it planned to respond until March 7, 2014 – three weeks after its response was due. On that day, defendant Staie called the North Carolina Department of Justice and claimed that he just received the CID and was prevented from responding due to the weather. The State agreed to prioritize certain responses and give him one week to respond, putting a due date of March 14th. Defendant Staie again called the State on

March 11th, asking for a two-week extension to retain counsel, to which the State gave him until March 21st. That was the last time defendant Staie contacted the State. Defendant Staie has yet to identify his counsel to the State, respond to the CID, or in any way indicate a plan to furnish the State with the requested information.

Willful Acts and Financial Harm

125. Defendants' aforesaid acts, practices, representations, and/or omissions have been knowing and willful.

126. On information and belief, defendants' aforesaid acts were committed by defendants themselves, or their actual or apparent agents or assigns operating with Defendants' authority and/or at Defendants' direction.

127. Defendants' aforesaid acts, practices, representations, and/or omissions have been in or affecting commerce in North Carolina and have had a significant negative impact thereon.

128. Because defendants have misled or deceived consumers, these consumers have suffered financial harm.

129. Because defendants have misled or deceived consumers, the marketplace has suffered financial harm.

CLAIM FOR RELIEF: VIOLATION OF THE UNFAIR AND DECEPTIVE TRADE PRACTICES ACT, N.C. GEN. STAT. § 75-1.1, et seq.

130. The State incorporates herein by reference paragraphs 10 through 129, above, and alleges further that the aforesaid acts, practices, omissions, and/or representations by defendants constitute unfair and deceptive practices in violation of N.C. Gen. Stat. § 75-1.1, *et seq.*

131. Defendants' unfair and deceptive practices include, but are not limited to:

- a. Misleading consumers about the amount of time it will take to repair their machines;

- b. Failing to keep consumers informed about the status of their property;
- c. Failing to issue promised refunds to consumers;
- d. Misleading consumers by returning different computers;
- e. Providing consumers with false or misleading information about Raleigh Geeks's business and employees;
- f. Failing to respond to complaints from consumers.

132. By their numerous misrepresentations, defendants have actually misled and deceived consumers.

133. Defendants' above alleged unfair and deceptive trade practices entitle the State to the statutory relief prayed for below.

REQUEST FOR A TEMPORARY RESTRAINING ORDER
UNDER N.C. GEN. STAT. § 75-14

134. As shown by this Complaint and the accompanying Affidavits, defendants' deceptive and illegal practices are ongoing and continue to harm the citizens of this state. The State of North Carolina therefore requests a Temporary Restraining Order, pursuant to N.C. Gen. Stat. § 75-14, so that further consumer harm and further violations of the law might be prevented.

PRAYER FOR RELIEF

WHEREFORE, the State prays the Court for the following relief:

A. That the Court issue a Temporary Restraining Order, pursuant to N.C. Gen. Stat. § 75-14, prohibiting defendants, their agents, employees, or corporate successors or assigns, and any persons acting in concert with them from:

- 1. Advertising, offering, or entering into contracts for computer repair services in North Carolina;

2. Soliciting or accepting deposits or payments from consumers for any educational or instructive product or service;

3. Collecting any further payment, directly or indirectly, from consumers related to the aforementioned business;

4. Destroying, transferring, concealing, altering, or removing from their possession or control any financial records, consumer contracts, emails, or other correspondence, business records, and other documents of defendants; or

5. Transferring, withdrawing, concealing, or encumbering any assets of defendants pending further order of the Court;

B. That, upon proper notice to defendants and within ten (10) days of the entry of the Temporary Restraining Order, a hearing be conducted to determine whether that Order, or any reasonable modification thereof, should not be continued in the form of a Preliminary Injunction pending the final adjudication of this cause, as allowed by N.C. Gen. Stat. § 75-14;

C. That defendants be required to produce the following records no later than three (3) days prior to the Preliminary Injunction hearing or within ten (10) days of entry of a Temporary Restraining Order, whichever is sooner:

1. A complete list of the corporate name, street and mailing addresses, telephone number, and the jurisdiction of incorporation of all “d/b/a’s,” affiliated entities, predecessor entities, successor entities, agents, attorneys, officers, and all other business entities acting, or purporting to act, in concert with defendants or on defendants’ behalf;

2. A complete list of the names, street and mailing addresses, and telephone numbers of every person with an ownership interest, either directly or indirectly, in defendants or associated business entities;

3. The name and address of every bank at which any of defendants maintain, and/or in the past three years have maintained, deposit, checking, or other bank accounts, and the account number for each such account;

4. A statement of the current monetary balance in each such account held by any of defendants, together with a copy of the most recent bank statement for each such account and all bank statements from the past three (3) years for each such account; and

5. A current financial statement, showing the current assets and liabilities for defendants;

D. That, pursuant to N.C. Gen. Stat. § 75-15.1, the Court cancel all contracts executed by defendants, their agents, employees, and corporate successors or assigns, and any persons acting in concert with them, in North Carolina in violation of N.C. Gen. Stat. § 75-1.1 and order defendants to make restitution of all amounts that consumers paid in reliance upon said contracts;

E. That, pursuant to N.C. Gen. Stat. § 75-14, a Permanent Injunction be entered upon final adjudication of this case to prevent defendants, their agents, employees, and corporate successors or assigns, and any person to acting in concert with them, from resuming any unfair or deceptive practices in the State;

F. That, pursuant to N.C. Gen. Stat. § 75-15.1, defendants be required to locate and return all consumers' personal property;

G. That defendants be required to pay civil penalties to the State of up to \$5,000 per violation of the Unfair and Deceptive Trade Practices Act, pursuant to N.C. Gen. Stat. § 75-15.2, and that each week that the above alleged practices persisted be deemed a separate violation, as allowed by N.C. Gen. Stat. § 75-8; and

H. That the Court award the State such other and further relief as may be just and proper.

This the 6th day of May, 2014.

STATE OF NORTH CAROLINA *ex rel.*
ROY COOPER, Attorney General

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