

<p>DISTRICT COURT, EL PASO COUNTY, COLORADO El Paso County Combined Courts 270 S Tejon St, Colorado Springs, CO 80903</p> <hr/> <p>STATE OF COLORADO, <i>ex rel.</i> PHILIP J. WEISER, ATTORNEY GENERAL</p> <p>Plaintiff,</p> <p>v.</p> <p>U.S. ATLANTIC SOLUTIONS LLC dba CHAMPION CAR WARRANTY, JACK YEDID, AND RALPH ANTEBY, individuals</p> <p>Defendants.</p>	<p>DATE FILED October 31, 2024 3:21 PM FILING ID: 73FB9221E7E19 CASE NUMBER: 2024CV32098</p> <p>▲ COURT USE ONLY ▲</p>
<p>PHILIP J. WEISER, Attorney General LAUREN DICKEY, 45773* First Assistant Attorney General ELIZABETH ATKINSON, 42811* CONOR A. KRUGER, 54111* Assistant Attorneys General KATHERINE QUINN, Law Student Extern** Ralph L. Carr Judicial Center 1300 Broadway, 7th Floor Denver, CO 80203 Telephone: (720) 508-6216 FAX: (720) 508-6040 Lauren.Dickey@coag.gov Betsy.Atkinson@coag.gov Conor.Kruger@coag.gov Katherine.Quinn@coag.gov *Counsel of Record **Appearing Pursuant to C.R.C.P. 205.7(2)(a)(i)</p>	<p>Case No. Div.:</p>
<p>COMPLAINT</p>	

Plaintiff, the State of Colorado, upon relation of Philip J. Weiser, Attorney General for the State of Colorado (“the State”), alleges as follows:

INTRODUCTION

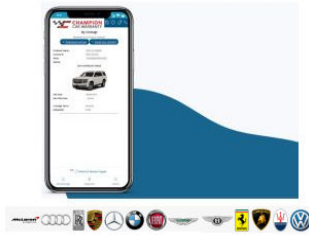
1. C.G. is a 73-year-old resident of Saguache, Colorado. Her husband, S.G., is 72, and a disabled veteran. Like thousands of consumers around the country, C.G. and S.G. were worried about paying for expensive car repairs. In rural Colorado, having a functioning vehicle is especially critical to the tasks of everyday life.

2. And so, C.G. and S.G. decided to be proactive. In the fall of 2023, they searched the internet for extended car warranties in Colorado that would protect them against costly repairs and came across Defendant Champion Car Warranty (“Champion”).

3. Champion tells consumers on its website’s landing page that with Champion, they can “stop worrying about unexpected car repairs.”



4. Champion assures consumers that it is “[a]ccepted by all dealerships & local mechanics nationwide,” and that it offers “24/7 roadside assistance.”



Accepted By All Dealerships & Local Mechanics Nationwide

Accepted at local repair shops and dealership nationwide. We encourage our customers to choose the repair facility that they are most familiar with.



24/7 Roadside Assistance

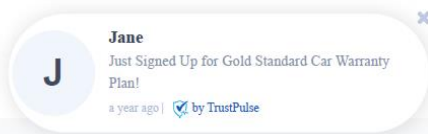
With our 24/7 roadside assistance there's no need to worry about a breakdown, we're here to help get you moving again as quickly as possible.



30-Day Money Back Guarantee

We believe in our product and the benefits of having a vehicle service contract. That's why we confidently offer a 30-day money-back guarantee.

5. And Champion tells consumers of its purported accolades and partnerships. It advertised that it is recognized in the industry as “Car Talk’s Best Extended Warranty” and that it is a member of the Vehicle Protection Association. It advertises that it has a high approval rating from thousands of customers, including five out of five stars on Google Reviews.





6. And it advertises that for every new customer, it donates to Operation Military Family, a charity benefiting veterans and their families.



7. As explained below, none of these representations are true. They are meant to lure consumers into paying premium prices for security and peace of mind, which Champion has no intention of delivering.

8. C.G. reviewed Champion’s website and decided to call the listed number. She spoke with a Champion representative, who assured her that certain items (for example, her and her husband’s truck’s “Diesel Exhaust Fluid Pump”), would be covered by the warranty.

9. C.G. was convinced. Her review of the website and conversation with a Champion representative led her to believe that coverage she would receive – and the resulting peace of mind – was worth the significant \$2,300 up-front payment.

10. And so, C.G. and S.G. bought an extended warranty, looking forward to the next seven years of coverage. But when the time came to use that warranty just over a month later, Champion rejected a claim for the exact services it had promised would be covered. When pushed on its promise, Champion offered a \$200 “courtesy check” (and later increased its offer to a \$400 courtesy check), which did not cover the cost of the needed repair, and which Champion never ultimately sent.

11. When C.G. and S.G. tried to cancel their warranty and receive a prorated refund per Champion’s terms of cancellation, Champion repeatedly ignored them. Champion never responded to their inquiries, never refunded their

warranty, never paid the cost of the covered repair, and never sent the purported “courtesy check” it had promised.

12. C.G. and S.G. were not alone. Since 2022, thousands of consumers around the country have purchased Champion extended warranties, and hundreds who have since attempted to use those warranties have complained of precisely the same conduct.

13. Champion intentionally holds itself out as a legitimate provider of extended car warranties, making promises of coverage, accessibility, reliability and trustworthiness that entice consumers into paying thousands of dollars for warranty coverage.

14. But Champion’s actual services are nothing like advertised, and its advertised affiliations and acclamations are false.

15. Champion consistently refuses promised coverage, forces consumers to pay for their own repairs or forgo those repairs entirely, ignores attempts at communication, and refuses to provide refunds.

16. When consumers attempt to call Champion, Champion employs an automated messaging system that requires consumers to wait on hold until a representative is available – only to be automatically disconnected once the consumer reaches “number one” in the queue.

17. Contrary to its advertisements, Champion has no relationship with “Car Talk” or Operation Military Family; in fact, the military charity has never received a cent from Champion.

18. Champion has failed consumers in other ways as well. As a provider of extended warranties under Colorado law, Champion is required to obtain a “motor vehicle service contract” reimbursement policy issued by an insurer or administrator. *See* C.R.S. § 42-11-101(3)(a) & C.R.S. § 42-11-101(4)(a). This type of policy ensures that consumers have recourse when a warranty provider, like Champion, fails to provide covered services.

19. Upon information and belief, Champion has not obtained this required policy, leaving consumers without recourse when Champion fails to fulfil its promises. Put simply, Champion takes the money and runs.

20. As explained below, this conduct is not an isolated occurrence for Champion’s owners and operators, Defendants Ralph Anteby and Jack Yedid. For years and continuing to this day, Defendants Anteby and Yedid have been behind

similar car warranty companies with similar complaints, including at a minimum: Patriot Car Warranty, National Car Protect, and Napa Warranty.

21. The conduct of these other warranty companies has likewise resulted in hundreds of disappointed consumers and multiple administrative actions from state insurance departments.

22. Defendants have harmed, and are continuing to harm, consumers in Colorado and nationwide through a host of unfair and deceptive trade practices in violation of the Colorado Consumer Protection Act (“CCPA”), C.R.S. § 6-1-101 *et seq.*

23. The Attorney General brings this action under the CCPA to enjoin Defendants from engaging in these unfair and deceptive trade practices and seeks judgment against Defendants in the form of restitution, disgorgement, civil penalties, attorney fees and costs, and other relief deemed necessary and appropriate by the Court.

PARTIES

24. Philip J. Weiser is the duly elected Attorney General of the State of Colorado and is authorized under C.R.S. § 6-1-103 to enforce the provisions of the CCPA. The Attorney General is also responsible for the enforcement of Title 42, Article 11, “Motor Vehicle Service Contract Insurance.” C.R.S. § 42-11-107.

25. Defendant U.S. Atlantic Solutions LLC is a Colorado limited liability company formed on October 20, 2021, with its principal office located at 2020 N. Academy Blvd, Colorado Springs, Colorado, 80909.

26. “Champion Car Warranty” is the trade name for U.S. Atlantic Solutions LLC, registered with the Colorado Secretary of State. At all times relevant to this Complaint, U.S. Atlantic Solutions has operated as Champion Car Warranty.

27. Defendant Ralph Anteby appears to be a citizen and resident of New York. Mr. Anteby is an owner and operator of Champion.

28. Mr. Anteby is responsible for Champion’s formation and its continued corporate existence. Mr. Anteby formed U.S. Atlantic Solutions LLC in October of 2021, and is the only listed member of the entity in its Articles of Organization. Mr.

Anteby also recently reinstated U.S. Atlantic Solutions LLC (after a four-day dissolution) on June 18, 2024.¹

29. Currently, Mr. Anteby is the registered agent for U.S. Atlantic Solutions. In documents filed with the Secretary of State, Mr. Anteby represents that, as registered agent, he personally maintains a street address at 2020 N. Academy Blvd., Colorado Springs, Colorado 80909 (the same street address claimed by U.S. Atlantic Solutions d/b/a Champion).

30. Under Colorado law, to serve as a registered agent, one must either have their primary residence or usual place of business in Colorado. Here, Mr. Anteby has affirmed to the State that his principal place of business is here in Colorado. C.R.S. § 7-90-701(1)(a); *see also* Champion's Articles of Reinstatement, June 18, 2024.

31. Mr. Anteby has been directly involved with Champion's day-to-day operations. For example, he interacts with consumers, including Colorado consumers, on behalf of Champion, in disputes over coverage and cancellation. Mr. Anteby has also interacted directly with payment processors on behalf of Champion to secure access to payments from consumers.

32. At all times relevant to this Complaint, acting alone or in concert with others, Mr. Anteby formulated, directed, or controlled the acts and practices of Champion, including the acts and practices set forth in this Complaint.

33. Defendant Jack Yedid also appears to reside in New York. Mr. Yedid is an owner and operator of Champion.

34. Mr. Yedid was responsible for establishing and maintaining Champion's office and operation in Colorado Springs. Mr. Yedid personally signed at least a half dozen checks from Champion to Champion's property management company, Boxer Property Management, to maintain Champion's Colorado Springs office.

35. Mr. Yedid paid the clerical company Incfile to support Champion's Colorado Springs office's operations, including accepting legal service and

¹ As a reinstated entity, the existence of the entity shall be deemed for all purposes to have continued without interruption; the entity resumes carrying on its business or conducting its activities as if dissolution had never occurred; any debt, obligation, or liability incurred by the entity or an owner or manager of the entity before or after the dissolution shall be determined as if dissolution had never occurred. C.R.S. § 7-90-1005.

forwarding mail. Mr. Yedid also paid the domain host NameCheap to establish Champion's website, which is the consumer-facing portion of Champion's business.

36. Mr. Yedid made these purchases and facilitated Champion's business operations because, among other things, he controlled Champion's funds—likely funds paid to Champion by its consumer victims—through a U.S. Atlantic Solutions debit card in his name.

37. At all times relevant to this Complaint, acting alone or in concert with others, Mr. Yedid formulated, directed, or controlled the acts and practices of Champion Car Warranty, including the acts and practices set forth in this Complaint.

JURISDICTION AND VENUE

38. This Court has jurisdiction over this action pursuant to C.R.S. §§ 6-1-103 and 6-1-110(1) to enter appropriate orders prior to and following an ultimate determination of liability.

39. The violations alleged herein occurred, in part, in Colorado Springs, Colorado. Champion also represents that its principal street address is located at 2020 N. Academy Blvd. in Colorado Springs, Colorado. Therefore, venue is proper in El Paso County, Colorado, pursuant to C.R.S. § 6-1-103 and Colo. R. Civ. P. 98.

RELEVANT TIMES

40. The conduct giving rise to the claims in this Complaint began in at least 2021 and is ongoing through the present.

41. This action is timely brought pursuant to C.R.S. § 6-1-115 because it is brought within three years of the date on which the last in a series of false, misleading, unfair and/or deceptive acts or practices occurred, and the described acts or practices are ongoing.

PUBLIC INTEREST

42. Through the unlawful deceptive trade practices alleged herein, Defendants have deceived, misled, and financially injured consumers in Colorado and across the nation. Therefore, these legal proceedings are in the public interest and are necessary to safeguard consumers from Defendants' unlawful business practices.

ALLEGATIONS

43. Through the following unlawful conduct, Defendants, in the course of their business, vocation, or occupation, have engaged, and are continuing to engage, in unfair and deceptive practices in violation of the CCPA. Defendants have, and continue to:

- Make false representations in advertising their products and services to the public;
- Promote their products and services using false affiliations with third parties; and
- Operate without a required insurance policy meant to provide recourse to consumers who purchase extended warranties.

44. Defendants have engaged in over 2,800 transactions and have made over \$2 million through their unlawful conduct.

I. Defendants make false representations regarding the benefits and characteristics of warranty plans.

A. Defendants advertise comprehensive auto warranty services.

45. Defendants hold themselves out to the public as offering “extended auto warranties,” which are types of vehicle service contracts that cover some or all costs to repair a vehicle.

46. Defendants claim that an “[e]xtended auto warranty protects you from the unexpected. When your vehicle warranty ends, it covers for costs that can arise.”

47. These service plans include financial coverage for the parts, labor, and roadside assistance that a consumer may need on their vehicle.

48. Defendants claim that “Champion Car Warranty is proud to help millions of drivers save thousands of dollars in automotive repairs.”

49. Upon information and belief, Champion does not have and has not had millions of customers nor saved consumers thousands of dollars in automotive repairs.

50. Defendants offer three different plans: a Bronze Standard, a Silver Standard, and a Gold Standard that Defendants claim is the “most comprehensive.”

51. The Gold Standard purports to cover over a dozen different parts of a vehicle including the engine, transmission, cooling system, brake system, and electrical system.

52. Defendants prominently advertise that their services are “Accepted By All Dealerships & Local Mechanics Nationwide.”

53. Defendants further claim that their services are “[a]ccepted at local repair shops and dealership (sic) nationwide. We encourage our customers to choose the repair facility that they are most familiar with.”

54. Defendants prominently advertise “24/7 Roadside Assistance” on their website.

55. The Gold, Silver, and Bronze Standards all offer “Roadside Assistance” as part of their services.

56. Defendants claim that “[w]ith our 24/7 roadside assistance there’s no need to worry about a breakdown, we’re here to help get you moving again as quickly as possible.”

57. As set forth below, each of these representations are false.

B. Defendants solicit consumers using false and misleading third-party ratings, awards, and affiliations.

58. Defendants attempt to gain consumers’ trust by making false statements about their consumer ratings, accolades, and affiliations with trusted businesses or organizations.

59. ***Consumer Reviews and Ratings.*** On the portion of the Champion website detailing Champion’s three different plans, the website prominently displays that Champion has a rating of “4.3 out of 5 stars” on “3,032” reviews. This representation has been up since May 2024.



60. There is no attribution for this “4.3 out of 5 stars” claim.

61. Champion’s ratings on the commercial review sites are far lower than 4.3 out of 5.

62. Champion’s aggregate rating on the commercial review site Yelp is 1.7 out of 5. The vast majority of these reviews are one-star reviews.

63. Champion’s aggregate rating on the commercial review site Trustpilot is 2.3 out of 5. Again, the majority of these reviews are one-star reviews.

64. Champion also claims that they maintain a five-star rating from Google Customer Reviews.



65. But Champion does not have *any* Google Customer Reviews, much less a five-star rating.

66. The Attorney General is aware of hundreds of complaints filed against Champion across various platforms. In complaints filed with state and federal regulators, as well as commercial platforms, consumers described Champion as “predatory,” “fraudulent,” and “a scam”:

This company is a complete fraud. Do not use them. They will take your money and run so if you want to throw your money away give it to a charity instead. Paid for the car warranty and have submitted 2 claims for payment but no response to date.

I also bought the warranty. Got in to a car accident and the car was totaled! After just 4-5 months. Trying to get a refund. Multiple emails and 30+ calls..... no answers.

*I followed the procedure and filled out the cancellation request March 26. I still have not had my credit refunded. I've sent 5 requests. Their phone numbers put you on hold for ages then drop the call. SCAM.*²

67. **False Accolades.** Defendants also make false statements about receiving accolades from trusted third-party entities.

68. For example, Champion falsely claims it was awarded “Best Extended Warranty” by the automotive radio program and website, Car Talk.³

69. But Car Talk does not, and has not, endorsed or recommended Champion.

70. Car Talk has never reviewed Champion for purposes of considering an endorsement or award.

71. Car Talk has not given any “award,” of any kind, to Champion.

72. **False Affiliations.** Defendants falsely claim affiliations with third-party entities to exploit consumers’ trust in legitimate businesses and induce consumers into purchasing their services.

73. For example, Champion falsely claims that it is a member of the Vehicle Protection Association (the “VPA”).

74. Champion displays the VPA’s logo on its website along with the word “Member.”



75. Champion is not currently, nor has it ever, been a member of the VPA.

² Sampling of three different consumer complaints.

³ Upon information and belief, the Car Talk representation appeared on Champion’s site from November 2023 to September 2024. Upon information and belief, Champion received a Cease and Desist letter from Car Talk in September 2024.

76. Defendants also claim that “[f]or every new sign up we will make a donation to Operation Military Family.”

77. The Operation Military Family logo is displayed on the website with a large American flag background.

78. Defendants do not have and have never had a partnership with Operation Military Family.

79. Defendants do not have a recurrent donation program with Operation Military Family.

80. Champion once gave a check for \$100 to Operation Military Family in June of 2023.

81. That check bounced.

82. Champion did not provide a valid check even after Operation Military Family attempted to contact Champion and notify it that the check had been declined.

83. Champion has never given any amount of money to Operation Military Family.

84. Champion falsely claims that it donates to Operation Military Family “for every new sign up” to persuade customers that Champion is a patriotic corporate citizen, and to give consumers a charitable incentive to purchase its extended warranty services.

85. Both Mr. Yedid and Mr. Anteby were principal participants in Champion’s organization and establishment in Colorado Springs, as well as the operations of Champion’s office in Colorado Springs after it was created.

86. Colorado Springs is home to five military installations in addition to the National Guard. The city is home to approximately 45,000 active-duty military, Guard, and Reserves, and approximately 90,000 veterans and retirees.

87. Upon information and belief, Defendants selected Colorado Springs as Champion’s principal address and falsely advertised its support of the military to appeal to current or former military members in Colorado. Defendants targeted Colorado consumers by purporting to support a military charity and told at least one Colorado consumer (who was himself a veteran) that Champion had “served the veteran community for decades.” Again, these representations were false.

C. Defendants refuse to provide the services they promise.

88. As explained above, to induce consumers into purchasing an extended warranty, Champion made promises to consumers regarding the nature and quality of its services and the specific types of repairs that its warranties cover.

89. But Champion consistently failed to provide the services it advertised both on its website and through its sales representatives, instead leaving consumers thousands of dollars out of pocket for the warranty in addition to the repair bills themselves.

90. When Champion refused to pay for covered expenses, consumers attempt to contact Champion for assistance or explanation.

91. Champion's response is often no response. Once it has consumers' money, Champion becomes extremely difficult or impossible to reach.

92. For example, to access the claims department for covered repairs or to access 24/7 roadside coverage, Champion directs consumers to call Champion at two telephone numbers displayed on the website.

93. First, at the top of Champion's homepage, Defendants display the phone number 833-904-0801. This number offers options for consumers to receive quotes and to make claims, and an option for auto shops to submit a claim.

94. When consumers or auto body shops call this number, frequently, no Champion representative answers the phone.

95. The State's own investigator repeatedly called this phone number, and no Champion representative answered. When the State's investigator called the number, regardless of what menu option he selected, each option led to the same result: the recorded menu options repeated twice, and after the second time, a voice said "Goodbye" and disconnected the call.

96. Second, in the footer of Champion's homepage and under the "Claims/Service" interior page, Defendants display the "Claims & Service" number 833-465-2122.

97. When the State's investigator called this number, the recorded message said to wait while the call was connected. The recorded message repeatedly said, "you are number one, thank you for holding." The call was then disconnected after the message was repeated for several minutes.

98. Consumer complaints show that consumers had the same experience as the State’s investigator: they were unable to obtain the benefit of Champion’s advertised 24/7 Roadside Assistance because they could not reach any Champion representatives.

99. Consumers were likewise unable to obtain the benefit of the services they contracted for because they were unable to reach any Champion representatives.

100. On the occasions where consumers *were* been able to reach a Champion representative, Champion consistently refused to honor consumers’ contracts and refuses to pay for covered expenses. At most, Champion may offer to send a small “courtesy check” to a consumer – but then fails to actually send the check.

101. Champions actions are both knowing and reckless. Consumer complaints about Champion’s conduct are ubiquitous and demonstrate an intentional pattern of conduct by Champion. And as set forth below in Section III, *infra*, this is not Defendants’ first or only time operating a problematic car warranty company.

II. Defendants offer motor vehicle service contracts without complying with the provisions of Title 42, Article 11.

102. The extended warranties that Champion issues, sells, and offers to sell, constitute “motor vehicle service contracts” as defined by C.R.S. § 42-11-101(3)(a).

103. Under C.R.S. § 42-11-101(3)(a), a “motor vehicle service contract” is defined, in part, as: “a contract or agreement between a provider and a service contract holder, which contract or agreement is given for consideration over and above the lease or purchase price of a motor vehicle and obligates the provider to perform or provide repair or replacement service, or indemnification for that service, for the operational or structural failure of a motor vehicle due to a defect in materials or skill of work or normal wear and tear.”

104. The statute goes on to provide a non-exhaustive list of services that may be provided for in a motor vehicle service contract. C.R.S. § 42-11-101(3)(a)(I)-(V).

105. In this case, Defendants offered a service that they describe as an “Extended Service Contract.”

106. The Extended Service Contract is a contract between Champion and consumers, who are the “service contract holders.”

107. Consumers pay Defendants hundreds or thousands of dollars in consideration for the services and vehicle coverage promised in Champion’s contract.

108. Champion’s contract obligates Defendants to perform or provide repair or replacement service for the operational or structural failure of a motor vehicle due to a defect in materials or skill of work.

109. Champion defines a “Repair Cost” as “the part and labor expense, if applicable, necessary to repair or replace a properly maintained covered part due to the Breakdown.”

110. Champion defines a “Breakdown” as “the inability of a properly maintained Covered Part to perform the function for which it was designed, due to defects in materials or workmanship.”

111. Champion also represents that, for a Covered Repair claim, it will pay “the repair shop the component replacement labor time as determined in Nationally recognized service repair labor guide e.g. (Mitchell 1 ProDemand) multiplied by the repair shop’s ‘Posted/Invoiced’ hourly labor rate not to exceed \$125.00 per hour.”

112. Champion also offers services, via its contract, similar to those in the non-exhaustive list of services set forth in C.R.S. § 42-11-101(3)(a)(I-III). *See* C.R.S. § 42-11-101(3)(a)(IV) (including in definition of “motor vehicle service contract” “[o]ther services that are similar to the services listed in this paragraph (a).”).

113. Champion also offers, in its contracts, to repair or replace auto parts such as brakes, transmissions, and suspensions.

114. The services listed in C.R.S. § 42-11-101(3)(a)(I-IV) as being encompassed within “motor vehicle service contracts” include repairing and replacing auto parts such as tires, wheels, or windshields.

115. As Champion offers services similar to those in the non-exhaustive list enumerated in C.R.S. § 42-11-101(3)(a)(I-IV), it satisfies the catchall set forth in C.R.S. § 42-11-101(3)(a)(V), in addition to comporting with the definition of “[m]otor vehicle service contract” in C.R.S. § 42-11-101(3)(a).

116. Additionally, Champion itself is a “motor vehicle service contract provider” under C.R.S. § 42-11-101(4)(a).

117. Per the statute, a “[m]otor vehicle service contract provider’ or ‘provider’ means a person who, in connection with a motor vehicle service contract: (I) Incurs the obligations and liabilities to the service contract holder as set forth in the contract; and (II) Issues, makes, provides, sells, or offers to sell the contract.” C.R.S. § 42-11-101(4)(a).

118. In this case, Champion incurs the obligation to pay the repair costs for covered repairs to the consumer service contract holder, as set forth in its Extended Service Contract. C.R.S. § 42-11-101(4)(a)(I).

119. Champion issues, sells, and offers to sell the Extended Service Contract over the phone and through its website: www.championcarwarranty.com/. C.R.S. § 42-11-101(4)(a)(II).

120. As a motor vehicle service contract provider, Champion must be insured under a motor vehicle service contract reimbursement insurance policy issued by an insurer or administrator authorized to do business in this state. C.R.S. § 42-11-102.

121. As a motor vehicle service contract, Champion’s Extended Service Contract must state that the obligations of the provider to the service contract holder are guaranteed under a service contract reimbursement policy, and conspicuously state the name and address of the issuer of the reimbursement policy, the applicable policy number, and how a service contract holder may file a claim under the policy. C.R.S. § 42-11-104.

122. Champion’s Extended Service Contract does not state that the obligations of the provider to the service contract holder are guaranteed under a service contract reimbursement policy, nor does it conspicuously state the name and address of the issuer of the reimbursement policy, the applicable policy number, or how a service contract holder may file a claim under the policy. C.R.S. § 42-11-104.

123. Champion Extended Service Contracts submitted by consumers do not contain the language required by C.R.S. § 42-11-104.

124. Instead of including the required insurance disclaimer, Defendants state the following in the contract:

X. OBLIGATIONS - OUR obligations as the provider under this EXTENDED SERVICE CONTRACT are backed by the full faith and credit of CHAMPION CAR WARRANTY. If we fail to settle a claim presented to us by the purchaser of this program, you are entitled to a claim against us after sixty days of receiving proof of loss or damage. We remind you that this Vehicle

Service Program agreement is not a contract of insurance or an insurance policy.

125. Consumers have experienced that the “full faith and credit” of Champion has been worthless – Defendants do not so much as answer the phone for consumers.

126. Upon information and belief, not only does Champion fail to include the required insurance disclaimer in its contracts, Champion is also not insured under a motor vehicle service contract reimbursement insurance policy issued by an insurer or administrator authorized to do business in this state.

127. Champion’s failure to comply with the provisions of Title 42, Article 11 in the course of its business, is a deceptive trade practice and is subject to the provisions of the “Colorado Consumer Protection Act”, article 1 of title 6, C.R.S. C.R.S. § 42-11-106.

III. Defendants have a pattern of engaging in unfair and deceptive trade practices through car warranty companies.

128. Defendants Anteby and Yedid have operated and continue to operate dubious car warranty companies not just in Colorado, but around the country. These other car warranty companies have prompted consumer complaints, Better Business Bureau warnings, and state-level enforcement actions. The Attorney General has identified at least three such companies to date.

129. According to documents filed with the South Dakota Secretary of State, Defendant Yedid is a Principal of Advanced Resources LLC doing business as Patriot Warranty. Mr. Yedid has been involved with Patriot since at least January 2020.

130. Patriot Warranty’s website is <https://patriotwarranty.com/>

131. Patriot Warranty has an F rating from the Better Business Bureau and an average customer rating of 1.01 stars out of 5.

132. The Better Business Bureau issued the following alert for Patriot Warranty:

BBB files indicate that this business has a pattern of complaints concerning poor customer service and a lack of refund. Consumers are alleging that they are unable to reach a business representative regarding their policy and failure by the business to fulfill refunds when they cannot file a claim because the business has not responded. BBB has made attempts to contact

the business, requesting that they address the alleged pattern of complaints. The business has failed to respond to the BBB.

133. The Colorado Attorney General has received multiple complaints from Colorado-based consumers who purchased Patriot Warranty's extended warranty products and services, including one from just last year:

They are still actively soliciting their auto extended warranties, now focusing on individual states. The website address is:
<https://patriotwarranty.com/state/colorado/extended-auto-warranty>. I tried to submit a warranty claim on my lost \$2700.00 contract, and as in the past, no human is available to speak to, and one is directed to leave a message and they will get back to you, which they never do. Meanwhile, they continue to offer their worthless warranties to the unsuspecting public, and the consumer complaints online of money paid and lost, continue! Seems they are now using a new phone number? This is now directed to Colorado residents!

134. Even today, Patriot Warranty maintains a Colorado-specific webpage soliciting Colorado consumers to purchase its services.

Top (A+) Rated Extended Warranty In Colorado

Patriot Warranty Says Hello! To Colorado a "Colorful, Highest, Rocky Mountain, Silver, Ski, Lead and Mother of Rivers state:

...

It is a fact that roads in high altitude cities and that too in the cold regions take its toll on overall car performance. You need frequent oil changes, battery replacements and tire rotations. According to a survey conducted by Patriot Warranty a person spends \$1000-\$2000 on repair and maintenance of vehicle every year (excluding major replacements like an engine). We will cut this repair cost by proving you an affordable extended auto warranty.

135. On March 16, 2023, the State of Arizona Department of Insurance and Financial Institutions issued an Order to Cease and Desist to Patriot Warranty for unlawfully offering and issuing service contracts in the State of Arizona without obtaining a service company permit.

136. On June 14, 2023, the State of Maine Bureau of Insurance filed an enforcement action against Patriot for acting as an unregistered service contract provider and wrongfully denying a consumer's claim. On November 8, 2023, the

Acting Superintendent of Insurance issued an Order requiring Patriot to pay \$50,000 in civil penalties and \$8,081 in consumer restitution.

137. Defendant Anteby is the Principal of United Atlantic Solutions LLC, an entity formed in Nevada, doing business as National Car Protect. Anteby founded National Car Protect in October of 2023.

138. National Car Protect's website is <https://nationalcarprotect.com/>

139. National Car Protect's website is identical in multiple respects to Champion's. It makes the same representations and promises, and advertises the same false affiliations. Of note, National Car Protect makes the same false claims regarding donations to Operation Military Family as Champion. National Car Protect claims a principal address in Las Vegas, Nevada, which is 8 miles from Nevada's largest military base.

140. Since Defendants established National Car Protect approximately one year ago, it has seen a surge in consumer complaints, just like Champion. These consumers, like Champion's consumers, are suffering losses based on Defendants' apparently false representations with no recourse.

141. Recent consumer reviews of National Car Protect have indicated that – as with Champion – National Car Protect takes consumers' money, fails to provide covered services, and ignores attempts at contact.

142. Finally, Defendant Anteby is also the Principal of United Atlantic Solutions LCC, doing business as Napa Warranty. Mr. Anteby has been involved with Napa Warranty since October 2023.

143. Napa Warranty's website is www.napawarranty.com/

144. Again, Napa Warranty's website contains many of the same images and suspicious representations as Champion. And once again, recent consumer reviews of Napa Warranty say that consumers are unable to obtain the coverage they paid for or reach Napa Warranty representatives with respect to the warranties they purchased.

145. In sum, Defendants' conduct with respect to Champion is just one part of Defendants' larger, intentional pattern of establishing car warranty companies and using those companies to engage in unfair and deceptive trade practices.

146. As part of this scheme, through their use of the Colorado LLC Champion Car Warranty, Defendants specifically targeted consumers in Colorado and nationwide with false and deceptive advertising. As one Colorado consumer

recently explained in a complaint submitted to the Attorney General's office, "I chose Champion Auto since they were a State company. And felt better about that and the additional coverage offered. However, they took my money and disappeared."

147. Defendants' deceptive conduct has harmed consumers both in Colorado and nationwide.

PLAINTIFF'S CLAIMS

FIRST CLAIM FOR RELIEF

(Either knowingly or recklessly makes a false representation as to affiliation, connection, or association with or certification by another; C.R.S. § 6-1-105(1)(c))

148. Plaintiff incorporates by reference all allegations set forth above.

149. Defendants have violated, and are violating, C.R.S. § 6-1-105(1)(c) by falsely displaying connections with Car Talk, Google Reviews, the Vehicle Protection Association, and Operation Military Family.

150. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

SECOND CLAIM FOR RELIEF

(Either knowingly or recklessly makes a false representation as to the characteristics, or benefits, of services; C.R.S. § 6-1-105(1)(e)).

151. Plaintiff incorporates by reference all allegations set forth above.

152. Defendants have violated, and are violating, C.R.S. § 6-1-105(1)(e) by making false representations as to the characteristics and benefits of their services.

153. Defendants falsely claim that the services are "[a]ccepted By All Dealerships & Local Mechanics Nationwide."

154. Defendants falsely claim that their services come with the benefit of "24/7 Roadside Assistance."

155. Defendants falsely claim that their "extended warranty will ensure that any unexpected costs are covered by your insurance policy."

156. If consumers knew that Champion is not widely accepted as it represents, and that Champion will not provide the contracted-for services, consumers would not pay Champion for extended vehicle warranties.

157. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

THIRD CLAIM FOR RELIEF

(Advertises goods, services, or property with intent not to sell them as advertised as defined in section C.R.S. § 6-1-105(1)(i))

158. Plaintiff incorporates by reference all allegations set forth above.

159. Defendants have violated, and are violating, C.R.S. § 6-1-105(1)(i) by advertising their services with the intent to not sell them as advertised.

160. Defendants advertise that their extended warranties cover a wide range of vehicle issues, that Champion is “accepted by all dealerships and local mechanics nationwide,” and that it will provide “24/7 roadside assistance.”

161. But Defendants knew, and know, that Champion will not provide the advertised services to consumers.

162. If consumers knew that Champion is not widely accepted as it represents, and that Champion will not provide the contracted-for services, consumers would not pay Champion for extended vehicle warranties.

163. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

FOURTH CLAIM FOR RELIEF

(Fails, in connection with the issuing, making, providing, selling, or offering to sell of a motor vehicle service contract, to comply with the provisions of article 11 of title 42, CRS; C.R.S. § 6-1-105(1)(aa)).

164. Plaintiff incorporates by reference all allegations set forth above.

165. Defendants are “motor vehicle services providers” who offer “motor vehicle services contracts” to consumers in the course of their business. *See* C.R.S. § 42-11-101(3) & (4).

166. Defendants fail to make the required disclosure to consumers that “the obligations of the provider to the service contract holder are guaranteed under a service contract reimbursement policy,” nor do they “state[] the name and address of the issuer of the reimbursement policy, the applicable policy number, and the means by which a service contract holder may file a claim under the policy.” C.R.S. § 42-11-104 (stating that “[a] motor vehicle service contract shall not be issued, made, provided, sold, or offered for sale in this state unless the contract conspicuously” makes these specific disclosures).

167. By failing to disclose the required service contract reimbursement policy, Defendants have failed to comply with the provisions of C.R.S. § 42-11-104.

168. Upon information and belief, in addition to failing to make the required disclosures, Champion has also failed to obtain a reimbursement insurance policy issued by an insurer or administrator authorized to do business in this state.

169. Defendants’ failure to comply with article 11 in the course of their business is a is a deceptive trade practice under the CCPA. C.R.S. § 42-11-106.

170. Defendants have also violated CCPA provision C.R.S. § 6-1-105(1)(aa) by failing, in connection with the issuing, making, providing, selling, or offering to sell of a motor vehicle service contract, to comply with the provisions of article 11 of title 42, C.R.S.

171. By means of the above-described unlawful deceptive trade practices, Defendants have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

RELIEF REQUESTED

WHEREFORE, Plaintiff prays for judgment against the Defendants and the following relief:

A. An order declaring Defendant’s above-described conduct to be in violation of the Colorado Consumer Protection Act, C.R.S. §§ 6-1-105(1)(aa), (e), (c), (i) and § 42-11-104.

B. An order permanently enjoining Defendants, their officers, directors, successors, assignees, agents, employees, and anyone in active concert or participation with any Defendant with notice of such injunctive orders, from engaging in any deceptive trade practice as defined in and proscribed by the CCPA, and as set forth in this Complaint.

- C. Additional appropriate orders necessary to prevent Defendants' continued or future deceptive trade practices.
- D. A judgment in an amount to be determined at trial for restitution, unjust enrichment, or other equitable relief pursuant to C.R.S. § 6-1-110(1).
- E. An order requiring Defendants to forfeit and pay to the General Fund of the State of Colorado civil penalties in an amount not to exceed \$20,000 per violation pursuant to C.R.S. § 6-1-112(1)(a), or \$50,000 per violation pursuant to C.R.S. § 6-1-112(1)(c).
- F. An order requiring Defendants to pay the costs and expenses of this action incurred by the Attorney General, including, but not limited to, Plaintiff's attorney fees, pursuant to C.R.S. § 6-1-113(4).
- G. An order finding the Defendants were unjustly enriched by their conduct.
- H. Any such further orders as the Court may deem just and proper to effectuate the purposes of the CCPA.

Respectfully submitted this 31st day of October, 2024.

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