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SAN MATEO COUNTY

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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN MATEO

THE PEOPLE OF THE STATE OF CALIFORNIA, **Plaintiff,** **v.** **FOX RENT A CAR, INC., a California corporation; PAY LOW RENT A CAR, INC., a California corporation; MAM, HOLDING, LLC, a Nevada company; CERTIFIED AUTO BODY, INC., a California corporation; BAYPORT CAR RENTAL, INC., a California corporation; MARK (MASOUD) MIRTORABI, an individual; MIKE (MANSOUR) JABERI, an individual; and ALLEN (ALI) REZAPOUR, an individual,** **Defendants.**	CASE NO.: CIV 458851 **COMPLAINT FOR INJUNCTION, CIVIL PENALTIES, AND OTHER RELIEF** Date: November 8, 2006

Plaintiff, the People of the State of California, by Bill Lockyer, Attorney General of the State of California, and James P. Fox, District Attorney of the County of San Mateo, allege the following on information and belief:

PARTIES

1. Defendant Fox Rent A Car, Inc. is a California corporation.

2. Defendant Pay Low Rent A Car, Inc. is a California corporation. Pay Low is a franchisee of Payless Car Rental System, Inc.

3. Defendant MAM Holding, LLC is a Nevada limited liability company.

4. Defendant Certified Auto Body, Inc. is a California corporation.

5. Defendant Bayport Car Rental, Inc. is a California corporation.

6. The corporate defendants listed in paragraphs 1 through 6 may be referred to collectively in this complaint as "Fox."

7. Defendant Mark (Masoud) Mirtorabi is an individual. Mr. Mirtorabi is the president of Fox Rent A Car, Inc., and an officer of the other corporate defendants, and has controlled, managed, and directed the activities of the corporate defendants.

8. Defendant Mike (Mansour) Jaberi is an individual. Mr. Jaberi is vice-president and secretary of Fox Rent A Car, Inc., and an officer of the other corporate defendants, and has controlled, managed, and directed the activities of the corporate defendants.

9. Defendant Allen (Ali) Rezapour is an individual. Mr. Rezapour is vice-president and treasurer of Fox Rent A Car, Inc., and an officer of the other corporate defendants, and has controlled, managed, and directed the activities of the corporate defendants.

10. All references in this Complaint to any of the defendants include all of them, unless otherwise specified. Whenever reference is made in this Complaint to any act of defendants, such allegation means that each defendant acted individually and jointly with the other defendants.

11. At all relevant times, each defendant committed the act(s), caused others to commit the act(s), or permitted others to commit the act(s) alleged in this Complaint.

12. Any allegation about any acts of any corporate or other business defendant shall mean that the corporation or other business did the acts alleged through its officers, directors, employees,

agents and/or representatives while they were acting within the actual or ostensible scope of their authority.

13. The violations of law alleged in this Complaint occurred, in relevant part, in the counties of San Mateo, Los Angeles and Orange as well as elsewhere in California.

BACKGROUND

14. Defendants Fox, Mirtorabi, Jaberi and Rezapour (collectively "Defendants") are engaged in the business of renting cars to the public. Fox operates multiple offices in California, located in both the southern and northern sections of the state.

Use of Global Positioning System Technology to Assess Penalties

15. Beginning in 2004, Defendants installed global positioning system (GPS) tracking devices in certain of their vehicles offered for rental, and instituted a policy according to which renters who left the area comprising California and two neighboring states were surcharged a $50 "fee" and a $.35 penalty per mile traveled (over 100 per day) for the entirety of the rental period.

16. At least between March 2004 and December 2004, Defendants regularly assessed the $50 "fee" and $.35 per-mile penalty. These fees and penalties averaged $400 per affected customer and ranged as high as $1,875.

Forced Purchase of Insurance Coverage

17. At least until the end of August 2005, Defendants sold their customers Renter's Liability Protection (RLP) coverage, assertedly to cover damage done by the renter to third parties and their vehicles. For much of the period at issue, Defendants required each customer to purchase RLP in order to rent a car unless the renter could present written proof of his or her own liability insurance.

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CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200 (UNLAWFUL BUSINESS ACTS OR PRACTICES)

18. The People reallege and incorporate by reference paragraphs 1 through 18 of this Complaint.

19. Defendants have engaged in unfair competition as defined by California Business and Professions Code section 17200 by engaging in the following acts or practices:

a. By charging renters $50 plus $.35 per mile traveled (over 100 miles per day) for the entire rental period for driving beyond the asserted geographical restriction, in violation of Civil Code section 1671, which forbids the assessment of such liquidated damages penalties;

b. By representing or implying that consumers were required to purchase RLP coverage unless they could produce physical proof of their own liability coverage, in violation of section 1936(n) of the Civil Code, which forbids a rental company from charging any fee (beyond those enumerated in that provision) that must be paid by the renter as a condition of renting the vehicle, and further specifies that a rental company must make the purchase of any insurance or similar product optional.

c. By assessing renters for vehicle damage months after those renters returned the vehicles, when at the time the renters returned the vehicles Defendants made no mention of any damage having been done.

WHEREFORE, Plaintiff prays for judgment as follows:

1. Pursuant to Business and Professions Code section 17203, that all Defendants, their agents, employees, officers, representatives, successors, partners, assigns, and all persons acting in concert or participating with them, be permanently enjoined from violating Business and Professions Code section 17200, in connection with the violations alleged in this Complaint;

2. Pursuant to Business and Professions Code section 17206, that the Court assess a civil penalty against each Defendant for each violation of Business and Professions Code section 17200

alleged in the Complaint, as proved at trial;

3. That the People recover their costs of suit; and

4. That the Court grant such other and further relief as it may deem just and proper.

Dated: October 31, 2006

JAMES P. FOX
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CHUCK FINNEY
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